Long Beach Transit

FY 2022 Annual Comprehensive Financial Report

A component unit of the City of Long Beach, California for the years ending June 30, 2022 and 2021.

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

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDING JUNE 30, 2022 AND 2021

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Introduction

December 20, 2022

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 Annual Comprehensive Financial Report of LBT for fiscal year July 1, 2021 to June 30, 2022.

The Annual Comprehensive Financial Report 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 annual comprehensive 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 14 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
- Commuter Express (UCLA)

Fixed-Route Bus Service

LBT provides fixed-route bus service to a 110-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 currently covers 35 routes.

Of the 35 fixed routes operated by LBT, 22 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 Flixbus, Los Angeles Department of Transportation (LADOT), LA Metro, and Torrance Transit.

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). In addition to 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 approximately 2,000 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 Boulevard to the many points of interest in the downtown waterfront.

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. The Passport route would normally operate daily from 5 a.m. to 11 p.m., however it has been temporarily suspended due to the COVID-19 pandemic.

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, dispatched and operated by the contractor. In fiscal year (FY) 2022, there were 20,578 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.

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. Additionally, each year, LBT supports the Grand Prix of Long Beach and other large-scale, special events by providing supplemental service where needed.

Commuter Express (UCLA)

Since 2019, LBT has offered the UCLA/Westwood Commuter Express service. With trips operating weekdays, 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 successful accomplishments and major initiatives addressed during the fiscal year, beginning July 2021 through June 2022, organized by Strategic Priority.

Improve Safety and Service Quality

Expanded Service to the City of Carson (Sept. 2021)

As a result of the COVID-19 pandemic, the City of Carson made the decision to suspend its transportation service, the Carson Circuit, to ensure the safety of its customers during the pandemic. The City took that opportunity to consider alternate transportation service options to support a broader section of its community. On September 23, 2021, LBT's Board of Directors authorized the President and CEO to enter into a service agreement with the City of Carson to provide fixed-route bus services. The new service expanded transportation access to Carson residents, connecting major hubs such as California State University, Dominguez Hills (CSUDH), the Harbor UCLA Medical Center and the SouthBay Pavilion as well as provided connections to key activity centers and destinations in the City of Carson.

Implementation of Route 141/Artesia Blvd. (Jun. 2022)

In June 2022, LBT assumed LA Metro's Route 130 on Artesia Blvd between Artesia Station and Los Cerritos Center in order to provide customers with a direct transit route between major connection points within the City of Long Beach as well as connecting the City of Cerritos to LA Metro's A Line.

LBT Corporate Office Modernization (Ongoing)

LBT has taken several major steps to modernize and improve the corporate office, located at 4801 Airport Plaza Drive, Long Beach CA, 90815. The following is a list of initiatives that were approved by LBT's Board of Director's in FY 2022:

- Building Automation (Aug. 2021)
- Construction Administrative Services (Sept. 2021)
- Network Infrastructure (Sept. 2021)

- Roofing Services (Nov. 2021)
- Elevator Modernization (Feb. 2022)
- Access Control System (Apr. 2022)

Exercise Financial Accountability

Returned to Fare Collection (Sept. 2021)
Due to COVID-19, LBT implemented several service changes and suspended fare collection. Beginning on September 19, 2021, LBT resumed fare service for all fixed routes. In efforts to promote safety, customers were encouraged to pay fare with a Transit Access Pass (TAP) card or use the TAP app instead of cash. To aid with the return of fare collection, LBT offered promotional discounts on regular 30-day, five-day and one-day passes through March 2022.

Launched Phase 1 of GoPass (Nov. 2021)
On November 2, 2021, LBT's Board of Directors approved the adoption of the Fareless System Initiative (FSI), also known as the GoPass Program. This program, under Phase 1, allows eligible students attending participating school districts to have unlimited access to LBT's fixed-route services as well as all other participating transit agencies. Students are able to ride with the use of a free TAP card that is distributed only through the schools and are required to register online.

Purchased Five Zero-Emission Electric Commuter Buses (ZEB) (Mar. 2022)
LBT is committed to purchasing zero-emission buses (ZEBs) and plans to retire all non-ZEBs as they approach the end of their useful lives. At the March 2022 Board of Directors meeting, LBT was approved to purchase five, 45 foot electric commuter buses and charging infrastructure. The purchase of the additional commuter buses will provide LBT's customers with transportation services to jobs and educational opportunities through the utilization of public transit. The first of the five ZEBs will be expected to be delivered in fiscal year 2024.

Foster Employee Engagement

Reached Two-Year Agreements with ATU and AFSCME (Jul. 2021)
On July 26, 2021, ATU Local 1277 and AFSCME District Council 36 Supervisory Unit, respectively, ratified new two-year Labor Agreements with LBT. The contracts are effective from July 1, 2021 to June 30, 2023. On November 1, 2021, AFSCME District Council 36 General Unit and LBT ratified a new two-year agreement effective from July 1, 2021 to June 30, 2023.

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:

- Agencywide Procurement Training
- Cybersecurity Online Training
- De-Escalation Training for Operators
- Leadership/Management Training for Supervisors
- Microsoft 365 Teams Training

Enhance Customer Experience

Installation of 30 Solar-Powered LED Electronic Signage (eSigns) (Dec. 2021)

On December 9, 2021, LBT's Board of Directors approved the manufacturing, delivery and installation of 30 solar-powered LED electronic signage (eSigns) passenger information systems for bus stops along Santa Fe Avenue. These eSigns relay important information about LBT's services by providing accurate and reliable information to its customers. This information includes real-time route schedules, route detours and emergency safety messages.

Installation of Eight Bus Shelters in Downtown Long Beach (Mar. 2022)

On March 24, 2022, LBT's Board of Directors approved the procurement, delivery and installation of eight bus stop shelters with benches, including both shelter-mounted and pole-mounted LED electronic signage (eSigns) for locations in downtown Long Beach. These bus shelters were added to aid the City of Long Beach's efforts to improve accessibility and to enhance customer experiences in the downtown area for all transit patrons.

