



Long Beach Transit

FY 2020 Comprehensive Annual Financial Report

A component unit of the City of Long Beach, CA
for the years ending June 30, 2020 and 2019





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A component unit of the City of Long Beach for the years ending June 30, 2020 and 2019. Long Beach, CA

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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Introduction



Introduction

December 8, 2020

Dear Long Beach Transit Board of Directors:

On behalf of Long Beach Transit (LBT or Agency), I am pleased to submit for your information and consideration the Comprehensive Annual Financial Report (CAFR) of LBT for fiscal year July 1, 2019 to June 30, 2020.

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

The accompanying basic financial statements, supplemental schedules and statistical information are the representations of the management, which bears the responsibility for its completeness and reliability based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The Independent Auditors' Report, prepared by Windes, Inc., is included, along with other necessary disclosures, to enable the reader to gain maximum understanding of the Agency's financial activities.

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

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

Reporting Entity

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

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

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

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

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

Services

LBT began operations in 1963 with fewer than 100 buses and carrying eight million boarding customers annually. LBT has grown to operate 250 buses, 10 paratransit vehicles, two catamarans and two boats that provide service to 23 million customer boardings annually across the City of Long Beach and 13 surrounding communities. LBT makes everyday life better through its dedication to connecting communities and moving people.

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

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

Fixed-Route Bus Service

LBT provides fixed-route bus service to a 100-square-mile area, which includes the cities of Long Beach, Lakewood and Signal Hill; and portions of Artesia, Bellflower, Carson, Cerritos, Compton, Downey, Hawaiian Gardens, Los Alamitos, Norwalk, Paramount and Seal Beach. This service covers 36 routes.

Of the 36 fixed routes operated by LBT, 25 transfer through 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 the Los Angeles County Metropolitan Transportation Authority (LA Metro) Metro A (Blue) Line service running between Long Beach and downtown Los Angeles. The First Street Transit Gallery provides special features such as exclusive bus lanes and traffic control equipment, enhanced bus stop amenities, customer transit shelters equipped with graphic displays, and digital monitors displaying real-time schedule information. This location is also a major transfer point for Torrance Transit, Los Angeles Department of Transportation (LADOT), Metro, and Flixbus.

All of LBT's fixed-route service fleet are low-floor and mobility-device accessible. These buses are maintained and dispatched from two facilities. Approximately half of the vehicles are stored at the central administrative, operating and maintenance facility located at 1963 E. Anaheim St. in Long Beach (LBT1). The remaining buses are assigned to a second operating and maintenance facility located at 6860 Cherry St. in North Long Beach (LBT2). Besides the buses, LBT owns a number of non-revenue vehicles used for supervisory and administrative functions and various maintenance vehicles for emergency road services and bus stop support.

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

Downtown Circulator (Passport Route)

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

The service is provided by low-floor, zero-emission battery-electric buses. The Passport fleet is stored and maintained at the central administrative, operating and maintenance facility at LBT1.

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

LBT offers Dial-A-Lift demand response paratransit service for persons with disabilities. This curb-to-curb, shared-ride service operates on a call-in basis and is provided by a private contractor. All vehicles are owned by LBT, but stored, maintained and dispatched by the contractor. In fiscal year (FY) 2020, there were 29,414 boardings on Dial-A-Lift.

Water Taxi Service (AquaBus and AquaLink)

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

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

For customers wanting to travel farther down the coast, the AquaLink vessels provide service that operates between the Queen Mary, Aquarium of the Pacific and Alamitos Bay Landing. There are two AquaLink catamarans that provide seating for up to 75 passengers per vessel.

Both AquaBus and AquaLink services are provided by a private contractor. The vessels are owned by LBT, and stored and maintained at the contractor's docking facilities. This service runs daily during the summer months. In FY 2020, LBT began including weekend services during the remainder of the year. The annual boardings for FY 2020 were 67,780.

Community Special Services

LBT provides express services to different locations and attractions throughout the year. During the summer, LBT operates the Museum Express bus service to major museums and cultural attractions in Los Angeles and Orange counties. Customers purchase tickets in advance to ride LBT's services to visit popular attractions during the months of July and August. The Museum Express offers residents who would not ordinarily use transit an opportunity to experience transit and is particularly beneficial to LBT's senior and transit-dependent customers who can rely on the service to access attractions they could not travel to on their own. LBT also provides transportation service to Dignity Health Sports Park for Los Angeles Galaxy home games through the Galaxy Express. Each year, LBT also supports the Grand Prix of Long Beach and other large-scale, special events by providing supplemental service where needed.

In 2019, LBT launched the UCLA/Westwood Commuter Express service. With six daily trips, customers can be picked up at two locations in Long Beach and transported to the UCLA/Westwood area, including the UCLA Medical Center. The popular service helps commuters avoid sitting in personal cars in traffic and serves students and employees alike.

Accomplishments and Major Initiatives

Organizational Focus

The performance of the Agency is the primary objective of the President and CEO, as he is responsible for the day-to-day operation of LBT. The five Strategic Priorities are the functional pillars of the organization and are used daily to plan, develop, monitor and measure the successful implementation of LBT's business.

LBT's Strategic Priorities are:

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

Listed on the following pages are major successful accomplishments and major initiatives addressed during the fiscal year, beginning July 2019 through June 2020, organized by Strategic Priority.

Improve Safety and Service Quality

UCLA Westwood Commuter Express (May 2020)

LBT launched a pilot commuter service between Long Beach and UCLA, called the UCLA Westwood Commuter Express in April 2019. In partnership with UCLA Transportation Services and the Westwood Business Improvement District, the 12-month pilot program was designed to transport UCLA faculty, staff, and students and individuals working in the Westwood Business Improvement District living in and around the greater Long Beach area. Included in this pilot was the benefit of providing customers a viable alternative to driving solo or in vanpools, as well as introducing LBT's services to a new audience. With the success of the pilot program, LBT's Board approved the service as permanent in May 2020.

Battery-Electric Bus (BEB) Program (Ongoing)

LBT has taken several major steps to become a sustainable transit agency by committing to converting the entire bus fleet to be 100% zero emissions by 2030. On November 7, 2019, LBT's Board of Directors authorized the President and CEO to exercise contract options for the purchase of 14 BEBs to add to its fleet. Following the authorization of the President and CEO, on June 25, 2020, LBT's Board of Directors adopted LBT's Zero-Emission Bus Rollout Plan and authorized the submission of the Plan to the California Air Resource Board. Currently LBT operates 10 BEBs. The 14 BEBs, which will be manufactured in Lancaster, California, are part of 89 buses that are eligible for replacement through 2021. LBT has also partnered with the University of Southern California (USC) METRANS Transportation Center in developing a strategic plan to achieve overall sustainability in its programs and operations over the next 8 years.

Exercise Financial Accountability

Facilities Assessment (Nov. 2019)

LBT engaged a consultant team to assist the Agency in conducting an assessment of existing infrastructure, operations and program needs. This resulted in the development of a Facility Master Plan that will formulate the foundation for the Agency's future over the next 20 years. The plan will allow the Agency to gauge its facility needs given growth of 5%, 10% and 20%.

Economic Impact Analysis (June 2020)

The Office of Economic Research, Department of Economics, from California State University, Long Beach (CSULB), prepared an analysis of LBT's economic impact on Los Angeles and Orange counties, using FY 2018 operating and capital expenditures.

The Economic Impact Analysis reported the Agency's impact of jobs, income and economic value created in the regional economy and the State of California. In California, LBT produces \$225 in economic output for every \$100 spent, and supports 178 jobs for every 100 people employed. This valuable information reflects how LBT's operations impact its internal and external stakeholders.

Foster Employee Engagement

Amendment to 401(a) Matching Contribution Plan (Sep. 2019)

In order to stay competitive in a competitive job market, recruit and retain high-performing employees, LBT amended its 401(a) Matching Contribution Plan. Participation in the 401(a) Plan is limited to full-time regular staff employees hired on or after April 1, 2011. The Agency's contribution to the 401(a) Plan is as follows: (A) a matching contribution equal to the amount of the employee's salary deferrals to the 457(b) Plan, up to a maximum of 5% of the employee's base salary, and (B) a non-elective contribution equal to 5% of the employee's base salary regardless of whether the employee make any salary deferrals to the 457(b) Plan for the plan year.

Employee Training and Engagement (Ongoing)

Under the CEO's direction, the Agency has placed an even greater emphasis on the training and engagement of its most valuable asset—its employees. Beyond annual and mandated trainings, some of the notable training opportunities included:

- Active Shooter Training
- Dale Carnegie Public Speaking Training
- De-Escalation Training for Operators
- Eno Transit Senior Executive and Transportation Mid-Manager Programs
- Leadership Long Beach
- Leadership/Management Training for Supervisors
- Online Training: Cybersecurity and Sexual Harassment

Enhance Customer Experience

Digital Engagement Pilot Program (July 2019)

LBT installed new digital signage at its LBT1 facility, near the corner of Cherry Avenue and Anaheim Street. This included a touch screen kiosk, which featured live bus tracking and enhanced customer communication. LBT piloted this technology to identify multiple ways to provide information to its customers. As part of the pilot program, customers were surveyed to gather their input and impressions of the upgraded technology.

Customer CARE Framework (Ongoing)

The Customer ‘CARE’ Framework is a set of principles, standards and guidelines to ensure a consistent experience for LBT’s customers. This program instructs the Agency’s employees to be Compassionate, Accountable, Respectful and Empowered (CARE) when engaging with customers. The intent of this program is to train the Agency’s customer care representatives on the new processes and ultimately deliver this approach to all LBT employees.

Promote Community and Industry Focus

Millikan High School Student TAP Card Pilot Program (Aug. 2019)

LBT launched a pilot program with Millikan High School to improve student access to transit passes and increase student boardings. Millikan was chosen for the pilot program as it has the highest percentage of commuter students among Long Beach Unified School District (LBUSD) high schools. The program allows students to purchase and reload 30-day student passes on campus and offers students a \$10 discount over the typical student pass (\$30 versus \$40). During orientation week, LBT distributed 1,500 free TAP cards, representing about half of the total student enrollment at Millikan. As a result of this program, LBT has seen an increase in boardings and TAP card use at Millikan as a result of the pilot program. LBT intends to expand the pilot program to other LBUSD high schools.

Mobility and Sustainability Summit (Oct. 2019)

LBT hosted its inaugural Mobility and Sustainability Summit featuring discussions about the future of sustainable transportation in the region. Panelists from CSULB; the Port of Long Beach (POLB); Long Beach Airport (LGB); LA Metro; as well as LBT, shared their respective agency’s efforts implementing sustainable solutions to local mobility challenges.

2019 Novel Coronavirus (COVID-19) Impact

In March 2020, the City of Long Beach and Los Angeles County declared a health emergency due to spread of COVID-19. In line with the declared health emergency, LBUSD suspended classes for all K-12 students. This action followed the suspension of in-person classes by CSULB and Long Beach City College (LBCC).

LBT further instituted measures to minimize the spread of COVID-19 to employees, customers and the general public, such as modifying its transit service schedule in response to the health pandemic. Regular bus service was modified to run from 6 a.m. until 9 p.m. daily and water taxi services were suspended.

LBT released a multi-faceted campaign where customers were encouraged to socially distance by skipping a seat or skipping a row. LBT prioritized the safety of its customers and employees with the implementation of rear-door boarding to minimize public contact with LBT bus operators, installed chain barriers to separate operators from customers and discontinued enforcing fares on all fixed route services. LBT also enhanced its safety procedures, including increased scheduled cleanings for LBT buses and administrative offices, requiring all employees to wear face masks, and installing sanitization stations throughout the Agency.

Boardings significantly decreased as the City of Long Beach and the state of California enacted the Safer at Home protocols, limiting all public activities and halting the operations of non-essential businesses. These protocols also led to all local schools in the Long Beach area to suspend their face-to-face instruction, thus halting a majority of LBT's ridership.

COVID-19 continues to impact the Agency's ridership and revenue, as well as the way it operates its services, but LBT stands fast in its mission of connecting communities and moving people, making everyday life better.

Key Performance Indicator (KPI) Results

One of the several methods used to monitor the Agency's performance is through Key Performance Indicators (KPIs) that track service quality, efficiency, and productivity. The KPIs support LBT's strategic priorities and each has a specific target set annually to measure progress. The KPIs also bring together cross-departmental analysts, known as Convergent Thinkers, to track, measure and analyze the Agency's performance. Convergent Thinkers are those who focus on a problem and combine information and knowledge to achieve a solution. Quarterly, these Convergent Thinkers communicate and present the performance results to evaluate trends and identify action plans for improvement. The following are examples of LBT's KPIs and selected results for FY 2020 can be found in Exhibit 10.

Successes

Improving Mean Distance Between Failures

Mean distance between failures (MDBF) is a transit industry standard that measures the mechanical reliability of the fleet. It measures the average bus miles between reportable mechanical failures, i.e. incidents preventing a revenue vehicle from completing its trip. The MDBF increased in FY 2020 from 4,071 to 4,577 miles, showing an increase in reliability of LBT's fleet. The MDBF in FY 2020 marks the highest MBDF in the last three fiscal years. LBT achieved this by completing at least 95% of all scheduled preventative maintenance routines on time.

Decreasing Preventable Accidents per 100k Platform Miles

Preventable accidents per 100k platform miles measures the safety of LBT's bus operators as they serve the community. A preventable accident is one in which the bus operator failed to do everything they reasonably could have done to avoid a collision. Monthly Safety Blitzes were held between the staff and bus operators, which promoted employee engagement. As part of the blitz activities, staff quizzed the bus operators on safety procedures. The blitzes helped to decrease the number of preventable accidents per 100k platform miles from 1.26 to 1.08. This is LBT's lowest preventable accidents per 100k platform miles in the last three fiscal years.

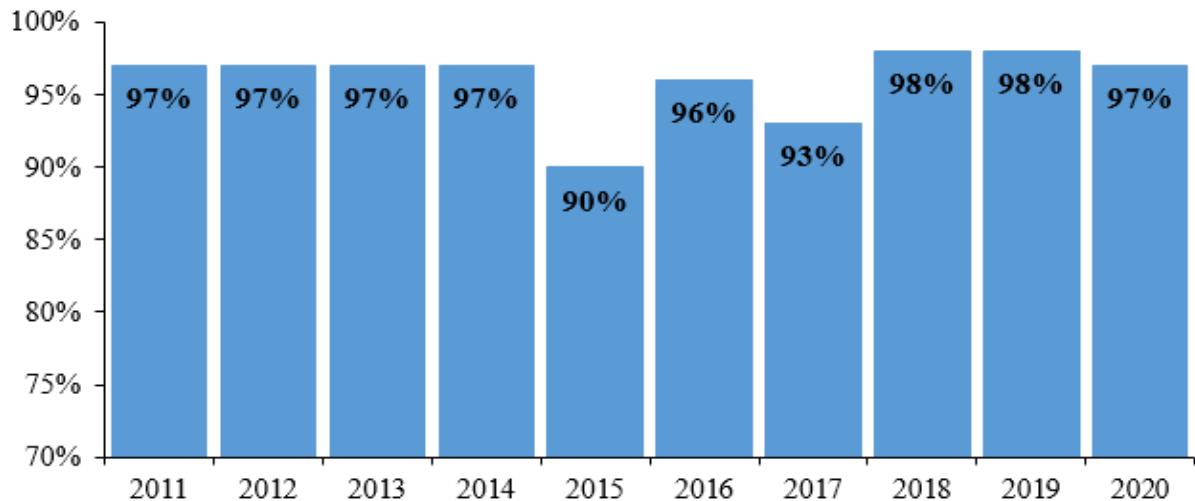
Long Beach Transit's Economic Impact

Economic impact is a new performance indicator for LBT. LBT's direct spending generates more spending indirectly, as vendors spend on their materials, services, and employee wages. Additionally, LBT's direct spending, and this indirect (vendor) spending, causes induced spending as employees spend their wages. Together direct, indirect, and induced spending produce a cumulative positive impact to the economy. Partnering with CSULB to calculate LBT's economic impact in both the City of Long Beach as well as the counties of Los Angeles and Orange, LBT is able to estimate the economic impact of the Agency's spending. In FY 2020, for every \$1.00 spent directly by LBT, \$2.23 was put into the counties' economy.

Customer Satisfaction

LBT tracks the degree of customer satisfaction with the quality of services it provides. An independent research firm is engaged annually to randomly poll customers and non-customers to measure perceptions of LBT's service quality. Results in several categories are shown in Exhibit 11 for FY 2020 and prior years. Through continuous focus on the customer experience, the overall customer satisfaction for FY 2020 was 97%.

Customer Satisfaction



Challenges

Due to the pandemic and the efforts of LBT to protect both its customers and employees, the final quarter of FY 2020 was deeply affected, causing a challenge to reach LBT's intended goals.

Increase in Unplanned Absences

An unplanned absence is when a bus operator is unexpectedly absent from work. Measuring and decreasing unplanned absences is important as excessive unplanned absences impact LBT's ability to provide customers consistent and reliable transit service. In FY 2020, unplanned absences increased from 12.6% to 14.3%. COVID-19 contributed to increased absences as some employees needed to take unplanned time off to care for themselves or for family members.

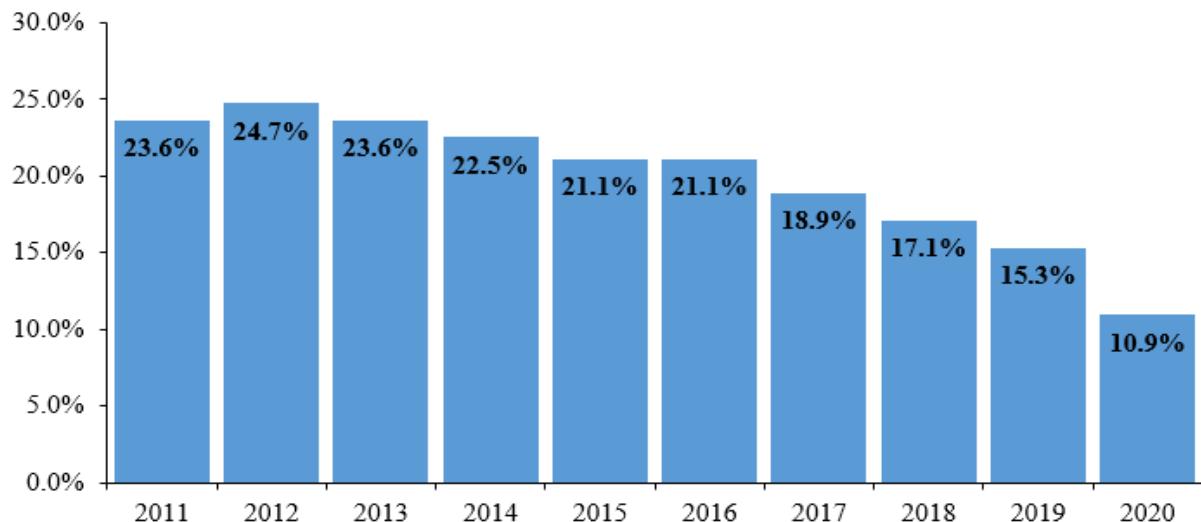
Declining Passengers per Revenue Hour

Route productivity is measured in "passengers per revenue (in-service) hour", which represents the total passengers on a route divided by the in-service time. The data may be used to determine if the level of transit service on that route is reasonably well matched with the distribution of demand throughout the day. As with many other transit systems across the county, LBT's overall passengers per revenue hour declined during FY 2020, down from 32.0 to 29.4 passengers. The decrease can be mainly attributed to the COVID-19 pandemic.