Promote Community and Industry Focus

Extension of Discounted Pass Program (Jun. 2022)

In conjunction with Los Angeles County Metropolitan Transportation Authority (Metro), LBT established the discounted pass program for six months after LBT returned to fare collection. In January 2021, a surge of the COVID-19 Omicron variant negatively impacted LBT's customers and also reversed the course in reclaiming LBT's ridership back to pre-pandemic levels. LBT extended the discounted pass program, continuing to provide economic relief to customers who rely on LBT's services while also promoting transit usage to pre-pandemic levels.

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 goal set annually to measure progress. The KPIs also bring together cross-departmental analysts to track, measure and analyze the Agency's performance. Quarterly, these analysts 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 2022 can be found in Exhibit 10.

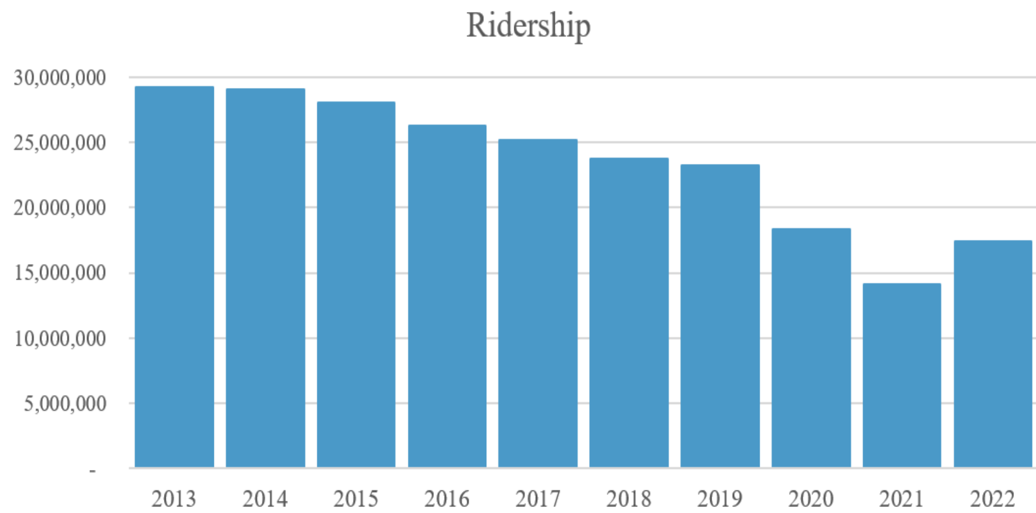
Successes

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 overall MDBF increased in FY 2022 from 3,988 to 4,794 miles. This marks the highest MDBF in the last ten fiscal years. LBT achieved this by completing at least 95% of all scheduled preventative maintenance inspections on time.

Ridership

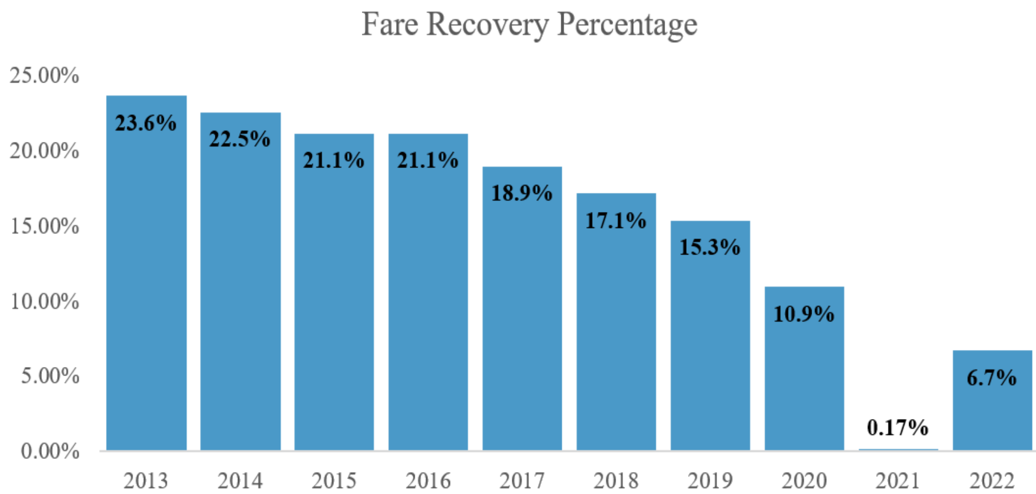
While ridership has not reached pre-pandemic levels, LBT continues to connect communities and move (more) people, making everyday life better. In FY 2022 service level reached 81.4% of pre-pandemic levels. Ridership increased from 14.1 million FY 2021 to 17.4 million in FY 2022.



Re-Expanding 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.

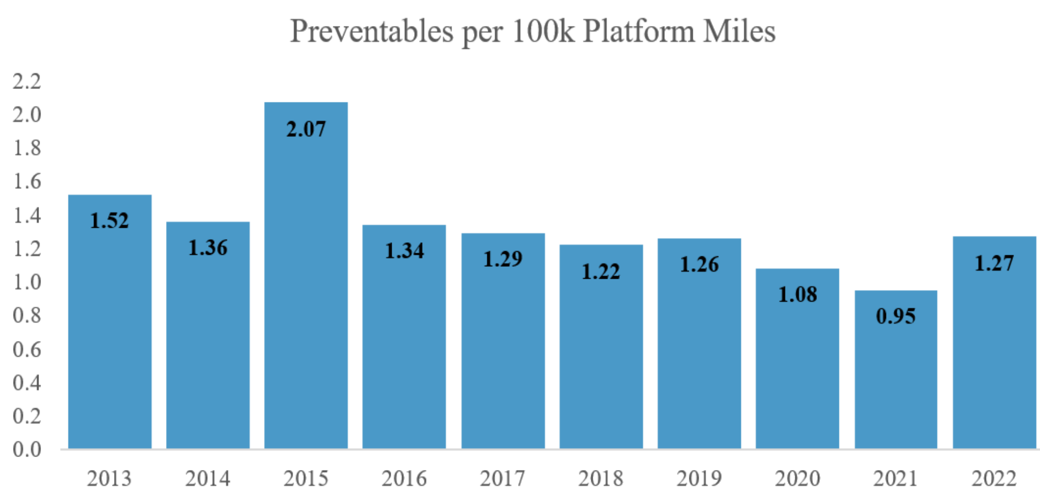
As part of LBT's COVID-19 response initiative, LBT offered discounted fares for the 1-day, 5-day, and 30-day regular passes. These discounts were available to the public starting September 19, 2021, when LBT first started enforcing farces, and continued until the end of the fiscal year. In April 2022, LBT partnered with LA Metro and Long Beach Unified School District to offer free rides to all K-12 students through a pilot program called GoPass. The fare recovery ratio reached 6.69% in FY 2022, even though fares were not enforced until late September. This is a tremendous increase from FY 2021, which was 0.17%.



Challenges

Increase in 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. While adhering to social distancing guidelines lines, LBT continued to perform Safety Blitzes where the Transit Service Delivery Supervisors met with their Operators to promote the safety topic of the month. However, due to an increase in vehicles on the road as businesses began to reopen, students returning to campus, and employees returning to offices, LBT’s accidents per 100K platform miles increased from 0.95 in FY 2021 to 1.27 in FY 2022.



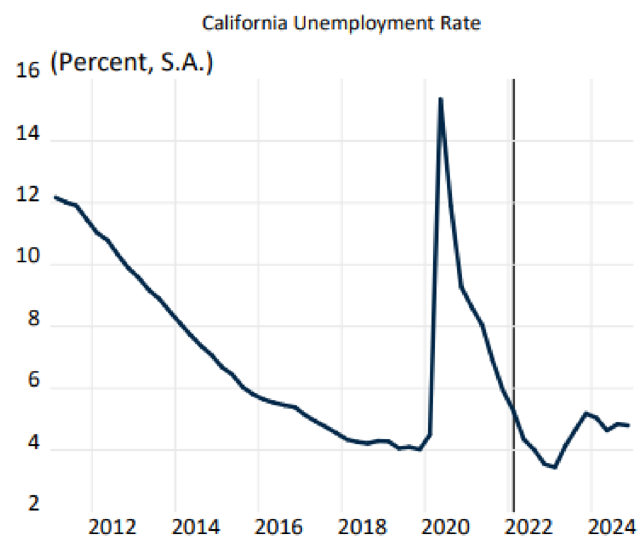
Unplanned Absences

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 2022, unplanned absences remained high, though they decreased slightly from 17.42% to 16.07%. COVID-19 contributed to absences as employees needed to take unplanned time off to care for themselves or for family members.

Factors Affecting Financial Condition

General Economic Conditions

The U.S. and California economies have recovered significantly from the impacts of the COVID-19 pandemic. However, there is growing potential for a recession in the face of high and persistent inflation and a tightening labor market. In terms of employment, California's unemployment rate as of August 2022 was 4.1%, down from a high of 16% in April 2020. The University of California, Los Angeles (UCLA) Anderson Forecast projects that unemployment will continue to decrease gradually but then begin to increase as a consequence of slower economic growth and a weakening economy.



Source: UCLA Anderson Forecast - September 2022 Economic Forecast

Unemployment in Los Angeles County was slightly higher than that of the state, at 4.9% as of August 2022. Sectors where employment remains significantly below pre-pandemic levels in the County include government, leisure and hospitality, and education services. Similar to the County, unemployment in Long Beach was 5.2% as of August 2022. The tightening labor market hinders LBT's ability to expand its workforce. Personnel constraints are likely to continue being a challenge for the Agency in the near-term.

Along with the tight labor market, there has also been significantly high inflation. The persistence of inflation has been a driving narrative in the economy, due in large part to international supply chain disruptions. In August 2022, prices in Los Angeles County are up 7.6% from a year prior. While inflation is beginning to slow, it still remains a significant factor affecting the economy and the Agency. As a consequence of inflation, LBT has seen an increase in its operating expenses.

LBT aims to balance these expenses with revenue sources, including subsidies. LBT receives subsidies from the County based on a formula allocation of sales tax revenues collected. High inflation contributes, at least in the short term, to an increase in taxable sales because prices are higher. Taxable sales in the state have increased beyond pre-pandemic levels and are forecasted to remain consistent over the next year, according to the UCLA Anderson Forecast. This is a positive forecast for the Agency's subsidy revenue. However, mounting fears of a recession could have a negative impact on consumer behavior and impact sales taxes and Agency subsidies going forward.

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 $10,000 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 (SGR) Policy

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. This 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;
- the asset does not pose a known unacceptable safety risk; and
- the 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 $200,000. Procurements exceeding that threshold must be authorized by LBT's Board of Directors. This threshold was previously set at $100,000. LBT's Board of Directors approved the increased threshold at their February 2021 meeting.

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, pandemics, 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 strategic priorities 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.

Financial forecasts project revenues and expenditures, using assumptions about economic conditions and future spending, including such factors as:

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

The Agency’s long-term operating and capital plan 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.

Long-Term Debt Policy

LBT has historically not carried debt and prioritized only using available grant funds to procure capital acquisitions. In FY 2021, LBT executed a promissory note for the acquisition of its corporate administrative office. Interest payments toward the note are recorded operating expenses.

Risk Management Policy

It is LBT's policy to be self-insured for each occurrence of workers’ compensation and personal liability and property damage (PL/PD) up to $1.5 million and $3 million, respectively. Claims in excess of $1.5 million for workers’ compensation and $3 million for PL/PD are covered under policies in force with an insurance company.

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 33 in note (6) of the notes to the accompanying 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 32nd 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. 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 Annual Comprehensive Financial Report in compliance with the GFOA policies, procedures and program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Ashley Liang
Treasurer