Declining Fare Recovery Ratio

Fare recovery ratio is the proportion of operating cost that is covered by fare revenue. It is calculated by dividing the total revenue obtained through passenger fares and special events by the total cost of operations. It is generally used by transit and regulatory agencies as a measure of system efficiency. Fare recovery ratio is affected by several elements, including boardings, fare levels, fare structure (discounts), service levels and operating costs. Any changes in these elements affect the fare recovery ratio. When boardings decline, there is less fare revenue, leading to the decline of the fare recovery ratio. As part of LBT's COVID-19 response initiative, LBT instituted a reduced service schedule and rear-door boarding requirements. LBT further prioritized the safety of its bus operators and customers by not enforcing fare collection, resulting in LBT's overall fare recovery ratio significantly declining from 15.3% to 10.9%.

Fare Recovery Percentage



Factors Affecting Financial Condition

General Economic Conditions

Along with much of the world, the U.S. is recovering from a pandemic-induced recession due to the impacts of COVID-19. As with the national economy, California has been deeply impacted by the pandemic and associated closures. The University of California, Los Angeles (UCLA) Anderson Forecast projects the California economy will largely track in alignment with the U.S. economy, but with higher unemployment than the nation. Leisure and hospitality will recover more slowly in California due to its dependence on domestic, as well as international tourism. California's unemployment is projected to be 5.8% at the end of calendar year 2022, which is still higher than the pre-pandemic 4% unemployment rate.

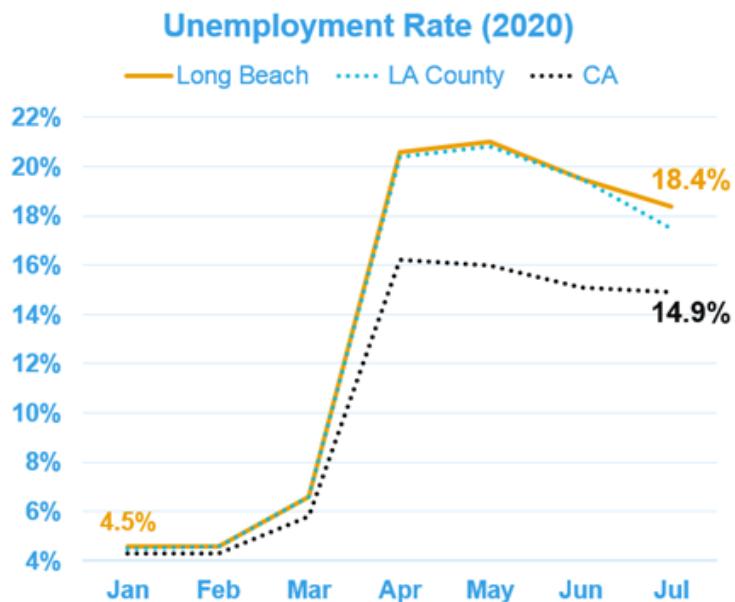
Unemployment in Los Angeles County is higher than that of the state, at over 17% as of July 2020. Sectors where employment remains below 90% of pre-pandemic levels in the County include accommodation and food services; arts, entertainment and recreation; retail trade; and other services which includes salons and personal care. Traveling to work is a common trip purpose for LBT's customers, so higher unemployment in the region negatively impacts the Agency's ridership.

Likewise, the local economy has been significantly impacted by pandemic-related closures, similar to the impacts seen across the state and nation. Long Beach had an unemployment rate of 18.4% as of July 2020, as seen in the graph on the next page. While ongoing conditions of the pandemic limit the Agency's ability to expand its workforce in the short term, local employment conditions may contribute to the Agency's capability to fill vacant positions in the future.

LBT receives subsidies from the County based on a formula allocation of sales tax revenues collected. Consumer spending in the County has fallen by 18.2% as of August 2020 compared to January 2020. While spending in some areas, like grocery shopping, has recovered or exceeded pre-pandemic levels, many sectors are still down by more than 40%. These sectors include restaurants and hotels; entertainment and recreation; and transportation and travel. If the County stays on track with the projected recovery levels in the state, it is estimated that spending will return to pre-pandemic levels in 2022 or thereafter. LBT's subsidies will therefore be impacted for years to come.

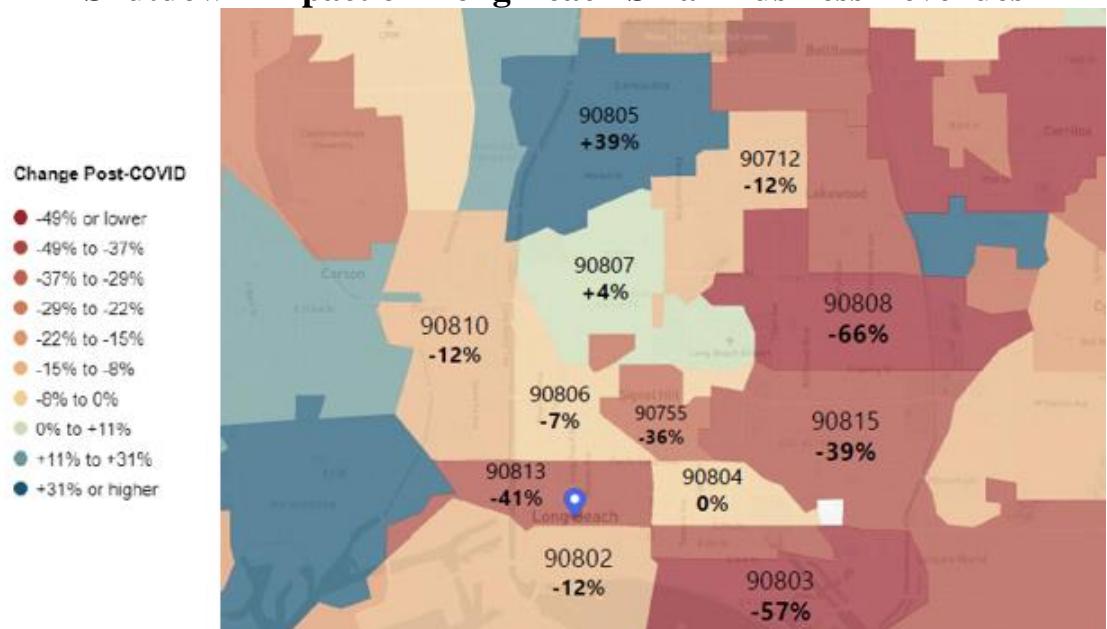
A large part of Long Beach's economy consists of small businesses and, due to the closures, the revenues of small businesses in Long Beach have declined dramatically. A majority of small businesses have seen significant revenue decreases, as indicated on the map on the next page, which highlight the changes in small business revenues by zip codes in Long Beach.

While the economy is showing signs of recovery, there are still several factors that will determine its momentum: the progression of the pandemic, when consumers and business are able and willing to return to old habits, and any further fiscal stimulus at the federal level, which are all unknown at this time.



Source: 2020 Long Beach Regional Economic Update

Shutdown Impact on Long Beach Small Business Revenues



Source: 2020 Long Beach Regional Economic Update

Financial Policies

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

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

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

LBT procures the majority of its capital assets through annual grants awarded through the Federal Transit Administration (FTA). The federal grants are allocated by region under Section 5307 of the Fixing America's Surface Transportation (FAST) Act of 2015. The six-year FAST Act was set to expire on September 30, 2020. The law was extended for one year through September 30, 2021. The one-year FAST extension will fund highways and transit programs at FY 2020 FAST Act levels. The Agency is eligible to receive Section 5307 funds based on a formula allocation. The Agency also competes for discretionary funds to support specific transit projects. As permitted by federal law, the Agency also uses these funds for preventative maintenance operating expenses.

Capital Planning Policy

LBT's capital program is a long-term planning and budget process that identifies capital funding needs in order to maintain, improve and enhance LBT's fleet, equipment and infrastructure. The projects included in the capital program are those with initial project values exceeding \$5,000 and having an estimated useful life of at least one year. The capital program is developed as a three-year, forward looking capital plan that considers the Agency's Capital Strategic Focus including:

- Improving Customer Amenities
- Rehabilitating and Maintaining Assets
- Modifying and Expanding Facilities
- Replacing and Expanding Fleet
- Upgrading Technology

Projects included annually in the Agency's capital plan are reviewed and aligned with LBT's Strategic Focus. Funding is prioritized to ensure that critical (essential) projects are addressed to facilitate meeting operational service requirements; meeting legal or liability mandates; and, ensuring the well-being of LBT employees and customers such that projects mitigate hazards or threats to health and safety.

Transit Asset Management (TAM) and State of Good Repair Policy (SGR)

In alignment with LBT's vision statement, "A leading provider of transportation options delivering innovative and high-performing services within a multi-modal network that transforms the social, environmental and economic well-being of the diverse communities we serve."

LBT is committed to keeping its assets in a state of good repair during their life-cycle, which allows LBT to fulfill its mission of: Dedicated to connecting communities and moving people...making everyday life better.

SGR is the condition in which a capital asset is able to operate at a full level of performance. This means the asset

- is able to perform its designed function;
- does not pose a known unacceptable safety risk;
- lifecycle investments have been met or recovered.

LBT will use its Enterprise Asset Management (EAM) system to manage its inventory of core assets, prioritize planned and unplanned maintenance and monitor asset performance. The results of regular asset condition assessments, the use and analysis of a decision support tool and the development of performance targets will allow LBT to track and measure the effectiveness of its maintenance program and planning.

Investment Policy

LBT's investment policy provides general investment and money management guidelines, ensuring investment compliance with state and local laws. To ensure prudent money management, priority emphasis is placed in order of safety, liquidity and return on investment. Moreover, LBT's investment portfolio requires sufficient liquidity to enable it to meet daily operating obligations.

Procurement Policy

LBT's procurement policy is established to ensure open, full and competitive participation for all vendors and suppliers. The Agency optimizes public funds by using its solicitation process through quality of services or low bids to meet its operational needs. LBT's staff has authority to procure and award goods and services up to \$100,000. Procurements exceeding that threshold must be authorized by LBT's Board of Directors.

Reserve Policy

LBT maintains a three-month operating reserve, which equates to approximately 25% of the Agency's annual operating budget. The operating reserve allows the Agency to provide continuity of operations in the event of any significant challenges such as economic downturns, acts of God, or any other catastrophic event.

Long-Term Financial Planning

LBT's long-term financial planning aligns the Agency's financial capacity with its objectives and ensures its ability to provide essential public transportation services. Long-term strategies have been developed to reduce costs, optimize efficiency and increase revenue in order to achieve long-term sustainability.

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

- Operating revenue
- Wages and collective bargaining agreements
- Benefit liabilities accumulation
- Service modifications and changes
- Fuel types and price trends
- Vendor contracts
- Capital investment expenses
- Risk mitigation
- Economic growth rates, including sales tax and Consumer Price Index

The Agency's long-term operating and capital plan helps to engender a long-range perspective for decision makers. It is a vital tool used to prepare for the future, it stimulates long-term strategic thinking and it gives guidance on LBT's financial direction, which is particularly critical in addressing the financial impacts of COVID-19.

Risk Management Policy

It is LBT's policy to be self-insured for each occurrence of workers' compensation and public liability and property damage (PL/PD) up to \$1.5 million and \$2 million, respectively. Claims in excess of \$1.5 million for workers' compensation and \$2 million for PL/PD are covered under policies in force with an insurance company. Risk retention levels for both workers' compensation and PL/PD did not change during FY 2020. However, due to a significant increase in expenses on existing PL/PD claims in FY2020, LBT's self-insured retention amount increased to \$3 million for PL/PD starting July 1, 2020.

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

Retirement Policy

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

In FY 2020, changes in the 401(a) Plan policy were ratified. The amendment mainly includes a matching employer contribution to the 401(a) Plan equal to an employee's salary deferrals to the Agency's Deferred Compensation Plan, up to a maximum of five percent of compensation, excluding overtime and bonuses, plus a non-elective contribution to the 401(a) Plan equal to five percent of compensation, excluding overtime and bonuses.

Recognition

Achievement for Excellence in Financial Reporting

For the 30th consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for excellence in Financial Reporting to LBT for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. A Certificate of Achievement is valid for a period of one year only. In order to receive the award, a governmental unit must publish an easily readable and efficiently organized CAFR in compliance with the GFOA policies, procedures and program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgements

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

Kenneth McDonald

President and
Chief Executive Officer

LISA PATTON

Executive Director/VP,
Finance and Budget

Rhea Morales

Comptroller

Jacy Bushman

Manager, Government Relations,
Capital Planning and Grant Programs

Ashley Liang

Treasurer

Jennifer Saatyian

Manager, Finance

Terry Coon

Manager, Accounting

Samantha Ulenfeldt

Budget Analyst

Irma Pamplona

Financial Analyst

James Tai

Administrative Assistant, Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

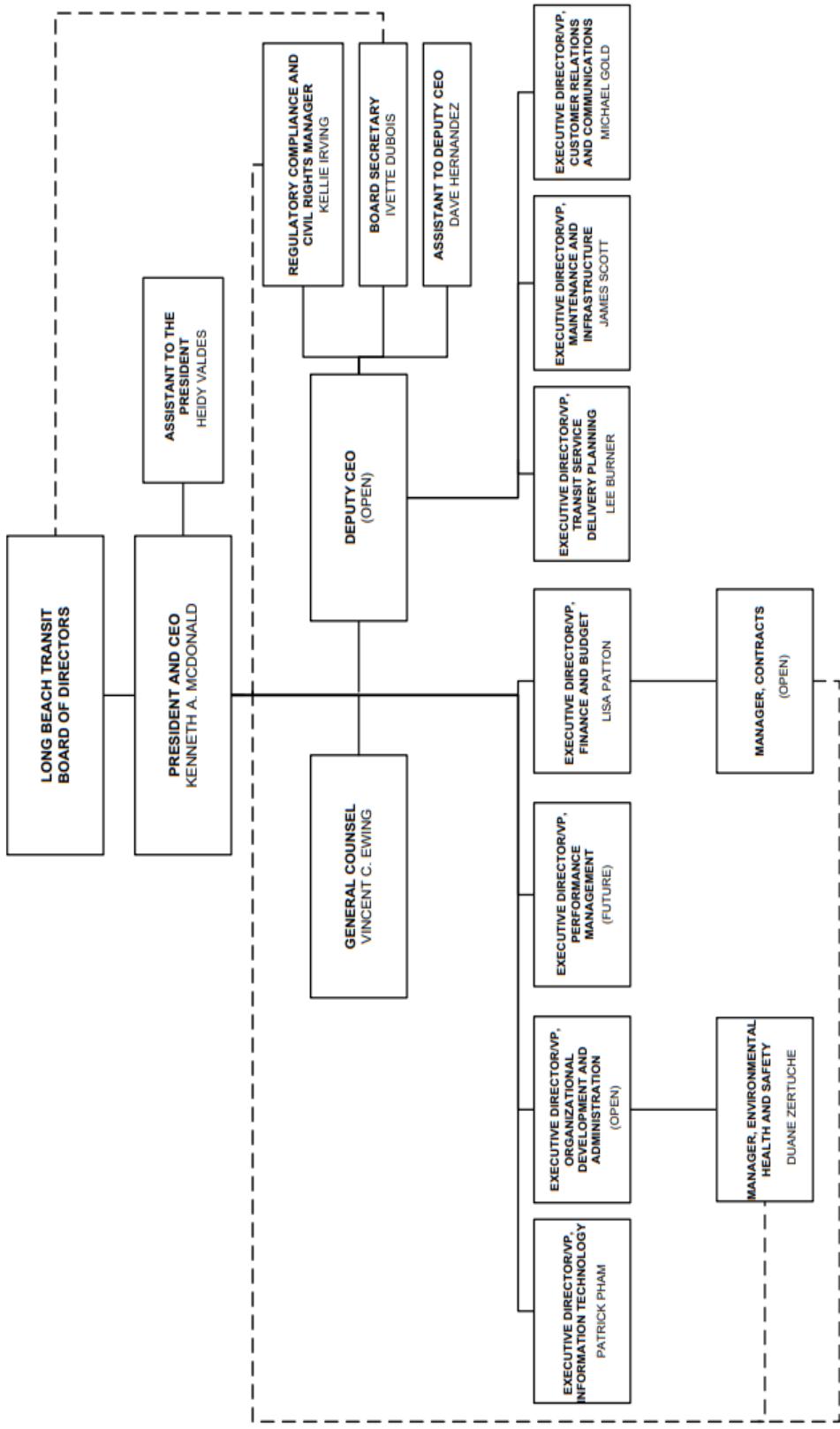
**Long Beach Transit
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



Board of Directors

Colleen Bentley	Chair of the Board
Michael Clemson	Vice Chair
Adam Carrillo	Secretary/Treasurer
Sumire Gant	Director
Jeffrey Price	Director
David Sutton	Director
Open	Director
Lea Eriksen	City Representative - Non Voting, City of Long Beach
Open	City Representative - Non Voting, City of Long Beach

Executive Leadership Team (ELT)

Kenneth A. McDonald	President and Chief Executive Officer
* Open	Deputy Chief Executive Officer
Lisa Patton	Executive Director/VP, Finance and Budget
Lee Burner	Executive Director/VP, Transit Service Delivery and Planning
James Scott	Executive Director/VP, Maintenance and Infrastructure
** Open	Executive Director/VP, Organizational Development and Administration
Patrick Pham	Executive Director/VP, Information Technology
Mike Gold	Executive Director/VP, Customer Relations and Communications

* Debra A. Johnson held the position of Deputy Chief Executive Officer during FY 2020 and vacated the position on November 2, 2020.

** LaVerne David held the position of Executive Director/VP, Organizational Development and Administration, formerly known as Executive Director/VP, Employee and Labor Relations during FY 2020 and vacated the position on June 19, 2020.

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Financial

Financial



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Long Beach Public Transportation Company

Report on the Financial Statements

We have audited the accompanying financial statements of the Long Beach Public Transportation Company (Company), a component unit of the City of Long Beach, California, which comprise the statements of net position as of June 30, 2020 and 2019, 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, 2020 and 2019, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2020 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.

A handwritten signature in cursive script that reads "Winder, Inc." The signature is written in black ink on a white background.

Long Beach, California
December 8, 2020



MD&A



Management's Discussion and Analysis

As management of Long Beach Public Transportation Company (Long Beach Transit, LBT or the Agency), we offer readers of LBT's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal years ended June 2020, 2019 and 2018. 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-xxi of this report.