Sonya Howe
Comptroller

Jennifer Sartjian
Manager, Finance

Terry Coon
Manager, Accounting

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Manager, Capital Programs

Samantha Uhlenfeldt
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

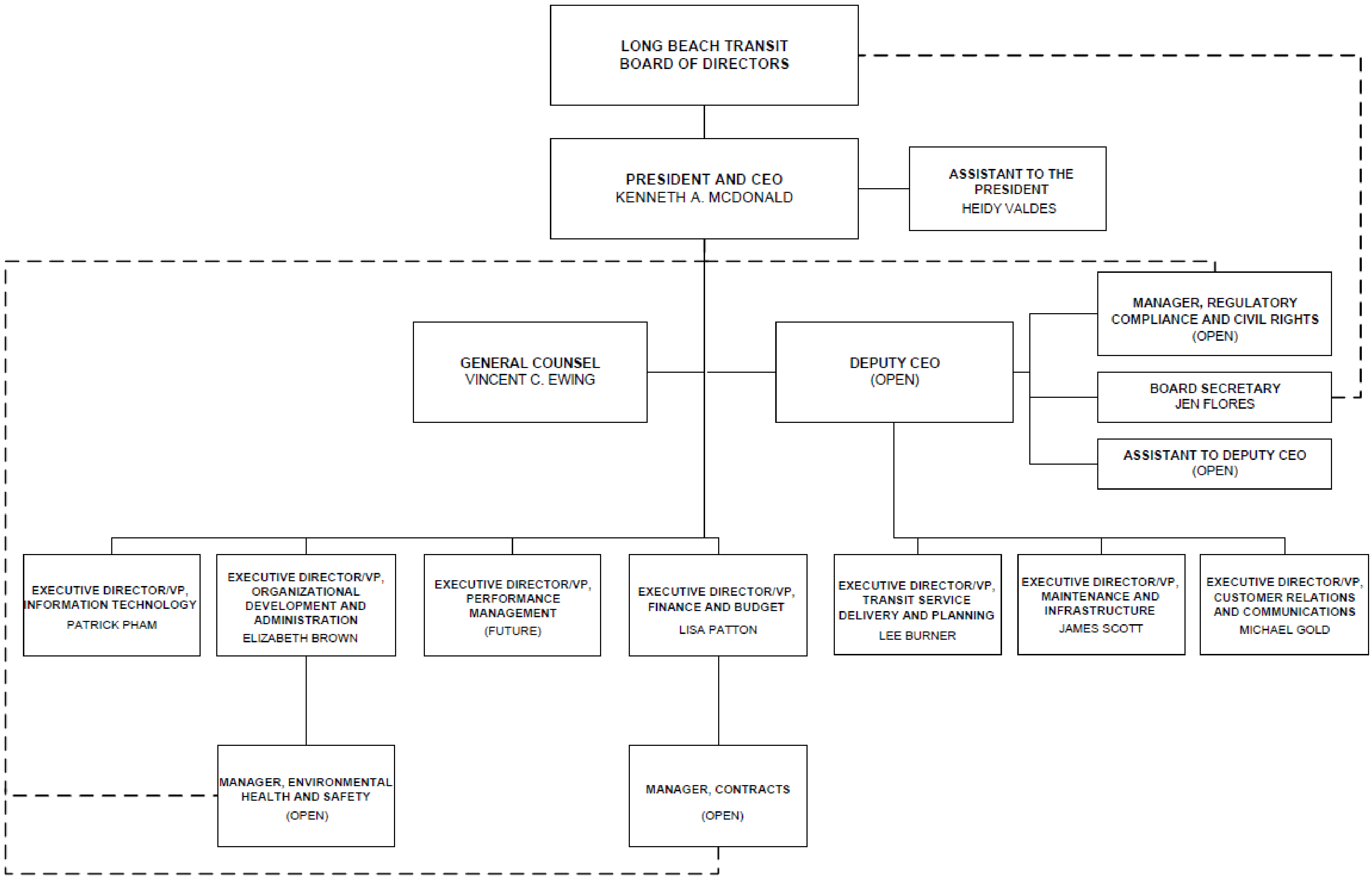
Long Beach Transit
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO


LONG BEACH TRANSIT BOARD OF DIRECTORS
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ASSISTANT TO THE PRESIDENT HEIDY VALDES
MANAGER, REGULATORY COMPLIANCE AND CIVIL RIGHTS (OPEN)
GENERAL COUNSEL VINCENT C. EWING
DEPUTY CEO (OPEN)
BOARD SECRETARY JEN FLORES
ASSISTANT TO DEPUTY CEO (OPEN)
EXECUTIVE DIRECTOR/VP, INFORMATION TECHNOLOGY PATRICK PHAM
EXECUTIVE DIRECTOR/VP, ORGANIZATIONAL DEVELOPMENT AND ADMINISTRATION ELIZABETH BROWN
EXECUTIVE DIRECTOR/VP, PERFORMANCE MANAGEMENT (FUTURE)
EXECUTIVE DIRECTOR/VP, FINANCE AND BUDGET LISA PATTON
EXECUTIVE DIRECTOR/VP, TRANSIT SERVICE DELIVERY AND PLANNING LEE BURNER
EXECUTIVE DIRECTOR/VP, MAINTENANCE AND INFRASTRUCTURE JAMES SCOTT
EXECUTIVE DIRECTOR/VP, CUSTOMER RELATIONS AND COMMUNICATIONS MICHAEL GOLD
MANAGER, ENVIRONMENTAL HEALTH AND SAFETY (OPEN)
MANAGER, CONTRACTS (OPEN)

Board of Directors

Michael Clemson	Chair of the Board
David Sutton	Vice Chair
Abigail Mejia	Secretary/Treasurer
Colleen Bentley	Director
Raul Anorve	Director
Vacant	Director
Vacant	Director
Lea Eriksen	City Representative - Non-Voting, City of Long Beach
Joshua Hickman	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
Elizabeth Brown	Executive Director/VP, Organizational Development and Administration
Patrick Pham	Executive Director/VP, Information Technology
Michael Gold	Executive Director/VP, Customer Relations and Communications

Financial

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Long Beach Public Transportation Company

Opinion

We have audited the accompanying financial statements of the business-type activities and fiduciary net position of Long Beach Public Transportation Company (the Company), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary net position of the Company as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying supplemental informational schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental informational schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 20, 2022 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's 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 the Company's internal control over financial reporting and compliance.

Windes, Inc.

Long Beach, California
December 20, 2022

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Management's Discussion and Analysis

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 2022, 2021 and 2020. 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-xviii of this report.