FINANCIAL HIGHLIGHTS

- Passenger fares earned in FY 2020 were \$10.45 million, a decrease from \$14.17 million in FY 2019.
- Total fuel credits in FY 2020 were \$2.35 million, an increase from \$806 thousand in FY 2019.
- Subsidies for FY 2020 were \$82.03 million, an increase from \$76.15 million in FY 2019.
- Operating expenses in FY 2020 were \$115.87 million, an increase compared to \$110.50 million in FY 2019. Major increases were in wages, retirement benefits and health benefits. Adjustments to provision for claims in LBT's public liability and property damage insurance program also contributed to the increase.
- Fuel expenses in FY 2020 were \$4.10 million, a decrease from \$5.17 million in FY 2019, due to decreases in usage as well as in fuel prices.
- Capital acquisitions in FY 2020 were \$7.81 million, compared to \$4.46 million in FY 2019.
- Net position at the end of FY 2020 is \$67.01 million compared to \$77.13 million at the end of FY 2019. Total assets decreased by \$205 thousand while total liabilities increased by \$9.41 million.
- Total net pension liability increased to \$34.70 million in FY2020, compared to \$33.01 million in FY 2019. This increase of \$1.69 million consists of increases of \$110 thousand and \$1.58 million for the Salaried and Contract Plans, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Management's Discussion and Analysis (continued)

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

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

The Agency's financial statements can be found on pages 12-16 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 17-54 of this report.

FINANCIAL STATEMENT ANALYSIS

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

The Agency's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67.01 million at the close of FY 2020, a decrease from \$77.13 million at the close of FY 2019.

Long Beach Transit's Condensed Summary of Net Position			
	Year Ended		
	2020	2019	2018
Assets			
Current assets	\$ 64,349,013	\$ 57,761,863	\$ 54,397,189
Other noncurrent assets	28,184,651	27,052,581	26,183,364
Capital assets, net	83,144,218	91,068,904	102,951,120
Total assets	175,677,882	175,883,348	183,531,673
Deferred outflows of resources	14,957,584	15,468,079	16,633,112
Liabilities			
Current liabilities	66,478,825	60,112,279	56,964,118
Noncurrent liabilities	57,150,511	54,110,928	54,356,235
Total liabilities	123,629,336	114,223,207	111,320,353
Deferred inflows of resources	-	-	-
Net position			
Net investment in capital assets	83,144,218	91,068,904	102,951,120
Restricted	526,717	87,193	87,193
Unrestricted	(16,664,805)	(14,027,877)	(14,193,881)
Total net position	\$ 67,006,130	\$ 77,128,220	\$ 88,844,432

Management's Discussion and Analysis (continued)

Assets. Current assets increased to \$64.35 million in FY 2020 from \$57.76 million in FY 2019, an increase of \$6.59 million. This increase is largely due to the increase in cash and cash equivalents of \$3.32 million and accounts receivable of \$2.59 million. The increase in cash is due to an increase in deposits of funds received from FTA and STA in June 2020. Federal fuel credits of \$1.71 million make up the majority of the increase in accounts receivable. In FY 2019, current assets increased by \$3.36 million compared to FY 2018 mainly due to the collection of STA-SB1 funds of \$2.65 million.

Other noncurrent assets, which are Agency investments, increased to \$28.18 million in FY 2020 from \$27.05 million in FY 2019, which was an increase from \$26.18 million in FY 2018.

Net capital assets totaled \$83.14 million in FY 2020, compared to \$91.07 million in FY 2019, a decrease of \$7.93 million. This decrease is a result of ongoing depreciation offset by new capital acquisitions. Depreciation expenses for the year were \$15.74 million and capital acquisitions amounted to \$7.81 million. In FY 2019, net capital assets decreased by \$11.88 million compared to FY 2018. Depreciation expenses were \$16.34 million in FY 2019 and capital acquisitions amounted to \$4.46 million.

Deferred Outflows of Resources. Deferred outflows of resources decreased in FY 2020 to \$14.96 million from \$15.47 million in FY 2019, which was down from \$16.63 million in FY 2018. There were decreases of \$510 thousand and \$1.16 million in FY 2020 and FY 2019, respectively. Changes in deferred outflows are a result of the amortization of prior years' gains and losses in pension liability, as well as the value of the plan investments. More information on deferred outflows of resources can be found in note (1) and note (13) of the notes to the accompanying financial statements.

Liabilities. Total liabilities amounted to \$123.63 million in FY 2020 compared to \$114.22 million in FY 2019, an increase of \$9.41 million. The change was due in part to increases in current liabilities, including estimated liabilities on insurance claims (\$1.31 million) and subsidy deferral (\$4.46 million). The subsidy deferral represents Prop A and Measure M funding which are planned to be used in the next fiscal year.

The increase in noncurrent liabilities is mainly comprised of increases in net pension liabilities (\$1.69 million) and unearned revenue (\$1.08 million). Unearned revenue represents grants allocated for capital projects that have not yet been expended.

Total liabilities in FY 2019 increased by \$2.90 million compared to FY 2018 due to an increase in current liabilities largely in subsidy deferral and estimated liability for insurance claims.

Net Position. Total net position at the end of FY 2020 is \$67.01 million, a decrease from \$77.13 million for FY 2019. Net position is calculated as assets and deferred outflow of resources less liabilities and deferred inflow of resources. LBT's net position includes \$83.14 million invested in capital assets and \$16.66 million of unrestricted deficit. Unrestricted net position represents agency resources that have no restrictions in terms of their use. One reason for a net position shortfall is a significant noncurrent liability that is paid over time. In the case of LBT, this is the net pension liability that is funded over multiple years under the pension program. Recording the noncurrent net pension liability resulted in a deficit in the unrestricted portion of LBT's net position.

Management's Discussion and Analysis (continued)

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

	Year-Ended		
	2020	2019	2018
Operating revenues:			
Passenger fares and special events	\$ 10,692,706	\$ 14,459,643	\$ 15,067,999
Advertising	978,484	1,069,805	801,753
Other revenue	2,381,571	853,200	1,162,645
Total operating revenues	<u>14,052,761</u>	<u>16,382,648</u>	<u>17,032,397</u>
Nonoperating revenues:			
Subsidies	82,029,003	76,153,983	70,611,297
Interest income	1,848,019	1,789,816	383,488
Total nonoperating revenues	<u>83,877,022</u>	<u>77,943,799</u>	<u>70,994,785</u>
Total revenues	<u>97,929,783</u>	<u>94,326,447</u>	<u>88,027,182</u>
Operating expenses:			
Transportation	54,678,389	47,848,764	45,458,610
Maintenance	24,288,404	23,854,682	22,186,665
Administration	21,160,394	22,456,997	20,855,088
Depreciation	15,739,478	16,340,080	16,178,310
Total operating expenses	<u>115,866,665</u>	<u>110,500,523</u>	<u>104,678,673</u>
Change before capital grants	<u>(17,936,882)</u>	<u>(16,174,076)</u>	<u>(16,651,491)</u>
Capital grants	<u>7,814,792</u>	<u>4,457,864</u>	<u>30,061,872</u>
Change in net position	<u>(10,122,090)</u>	<u>(11,716,212)</u>	<u>13,410,381</u>
Total net position, July 1	<u>77,128,220</u>	<u>88,844,432</u>	<u>75,434,051</u>
Total net position, June 30	<u>\$ 67,006,130</u>	<u>\$ 77,128,220</u>	<u>\$ 88,844,432</u>

Operating revenues. Overall total operating revenues decreased to \$14.05 million in FY 2020 compared to \$16.38 million in FY 2019, a 14.2% decrease. This was mainly due to the effects of the COVID-19 pandemic. Prior to the pandemic, the Agency's average weekly boardings were 326,651, translating to an increase of \$126 thousand in passenger fares compared to the same period in FY 2019. The increase was attributed to three pilot programs initiated in FY 2020 which are: Strong Beach Pass with Long Beach City College, Millikan High School's discounted 30-day student pass and the UCLA Commuter Express. Ridership drastically decreased as a result of closures in schools and businesses in the area, due to the pandemic. Bus capacity was decreased to adhere to social distancing guidelines and rear-door boarding on all buses was enforced for the safety of the bus operators and the customers. Moreover, enforcement of fare collection was suspended. As a result, overall passenger fares decreased by \$3.72 million, as compared to FY 2019.

In FY 2019, passenger fares decreased by 2.7% from FY 2018. Construction and closures of the Los Angeles County Metropolitan Transportation Authority (Metro) A (Blue) Line (January 2019 – October 2019) negatively affected passenger fares, as well as decreases in regional regular and local student monthly passes. Despite this, there were increases in other areas such as electronically stored value sales, as well as regular and reduced local monthly passes. The offsetting increases helped to stabilize the declining trend in passenger fares that had been seen in the past years.

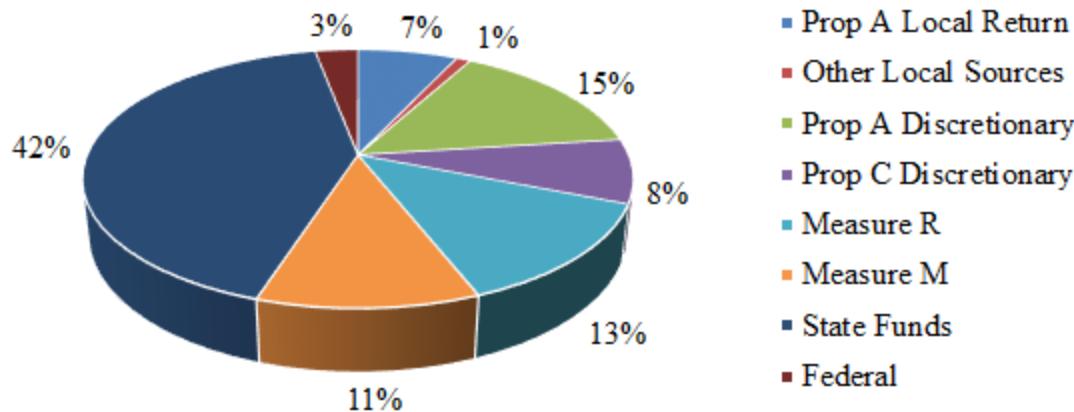
Management's Discussion and Analysis (continued)

The pandemic also affected advertising revenue in FY 2020 which amounted to \$978 thousand, a decrease compared to \$1.07 million earned in FY 2019. LBT contracts out advertisement on its buses and earns a guaranteed minimum annual revenue. Any excess compared to the minimum annual guarantee (MAG) is collected at the end of each contract year. In fiscal years 2020, 2019 and 2018 LBT received \$375 thousand, \$400 thousand and \$158 thousand over the MAG, respectively.

Other revenues amounted to \$2.38 million in FY 2020, an increase from \$853 thousand in FY 2019, mainly due to fuel tax credits. In fiscal years 2020, 2019 and 2018, LBT received fuel tax credits totaling \$2.35 million, \$805 thousand and \$1.13 million respectively. A significant amount of the fuel credits were due to federal tax relief bills. The Further Consolidated Appropriations Act of 2020 extended the federal alternative fuel tax credits beyond December 31, 2017, from the Bipartisan Budget Act of 2018. This \$0.50 per gallon alternative fuel tax credit is retroactive for 2018 and 2019, while prospectively extending through the end of 2020.

Nonoperating revenues. Subsidies in FY 2020 totaled \$82.03 million, or 83.8% of total revenues. This represents an increase from \$76.15 million in FY 2019, a difference of \$5.88 million. Significant increases were in state funds which include TDA, STA and STA-SB1 funds. Other state funds increased as a result of recognizing additional funding from the Low Carbon Transit Operations Program (LCTOP). In FY 2019, the increase in subsidies was \$5.54 million, also largely due to increases in state funds including TDA, STA and STA-SB1 to offset losses in passenger revenues.

2020 Subsidies by Source



Interest revenue increased in FY 2020 to \$1.85 million compared to \$1.79 million in FY 2019, due to higher interest income from investments. In FY 2019, there was also an increase in interest income earnings, up from \$383 thousand in FY 2018.

Total Revenues. Overall in FY 2020, revenues totaled \$97.93 million, an increase from \$94.33 million in FY 2019. This is a result of the increase in nonoperating revenue discussed above. In FY 2019, there was also an increase in total revenue, from \$88.03 million in FY 2018.

Management's Discussion and Analysis (continued)

Operating expenses. Operating expenses before depreciation increased in FY 2020 to \$100.13 million, from \$94.16 million in FY 2019, an increase of \$5.97 million. The increase is due to higher costs of labor and benefits, as well as increases in provisions for claims of public liability and property damage (PL/PD).

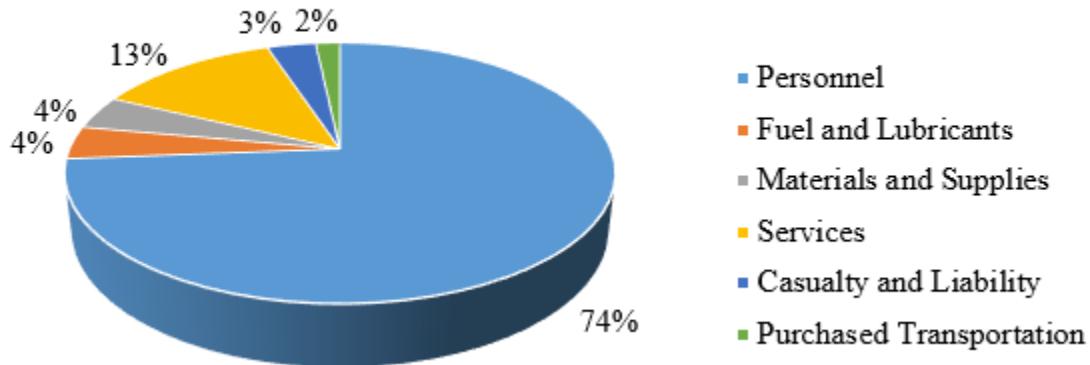
Total labor costs excluding benefits increased by 3.9%, to \$47.13 million in FY 2020 from \$45.36 million in FY 2019 due to wage increases. Major increases in other costs include the following:

- Health benefits increased by \$700 thousand due to higher premiums, which increased by 12%.
- Pension benefits increased by \$987 thousand due to the amortization of accumulated gains/losses of the plan from prior years.
- PL/PD expenses increased by \$1.99 million due to adjustments in provisions for prior year claims.

Due to the pandemic, LBT implemented a modified transit service schedule, reducing regular bus services and suspending water taxi services. This impacted fuel usage causing a decline of \$1.07 million in FY 2020 compared to FY 2019. Average fuel prices also went down in FY 2020 compared to FY 2019. The Agency has managed to control operating costs and did not lay-off any of its employees during this time.

In FY 2019 operating expenses before depreciation increased to \$94.16 million from \$88.50 million in FY 2018. This increase of \$5.66 million was due to higher labor costs, health benefits, workers compensation expenses and fleet parts.

2020 Operating Expenses (before depreciation)



Capital Grants. In FY 2020, capital acquisitions amounted to \$7.81 million, an increase from \$4.46 million in FY 2019. Depreciation expense totaled \$15.74 million in FY 2020, compared with \$16.34 million in FY 2019. Depreciation expense decreased by \$600 thousand, though it exceeded capital acquisitions by \$7.92 million.

Management's Discussion and Analysis (continued)

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

	Year-Ended		
	2020	2019	2018
Land	\$ 14,275,000	\$ 14,275,000	\$ 14,275,000
Buildings and improvements	7,166,706	9,068,482	10,614,378
Fleet	54,148,498	59,723,463	67,774,286
Communications systems	992	1,638	12,744
Fare collection system	629,852	743,000	680,364
Office, shop and garage equipment	1,802,847	2,511,698	3,203,440
Customer amenities	2,344,204	3,252,143	1,334,350
Construction in progress	2,776,119	1,493,480	5,056,558
Total capital assets, net of depreciation	<u>\$ 83,144,218</u>	<u>\$ 91,068,904</u>	<u>\$ 102,951,120</u>

Capital Assets. LBT's investment in capital assets as of June 30, 2020 amounted to \$83.14 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, fleet, communication and farebox systems, equipment, and customer amenities. All assets have been purchased with federal, state or local grants awarded to the Agency.

The total net decrease in the Agency's investment in capital assets in FY 2020 was 8.7%, from \$91.07 million in FY 2019. LBT had \$7.81 million in new capital acquisitions during FY 2020, an increase of \$3.36 million when compared to FY 2019. Major capital acquisitions in FY 2020 included mid-life rehabilitation for buses, information systems upgrades, fueling and charging station upgrades and facility improvements. In FY 2019, capital acquisitions amounted to \$4.46 million, the majority of which was in transit customer amenity improvements as well as upgrades to information systems technology.

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

Significant capital asset acquisitions during FY 2020 included the following:

- Mid-life rehabilitation of buses, \$4.39 million
- Information systems and technology upgrades, \$1.27 million
- Routine replacement of engines, transmissions and bus components, \$588 thousand
- Facility improvements, \$510 thousand
- Fueling and charging equipment upgrades, \$472 thousand
- Service trucks and equipment, \$211 thousand
- Customer amenities upgrades, \$114 thousand

Management's Discussion and Analysis (continued)

LBT's investment in capital assets as of June 30, 2019, amounted to \$91.07 million (net of accumulated depreciation). The Agency had \$4.46 million in new capital acquisitions during the year, a decrease of \$25.60 million, when compared to FY 2018.

Significant capital asset acquisitions during FY 2019 included the following:

- Customer amenities upgrades, \$1.13 million
- Information systems and software upgrades, \$1.00 million
- Facility improvements and equipment, \$820 thousand
- Routine replacement of engines, transmissions and bus components, \$651 thousand
- Security cameras, \$399 thousand
- Fare collection equipment, \$219 thousand

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

ECONOMIC FACTORS AND NEXT YEAR'S FINANCIAL PLAN

The overall economy has been deeply impacted by the COVID-19 pandemic and the associated closures. These challenges affect not only LBT's ridership and passenger revenue, but also subsidies which are largely derived from sales taxes. LBT continues to be vigilant and prudent as the Agency moves into FY 2021 in the face of these uncertainties.

A history of strong financial planning and stewardship has allowed LBT to weather this pandemic without furloughs or layoffs. Federal assistance in the form of the Coronavirus Aid, Relief, and Economic Security (CARES) Act has also helped LBT to develop a balanced financial plan for FY 2021. However, the unknown timeline for recovery both from the pandemic and the economic downturn means that it is more vital than ever to look beyond one year in LBT's financial planning in order to make sustainable decisions.

In the midst of modified services and uncertainties around the pandemic, LBT remains focused on its mission: Dedicated to connecting communities and moving people...making everyday life better. Additionally, the Agency's strategic priorities serve as the guideposts for daily decision-making. These were at the forefront of financial planning for FY 2021.

The FY 2021 financial plan focuses on increasing safety and service quality and enhancing the customer experience, by continuing and expanding COVID-19 health and safety programs while also restoring services that had been reduced. Additionally, the FY 2021 plan expands the Transit Ambassador program which promotes safety and security on LBT's system as well as engagement with the community.

LBT is also planning for its current and future facility needs. In FY 2020, LBT conducted an assessment of existing infrastructure, operations, and program needs, resulting in the development of a Facility Master Plan. During the course of that assessment, the consultant conducted an initial search for properties that could fit LBT's needs and a suitable commercial office building was identified. On August 18, 2020, LBT acquired the building, located in the City of Long Beach, to be used as the Agency's corporate offices. The FY 2021 financial plan incorporates the expansion to this new facility as well as facility improvements identified in the Facility Master Plan.

Management's Discussion and Analysis (continued)

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

Despite challenges, LBT remains financially healthy. The Agency's FY 2021 budget is balanced with current revenues and use of reserves equal to current expenditures. Through improvements in efficiency, LBT has been able to increase wages while controlling cost increases. The operating financial plan approved in August 2020 for FY 2021 totals \$104.38 million.