FINANCIAL HIGHLIGHTS

- Passenger fares earned in FY 2022 were $7.08 million, an increase from $154 thousand in FY 2021. This increase was due to resuming fare collection after it was temporarily suspended in response to the COVID-19 pandemic.
- Subsidies for FY 2022 were $94.48 million, an increase from $91.99 million in FY 2021. This increase was largely due to an increase in county sales tax revenues as the economy recovered from the COVID-19 pandemic.
- Operating expenses in FY 2022 were $115.62 million, an increase from $110.76 million in FY 2021. The increase in expenses was driven by the increase in cost for fuel, materials and supplies, and services.
- Fuel expenses in FY 2022 were $5.45 million, an increase from $3.20 million in FY 2021, due to an increase in usage as well as in fuel prices.
- Capital acquisitions in FY 2022 were $25.31 million, compared to $27.49 million in FY 2021.
- Net position at the end of FY 2022 is $85.75 million compared to $73.25 million at the end of FY 2021. Total assets increased by $19.40 million and deferred outflows of resources increased by $8.70 million, while total liabilities increased by $27.20 million and deferred inflows of resources decreased by $11.59 million.
- Total net pension liability increased to $32.19 million in FY 2022, compared to $13.87 million in FY 2021. This increase of $18.32 million consists of increases of $5.14 million and $13.18 million for the Salaried and Contract Plans, respectively. The increase was due to the pension investments performing below the rate of return assumption of the Plans for FY 2022.

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 outflows of resources, liabilities, and deferred inflows 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 14-20 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 21-60 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 $85.75 million at the close of FY 2022, an increase from $73.25 million at the close of FY 2021.

Long Beach Transit's
Condensed Summary of Net Position

	Year Ended		
	2022	**2021**	**2020**
Assets			
Current assets	$ 67,291,608	$ 64,590,635	$ 64,349,013
Other noncurrent assets	30,596,605	22,890,271	28,184,651
Capital assets, net	105,347,906	96,356,715	83,144,218
Total assets	203,236,119	183,837,621	175,677,882
Deferred outflows of resources	16,026,996	7,325,749	14,957,584
Liabilities			
Current liabilities	75,167,366	71,809,117	66,478,825
Noncurrent liabilities	54,525,021	30,685,138	57,150,511
Total liabilities	129,692,387	102,494,255	123,629,336
Deferred inflows of resources	3,824,529	15,418,522	-
Net position			
Net investment in capital assets	102,135,121	91,604,336	83,144,218
Restricted	300,492	303,855	526,717
Unrestricted	(16,689,414)	(18,657,598)	(16,664,805)
Total net position	$ 85,746,199	$ 73,250,593	$ 67,006,130

Management's Discussion and Analysis (continued)

Assets. Current assets increased to $67.29 million in FY 2022 from $64.59 million in FY 2021, an increase of $2.70 million. This increase is largely due to the increase in accounts receivable of $1.56 million. Subsidies and capital grants receivable make up the majority of the increase in accounts receivable. Current assets in FY 2021 increased to $64.59 million in FY 2021 from $64.35 million in FY 2020, an increase of $241 thousand. This increase is largely due to the increases in accounts receivable of $1.47 million. Similarity to FY 2022, subsidies and capital grants receivable make up the majority of the increase in accounts receivable.

Other noncurrent assets, which are Agency investments and leased assets, decreased to $30.60 million from $22.89 million in FY 2021. Agency investments decreased in FY 2022, from $22.89 million in FY 2021.

Net capital assets totaled $105.35 million in FY 2022, compared to $96.36 million in FY 2021, an increase of $8.99 million. This increase is due to capital acquisitions in FY 2022, the largest being the purchase of new battery-electric buses. In FY 2021, net capital assets increased by $13.22 million compared to FY 2020. This increase was a result of capital acquisitions, the largest being the purchase of the corporate office building.

Deferred Outflows of Resources. Deferred outflows of resources increased in FY 2022 to $16.03 million from $7.33 million in FY 2021, an increase of $8.70 million. In FY 2021 there was a decrease of $7.33 million from $14.96 million in FY 2020. Changes in deferred outflows are a result of the amortization of prior years' changes in pension liability, as well as gains and losses in 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. Current liabilities increased to $75.17 million in FY 2022 from $71.81 million in FY 2021, an increase of $3.36 million. The increase was due in part to increases in accounts payable ($1.77 million) and subsidy deferral ($680 thousand). Accounts payable increased due to higher invoice accruals, including accruals for Dial-A-Lift services and corporate office tenant improvements. The subsidy deferral represents Prop A, Measure M, and STA funding which are planned for use in the next fiscal year. In FY 2021, current liabilities increased by $5.33 million due to increases in accounts payable and subsidy deferral.

Noncurrent liabilities increased to $54.53 million in FY 2022 from $30.69 million in FY 2021, an increase of $23.84 million. The increase is due to the increase in net pension liability ($18.33 million), offset by decreases in unearned revenue ($2.42 million) and note payable ($1.54 million). Unearned revenue represents grants allocated for capital projects that have not yet been expended. In FY 2021, noncurrent liabilities decreased by $26.46 million from $57.15 million in FY 2020 due to decreases in net pension liability and unearned revenue.

In FY 2021, LBT executed a promissory note in the purchase of a commercial office building to be used as the Agency's corporate office. The outstanding balance of the note is reflected in current liabilities and noncurrent liabilities in the financial statement. More information on the note payable can be found in note (14) of the notes accompanying the financial statements.

Deferred Inflows of Resources. Deferred inflows of resources decreased in FY 2022 to $3.82 million from $15.42 million in FY 2021, a decrease of $11.60 million. In FY 2021 there was an increase of $15.42 million. Changes in deferred inflows are a result of the amortization of prior years' changes in pension liability, as well as gains and losses in the value of the plan investments. More information on deferred inflows of resources can be found in note (1) and note (13) of the notes to the accompanying financial statements.

Management's Discussion and Analysis (continued)

Net Position. Total net position at the end of FY 2022 is $85.75 million, an increase from $73.25 million in FY 2021. Net position is calculated as assets and deferred outflows of resources less liabilities and deferred inflows of resources. LBT's net position includes $102.04 million invested in capital assets and $16.69 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 unrestricted net position.