REQUEST FOR INFORMATION

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

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Financial Statements



Financial Statements

Statements of Net Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents (note 2)	\$ 53,214,214	\$ 49,898,830
Accounts receivable (note 4)	6,645,110	4,059,527
Materials and supplies inventory	2,524,437	2,226,666
Prepaid expenses	1,965,252	1,576,840
Total current assets	<u>64,349,013</u>	<u>57,761,863</u>
Noncurrent Assets:		
Investments (note 2)	28,184,651	27,052,581
Capital assets (note 8)		
Land	14,275,000	14,275,000
Construction-in-progress	2,776,119	1,493,480
Capital assets, net of accumulated depreciation:		
Buildings and improvements	7,166,706	9,068,482
Fleet	54,148,498	59,723,463
Communications systems	992	1,638
Fare collection system	629,852	743,000
Office, shop and garage equipment	1,802,847	2,511,698
Customer amenities	2,344,204	3,252,143
Total noncurrent assets	<u>111,328,869</u>	<u>118,121,485</u>
Total assets	<u>175,677,882</u>	<u>175,883,348</u>
DEFERRED OUTFLOWS OF RESOURCES		
Net difference of changes related to pension liability	<u>14,957,584</u>	<u>15,468,079</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 190,635,466</u>	<u>\$ 191,351,427</u>

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

Statements of Net Position, Continued
June 30, 2020 and 2019

	2020	2019
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 2,759,016	\$ 2,590,694
Accrued payroll expenses	1,000,440	785,224
Compensated absences payable (note 11)	3,444,177	3,200,850
Sick leave benefits (note 11)	179,727	214,990
Subsidy deferral (note 9)	39,665,072	35,204,510
Estimated liability for insurance claims (note 6)	19,430,393	18,116,011
Total current liabilities	<u>66,478,825</u>	<u>60,112,279</u>
Noncurrent Liabilities:		
Unearned revenue (note 5)	17,930,345	16,849,059
Sick leave benefits (note 11)	4,519,745	4,248,319
Net pension liability (note 13)	<u>34,700,421</u>	<u>33,013,550</u>
Total noncurrent liabilities	<u>57,150,511</u>	<u>54,110,928</u>
Total liabilities	<u>123,629,336</u>	<u>114,223,207</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	83,144,218	91,068,904
Restricted for:		
Restricted for capital procurement	526,717	87,193
Unrestricted	<u>(16,664,805)</u>	<u>(14,027,877)</u>
Total net position	<u>67,006,130</u>	<u>77,128,220</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 190,635,466</u>	<u>\$ 191,351,427</u>

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

Long Beach Transit

Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Passenger fares	\$ 10,452,194	\$ 14,167,351
Special events	240,512	292,292
Advertising	978,484	1,069,805
Other revenue	2,381,571	853,200
Total operating revenues	<u>14,052,761</u>	<u>16,382,648</u>
Operating expenses:		
Transportation	54,678,389	47,848,764
Maintenance	24,288,404	23,854,682
Administration	21,160,394	22,456,997
Depreciation (note 8)	15,739,478	16,340,080
Total operating expenses	<u>115,866,665</u>	<u>110,500,523</u>
Operating loss	<u>(101,813,904)</u>	<u>(94,117,875)</u>
Nonoperating revenues:		
Subsidies (note 3)	82,029,003	76,153,983
Interest income	1,848,019	1,789,816
Total nonoperating revenues	<u>83,877,022</u>	<u>77,943,799</u>
Change in net position before capital grants	(17,936,882)	(16,174,076)
Capital grants	<u>7,814,792</u>	<u>4,457,864</u>
Change in net position	(10,122,090)	(11,716,212)
Total net position, July 1	<u>77,128,220</u>	<u>88,844,432</u>
Total net position, June 30	<u>\$ 67,006,130</u>	<u>\$ 77,128,220</u>

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

Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 12,804,043	\$ 16,364,428
Cash paid to employees for services	(47,130,013)	(45,363,032)
Cash paid to other suppliers of goods or services	<u>(49,245,617)</u>	<u>(48,665,112)</u>
Net cash used in operating activities	<u>(83,571,587)</u>	<u>(77,663,716)</u>
Cash flows provided by noncapital financing activities:		
Operating subsidies received	<u>84,742,600</u>	<u>84,605,492</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	22,413	121,090
Purchase of capital assets	(7,814,792)	(7,097,883)
Capital grant contributions received	<u>9,107,165</u>	<u>7,401,084</u>
Net cash provided by capital and related financing activities	<u>1,314,786</u>	<u>424,291</u>
Cash flows provided by investing activities:		
Proceeds from sales and maturities of investments	37,526,098	10,576,286
Purchase of investments	(37,526,921)	(10,354,475)
Realized and unrealized gains	(1,131,248)	(1,091,028)
Interest received on cash and investments	<u>1,961,656</u>	<u>1,622,603</u>
Net cash provided by investing activities	<u>829,585</u>	<u>753,386</u>
Net change in cash and cash equivalents	<u>3,315,384</u>	<u>8,119,453</u>
Cash and cash equivalents, July 1	<u>49,898,830</u>	<u>41,779,377</u>
Cash and cash equivalents, June 30 (note 2)	<u><u>\$ 53,214,214</u></u>	<u><u>\$ 49,898,830</u></u>

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

Statements of Cash Flows, Continued
Years Ended June 30, 2020 and 2019

Reconciliation of Operating Loss to Net Cash Used in Operating Activities	2020	2019
Operating loss	\$ (101,813,904)	\$ (94,117,875)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	15,739,478	16,340,080
(Increase)/decrease in accounts receivable from operations	(1,191,754)	(124,985)
(Increase)/decrease in materials and supplies inventory	(297,769)	(770,027)
(Increase)/decrease in prepaid expenses	(388,412)	(765,562)
(Increase)/decrease in deferred outflows of resources	510,495	1,165,033
Increase/(decrease) in accounts payable	174,319	516,993
Increase/(decrease) in accrued payroll expenses, compensated absences payable, and sick leave benefits	694,707	397,238
Increase/(decrease) in net pension liability	1,686,872	(1,331,036)
Increase/(decrease) in estimated liability for insurance claims	<u>1,314,381</u>	<u>1,026,425</u>
Total adjustments	<u>18,242,317</u>	<u>16,454,159</u>
Net cash used in operating activities	<u><u>\$ (83,571,587)</u></u>	<u><u>\$ (77,663,716)</u></u>

Noncash investing, and capital financing activities:

During the years ended June 30, 2020 and 2019, the Agency had noncash capital asset additions of \$199,147 and \$388,573 respectively, which were included in accounts payable in the statements of net position.

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

Notes to Financial Statements

June 30, 2020 and 2019

(1) Summary of Significant Accounting Policies

Reporting Entity

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

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

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

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

Notes to Financial Statements (continued)

Use of Estimates and Assumptions

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

Material and Supplies Inventory

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

Capital Assets

Capital assets, which include property, plant and equipment, are defined by the Agency as assets with an initial individual cost of more than \$5,000 and having an estimated useful life of more than one year. Capital assets are valued at historical cost. Depreciation is provided using the straight-line method, with no allowance for salvage values. Donated capital assets are reported at acquisition value at the date of donation. The Agency did not receive any donated capital assets during FY20.

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

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

Net Position

The Agency's net position is classified under three categories - net investment in capital assets, restricted and unrestricted.

Net investment in capital assets: This category in the net position represents capital assets, net of accumulated depreciation and outstanding principle balances of debt attributable to the acquisition, construction or improvement of those assets. As of June 30, 2020, LBT did not have any outstanding debt related to its capital assets.

Restricted: Net position is reported as restricted when its use is subject to externally imposed stipulations by grantors, laws or regulations of governments that can be fulfilled by actions of the Agency pursuant to those stipulations.

Unrestricted: Net position classified as unrestricted are those that are not subject to externally imposed stipulations. Unrestricted net positions may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Notes to Financial Statements (continued)

Financial Plan

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

Government Grants

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

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

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

The City allocates a portion of its Proposition A local share funding to the Agency in accordance with an agreement among the Agency, the City and Metro (see notes 3 and 4). The Agency records such Proposition A funds received from the City as subsidy deferred until used for operating assistance and/or capital expenditures. Those Proposition A funds used for operating assistance are included in nonoperating subsidy revenue and those funds used for capital expenditures are included in capital assets.

Statements of Cash Flows

For purposes of the statements of cash flows, the Agency considers all of its cash deposits and investments with an original maturity of three months or less to be cash and cash equivalents. Monies invested with the State Treasurer's Local Agency Investment Fund (LAIF) may have maturities longer than 90 days; however, LAIF functions as a demand deposit account. Therefore, the Agency considers such investments to be cash equivalents.

Future Pronouncements

In June 2017, GASB issued Statement No. 87 Leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is currently in the process of determining the impact of this statement on the financial statements.

Subsequent Events

Management has evaluated the impact of any subsequent events through December 8, 2020, the date on which the accompanying financial statements were available to be issued for the year ended June 30, 2020.

Notes to Financial Statements (continued)

(2) Cash and Investments

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

	2020	2019
Cash on hand	\$ 15,417	\$ 90,920
Deposits with financial institutions	6,139,496	1,276,237
Outstanding checks	(1,086,656)	(1,870,529)
Cash equivalent	<u>48,145,957</u>	<u>50,402,202</u>
 Total cash and cash equivalents	 <u>53,214,214</u>	 <u>49,898,830</u>
 Investments	 <u>28,184,651</u>	 <u>27,052,581</u>
 Total cash, cash equivalents and investments	 <u>\$ 81,398,865</u>	 <u>\$ 76,951,411</u>

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

The table below identifies the investment types that are authorized for LBT by the Agency's investment policy. The table also identifies certain provisions of the Agency's investment policy that address interest rate risk, credit risk and concentration of credit risk. During 2020 and 2019, the Agency elected to have its investments with LAIF and a similarly structured investment vehicle managed by an independent manager.

	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Percentage In One Issuer
Local Agency Investment Fund (LAIF)	N/A	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Commercial Paper	270 days	10%	10%
Money Market Mutual Funds	N/A	None	None
Bankers Acceptance	180 days	40%	10%
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Mutual Funds	N/A	15%	10%
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Medium-Term Notes	5 years	30%	None
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Bonds	5 years	10%	None

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment at June 30, 2020 and 2019, respectively.

Notes to Financial Statements (continued)

Type	2020	Weighted Average Maturity (Yrs)
<u>Cash Equivalents</u>		
Local Agency Investment Fund (LAIF)	\$ 47,842,419	0.52
Fidelity Municipal Money Market	303,538	N/A
Total Cash Equivalents	<u>\$ 48,145,957</u>	
<u>Corporate Bonds</u>		
Apple Inc 2.400% Due 05/03/2023	\$ 739,949	2.8
Caterpillar Finl Svcs 3.350% Due 12/07/2020	708,806	0.4
Home Depot Inc 3.750% Due 02/15/2024	773,801	3.6
Intel Corp 2.700% Due 12/15/2022	741,510	2.5
Intercontinental Exchange 4.000% Due 10/15/2023	774,087	3.3
Microsoft Corp. 2.875% Due 02/06/2024	754,061	3.6
Nike Inc 2.250% Due 05/01/2023	736,645	2.8
Prudential Financial Inc 4.500% Due 11/16/2021	737,555	1.4
Shell International Finance 1.750% due 03/12/2021	710,178	1.2
Texas Instrument Inc 2.750% Due 03/12/2021	710,528	1.7
United Health Group 2.735% Due 08/15/2024	747,572	4.1
Corporate Bonds Total	<u>\$ 8,134,692</u>	
<u>Government Bonds</u>		
Fannie Mae 2.000% Due 10/05/2022	\$ 1,557,465	2.3
Federal Farm 0.230% Due 06/09/2022	999,210	1.9
Farm Credit Syst 3.050% Due 11/15/2021	1,558,635	1.4
FHL Banks 2.750% Due 12/13/2024	2,204,219	4.5
US Treasury 2.875% Due 10/31/2020	2,017,780	0.3
US Treasury 1.625% Due 11/30/2020	2,011,720	0.4
US Treasury Nt 1.750% Due 12/31/2020	2,015,460	0.5
US Treasury 1.125% Due 08/31/2021	2,021,880	1.2
United States Treas Nts Note 2.125% Due 12/31/2021	2,058,200	1.5
United States Treas Nts Note 1.500% Due 01/31/2022	2,041,640	1.6
United States Treas Nts 2.000% Due 10/31/2022	1,563,750	2.3
Government Bonds Total	<u>\$ 20,049,959</u>	
Total Investment Value	<u>\$ 28,184,651</u>	

As of June 30, 2020 and 2019, there were \$104,940 and \$119,984, respectively, of accrued bond interest which are included in accounts receivable.

Notes to Financial Statements (continued)

Type	2019	Weighted Average Maturity (Yrs)
<u>Cash Equivalents</u>		
Local Agency Investment Fund (LAIF)	\$ 50,032,885	0.53
Fidelity Municipal Money Market	369,317	N/A
Total Cash Equivalents	<u>\$ 50,402,202</u>	
<u>Corporate Bonds</u>		
Amgen Inc 3.875% Due 11/15/2021	\$ 722,400	2.4
Blackrock Inc 5.000% Due 12/10/2019	708,365	0.5
Genzyme Corp 5.000% Due 06/15/2020	717,962	1.0
Toyota Motor Credit Corp 3.3% Due 01/12/2022	719,761	2.5
Prudential Financial Inc 4.500% Due 11/16/2021	735,938	2.4
Texas Instrument Inc 2.750% Due 03/12/2021	707,812	1.7
Apple Inc 1.900% Due 02/07/2020	698,523	0.6
Nike Inc 2.250% Due 05/01/2023	703,752	3.8
John Deere Cap Corp 1.950% Due 06/22/2020	698,201	1.0
Caterpillar Finl Svcs 3.350% Due 12/07/2020	710,745	1.4
Toronto-Dominion Bank 2.125% Due 07/02/2019	700,000	-
Corporate Bonds Total	<u>\$ 7,823,459</u>	
<u>Government Bonds</u>		
Federal Hm Ln Bk 1.250% Due 05/25/2021	\$ 1,997,240	1.9
Federal Farm Cr Bks 1.470% Due 02/17/2021	1,491,360	1.6
Federal Farm Cr Bks Bond 1.560% Due 07/26/2021	1,492,155	2.1
Federal Farm Cr Bks 2.000% Due 02/16/2022	1,200,012	2.6
Federal Farm Cr Bks 3.050% Due 11/15/2021	1,543,155	2.4
Fannie Mae 2.000% Due 10/05/2022	1,510,500	3.3
US Treasury Nts Note 1.500% Due 01/31/2022	1,988,760	2.6
US Treasury Note 1.750% Due 09/30/2019	1,997,900	0.3
US Treasury Note 1.375% Due 02/15/2020	1,991,400	0.6
US Treasury Note 1.750% Due 12/31/2020	1,997,340	1.5
US Treasury Note Bond 2.125% Due 12/31/2021	2,019,300	2.5
Government Bonds Total	<u>\$ 19,229,122</u>	
Total Investment Value	<u>\$ 27,052,581</u>	

Notes to Financial Statements (continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization. Ratings on the investments, excluding LAIF and money market accounts, are as follows at June 30, 2020.

Investment Type	Rating
Corporate Bonds	
Apple Inc 2.400% Due 05/03/2023	AA+
Caterpillar Finl Svcs 3.350% Due 12/07/2020	A
Home Depot Inc 3.750% Due 02/15/2024	A
Intel Corp 2.700% Due 12/15/2022	A+
Intercontinental Exchange 4.000% Due 10/15/2023	A
Microsoft Corp. 2.875% Due 02/06/2024	AAA
Nike Inc 2.250% Due 05/01/2023	AA-
Prudential Financial Inc 4.500% Due 11/16/2021	A
Shell International Finance 1.750% due 03/12/2021	AA-
Texas Instrument Inc 2.750% Due 03/12/2021	A+
United Health Group 2.735% Due 08/15/2024	A+
 Investment Type	
Rating	
Government Bonds	
Fannie Mae 2.000% Due 10/05/2022	AA+
Federal Farm 0.230% Due 06/09/2022	AA+
Farm Credit Syst 3.050% Due 11/15/2021	AA+
FHL Banks 2.750% Due 12/13/2024	AA+
US Treasury 2.875% Due 10/31/2020	AA+
US Treasury 1.625% Due 11/30/2020	AA+
US Treasury Nt 1.750% Due 12/31/2020	AA+
US Treasury 1.125% Due 08/31/2021	AA+
United States Treas Nts Note 2.125% Due 12/31/2021	AA+
United States Treas Nts Note 1.500% Due 01/31/2022	AA+
United States Treas Nts 2.000% Due 10/31/2022	AA+

Notes to Financial Statements (continued)

Concentration of Credit Risk

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

Custodial Credit Risk

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

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

Fair Value

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

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

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

Notes to Financial Statements (continued)

The Agency has the following recurring fair value measurements as of June 30, 2020 and 2019:

- Money Market - valued at amortized costs which approximates fair value due to its short-term nature of maturity.
- Corporate Bonds - valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- U.S. Treasury Securities/Government Bonds - valued using a market-based model which considers yield, price of comparable securities, coupon rate, maturity, credit quality and dealer-provided prices.
- LAIF - valued at amortized costs basis based on the Agency's pro-rata share of the entire State of California's LAIF portfolio.

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

Fair Value Measurements at June 30, 2020

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Money Market		\$ 303,538		\$ 303,538
Corporate Bonds		8,134,692		8,134,692
Government Bonds		20,049,959		20,049,959
State of California Local Agency Investment Fund	_____	47,842,419	_____	47,842,419
Total assets at fair value	<u>None</u>	<u>\$ 76,330,608</u>	<u>None</u>	<u>\$ 76,330,608</u>

Fair Value Measurements at June 30, 2019

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

Notes to Financial Statements (continued)

(3) Operating Subsidies

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

	2020	2019
TDA, STA, STA-SB1 and LCTOP, State of California	\$ 33,950,870	\$ 29,795,924
Proposition A, County of Los Angeles	12,598,998	10,944,646
Proposition C, County of Los Angeles	6,165,277	5,949,360
Proposition A Allocation, City of Long Beach	6,008,758	6,170,100
Measure R	10,411,483	9,520,502
Measure M	9,332,798	9,612,018
Preventive Maintenance, Federal	2,757,676	3,158,764
Other local sources	803,143	1,002,669
 Total	 \$ 82,029,003	 \$ 76,153,983

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

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

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

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

Additionally, each city in the county receives a formula allocation of certain Proposition A revenues. The City of Long Beach in turn allocates a portion of its Proposition A local share funding to the Agency in accordance with an agreement between the Agency and the City. The portion of the local Proposition A funds used for operating assistance was \$6,008,758 in FY20.

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

Notes to Financial Statements (continued)

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

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

(4) Accounts Receivable

Accounts receivable were comprised of the following at June 30:

	2020	2019
Subsidies	\$ 155,125	\$ 137,100
Insurance reimbursements	357,219	414,184
Interest	288,906	402,543
Trade receivables	2,076,046	815,284
Proposition A funds due from City	1,341,743	1,638,598
Capital grants receivable	375,339	651,818
STA	1,241,951	-
STA-SB1	808,781	-
Total	<u><u>\$ 6,645,110</u></u>	<u><u>\$ 4,059,527</u></u>

Accounts are written off when determined to be uncollectible. In the opinion of management, all significant accounts receivable at June 30, 2020 and 2019 are fully collectible.