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

	Year-Ended		
	2022	**2021**	**2020**
Operating revenues:			
Passenger fares and special events	$ 7,138,072	$ 155,130	$ 10,692,706
Advertising	843,340	649,678	978,484
Other revenue	1,133,274	1,183,017	2,381,571
Total operating revenues	9,114,686	1,987,825	14,052,761
Nonoperating revenues:			
Subsidies	94,483,188	91,986,813	82,029,003
Investment return, net	(673,484)	287,251	1,848,019
Total nonoperating revenues	93,809,704	92,274,064	83,877,022
Total revenues	102,924,390	94,261,889	97,929,783
Operating expenses:			
Transportation	50,067,770	50,691,529	54,678,389
Maintenance	29,986,862	25,714,741	24,288,404
Administration	20,783,244	20,071,273	21,160,394
Depreciation	14,782,360	14,278,928	15,739,478
Total operating expenses	115,620,236	110,756,471	115,866,665
Change before capital grants	(12,695,846)	(16,494,582)	(17,936,882)
Capital grants	25,309,346	22,739,045	7,814,792
Change in net position	12,613,500	6,244,463	(10,122,090)
Total net position, July 1	73,250,593	67,006,130	77,128,220
GASB 87	(117,894)	-	-
Total net position, June 30	$ 85,746,199	$ 73,250,593	$ 67,006,130

Operating revenues. In FY 2022, overall total operating revenue increased to $9.11 million compared to $1.99 million in FY 2021. This was an increase of 358%. This increase was due to LBT reinstating fare collection, which started on September 19, 2021. In FY 2022, businesses began to reopen, more students were returning to campus, and employees resumed commuting to work.

In an effort to make purchasing passes easier for students, LBT made it possible for six high schools in the Long Beach Unified School District (LBUSD) to sell LBT 30-day student passes directly on campus. A new 150-day (or semester long) student pass for California State University Long Beach (CSULB) was also introduced. CSULB students were able to purchase and load the pass directly onto their mobile cell phones.

Management's Discussion and Analysis (continued)

In January 2022, LBT began a fareless initiative pilot program (commonly known as GoPass) with the Los Angeles Metropolitan Transportation Agency (MTA), LBUSD, and Long Beach City College (LBCC) to allow students to ride LBT for free. LBCC students were able to use their GoPass starting February 6, 2022, while LBUSD students started using their GoPass on April 1, 2022. The GoPass program saw great usage during the remaining portion of the fiscal year as any student enrolled in a school district or community college participating in the GoPass program was able to ride LBT for free.

To help the community rebound from the effects of the COVID-19 pandemic, LBT discounted the 1-day regular pass, the 5-day regular pass, and the 30-day regular pass from the resumption of fare collection in September 2021 and throughout the remainder of the fiscal year.

From September 17, 2021, to May 22, 2022, customers were able to enjoy weekend service (Friday, Saturday, and Sunday) aboard the AquaLink. Starting May 25, 2022, through the end of the fiscal year and into the subsequent fiscal year, the AquaLink was available to customers 7 days a week. New fareboxes were installed on the AquaLinks to help make collecting fares easier. LBT also introduced a new mobile ticketing option which allowed customers to purchase their tickets through their mobile cell phone. The new fareboxes, along with handheld validation and credit card processing devices were used to validate customers using the app.

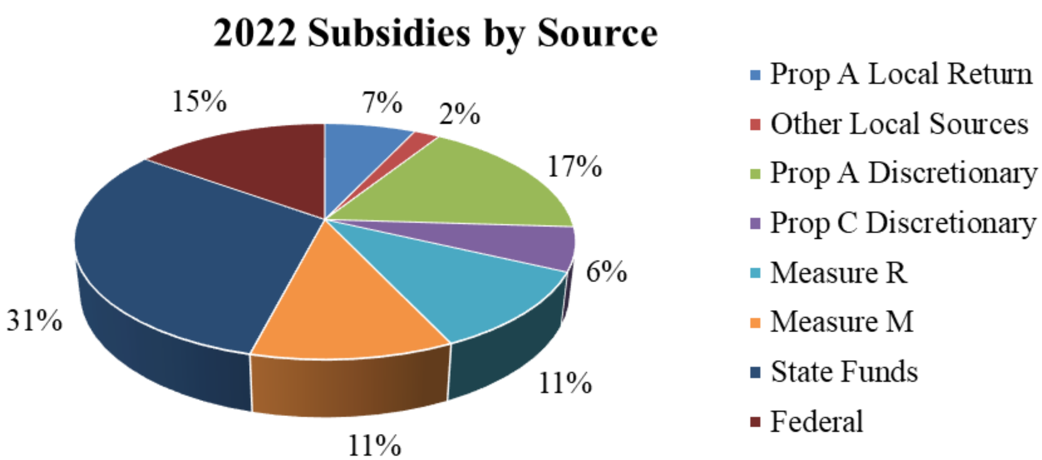
In FY 2021, revenues were heavily affected by the COVID-19 pandemic. While LBUSD welcomed back their students to campus, LBCC and CSULB limited the number of students returning to face-to-face classes. Rear-door boarding was enforced on all buses for the safety of the bus operators and the customers. Moreover, fare collection was not enforced and there were no special event services. Overall total operating revenues decreased in FY 2021 to $1.99 million compared to $14.05 million in FY 2020, which was an 85.9% decrease.

Management's Discussion and Analysis (continued)

Advertising revenue improves as we emerge from the pandemic. In FY 2022 advertising revenue was $843 thousand, an increase compared to $650 thousand in FY 2021. During the pandemic and throughout FY 2022, LBT's contract to earn a guaranteed minimum annual revenue for advertisements was placed on hold until the end of the pandemic. Instead, the advertising revenue share is earned by month. With the advertising contracts prior to the pandemic, any excess compared to the minimum annual guarantee (MAG) was collected at the end of each contract year. In FY 2021, LBT received $78 thousand over the MAG for the prior contract year. In fiscal years 2020 and 2019, LBT received $375 thousand and $400 thousand over the MAG, respectively.

Other revenues amounted to $1.13 million in FY 2022, a decrease from $1.18 million in FY 2021, mainly due to a decrease in fuel tax credits. In fiscal years 2022, 2021, and 2020, LBT received fuel tax credits totaling $1.09 million, $1.15 million, and $2.35 million respectively. A significant amount of the fuel credits were due to federal alternative fuel tax credits. The Inflation Reduction Act of 2022 extended the Alternative Fuels Tax Credit for three years beginning retroactively January 2022 through December 31, 2024. The alternative fuel tax credit rate is $0.50 per gallon or diesel gallon equivalent.