(5) Unearned Revenue

At June 30, 2020 and 2019, the balances of unearned revenue are as follows:

	2020	2019
Capital grant funds	\$ 17,798,153	\$ 16,195,954
Other	132,192	653,105
Total unearned revenue	<u><u>\$ 17,930,345</u></u>	<u><u>\$ 16,849,059</u></u>

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

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

Notes to Financial Statements (continued)

(6) Estimated Liability for Insurance Claims

Under its insurance programs, the Agency retains the risk for each occurrence of workers' compensation claimed up to \$1.5 million. Workers' compensation maximum limit of indemnity per occurrence is statutory and employer's liability is \$2.0 million per aggregate. Individual claim settlements for workers' compensation did not exceed insurance coverage limits in FY 2020 and 2019.

Under its insurance programs, the Agency retains the risk for each occurrence of public liability and property damage (PL/PD) claimed up to \$2 million. In FY 2020, one individual claim settlement for PL/PD damage did exceed insurance coverage limits in FY 2020 but none in 2019. In July 1, 2020, the self-insured retention amount increased from \$2 million to \$3 million for each occurrence of PL/PD claimed.

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

The Agency's policy is to estimate and recognize losses on the accrual basis based on the report of the Agency's independent claims manager or an actuarial report and to maintain designated cash and investments to fund the estimated liabilities. Liabilities may also be accrued if it is reasonable to suspect claims may arise from an incident that has occurred, but has yet to be reported to the 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, 2018	\$ 7,341,821	\$ 9,747,766	\$ 17,089,587
Reserves:			
New claims	461,928	1,252,164	1,714,092
Adjustments to existing claims	214,664	4,301,630	4,516,294
Payouts	(853,927)	(4,350,035)	(5,203,962)
Estimated liabilities at June 30, 2019	7,164,486	10,951,525	18,116,011
Reserves:			
New claims	344,046	1,317,579	1,661,625
Adjustments to existing claims	2,226,898	4,480,968	6,707,866
Payouts	(2,999,294)	(4,055,815)	(7,055,109)
Estimated liabilities at June 30, 2020	\$ 6,736,136	\$ 12,694,257	\$ 19,430,393

Notes to Financial Statements (continued)

(7) Deferred Compensation

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

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

Notes to Financial Statements (continued)

(8) Capital Assets

Capital asset activity for the years ended June 30, 2020 and 2019 was as follows:

	Balance at June 30, 2019	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2020
Capital assets not being depreciated:					
Land	\$ 14,275,000	\$ -	\$ -	\$ -	\$ 14,275,000
Construction in progress	1,493,480	(1,088,068)	2,370,707	-	2,776,119
Total capital assets not being depreciated	15,768,480	(1,088,068)	2,370,707	-	17,051,119
Capital assets being depreciated:					
Buildings and improvements	54,073,883	158,103	38,041	-	54,270,027
Fleet	166,766,571	158,086	4,880,570	(3,552,047)	168,253,180
Communications systems	7,462,121	-	-	-	7,462,121
Fare collection system	9,254,720	3,466	56,584	-	9,314,770
Office, shop and garage equipment	28,172,937	768,413	355,008	(659,319)	28,637,039
Customer amenities	18,829,077	-	113,882	(1,510,903)	17,432,056
Total capital assets being depreciated	284,559,309	1,088,068	5,444,085	(5,722,269)	285,369,193
Less accumulated depreciation:					
Buildings and improvements	(45,005,401)	-	(2,097,920)	-	(47,103,321)
Fleet	(107,043,108)	-	(10,613,621)	3,552,047	(114,104,682)
Communications systems	(7,460,483)	-	(646)	-	(7,461,129)
Fare collection system	(8,511,720)	-	(173,198)	-	(8,684,918)
Office, shop and garage equipment	(25,661,239)	-	(1,832,272)	659,319	(26,834,192)
Customer amenities	(15,576,934)	-	(1,021,821)	1,510,903	(15,087,852)
Total accumulated depreciation	(209,258,885)	-	(15,739,478)	5,722,269	(219,276,094)
Total capital assets being depreciated, net	75,300,424	1,088,068	(10,295,393)	-	66,093,099
Total capital assets, net	\$ 91,068,904	\$ -	\$ (7,924,686)	\$ -	\$ 83,144,218

Notes to Financial Statements (continued)

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

Notes to Financial 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. As of June 30, 2020 and 2019, the Agency had remaining Prop A subsidy funding of \$30,771,984 and \$27,747,510, respectively, to be utilized in future fiscal years.

As of June 30, 2020, the Agency maintained STA funds of \$1,085,407 and STA-SB1 funds of \$1,564,571, which were the same amounts as of June 30, 2019. The Agency had Measure M funds of \$6,243,110 and \$4,807,022 as of June 30, 2020 and 2019 respectively. These funds are to be used to fund operations in future fiscal years.

(10) Commitments and Contingencies

Legal

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

Purchase Contracts

The Agency had the following significant purchase commitments outstanding at June 30, 2020. These purchase orders are for future goods and services the Agency is committed to by contract but has yet to receive. The balances listed include some contingency balances; therefore, actual costs may be lower than shown.

<u>Vendor</u>	<u>Project</u>	<u>Amount</u>	<u>Expected Completion</u>
Michelin North America, Inc.	Tire Lease	\$ 210,805	August 2020
Clean Energy	Backup Generator	\$ 939,951	October 2020
CDW-G LLC	Microsoft Software License	\$ 305,422	October 2020
Sardo Bus & Coach	Bus Detailing	\$ 583,779	December 2020
Transit Information Products	Transit Guide Printing	\$ 200,000	February 2021
City of Long Beach Police	Police Services	\$ 949,512	May 2021
Carl Warren & Co.	Liability and Subrogation Third Party	\$ 483,447	May 2021
Complete Coach Works	Compressed Natural Gas Vehicles Midlife Rehab	\$ 6,946,349	June 2021
Spectrum Charter	Internet Service	\$ 209,880	December 2022
Communication			
Clean Energy	CNG Station Maintenance	\$ 2,391,040	October 2023
City of Long Beach	Permit to Use Transmitter Facility and Microwave Maintenance	\$ 166,298	September 2024

Notes to Financial Statements (continued)

Lease Obligations

In FY 2017 and prior, bus tire leases were included in the capital assets and depreciated over a 12-month period as allowed by the FTA. Beginning FY 2018, the Agency recorded bus tire leases as an operating expense. Under the terms of the lease, the vendor supplies the tires and invoices to the Agency based on monthly mileage. There are no minimum guarantee payments required in the contracts. Total lease costs were \$590,290 and \$684,149 for the years ended June 30, 2020 and 2019, respectively.

Business Risks Associated with the Impacts of COVID-19

The Agency's operations is affected by the recent and ongoing outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, possible effects may include, but are not limited to, disruption of the Agency's transportation services, which could have an impact on the Agency's net position and operating results. There is significant uncertainty as to the severity and longevity of the outbreak and management is in the process of evaluating the impact on the Agency and its financial statements.

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, 2020 and 2019, accrued unpaid vacation for all Agency employees amounted to \$3,444,177 and \$3,200,850 respectively.

<u>Balance 6/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/20</u>	<u>Due Within One Year</u>
\$ 3,200,850	\$ 3,444,177	\$(3,200,850)	\$ 3,444,177	\$ 3,444,177
<u>Balance 6/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/19</u>	<u>Due Within One Year</u>
\$ 3,250,399	\$ 3,200,850	\$(3,250,399)	\$ 3,200,850	\$ 3,200,850

Once a year, the Agency allows employees to sell back a portion of their earned vacation in lieu of taking the time off. The Agency has agreed to buy back vacation time in excess of 10 days earned during the calendar year. Vacation days carried over from the previous year are not eligible for this program. The Agency paid \$227,511 and \$215,933 under this program during 2020 and 2019, respectively.

Sick Leave Benefit

Full-time Agency employees are entitled to receive up to 96 hours of sick leave per year. Unused sick leave may be accumulated and converted to a cash account only upon retirement from the Agency as termination payments. Employees leaving the Agency for any reason besides retirement, are not eligible to convert their unused sick leave to a cash account.

Upon retirement, the retiree is no longer eligible to participate in any Agency sponsored health plans and all health care related liabilities are the responsibility of the retiree. However, a retiree that incurs qualifying health related expenditures may seek reimbursement from the Agency from their converted cash account. Once the cash value of the converted cash account is exhausted, the retiree is no longer eligible for any reimbursements.

There were 125 retirees with unused sick leave converted cash accounts at the end of both June 30, 2020 and 2019. The cash value equivalent of the remaining unused sick leave for the current retirees totaled \$1,449,446 and \$1,327,067 respectively. Total reimbursements paid by the Agency during the fiscal years ended June 30, 2020 and 2019, were \$243,979 and \$317,180, respectively.

The Agency has established a liability related to unused sick leave for both current and future payments. The estimated liability at June 30, 2020 and 2019, was \$4,699,472 and \$4,463,309, respectively.

<u>Balance 6/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/20</u>	<u>Due Within One Year</u>
\$ 4,463,309	\$ 480,142	\$(243,979)	\$ 4,699,472	\$ 179,727
<u>Balance 6/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/19</u>	<u>Due Within One Year</u>
\$ 4,121,600	\$ 658,889	\$(317,180)	\$ 4,463,309	\$ 214,990

Notes to Financial Statements (continued)

(12) Labor Agreements

Union Labor Agreements

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

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

(13) Pension Benefits

Plan Descriptions

The Agency sponsors two single employer defined benefit pension plans: one for contract employees, the Long Beach Public Transportation Company Retirement Plan – Contract Employees (Contract Plan), and one for staff employees, the Long Beach Public Transportation Company Retirement Plan – Salaried Employees (Salaried Plan) for employees hired before April 1, 2011. For staff employees hired on or after April 1, 2011, LBT adopted a new 401(a) qualified retirement plan for employer matching contributions.

The Agency's payroll for employees covered by each pension plan for the years ended June 30, 2020 and 2019 was \$31,946,238 and \$30,624,368 for the Contract Plan, respectively, and \$4,589,323 and \$4,782,843 for the Salaried Plan, respectively. Total Agency payroll for 2020 and 2019 was \$46,876,197 and \$45,326,095, respectively.

The Contract and the Salaried Plans are contributory single employer defined benefit pension plans sponsored by the Agency. Full-time employees in a job classification covered by an ATU collective bargaining agreement between the Agency and the Union participate in the Contract Plan as of their date of employment. All full-time employees not covered by an ATU collective bargaining agreement and hired before April 1, 2011 participate in the Salaried Plan as of their date of employment. For employees not covered by an ATU collective bargaining agreement and hired on or after April 1, 2011, LBT adopted a new 401(a) qualified retirement plan for employer matching contributions. Contract employees hired on or after April 1, 2011 are not eligible to participate in the 401(a) qualified retirement plan, but are eligible to continue to participate in the Contract Plan. Participants in the Contract Plan, and Salaried Plan employees hired before April 1, 2011 are eligible for annual benefit payments at the normal retirement age of 64 and completion of 10 years of credited service and become 100% vested after five credit years of service. Employees covered under the Salaried Plan can retire prior to 64 with a normal retirement benefit if the combination of the employee's age and service equals 80 or more.

Notes to Financial Statements (continued)

Pension Plan Benefits

Benefit payments for the Salaried Plan are determined as 1.70% of adjusted final monthly earnings multiplied by years of credited service (maximum credit of 40 years). Adjusted final monthly earnings are the employee's highest average monthly wage of 36 consecutive months of earnings during the last 10 calendar years of employment, prior to normal retirement date, which provide the highest value.

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

1. 1.23% of the first \$500 of adjusted monthly earnings multiplied by the years of credited service (maximum credit of 40 years).
2. 1.70% of adjusted final monthly earnings greater than \$500 multiplied by the years of credited service (maximum credit of 40 years).

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

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

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

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

Notes to Financial Statements (continued)

Termination

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

Funding Policy and Annual Pension Contributions

The Agency is required to contribute to the Plans at an actuarially determined rate. Salaried Plan members are required to contribute 5% of their annual salaries toward the Plan. Contract Plan members contribute a percentage of their annual salary toward the Plan as decided by the Board of Arbitration on June 15, 2012 whereas the Agency pays the first 10% of the amount the actuary states, Contract employees pay the next 5% and the Agency and the employees equally split any funding amounts over 15%. The contribution rates for 2020 were 21.87% and 22.60% for the Contract and Salaried Plans, respectively. For 2020, the Agency's annual contributions were \$4,357,936 and \$1,596,044 for the Contract and Salaried Plans, respectively. For 2019, the Agency's annual contributions were \$4,488,508 and \$3,111,520 for the Contract and Salaried Plans, respectively.

Net Pension Liability – Salaried Plan

The Salaried Plan's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	6.00% compounded annually
Salary Increases	3.00% per year
Mortality	IRS 2007 Current Liability Combined Table
Employee Contribution	
Interest Credit	5.00% compounded annually
Lump Sums	4.50% interest; IRS applicable mortality
Administrative Expenses	\$197,584
Termination Before Retirement:	

Age	Turnover Rate
20	7.94%
25	7.20%
30	7.22%
35	6.28%
40	5.15%
45	3.98%
50	2.56%
55	0.94%

Notes to Financial Statements (continued)

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

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

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

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

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

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

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

Asset Class	Strategic Allocation	Long-Term Expected Real Rate of Return
US Large Agency Stocks	30%	7.0%
US Small Agency Stocks	5	7.0
Real Estate Securities	6	7.0
International Equity	20	7.7
Multi-strategy	5	6.0
Fixed Income	33	3.1
Cash Equivalent	1	2.9

Notes to Financial Statements (continued)

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

Salaried Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2019	\$ 33,336,432	\$ 30,938,951	\$ 2,397,481
Changes for the year:			
Service cost	753,733	-	753,733
Interest	1,779,258	-	1,779,258
Expected investment income	-	1,868,608	(1,868,608)
Difference between expected and actual experience	(624,271)	(1,783,984)	1,159,713
Contributions - employer	-	1,596,044	(1,596,044)
Contributions - employee	-	319,542	(319,542)
Benefit payments, including refunds	(1,302,936)	(1,302,936)	-
Administrative expense	-	(197,584)	197,584
Net changes	605,784	499,690	106,094
Balances at 6/30/2020	\$ 33,942,216	\$ 31,438,641	\$ 2,503,575

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

Notes to Financial Statements (continued)

Net Pension Liability – Contract Plan

The Contract Plan's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	6.50% compounded annually
Salary Increases	3.00% per year
Mortality	IRS 2007 Current Liability Combined Table
Employee Contribution	
Interest Credit	5.00% compounded annually
Lump Sums	4.50% interest; IRS applicable mortality
Administrative Expenses	\$364,995
Termination Before Retirement:	

Age	Turnover Rate
20	7.94%
25	7.20%
30	7.22%
35	6.28%
40	5.15%
45	3.98%
50	2.56%
55	0.94%

Retirement:

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

Marital Status:

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

Form of Payment:

80% of active participants hired prior to July 1, 2012 are assumed to elect the lump-sum option. The remaining 20% of active participants hired prior to July 1, 2012, all actives hired on or after July 1, 2012, and all Vested Terminated participants are assumed to elect the single-life annuity.

Unknown Data:

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

Notes to Financial Statements (continued)

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

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

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

Contract Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2019	\$ 91,295,118	\$ 60,679,049	\$ 30,616,069
Changes for the year:			
Service cost	3,749,883	-	3,749,883
Interest	5,661,960	-	5,661,960
Expected investment income	-	4,036,600	(4,036,600)
Difference between expected and actual experience	(820,357)	(3,829,250)	3,008,893
Contributions - employer	-	4,357,936	(4,357,936)
Contributions - employee	-	2,810,418	(2,810,418)
Benefit payments, including refunds	(3,912,892)	(3,912,892)	-
Administrative expense	-	(364,995)	364,995
Net changes	4,678,594	3,097,817	1,580,777
Balances at 6/30/2020	\$ 95,973,712	\$ 63,776,866	\$ 32,196,846

Notes to Financial Statements (continued)

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

Net Pension Liability - Combined Plans

Combined Plans	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2019	\$ 124,631,550	\$ 91,618,000	\$ 33,013,550
Changes for the year:			
Service cost	4,503,616	-	4,503,616
Interest	7,441,218	-	7,441,218
Expected investment income	-	5,905,208	(5,905,208)
Difference between expected and actual experience	(1,444,628)	(5,613,234)	4,168,606
Contributions - employer	-	5,953,980	(5,953,980)
Contributions - employee	-	3,129,960	(3,129,960)
Benefit payments, including refunds	(5,215,828)	(5,215,828)	-
Administrative expense	-	(562,579)	562,579
Net changes	5,284,378	3,597,507	1,686,871
Balances at 6/30/2020	\$ 129,915,928	\$ 95,215,507	\$ 34,700,421

Notes to Financial Statements (continued)

Combined Plans	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2018	\$ 118,233,021	\$ 83,888,435	\$ 34,344,586
Changes for the year			
Service cost	4,662,561	-	4,662,561
Interest	7,131,459	-	7,131,459
Expected investment income	-	5,475,337	(5,475,337)
Difference between expected and actual experience	(584,314)	(2,981,659)	2,397,345
Contributions - employer	-	7,600,028	(7,600,028)
Contributions - employee	-	2,999,350	(2,999,350)
Benefit payments, including refunds	(4,811,177)	(4,811,177)	-
Administrative expense	-	(552,314)	552,314
Net changes	6,398,529	7,729,565	(1,331,036)
Balances at 6/30/2019	\$ 124,631,550	\$ 91,618,000	\$ 33,013,550

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

The following presents the net pension liability of the Contract Plan as of June 30, 2020, calculated using the discount rate of 6.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (5.5%) or one-percentage point higher (7.5%) than the current rate. The Salaried Plan's net pension liability is calculated using a discount rate that is one-percentage point lower (5.0%) or one-percentage point higher (7.0%) than the current rate of 6.0%.