Nonoperating revenues. Subsidies in FY 2022 totaled $94.48 million or 91.8% of total revenues. This represents an increase from $91.99 million in FY 2021, a difference of $2.49 million. This increase was largely due to increases in county sales tax revenues as the economy recovered from the COVID-19 pandemic. In FY 2021, there was an increase in subsidies of $9.96 million largely due to federal Coronavirus relief funds.



There was a loss in interest returns of $673 thousand in FY 2022, a decrease compared to $287 thousand in interest income in FY 2021, due to a decrease in market value of individually held bonds. In FY 2021 there was a decrease in interest income earnings, down from $1.85 million in FY 2020, due to lower interest income from investments.

Total Revenues. Overall, in FY 2022 revenues totaled $102.92 million, an increase from $94.26 million in FY 2021. This is a result of the increases in operating revenue and non-operating revenue discussed above. In FY 2021, there was a decrease in total revenue from $97.93 million in FY 2020.

Management's Discussion and Analysis (continued)

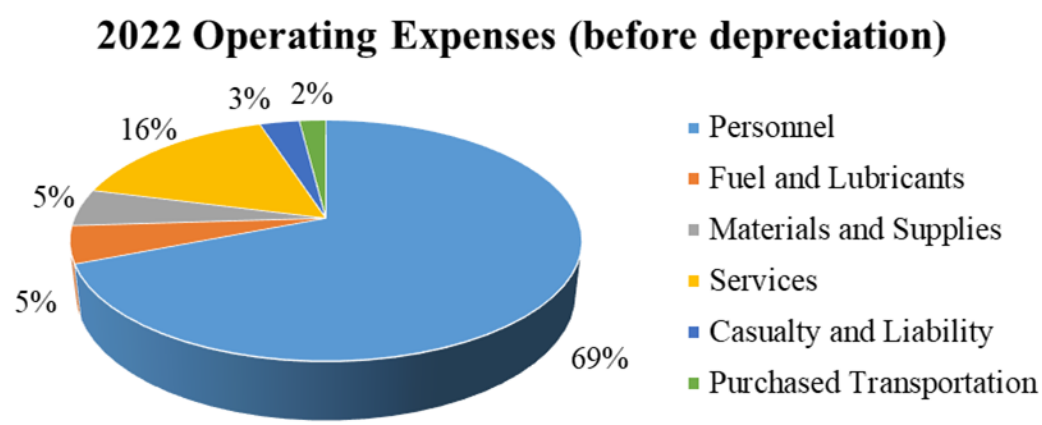
Operating expenses. Operating expenses before depreciation increased in FY 2022 to $100.84 million from $96.48 million in FY 2021, an increase of $4.36 million. The increase is primarily due to an increased cost of fuel and materials and supplies.

Total labor costs excluding benefits increased by 8.2%, to $47.81 million in FY 2022 from $44.19 million in FY 2021 due to wage and service level increases. Health benefit costs decreased by $223 thousand due to lower premiums.

The gradual restoration of transit service combined with the rise in market fuel cost reflected an increase of $2.25 million in fuel costs for FY 2022 compared to FY 2021. The average fuel prices were also higher throughout FY 2022 compared to FY 2021.

The Agency has managed to control operating costs and did not lay-off any of its employees during FY 2022.

In FY 2021, operating expenses before depreciation decreased to $96.48 million from $100.13 million in FY 2020. This decrease of $3.65 million was primarily due to cost reductions in daily transportation operations stemming from reduced services in response to the COVID-19 pandemic.



Capital Grants. In FY 2022 capital grants amounted to $25.31 million, an increase from $22.74 million in FY 2021. Depreciation expense totaled $14.78 million in FY 2022, compared with $14.28 million in FY 2021. Depreciation expense increased by $503 thousand.

Management's Discussion and Analysis (continued)

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

	Year-Ended		
	2022	**2021**	**2020**
Land	$ 14,275,000	$ 14,275,000	$ 14,275,000
Buildings and improvements	27,111,968	28,348,615	7,166,706
Fleet	52,769,307	46,277,445	54,148,498
Communications systems	992	992	992
Fare collection system	394,532	474,395	629,852
Office, shop and garage equipment	2,597,037	3,222,842	1,802,847
Customer amenities	1,265,261	1,846,494	2,344,204
Construction in progress	6,933,810	1,910,932	2,776,119
Total capital assets, net of depreciation	$ 105,347,907	$ 96,356,715	$ 83,144,218

Capital Assets. LBT had $23.77 million in new capital acquisitions during FY 2022, a decrease of $3.72 million when compared to FY 2021. In FY 2022, assets have been purchased with federal, state and local grants awarded to the Agency.

LBT's investment in capital assets as of June 30, 2022 amounted to $105.35 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, fleet, communication and farebox systems, equipment, and customer amenities.

The Agency's investment in capital assets increased by 9.3% in FY 2022, from $96.36 million in FY 2021. Major capital acquisitions in FY 2022 included the purchase of battery electric buses, mid-life rehabilitation of buses, corporate office building improvements, and information systems upgrades. In FY 2021, capital acquisitions amounted to $27.49 million, with major acquisitions including the purchase of a corporate office building, mid-life rehabilitation of buses and information systems upgrades.

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 the funds.

Significant capital asset acquisitions during FY 2022 included the following:

- New BYD Buses, $13.14 million
- Mid-life rehabilitation of buses, $3.66 million
- LBTCO Network, $954 thousand
- LBTCO Tenant Improvements, $921 thousand
- New BEB New Flyer Pilot Bus, $803 thousand
- ION Emitters, $542 thousand
- Routine replacement of engines, transmissions, and bus components, $535 thousand
- TVIC Renovation Project, $391 thousand
- LBTCO Building Automation System, $365 thousand
- MS365 Deployment Intranet, $226 thousand
- LED Solar Signs for bus stops, $223 thousand

Management's Discussion and Analysis (continued)

LBT's investment in capital assets as of June 30, 2021, amounted to $96.36 million (net of accumulated depreciation). The Agency had $27.49 million in new capital acquisitions during the year, an increase of $19.68 million, when compared to FY 2020.