	Contract Plan
1% Decrease or 5.5%	\$ 41,341,052
6.5 % Current Discount Rate	\$ 32,196,846
1% Increase or 7.5%	\$ 20,004,876
	Salaried Plan
1% Decrease or 5.0%	\$ 4,758,610
6.0% Current Discount Rate	\$ 2,503,575
1% Increase or 7.0%	\$ 518,698

Notes to Financial Statements (continued)

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

For the year ended June 30, 2020, the Salaried Plan recognized pension expense of \$2,293,631. At June 30, 2020, the Salaried Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Salaried Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 259,233	
Changes of assumptions	398,882	
Net difference between projected and actual earning on plan investments	2,523,644	
Total	\$ 3,181,759	None

For the year ended June 30, 2019, the Salaried Plan recognized pension expense of \$1,936,467. At June 30, 2019, the Salaried Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

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

Salaried Plan – Year Ended June 30	Amount to Be Recognized
2021	\$ (1,318,701)
2022	\$ (499,232)
2023	\$ (489,414)
2024	\$ (517,616)
2025	\$ (356,796)
Thereafter	\$ --

Notes to Financial Statements (continued)

For the year ended June 30, 2020, the Contract Plan recognized pension expense of \$5,943,761. At June 30, 2020, the Contract Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Contract Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,577,574	
Changes of assumptions	4,098,364	
Net difference between projected and actual earning on plan investments	6,099,887	
Total	\$ 11,775,825	None

For the year ended June 30, 2019, the Contract Plan recognized pension expense of \$5,401,784. At June 30, 2019, the Contract Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

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

Contract Plan – Year Ended June 30	Amount to Be Recognized
2021	\$ (2,998,070)
2022	\$ (2,213,743)
2023	\$ (2,457,196)
2024	\$ (2,364,578)
2025	\$ (1,641,713)
Thereafter	\$ (100,525)

Notes to Financial Statements (continued)

For the year ended June 30, 2020, both plans recognized pension expense of \$8,237,392. At June 30, 2020, both plans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Combined Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,836,807	
Changes of assumptions	4,497,246	
Net difference between projected and actual earning on plan investments	8,623,531	
Total	\$ 14,957,584	None

For the year ended June 30, 2019, both plans recognized pension expense of \$7,338,251. At June 30, 2019, both plans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Combined Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,201,061	
Changes of assumptions	5,892,406	
Net difference between projected and actual earning on plan investments	5,374,612	
Total	\$ 15,468,079	None

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

Combined Plans – Year Ended June 30	Amount to Be Recognized
2021	\$ (4,316,771)
2022	\$ (2,712,975)
2023	\$ (2,946,610)
2024	\$ (2,882,194)
2025	\$ (1,998,509)
Thereafter	\$ (100,525)

Financial statements for the Contract and Salaried Plans are available under separate covers. Copies of the financial statements can be obtained by writing to Long Beach Transit, Attn: Executive Director/VP, Finance and Budget, 1963 E. Anaheim St., Long Beach, CA 90813.

Defined Contribution Plan 401(a)

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

Notes to Financial Statements (continued)

(14) Subsequent Events

On August 18, 2020, LBT closed escrow on the acquisition of a commercial office building located in the City of Long Beach to be used as the Agency's corporate office. The property was purchased from the Port of Long Beach with a purchase price of \$21 million. The Agency executed a promissory note with the Port of Long Beach to finance \$10.5 million, with an annual interest rate of five percent over 10 years.

As part of the purchase of the building noted above, the Agency was assigned to an existing ground lease with the City of Long Beach and the Long Beach Airport. The ground lease is set to expire on June 30, 2069, and calls for monthly payments in the amount of \$22,949. Effective July 1, 2022, and every five years thereafter, the monthly payment amount will be adjusted by the Consumer Price Index of the preceding five-year period. The maximum increase in any given year will be eight percent.

The Board of Directors also approved a contract with Newmark Knight Frank for Property Management services in relation to the newly purchased office building at a total cost not to exceed \$772,725 for three years.

The financial statements as of and for the year ended June 30, 2020 have not been impacted by the subsequent transactions as stated above.

Required Supplementary Information

The following are Schedules of Changes in Net Pension Liability and Schedules of Contributions for the years ending June 30, 2013 through 2020 for the two Company-sponsored defined benefit pension plans: Long Beach Public Transportation Company Retirement Plan – Salaried Employees (Salaried Plan) and Long Beach Public Transportation Company Retirement Plan – Contract Employees (Contract Plan).

LONG BEACH TRANSIT RETIREMENT PLAN - SALARIED EMPLOYEES

Schedule of Changes in Net Pension Liability

and Related Ratios

For the Years Ended

	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability								
Service cost	\$ 753,733	\$ 800,422	\$ 831,665	\$ 858,666	\$ 769,704	\$ 845,302	\$ 773,964	\$ 641,489
Interest	1,779,258	1,673,123	1,589,310	1,626,217	1,724,678	1,704,802	1,809,528	1,355,511
Difference between expected and actual experience	(624,271)	598,675	770,200	80,484	427,104	(582,806)	667,873	1,089,429
Changes of assumptions	(1,302,936)	(951,414)	(1,503,429)	(3,003,925)	2,816,346	-	-	3,694,438
Benefit payments	605,784	2,120,806	1,687,746	(438,558)	(1,332,112)	(1,818,412)	(2,342,868)	(702,018)
Net change					4,405,720	148,886	908,497	6,078,849
Beginning total pension liability	33,336,432	31,215,626	29,527,880	29,966,438	25,560,718	25,411,832	24,503,335	18,424,486
Ending total pension liability	<u>\$ 33,942,216</u>	<u>\$ 33,336,432</u>	<u>\$ 31,215,626</u>	<u>\$ 29,527,880</u>	<u>\$ 29,966,438</u>	<u>\$ 25,560,718</u>	<u>\$ 25,411,832</u>	<u>\$ 24,503,335</u>
Plan fiduciary net position								
Employer contributions	\$ 1,596,044	\$ 3,111,520	\$ 2,602,155	\$ 2,790,134	\$ 4,270,185	\$ 4,758,243	\$ 2,847,508	\$ 2,244,185
Employee contributions	319,542	322,305	320,450	340,086	365,367	402,617	436,748	449,958
Net transfer to/from Contract Plan								-
Investment income (loss)	84,624	777,683	1,376,782	2,277,537	(194,989)	(11,557)	1,750,047	960,977
Pension benefits	(1,302,936)	(951,414)	(1,503,429)	(3,003,925)	(1,332,112)	(1,818,412)	(2,342,868)	(702,018)
Administrative expenses	(197,584)	(187,683)	(199,961)	(203,559)	(167,603)	(167,173)	(142,202)	(117,013)
Net change	499,690	3,072,411	2,633,660	2,455,314	2,958,349	3,164,006	2,791,119	2,836,089
Beginning plan fiduciary net position	<u>\$ 30,938,951</u>	<u>\$ 27,866,540</u>	<u>\$ 25,232,880</u>	<u>\$ 22,777,566</u>	<u>\$ 19,819,217</u>	<u>\$ 16,655,211</u>	<u>\$ 13,864,092</u>	<u>\$ 11,028,003</u>
Ending plan fiduciary net position	<u>\$ 31,438,641</u>	<u>\$ 30,938,951</u>	<u>\$ 27,866,540</u>	<u>\$ 25,232,880</u>	<u>\$ 22,777,566</u>	<u>\$ 19,819,217</u>	<u>\$ 16,655,211</u>	<u>\$ 13,864,092</u>
Company's net pension liability	<u>\$ 2,503,575</u>	<u>\$ 2,397,481</u>	<u>\$ 3,349,086</u>	<u>\$ 4,295,000</u>	<u>\$ 7,188,872</u>	<u>\$ 5,741,501</u>	<u>\$ 8,756,621</u>	<u>\$ 10,639,243</u>
Plan fiduciary net position as a % of total pension liability	92.62%	92.81%	89.27%	85.45%	76.01%	77.54%	65.54%	56.58%
Covered payroll	\$ 4,589,323	\$ 4,783,000	\$ 4,859,000	\$ 5,187,000	\$ 6,023,000	\$ 6,381,000	\$ 6,925,000	\$ 7,801,000
Company's net pension liability as a % of covered payroll	54.55%	50.11%	68.92%	82.80%	119.36%	89.98%	126.45%	136.38%

Note: The information presented above is not available for years prior to the year ended June 30, 2013. Additional years' information will be displayed as it becomes available.

Required Supplementary Information (continued)

LONG BEACH TRANSIT
RETIREMENT PLAN - CONTRACT EMPLOYEES

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

	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability	\$ 3,749,883	\$ 3,862,139	\$ 3,750,722	\$ 3,352,311	\$ 2,713,135	\$ 2,893,596	\$ 2,285,562	\$ 1,972,068
Service cost	5,661,960	5,458,336	5,173,663	4,970,642	4,575,251	4,462,912	4,418,719	3,621,647
Interest								
Difference between expected and actual experience	(820,357)	(1,182,989)	1,915,331	849,980	3,062,106	(1,252,537)	877,921	(652,845)
Changes of assumptions		-	3,651,179	3,194,510	-	-	-	6,749,225
Benefit payments	(3,912,892)	(3,859,763)	(5,626,291)	(4,615,902)	(3,182,794)	(4,881,029)	(4,326,353)	(2,447,910)
Net change	4,678,594	4,277,723	8,864,604	7,751,541	7,167,698	1,222,942	3,255,849	9,242,185
Beginning total pension liability	91,295,118	87,017,395	78,152,791	70,401,250	63,233,552	62,010,610	58,754,761	49,512,576
Ending total pension liability	<u>\$ 95,973,712</u>	<u>\$ 91,295,118</u>	<u>\$ 87,017,395</u>	<u>\$ 78,152,791</u>	<u>\$ 70,401,250</u>	<u>\$ 63,233,552</u>	<u>\$ 62,010,610</u>	<u>\$ 58,754,761</u>
Plan fiduciary net position								
Employer contributions	\$ 4,357,936	\$ 4,488,508	\$ 4,054,711	\$ 3,877,435	\$ 3,439,288	\$ 3,067,778	\$ 3,326,307	\$ 2,572,888
Employee contributions	2,810,418	2,677,045	2,461,892	2,141,425	1,754,192	1,643,452	1,437,006	1,142,100
Net transfer to/from Contract Plan			(37,663)	(255,041)	(17,501)	(288)	(241,886)	-
Investment income (loss)	207,350	1,715,995	2,807,077	4,919,899	(407,799)	(569)	5,113,555	3,324,692
Pension benefits	(3,912,892)	(3,859,763)	(5,626,291)	(4,615,902)	(3,182,794)	(4,881,029)	(4,326,353)	(2,447,910)
Administrative expenses	(364,995)	(364,631)	(380,134)	(376,137)	(325,026)	(349,496)	(323,518)	(291,858)
Net change	3,097,817	4,657,154	3,279,592	5,691,679	1,260,360	(520,152)	4,985,111	4,299,912
Beginning plan fiduciary net position	60,679,049	56,021,895	52,742,303	47,050,624	45,790,264	46,310,416	41,325,305	37,025,393
Ending plan fiduciary net position	<u>\$ 63,776,866</u>	<u>\$ 60,679,049</u>	<u>\$ 56,021,895</u>	<u>\$ 52,742,303</u>	<u>\$ 47,050,624</u>	<u>\$ 45,790,264</u>	<u>\$ 46,310,416</u>	<u>\$ 41,325,305</u>
Company's net pension liability	<u>\$ 32,196,846</u>	<u>\$ 30,616,069</u>	<u>\$ 30,995,500</u>	<u>\$ 25,410,488</u>	<u>\$ 23,350,626</u>	<u>\$ 17,443,288</u>	<u>\$ 15,700,194</u>	<u>\$ 17,429,456</u>
Plan fiduciary net position as a % of total pension liability	66.45%	66.46%	64.38%	67.49%	66.83%	72.41%	74.68%	70.34%
Covered payroll	\$ 31,946,238	\$ 30,624,000	\$ 31,094,000	\$ 30,448,000	\$ 29,787,000	\$ 25,321,000	\$ 27,266,000	\$ 24,693,000
Company's net pension liability as a % of covered payroll	100.78%	99.97%	99.68%	83.46%	78.39%	68.89%	57.58%	70.58%

Note: The information presented above is not available for years prior to the year ended June 30, 2013. Additional years' information will be displayed as it becomes available.

Required Supplementary Information (continued)

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

**Schedule of Contributions
Salaried Plan
2013 - 2020**

	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,915,586	\$ 1,933,825	\$ 1,922,605	\$ 2,030,220	\$ 2,000,708	\$ 2,605,222	\$ 2,484,256	\$ 1,886,343
Employer contributions	1,596,044	3,111,520	2,602,155	2,790,134	4,270,185	4,758,243	2,847,508	2,244,185
Employee contributions	319,542	322,305	320,450	340,086	365,367	402,617	436,748	449,958
Total contributions	<u>1,915,586</u>	<u>3,433,825</u>	<u>2,922,605</u>	<u>3,130,220</u>	<u>4,635,552</u>	<u>5,160,860</u>	<u>3,284,256</u>	<u>2,694,143</u>
Contribution deficiency (excess)	\$ 4,589,323	\$ 4,783,000	\$ (1,500,000)	\$ (1,000,000)	\$ (1,100,000)	\$ (2,634,844)	\$ (2,555,638)	\$ (807,800)
Covered payroll			\$ 4,859,000	\$ 5,187,000	\$ 6,023,000	\$ 6,381,000	\$ 6,925,000	\$ 7,801,000
Contributions as a percentage of covered - employee payroll	41.74%	71.79%	60.15%	60.35%	76.96%	80.88%	47.43%	34.54%

Note: The information presented above is not available for years prior to the year ended June 30, 2013. Additional years' information will be displayed as it becomes available.

Required Supplementary Information (continued)

Notes to Schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen Initial Liability
Amortization method	10 years, closed period
Remaining amortization period	7 years
Asset valuation method	Market value
Salary increases	3.0% per annum
Investment rate of return	6% compounded annually
Administrative expenses	\$197,584
Employee contribution interest credit	5.00% per year

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

Termination before retirement

Required Supplementary Information (continued)

Retirement age

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

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

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

Marital Status

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

Form of payment

80% of active participants are assumed to elect the lump-sum option. The remaining 20% of active participants and vested terminated participants are assumed to elect the single life annuity.

Unknown data

Lump Sums

Mortality

Participants with unreported data, such as missing birthdates, are assumed to have the same characteristics as similar participants. If not specified, participants are assumed to be male.

Interest: 4.50%; IRS Applicable Mortality
IRS 2007 Current Liability Combined Table

Required Supplementary Information (continued)

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

**Schedule of Contributions
Contract Plan
2013 - 2020**

	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 7,168,354	\$ 7,165,553	\$ 6,516,603	\$ 6,018,860	\$ 5,193,480	\$ 4,711,230	\$ 4,763,313	\$ 3,714,988
Employer contributions	4,357,936	4,488,508	4,054,711	3,877,435	3,439,288	3,067,778	3,326,307	2,572,888
Employee contributions	2,810,418	2,677,045	2,461,892	2,141,425	1,754,192	1,643,452	1,437,006	1,142,100
Total contributions	<u>\$ 7,168,354</u>	<u>\$ 7,165,553</u>	<u>\$ 6,516,603</u>	<u>\$ 6,018,860</u>	<u>\$ 5,193,480</u>	<u>\$ 4,711,230</u>	<u>\$ 4,763,313</u>	<u>\$ 3,714,988</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 31,946,238	\$ 30,624,000	\$ 31,094,000	\$ 30,448,000	\$ 29,787,000	\$ 25,321,000	\$ 27,266,000	\$ 24,693,000
Contributions as a percentage of covered employee payroll	22.44%	23.40%	20.96%	19.77%	17.44%	18.61%	17.47%	15.04%

Note: The information presented above is not available for years prior to the year ended June 30, 2013. Additional years' information will be displayed as it becomes available.

Required Supplementary Information (continued)

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen Initial Liability
Amortization method	30 years, closed period
Remaining amortization period	18 years
Asset valuation method	Market value
Salary increases	3.0% per annum
Investment rate of return	6.5% compounded annually
Administrative expenses	\$364,995
Employee contribution interest credit	5.00% per year
Termination before retirement	

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

Retirement age

Marital Status

Form of payment

Unknown data

Lump Sums
Mortality

All active, inactive vested, and future inactive vested participants are assumed to retire at age 64 after completion of 10 years of service. 80% of non-retired participants are married. Female spouse is assumed to be three years younger than the male spouse. 80% of active participants hired prior to July 1, 2012 are assumed to elect the lump-sum option. The remaining 20% of active participants hired prior to July 1, 2012, all actives hired on or after July 1, 2012, and vested terminated participants are assumed to elect the single life annuity.

Participants with unreported data, such as missing birthdates, are assumed to have the same characteristics as similar participants. If not specified, participants are assumed to be male.
Interest: 4.50%; IRS Applicable Mortality
IRS 2007 Current Liability Combined Table

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Statistics

Statistics



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 Agency's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to assess how the Agency's financial performance and well-being have changed over time.</i>	56
Revenue Capacity <i>These schedules contain information on the Agency's revenue sources and their fluctuations over time.</i>	59
Demographic and Economic Information <i>These schedules offer demographic and economic indicators regarding the environment within which the Agency's financial activities take place.</i>	61
Operating Information <i>These schedules contain information about services the Agency provides and the activities it performs.</i>	63
Pension Information <i>The Agency'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>	72
Grant Information <i>The Agency'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>	74

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
2011 - 2020

Exhibit 1

	Invested in Capital Assets	(1) Restricted	Unrestricted	Total
2011	83,828,062	21,356	3,583,423	87,432,841
2012	79,281,750	13,558	3,591,221	82,886,529
2013	98,327,695	30,174	3,574,605	101,932,474
2014	84,858,221	156,350	(21,833,158)	63,181,413
2015	91,276,393	144,080	(17,551,860)	73,868,613
2016	83,154,750	52,306	(13,189,109)	70,017,947
2017	89,067,558	73,776	(13,707,283)	75,434,051
2018	102,951,120	87,193	(14,193,881)	88,844,432
2019	91,068,904	87,193	(14,027,877)	77,128,220
2020	83,144,218	526,717	(16,664,805)	67,006,130

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

Financial Trends
Operating Expenses By Type
2011 – 2020

Exhibit 2

	Personnel					Casualty &	Purchased	
	Wages &	Fuel &	Supplies &	Services	Liability	Transportation	Depreciation	Total
	Benefits	Lubricants	Materials					
2011	52,462,571	6,754,776	2,858,490	6,644,394	3,693,995	1,026,413	17,588,757	91,029,396
2012	51,744,582	7,816,511	3,104,125	7,132,271	2,274,190	1,204,522	19,311,548	92,587,749
2013	54,820,343	7,290,527	2,654,286	7,692,693	2,532,732	1,464,569	20,249,160	96,704,310
2014	56,985,858	6,770,574	2,619,659	7,917,623	3,953,610	1,645,713	20,605,041	100,498,078
2015	57,228,802	5,487,215	2,414,826	8,483,128	3,606,383	1,642,825	18,343,403	97,206,582
2016	57,929,446	4,133,479	2,480,321	8,599,766	1,700,504	1,530,061	18,355,286	94,728,863
2017	64,426,881	4,035,132	2,501,985	9,111,699	2,171,419	1,334,269	17,554,892	101,136,277
2018	65,960,366	4,748,476	3,389,418	10,342,384	2,600,478	1,459,241	16,178,310	104,678,673
2019	70,161,457	5,166,101	4,087,981	11,565,340	1,432,513	1,747,051	16,340,080	110,500,523
2020	73,865,703	4,099,536	4,189,586	12,847,179	3,419,739	1,705,444	15,739,478	115,866,665

Financial Trends
Changes in Net Position

Exhibit 3

	2011 – 2020									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Transportation	\$ 35,413,269	\$ 35,139,334	\$ 37,554,281	\$ 38,869,648	\$ 39,488,966	\$ 40,639,813	\$ 44,148,976	\$ 45,458,610	\$ 47,848,764	\$ 54,678,389
Maintenance	21,292,632	21,834,078	22,042,606	21,878,415	20,479,627	19,355,457	20,379,891	22,186,665	23,854,682	24,288,404
Risk Management	6,791,630	7,175,642	6,222,310	7,900,442	8,795,766	5,891,767	7,638,605	9,124,849	8,856,141	5,605,293
Marketing & Customer Service	1,665,938	1,761,195	1,827,629	1,917,253	1,948,218	1,950,613	2,119,166	1,849,042	2,339,313	2,393,953
General	8,277,170	7,365,952	8,808,324	9,327,279	8,150,602	8,535,927	9,294,747	9,881,197	11,261,543	13,161,148
Administration	17,588,757	19,311,548	20,249,160	20,605,041	18,343,403	18,355,286	17,554,892	16,178,310	16,340,080	15,739,478
Total Expenses	\$ 91,029,396	\$ 92,587,749	\$ 96,704,310	\$ 100,498,078	\$ 97,206,582	\$ 94,728,863	\$ 101,136,277	\$ 104,678,673	\$ 110,500,523	\$ 115,866,665
Revenues										
Passenger Fares	\$ 17,308,290	\$ 18,085,942	\$ 18,024,416	\$ 17,966,020	\$ 17,516,839	\$ 16,945,561	\$ 15,630,301	\$ 14,562,861	\$ 14,167,351	\$ 10,452,194
Special Events	41,935	21,386	43,693	25,496	18,754	63,143	54,598	505,138	292,292	240,512
Advertising	558,490	688,089	542,382	630,413	603,029	743,132	618,750	801,753	1,069,805	978,484
Subtotal Operating	\$ 17,908,715	18,795,417	18,610,491	18,621,929	18,138,622	17,751,836	16,303,649	15,869,752	15,529,448	11,671,190
Subsidies	55,012,754	54,112,325	57,671,790	61,008,975	64,700,470	61,703,522	65,351,654	70,611,297	76,153,983	82,029,003
Interest & Other	519,170	368,458	172,869	262,133	293,115	1,189,184	1,429,378	1,546,133	2,643,016	4,229,590
Subtotal Nonoperating	55,531,924	54,480,783	57,844,659	61,271,108	64,993,585	62,892,706	66,781,032	72,157,430	78,796,999	86,258,593
Total Revenues	\$ 73,440,639	\$ 73,276,200	\$ 76,455,150	\$ 79,893,037	\$ 83,132,207	\$ 80,644,542	\$ 83,084,681	\$ 88,027,182	\$ 94,326,447	\$ 97,929,783
Net Expense	\$ (17,588,757)	\$ (19,311,549)	\$ (20,249,160)	\$ (20,605,041)	\$ (14,074,375)	\$ (14,084,321)	\$ (18,051,596)	\$ (16,651,491)	\$ (16,174,076)	\$ (17,936,882)
Capital Grants	17,130,510	14,765,236	39,295,105	7,135,567	24,761,575	10,233,655	23,467,700	30,061,872	4,457,864	7,814,792
Change in Net Position	\$ (458,247)	\$ (4,546,313)	\$ 19,045,945	\$ (13,469,474)	\$ 10,687,200	\$ (3,850,666)	\$ 5,416,104	\$ 13,410,381	\$ (11,716,212)	\$ (10,122,090)

Exhibit 4

Financial Trends

Capital Expenditures By Type

2011 - 2020

Fiscal Year	Facilities	Fleet	Customer Amenities	AVL, Farebox & Radio Equipment	Furniture & IT Equipment	Shop & Garage Equipment	Total
2011	1,206,706	6,764,468	7,256,720	518,104	1,134,931	249,581	17,130,510
2012	4,325,055	6,651,509	859,424	395,016	2,320,594	213,638	14,765,236
2013	3,499,678	33,192,608	246,410	173,465	1,900,072	282,872	39,295,105
2014	1,179,707	4,291,904	432,180	93,033	1,090,098	48,645	7,135,567
2015	790,850	21,682,852	1,121,151	154,802	964,131	47,789	24,761,575
2016	428,727	6,722,168	961,882	177,299	1,739,603	203,976	10,233,655
2017	1,562,076	10,528,848	1,039,431	146,183	1,406,411	34,751	14,717,700
2018	283,004	26,615,064	1,401,501	680,162	982,787	99,354	30,061,872
2019	803,460	1,345,520	537,589	57,250	1,467,834	246,211	4,457,864
2020	938,428	5,299,359	118,921	67,675	1,216,180	174,229	7,814,792

**Revenue Capacity
Operating Subsidy Sources
2011 - 2020**

Exhibit 5

	Prop A Funds City of Long Beach	Prop A Discretionary Funds L.A. County	Prop C Measure M & R Funds L.A. County	State Assistance	Federal Preventive Maintenance Program	Other Sources	Total
2011	5,375,238	13,460,669	12,371,325	17,480,351	6,067,800	257,371	55,012,754
2012	5,891,768	8,822,958	13,546,398	20,170,522	5,325,134	355,545	54,112,325
2013	5,044,272	10,873,265	11,934,386	22,547,344	6,339,255	933,268	57,671,790
2014	4,850,603	12,508,593	13,598,965	24,909,438	3,412,984	1,728,392	61,008,975
2015	5,190,603	12,767,792	14,269,674	24,826,792	5,929,059	1,716,550	64,700,470
2016	5,190,603	12,680,667	11,628,614	24,914,119	5,325,398	1,964,121	61,703,522
2017	5,572,292	14,174,567	15,572,050	24,402,408	4,327,990	1,302,347	65,351,654
2018	5,924,407	12,648,905	19,954,759	23,689,180	7,846,063	547,983	70,611,297
2019	6,170,100	10,944,646	25,081,880	29,795,924	3,158,764	1,002,669	76,153,983
2020	6,008,758	12,598,998	25,909,558	33,950,870	2,757,676	803,143	82,029,003

**Revenue Capacity
Fare Recovery Percentage
2011 - 2020**

Exhibit 6

<u>Year</u>			<u>Percentage</u>
2011	.....	.....	23.6
2012	.....	.....	24.7
2013	.....	.....	23.6
2014	.....	.....	22.5
2015	.....	.....	21.1
2016	.....	.....	21.1
2017	.....	.....	18.9
2018	.....	.....	17.1
2019	.....	.....	15.3
2020	.....	.....	10.9

Note: Prior years' information in the above table has been modified to conform with the current year's presentation. Fare recovery percentage represents passenger fares and special event revenue divided by operating expenses before depreciation.

**Revenue Capacity
Fare History
2011 - 2020**

Exhibit 7

Fixed Route Service:

Cash Fares:

Regular	\$	1.25
Student		1.25
Senior & Disabled		0.60
Local transfer		-
Interagency transfer		0.50

Day Pass:

Regular	\$	4.00
Discounted		2.50

5 - Day Pass:

Regular	\$	18.00
Discounted		9.00

Monthly Pass:

UCLA Commuter Express*	\$	120.00
Regular		65.00
Student		40.00
Senior & Disabled		24.00

Dial-A-Lift Service:

Cash Fare	\$	2.00
-----------	----	------

Water Taxi:

Cash Fares:

AquaBus	\$	1.00
AquaLink		5.00

* UCLA Commuter Express pilot started in FY2019. Service became permanent in FY2020.

Demographic and Economic Information
City of Long Beach
Demographic Statistics
2011 - 2020

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)
2011	462,257	13,486	29,173	84,812	13.4
2012	465,576	14,058	30,196	83,691	12.2
2013	467,646	14,757	31,556	82,256	10.3
2014	469,428	15,525	33,072	81,155	8.6
2015	473,577	16,242	34,296	79,709	6.8
2016	474,140	16,939	35,725	77,812	5.7
2017	480,173	17,864	37,203	76,428	5.3
2018	478,561	16,210	34,370	74,681	5.1
2019	475,984	16,556	34,933	73,221	4.6
2020	472,802	16,762	35,305	72,002	19.6

Sources:

- (A) California Department of Finance.
- (B) Bureau of Economic Analysis. Personal income and per capita personal income are based on percent change of per capita personal income for Los Angeles-Long Beach-Santa Ana, CA (Metropolitan Statistical Area). BEA's report does not have personal income and per capita personal income available since 2018, so an average of the last five years was used.
- (C) California Department of Education Educational Demographic Unit. Annual school census from Long Beach Unified School District for preschool, grades kindergarten through 12.
- (D) Average annual rate reported by Bureau of Labor Statistics.
- (E) Restated prior years due to the data's annual revision.

Demographic and Economic Information
City of Long Beach
Principal Employers

Most Recent Year Available and Nine Years Prior

Exhibit 9

Employer	2019 Number of Employees	Percentage of Total City Employment	2010 Number of Employees	Percentage of Total City Employment
Long Beach Unified School District	12,825	5.31%	7,846	3.38%
City of Long Beach	5,476	2.27%	5,466	2.35%
Long Beach Memorial Medical Center	5,106	2.12%	5,105	2.20%
California State University, Long Beach (CSULB)	3,962	1.64%	6,599	2.84%
Veteran Affairs Medical Center	3,040	1.26%	2,306	0.99%
Long Beach City College	2,670	1.11%	1,664	0.72%
Molina Healthcare Inc.	1,967	0.81%	N/A	N/A
St. Mary Medical Center	1,570	0.65%	1,461	0.63%
CSULB Research Foundation	1,524	0.63%	N/A	N/A
The Boeing Company	1,202	0.50%	7,100	3.06%

Source: (1) Department of Financial Management Accounting and Business License via City of Long Beach
(2) State of California Employment Development Department Labor Market Info for 2010 and 2019 via City of Long Beach.

**Operating Information
Key Performance Indicators**

Exhibit 10

2011 – 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Fixed Route</u>										
Operating Cost Per Vehicle Service Hour	\$ 106.77	\$ 105.61	\$ 110.11	\$ 115.04	\$ 115.40	\$ 112.67	\$ 114.57	\$ 120.98	\$ 127.44	\$ 153.72
Operating Cost Per Passenger	\$ 2.54	\$ 2.50	\$ 2.56	\$ 2.69	\$ 2.85	\$ 2.94	\$ 3.22	\$ 3.65	\$ 3.98	\$ 5.23
Roadcalls	1,325	1,819	1,778	2,243	2,163	1,912	1,897	2,367	2,021	1,552
Miles Between Roadcalls	5,807	4,219	4,438	3,413	3,572	4,040	4,222	3,409	4,071	4,577
Total Accidents	851	865	881	1,026	912	999	938	871	784	589
Preventable Accidents	90	89	120	101	126	103	99	94	101	73
Preventable Accidents Per 100,000 Miles	1.17	1.16	1.52	1.36	2.07	1.34	1.29	1.22	1.26	1.08
Passengers per Vehicle Service Hour	45	48	43	42	40	37	35	33	32	29
On-Time Performance ¹	99.8%	99.9%	99.9%	77.4%	78.5%	85.2%	86.7%	85.7%	84.7%	84.6%
Number of Vehicles	265	260	262	248	249	249	249	249	249	249
Number of Employees	708	725	728	729	723	728	727	746	745	743
<u>Special Services</u>										
Dial-A-Lift Cost Per Passenger	\$ 19.71	\$ 19.64	\$ 20.42	\$ 20.60	\$ 19.36	\$ 18.34	\$ 18.90	\$ 20.19	\$ 27.12	\$ 35.77
Dial-A-Lift Passengers Per Service Hour	5.0	5.1	4.8	5.1	5.7	4.8	2.1	1.8	1.6	1.6
Number of Dial-A-Lift Vehicles	15	15	13	13	15	12	10	10	10	10
Water Taxi Cost Per Passenger ²	\$ 11.94	\$ 13.73	\$ 9.23	\$ 12.69	\$ 11.27	\$ 10.94	\$ 9.03	\$ 9.32	\$ 10.17	\$ 11.48
Water Taxi Passengers Per Vehicle Service Hour	14.09	13.81	13.94	16.32	16.11	19.02	18.99	19.15	19.49	19.01
Number of Water Taxi Vessels	3	4	4	4	4	4	4	4	4	4

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

² Costs only include fixed route water taxi services.

Operating Information
Customer Satisfaction Trends
2011 - 2020

Exhibit 11

Service Element	% of Customers Rating Favorably									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
LBT Overall	97	97	97	97	90	96	93	98	98	97
LBT Compared to Others	89	93	95	91	**	**	**	**	**	**
Operator Appearance	99	99	99	98	92	98	98	99	98	94
Fares	73	87	91	92	90	94	93	90	95	88
Operator Courtesy	90	92	94	91	91	95	95	99	96	93
Operator Safety	97	98	99	92	90	98	97	99	99	95
On Board Safety	95	96	97	95	86	90	**	**	**	**
Route Convenience	95	96	98	95	90	95	94	94	96	91
Information Available	90	95	95	92	86	92	91	89	90	87
Telephone Information	90	91	89	86	83	91	88	93	91	82
Bus Stop Safety	90	92	95	92	84	78	**	**	**	**
Bus Stop Convenience	96	96	97	97	89	95	94	95	94	88
Schedule Reliability	78	85	89	84	83	89	88	93	90	83
Bus Cleanliness	93	94	95	95	85	88	91	90	91	88
Bus Stop Cleanliness	86	91	91	92	87	86	88	88	82	81

Source: Annual community survey.

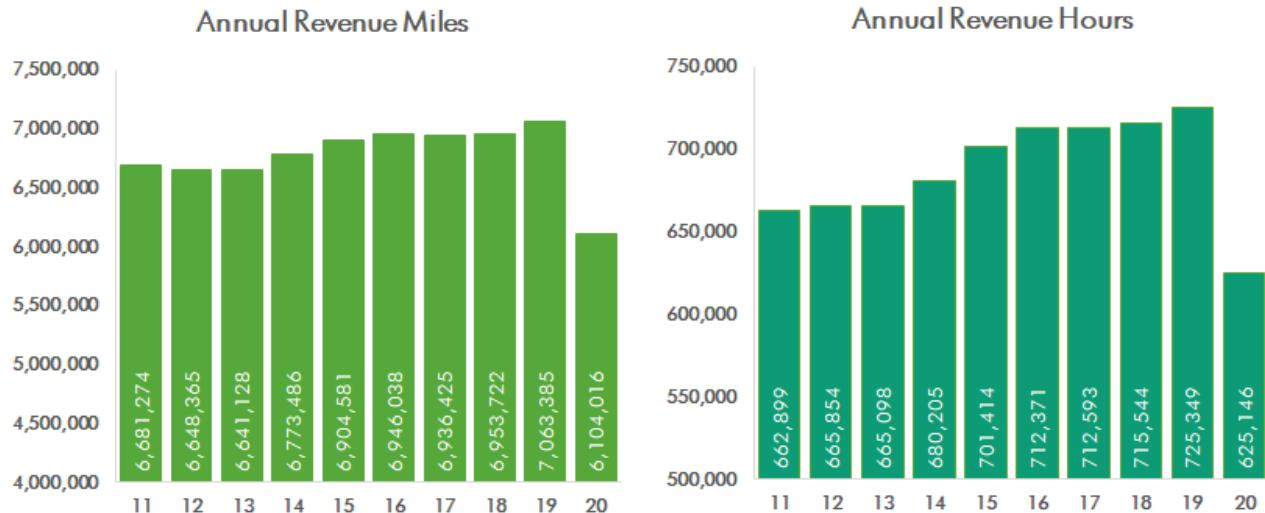
** Not surveyed

**Operating Information
Fixed Route Statistics
2011 - 2020**

Exhibit 12



LBT had a loss of ridership from FY 2019 to FY 2020, with 23.2 million boardings on LBT buses in FY 2019 falling to 18.4 million boardings on LBT buses in FY 2020. The 18.4 million boardings represented a 20.9% decrease from the previous year. This ridership decline is largely due to the COVID-19 pandemic, as month over month ridership had been stable or increasing prior to the pandemic.



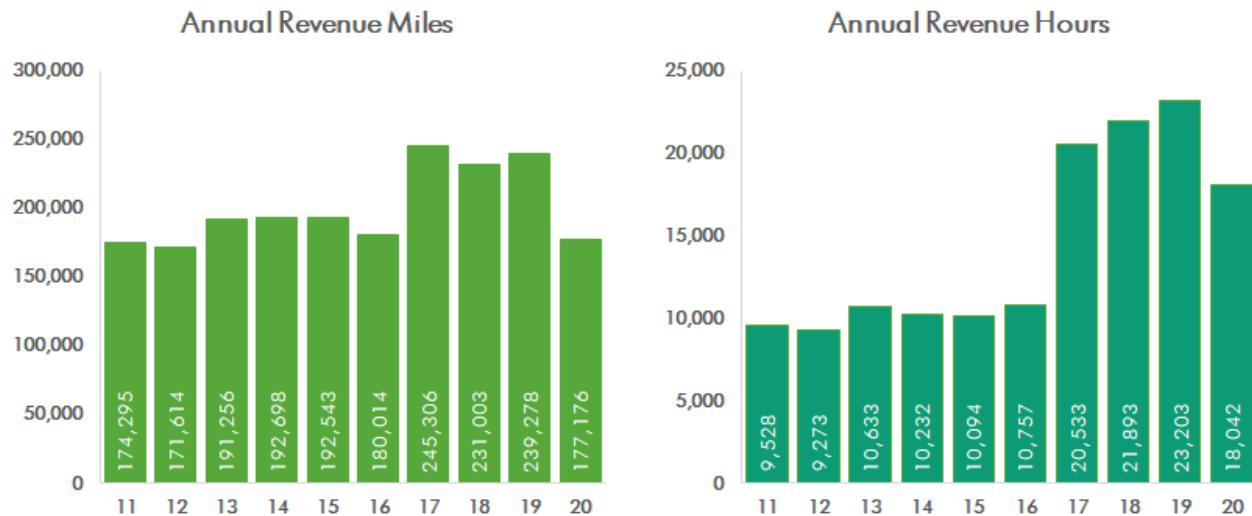
Source: Long Beach Transit's Annual National Transit Database Report

Operating Information
Dial-A-Lift Statistics
2011 - 2020

Exhibit 13



Dial-A-Lift had a 22.9% decrease in ridership in FY 2020. The ridership decrease is attributed in large part to the COVID-19 pandemic which significantly reduced demand for Dial-A-Lift service. The Dial-A-Lift service is supplied by a private contractor who provides Dial-A-Lift vehicle trips.



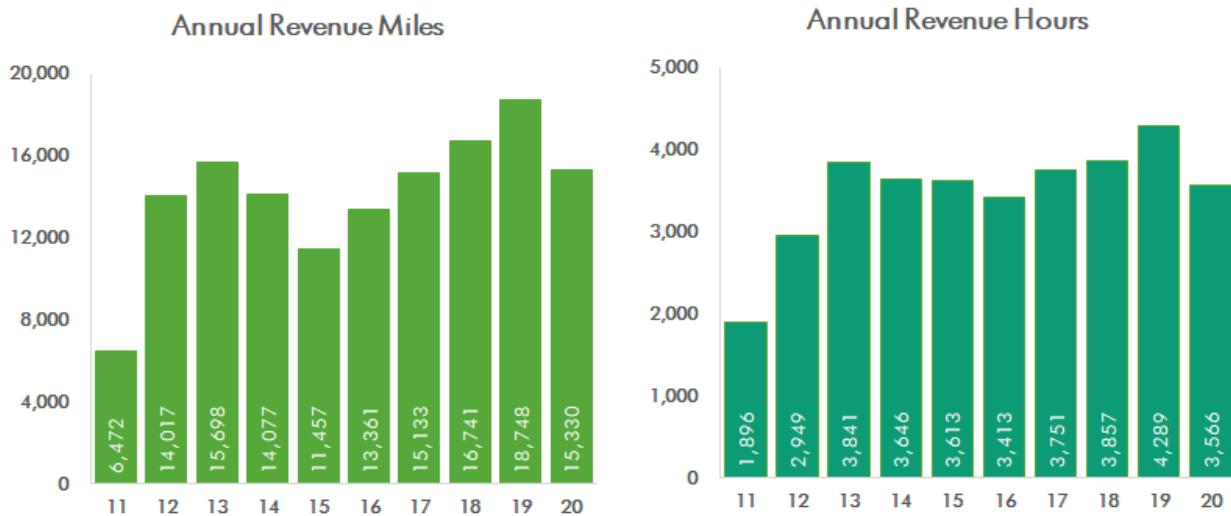
Source: Long Beach Transit's Annual National Transit Database Report

**Operating Information
Water Taxi Statistics
2011 - 2020**

Exhibit 14



Water Taxi ridership decreased 18.9% and revenues decreased 19.9% in FY 2020. These decreases are due to the fact that all water taxi service was suspended indefinitely as of March 22, 2020 due to the COVID-19 pandemic. Ridership had been increasing month over month in FY 2020 compared to FY 2019 prior to the pandemic.



Source: State Controller's Report

Operating Information
Schedule of Insurance in Force
June 30, 2020

Exhibit 15

Program	Expiration Term	Agency	Amount/Limit
<u>LIABILITY</u>			
A. Public Entity Liability			
07/1/21	1 yr	Princeton Excess & Surplus Lines Insurance Co.	\$5,000,000 Excess of \$3,000,000 SIR
B. UST Insurance - Storage Tank Liability			
04/1/21	1 yr	Illinois Union Insurance Co.	\$2,000,000 - each incident \$3,000,000 - aggregate \$3,000,000 - aggregate legal defense \$6,000,000 Total Policy Aggregate/ All Incidents Deductible \$50,000
C. Excess Liability			
07/01/21	1 yr	Allied World National Assurance Co.	\$5,000,000 - Excess of \$3,000,000 SIR
<u>COMMERCIAL PROPERTY</u>			
04/1/21	1 yr	Travelers Property Casualty Co.	\$22,845,000 - Buildings \$41,459,000 - Business Personal Property (includes \$20,000,000 Buses in yard) \$471,000 - Extra Expense \$5,000,000 - Earthquake Sprinkler Leakage \$2,500 - Deductible per occurrence \$50,000 - Deductible per Earthquake Sprinkler Leakage \$50,000 - Deductible for Buses \$5,000 - Deductible Personal Property in Transit
<u>WORKERS' COMPENSATION</u>			
07/1/21	1 yr	Safety National Casualty Corp.	SIR: \$1,500,000 WC limit each accident: Statutory Employer's Liability per occurrence: \$2,000,000

CRIME POLICY

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

07/1/23	3 yr	Federal Insurance Co.	\$100,000 – Life insurance policy covering death as a result of an assault on the job, Article 31, LBT/ATU 1277 CBA
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FIDUCIARY LIABILITY

11/1/20	1 yr	Federal Insurance Co.	\$ 3,000,000 - Each Loss \$ 3,000,000 - Each Policy Period \$ 10,000 - Deductible
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CYBER LIABILITY

07/01/21	1 yr	ACE American Insurance Co.	\$5,000,000 - Maximum Single Limit of Insurance \$5,000,000 - Maximum Policy Aggregate \$25,000 - Retention - Each Claim
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ENVIRONMENTAL LEGAL LIABILITY

06/21/22	1 yr	Aspen Specialty Insurance Co.	\$5,000,000 - Pollution Incident Limit \$5,000,000 - Aggregate Limit of Liability \$25,000 - Per Incident Deductible
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Source: Long Beach Transit's Risk Management Department

Exhibit 16

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

Route	FREQUENCY OF SERVICE			DAILY HOURS OF OPERATION			
	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	Weekday
1	30 min	40 min	40 min	30/60 min	60 min	60 min	438A - 1100P
20	15/20 min	20 min	20 min	20/30/60 min	15/30 min	20/30/60 min	440A - 115X
40	10 min	15 min	15 min	10/30 min	15/30 min	15/30 min	430A - 125X
50	12/15 min	20/30 min	20 min	15/20/30 min	20/30 min	20/30 min	430A - 1210X
60	12 min	20/30 min	20 min	20/30/60 min	20/30 min	450A - 120X	505A - 1211X
70	30 min	40 min	40 min	30/45 min	40 min	40 min	455A - 825P
80	50 min	--	--	--	--	--	508A - 855P
90	10/15 min	20 min	20/30 min	--	--	--	--
96 "ZAP"	Varies	--	--	15/20/30 min	20/30 min	20/30 min	615A - 643P
101/103	15/20 min	20/40 min	20/40 min	--	--	--	600A - 115X
102/104	30 min	60 min	60 min	30/50 min	30 min	20/40 min	455A - 1045P
110	20 min	30 min	30 min	30/60 min	30/60 min	20/40 min	454A - 857P
121	20 min	25/30 min	25/30 min	20/30 min	25/30 min	30/60 min	435A - 120X
131	45 min	60 min	60 min	60 min	60 min	25/30 min	425A - 109X
151	25 min	40 min	40 min	25/30/60 min	40/60 min	40/60 min	451 - 1015P
170	10/15 min	15/30 min	15/30 min	20/30/60 min	15/30/60 min	15/30/60 min	428A - 1252X
171/175	12/15 min	45 min	30 min	45 min	45 min	45 min	419A - 1256X
176	30 min	--	--	--	--	--	425A - 1103P
181	45 min	60 min	60 min	45 - 60 min	60 min	60 min	650A - 709P
182	45 min	60 min	60 min	45 min	60 min	60 min	540A - 948P
190	10/15 min	20 min	20 min	20/30/60 min	20/30/60 min	20/30/60 min	555A - 855P
510	30/60 min	--	--	--	--	--	535A - 823P
<i>Passport</i>	15 min	15 min	12 min	15/30 min	15/30 min	15/30 min	505A - 121X
<i>Passport</i>	15 min	15 min	12 min	15/30 min	15/30 min	15/30 min	--
							458A - 1256X
							458A - 1256X

Source: Long Beach Transit's Service Planning Department

Exhibit 16 (continued)

Operating Information
Fixed-Route Bus Service
Summary of Service Frequency and Hours of Operation (COVID-19 Reduced Service)

Route	FREQUENCY OF SERVICE						DAILY HOURS OF OPERATION			
	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	
	Peak/Base (5am - 6pm)			Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	
1	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	549A - 845P
20	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	600A - 900P
40	10/30 min	10/30 min	10/30 min	10/30 min	10/30 min	10/30 min	10/30 min	10/30 min	10/30 min	600A - 900P
50	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	610A - 844P
60	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	600A - 853P
60	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	600A - 853P
70	--	--	--	--	--	--	--	--	--	602A - 827P
80	--	--	--	--	--	--	--	--	--	--
90	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	546A - 825P
96 ZAP ^P	--	--	--	--	--	--	--	--	--	--
101/103	20/40 min	20/40 min	20/40 min	20/40 min	20/40 min	20/40 min	20/40 min	20/40 min	20/40 min	550A - 805P
104	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	650A - 646P
110	30 min	30 min	30 min	30 min	30 min	30 min	30 min	30 min	30 min	605A - 855P
121	30 min	30 min	30 min	30 min	30 min	30 min	30 min	30 min	30 min	600A - 900P
131	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	630A - 828P
151	40 min	40 min	40 min	40 min	40 min	40 min	40 min	40 min	40 min	552A - 854P
170	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	15/30 min	600A - 900P
171	45 min	45 min	45 min	45 min	45 min	45 min	45 min	45 min	45 min	658A - 812P
176	--	--	--	--	--	--	--	--	--	--
181	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	604A - 855P
182	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	60 min	605A - 823P
190	10/20/30 min	10/20/30 min	10/20/30 min	10/20/30 min	10/20/30 min	10/20/30 min	10/20/30 min	10/20/30 min	10/20/30 min	600A - 858P
510	1 A.M. and 1 P.M. Trip	--	--	--	--	--	--	--	--	515A, 500P
<i>Passport</i>	--	--	--	--	--	--	--	--	--	--

Source: Long Beach Transit's Service Planning Department

Pension Information
Employer and Employee Pension Contributions
2011 – 2020

Exhibit 17

Fiscal Year Ended June 30	Employer Contribution*	Employee Contribution	Covered Payroll **	Contribution as a Percentage of Payroll
Contract Plan				
2011	\$ 3,791,200	\$ -	23,062,414	16.44
2012	2,099,802	1,141,708	23,947,941	13.54
2013	2,473,826	1,142,100	24,693,232	14.64
2014	3,326,307	1,437,006	27,266,377	17.47
2015	3,067,778	1,643,452	25,321,405	18.61
2016	3,439,288	1,754,192	29,787,114	17.44
2017	3,877,435	2,141,425	30,447,872	19.77
2018	4,054,711	2,461,892	31,093,861	20.96
2019	4,488,508	2,677,045	30,624,368	23.40
2020	4,357,936	2,810,418	31,946,238	22.44
Salaried Plan				
2011	\$ 2,041,762	\$ -	7,121,812	28.67
2012	1,244,244	387,987	7,602,881	21.47
2013	2,244,185	449,958	7,800,712	34.54
2014	2,847,508	436,748	6,924,729	47.43
2015	4,758,243	402,617	6,380,468	80.89
2016	4,270,185	365,367	6,023,124	76.96
2017	2,790,134	340,086	5,186,888	60.35
2018	2,602,155	320,450	4,858,664	60.15
2019	3,111,520	322,305	4,782,843	71.79
2020	1,596,044	319,542	4,589,323	41.74

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

** Covered Payroll prior to 2018 have been restated in accordance with GASB.

Source: Contract and Salaried pension plan financial statements for the year ended June 30, 2020.

These financial statements are prepared under separate cover and contain additional trend information.

Exhibit 18

Pension Information
Pension Revenues by Source and Expenses by Type
2011 – 2020

Fiscal Year Ended June 30	Revenues by Source				Expenses by Type			
	Employer and Employee Contributions	Benefit transfer	Investment Return	Total	Administrative Expenses	Benefit Payments	Benefit transfer	Total
	<u>Contract</u>				<u>Salaried</u>			
<u>Plan</u>								
2011	\$ 3,791,200	\$ -	\$ 6,604,495	\$ 10,395,695	\$ 227,962	\$ 1,852,836	\$ 168,731	\$ 2,249,529
2012	3,241,510	-	682,971	3,924,481	255,280	2,610,617	25,643	2,891,540
2013	3,714,988	-	3,324,692	7,039,680	291,858	2,447,910	-	2,739,768
2014	4,763,313	-	5,113,555	9,876,868	323,518	4,326,353	241,886	4,891,757
2015	4,711,230	-	(569)	4,710,661	349,496	4,881,029	288	5,230,813
2016	5,193,480	-	(407,799)	4,785,681	325,026	3,182,794	17,501	3,525,321
2017	6,018,860	-	4,919,899	10,938,759	376,137	4,615,902	255,041	5,247,080
2018	6,516,603	-	2,807,077	9,323,680	380,134	5,626,291	37,663	6,044,088
2019	7,165,553	-	1,715,995	8,881,548	364,631	3,559,763	-	4,224,394
2020	7,168,354	-	207,350	7,375,704	364,995	3,912,892	-	4,277,887
<u>Contract</u>								
<u>Plan</u>								
2011	\$ 2,041,762	\$ 168,731	\$ 2,235,151	\$ 4,445,644	\$ 118,827	\$ 2,255,212	\$ -	\$ 2,374,039
2012	1,632,231	25,643	(238,790)	1,419,084	118,457	2,294,168	-	2,412,625
2013	2,694,143	-	960,977	3,655,120	117,013	702,018	-	819,031
2014	3,284,256	241,886	1,750,047	5,276,189	142,002	234,268	-	376,270
2015	5,160,860	288	(11,557)	5,149,591	167,173	1,818,412	-	1,985,585
2016	4,632,552	17,501	(194,989)	4,455,064	167,603	1,332,112	-	1,499,715
2017	3,130,220	255,041	2,277,537	5,662,798	203,559	3,003,925	-	3,207,484
2018	2,922,605	37,663	1,376,782	4,337,050	199,961	1,503,429	-	1,703,390
2019	3,433,825	-	777,683	4,211,508	187,683	951,414	-	1,139,997
2020	1,915,586	-	84,624	2,000,210	197,584	1,302,936	-	1,500,520

Source: Contract and Salaried pension plan financial statements for the year ended June 30, 2020.

These financial statements are prepared under separate cover and contain additional trend information.

Exhibit 19

Grant Information
Capital Grant History
Federal Grants 2011 - 2020

FTA Grants	Authorized Amount	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CA-90-Y391	13,354,477	\$ 95,849	\$ 60,034	\$ 2,527,386							
CA-90-Y440	6,358,401	35,420	11,972								
CA-90-Y502	14,756,941	8,688	132,711	26,545							
CA-90-Y652	13,051,167	654,528	398,367	8,331,767	\$ 428,257	\$ 175,263	\$ 41,956				
CA-95-X040	447,000	57,282									
CA-03-0714	970,874										
CA-04-0061	1,915,492										
CA-90-Y731	14,960,635	4,965,764	234,409	3,761,979	71,168	5,361					
CA-03-0759	485,888										
CA-90-X007	16,497,214	8,840,940	693,688								
CA-04-0065	2,604,050	1,998,932	(173,860)	778,978							
CA-04-0134	1,783,466	222,952	351,368	1,096,541	71,421	41,184					
CA-90-Y798	13,994,380	3,046,150	6,541,814	646,277	312,347	829,421	11,026	\$ 2,344			
CA-90-Y880	15,774,862	746,816	7,199,267	2,525,909	86,464	40,244	33,223	\$ 1,935,227	\$ 21,716	\$ 37,584	
CA-04-0184	2,863,280	899,012	702,223	387,690	330,469	5,296	70,224				6,425
CA-04-0199	950,000		950,000								
CA-38-0004	6,700,000		637,161	193,185	88,283	237,053	4,213,586	1,677,736	66,432		
CA-90-Y957	16,248,527	1,048,270	2,605,970	5,748,917	46,226	112,598	6,552,428	127,859	6,259		
CA-90-Z053	17,391,081		773,241	3,102,621	6,504,828	44,927	455,784	96,488	144,629		
CA-90-Z120	20,701,104	49,875	10,518,828	1,438,564	1,254,135	1,812,501	868,012	961,781			
CA-58-0015	2,000,000		2,000,000								
CA-90-Z232	14,113,447			1,622,069	5,264,836	4,829,286	302,859				
CA-2016-049	20,731,551				1,314,496	9,911,532	498,404				
CA-2017-050	17,837,931					2,069,639	3,258,119				
CA-37-X100	437,730					426,335	11,395				
CA-2018-127	1,172,867						17,326				
CA-2019-088	17,095,459										
CA-2020-053	13,037,621										
TOTAL	\$ 19,999,485	\$ 9,896,331	\$ 27,706,394	\$ 7,419,063	\$ 22,926,811	\$ 9,947,262	\$ 12,310,369	\$ 29,670,468	\$ 5,268,610	\$ 4,942,900	
											1,925,532

Grant Information
Capital Grant History
State Grants 2011 - 2020

Exhibit 20

State Grants	Authorized Amount	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CA-90-Y226	\$ 2,739,574										
CA-95-X040	\$ 203,182										
STA 01	\$ 990,696										
STA 02	\$ 1,341,400										
STA 03	\$ 838,329										
STA 07	\$ 910,000										
STA 08	\$ 3,528,162	\$ 40,077	\$ 10,681	\$ 19,986							
STA 11	\$ 580,795			\$ 331,826	\$ 248,972						
1B PTMISEA	\$ 22,935,490			\$ 863,708	\$ 5,851,780	\$ 20,924	\$ 1,990,351	\$ 1,780,966	\$ 1,883,455	\$ 508,411	\$ 93,396
1B SEC	\$ 3,952,019			252,533	197,999	374,050	274,793	644,369	84,411	22,254	401,085
LCTOP	\$ 512,596										
TOTAL	\$ 140,973	\$ 1,126,922	\$ 6,401,591	\$ 643,946	\$ 2,265,144	\$ 954,139	\$ 1,865,377	\$ 1,905,709	\$ 1,196,557	\$ 520,562	

Grant Information

Capital Grant History

Local Grants 2011 - 2020

Exhibit 21

Local Grants	Authorized Amount	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Prop C Security FY 03	\$ 349,154										
Prop C Security FY 04	\$ 923,452										
Prop C – CA-90-Y271	2,375,547										
Prop C-CA-90-Y391	2,934,372	\$ 21,172	\$ 13,250	\$ 8,134	\$ 2,935		\$ 517,992				
Prop C-CA-90-Y440	1,329,020										
Prop C Sec-CA-90-440	138,600	721									
Prop C FY 08	1,661,127										
Prop C-CA-90-Y502	3,512,702	433,695	207,383	33,179	6,698						
Prop C-CA-90-Y652	2,030,062	20,417									
Prop C Sec-CA-90-Y652	163,641	131,869	1,037,686	\$ 107,052	\$ 43,821	\$	9,366				
MTA 8111	428,774										
Prop C Sec-CA-90-Y652	47,128	(13)									
Prop C FY 09	98,343	519,828									
Prop C-CA-90-Y731	3,604,442	1,239,842	58,875	736,865	17,792	2,837					
Prop C FY 10	110,000	49,175									
Prop C FY 11	3,808,593	155,049	908,816	1,257,341	702,307	341,032	\$ 339,043	\$ 105,434	\$ 229,189	\$ 11,757	\$ 173
Prop C-CA-90-798	3,003,969	762,626	1,635,402	161,627	78,086	107,922	2,693	586			
Prop C-CA-04-065	576,983	499,766	(43,498)	120,715							
Prop C-CA-04-134	312,540	55,704	87,876	140,809	17,855	10,297					
Prop C-CA-04-184	860,720		224,801	225,800	125,882	109,267					
Prop C FY 12	2,818,242			987,020	928,199	324,026	303,876	1,324	17,254		
Prop C FY 13	3,242,074			27,419	328,881	1,747,453	551,216	551,216	104,107	54,336	
Prop C-CA-38-0004	876,429			219,786	82,791	35,027	85,464	443,083	357,117	28,235	29,979
Prop C-CA-90-Y957	2,864			881	701	265	841	177	132,474	132,474	24,361
Prop C FY 14	2,518,706			61,119	499,668	429,482	708,945	624,427	17,104	51,684	
Prop C-CA-90-Y880	2,252			927	1,325						
Prop C FY 15	4,033,963				658,270	1,117,119	990,459	185,851	242,819		336,250
Prop C-CA-90-Z053	89,216				3,305	5,799	706	71,351	7,638		
Prop C-CA-90-Z120	1,465,833				890,691	150,106	86,122	2,098	934		
Prop C FY 16	4,172,213					92,683	610,084	121,131	283,782		
Prop C-CA-90-Z232	90,824					36,827	46,848	5,203			
Prop C-CA-2016-049	700,368						608,052				
Prop C-CA-37-X100	109,433						106,583				
Prop C FY 17	4,401,948						14,715				
Prop C FY 18	4,492,599						551,683				
Prop C FY 19	4,587,785						427,283				
Prop C FY 20	4,754,414						112,288				
TOTAL	\$ 3,929,757	\$ 3,260,888	\$ 5,440,639	\$ 2,451,592	\$ 4,775,206	\$ 3,089,012	\$ 3,460,901	\$ 2,776,973	\$ 1,248,410	\$ 4,664,483	

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