Significant capital asset acquisitions during FY 2021 included the following:

- Corporate office building, $21.05 million
- Mid-life rehabilitation of buses, $2.14 million
- Information systems and technology upgrades, $1.27 million
- CNG generator replacement, $1.02 million
- Customer amenities upgrades, $447 thousand
- Routine replacement of engines, transmissions and bus components, $315 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 35 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. Some aspects of the economy have started to recover but consumer spending and travel patterns are changed since before the pandemic. These changes and challenges affect not only LBT's ridership and passenger revenue, but also the Agency's subsidies which are largely derived from sales taxes. LBT continues to be vigilant and prudent as the Agency moves into FY 2023 in the face of these uncertainties.

A history of strong financial planning and stewardship has allowed LBT to weather the pandemic without furloughs or layoffs. Federal assistance in the form of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) has also helped LBT to develop a balanced financial plan for FY 2023. 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 to make sustainable decisions.

Amid modified services and rebuilding from 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 2023.

The FY 2023 financial plan focuses on navigating towards the next normal and incrementally expanding service that have been reduced during the pandemic. Additionally, the FY 2023 plan emphasizes employee recruitment and retention which will play a vital role in the Agency's ability to expand service and respond as customer demand recovers.

LBT is also planning for its current and future facility needs. In FY 2020, LBT conducted a facility assessment and developed a Facility Master Plan. During that assessment, the consultant identified a suitable commercial office building that could fit LBT's needs. In FY 2021, LBT acquired the building, located in the City of Long Beach, to be used as the Agency's corporate offices. The FY 2023 financial plan incorporates the relocation 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. The agreements provide the parties with specific procedures governing the duration and renewal of the agreements. The agreements were ratified in FY 2022 and are effective through June 30, 2023.

LBT has no reason to expect any service disruption with regard to these agreements.

Despite challenges, LBT remains financially healthy. The Agency's FY 2023 budget is balanced with current revenues equal to current expenditures. Through improvements in efficiency, LBT has been able to increase wages while controlling cost increases. The operating financial plan approved in May 2022 for FY 2023 totals $119.08 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.

Financial Statements

Statements of Net Position
June 30, 2022 and 2021

	2022	2021
ASSETS		
Current Assets:		
Cash and cash equivalents (note 2)	$ 53,052,250	$ 52,615,290
Accounts receivable (note 4)	9,668,676	8,110,218
Materials and supplies inventory	3,209,890	2,716,573
Prepaid expenses	1,360,792	1,148,554
Total current assets	67,291,608	64,590,635
Noncurrent Assets:		
Investments (note 2)	21,779,394	22,890,271
Leased assets	8,817,211	-
Capital assets (note 8)		
Land	14,275,000	14,275,000
Construction-in-progress	6,933,810	1,910,932
Total capital assets (note 8)	21,208,810	16,185,932
Capital assets, net of accumulated depreciation:		
Buildings and improvements	27,111,968	28,348,615
Fleet	52,769,306	46,277,445
Communications systems	992	992
Fare collection system	394,532	474,395
Office, shop and garage equipment	2,597,037	3,222,842
Customer amenities	1,265,261	1,846,494
Total capital assets, net of accumulated depreciation	84,139,096	80,170,783
Total noncurrent assets	135,944,511	119,246,986
Total assets	203,236,119	183,837,621
DEFERRED OUTFLOWS OF RESOURCES		
Net difference of changes related to pension liability	16,026,996	7,325,749
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 219,263,115	$ 191,163,370

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

Statements of Net Position, Continued
June 30, 2022 and 2021

	2022	2021
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 5,964,523	$ 4,194,835
Accrued payroll expenses	1,242,191	981,869
Compensated absences payable (note 11)	3,391,167	3,265,004
Note payable, current portion (note 14)	1,203,109	1,124,341
Sick leave benefits (note 11)	238,470	179,221
Subsidy deferral (note 9)	42,859,428	42,179,845
Estimated liability for insurance claims (note 6)	20,268,478	19,884,002
Total current liabilities	75,167,366	71,809,117
Noncurrent Liabilities:		
Unearned revenue (note 5)	6,050,418	8,470,897
Note payable, net of current portion (note 14)	2,009,677	3,628,038
Lease liability	9,053,484	-
Sick leave benefits (note 11)	5,219,105	4,720,485
Net pension liability (note 13)	32,192,337	13,865,718
Total noncurrent liabilities	54,525,021	30,685,138
Total liabilities	129,692,387	102,494,255
DEFERRED INFLOWS OF RESOURCES		
Net difference of changes related to pension liability	3,824,529	15,418,522
NET POSITION		
Net investment in capital assets	102,135,121	91,604,336
Restricted for:		
Capital procurement	300,492	303,855
Unrestricted	(16,689,414)	(18,657,598)
Total net position	85,746,199	73,250,593
TOTAL LIABILITIES AND NET POSITION	$ 219,263,115	$ 191,163,370

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

Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2022 and 2021

	2022	2021
Operating revenues:		
Passenger fares	$ 7,077,072	$ 154,380
Special events	61,000	750
Advertising	843,340	649,678
Other revenue	1,133,274	1,183,017
Total operating revenues	9,114,686	1,987,825
Operating expenses:		
Transportation	50,067,770	50,691,529
Maintenance	29,986,862	25,714,741
Administration	20,783,244	20,071,273
Depreciation (note 8)	14,782,360	14,278,928
Total operating expenses	115,620,236	110,756,471
Operating loss	(106,505,550)	(108,768,646)
Nonoperating revenues (expenses):		
Subsidies (note 3)	94,483,188	91,986,813
Investment return, net	(673,484)	287,251
Total nonoperating revenues	93,809,704	92,274,064
Change in net position before capital grants	(12,695,846)	(16,494,582)
Capital grants	25,309,346	22,739,045
Change in net position	12,613,500	6,244,463
Total net position, July 1	73,250,593	67,006,130
Restatement - GASB 87	(117,894)	-
Total net position, June 30	$ 85,746,199	$ 73,250,953

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

Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash received from customers	$ 9,584,937	$ 2,909,226
Cash paid to employees for services	(47,808,454)	(44,185,548)
Cash paid to other suppliers of goods or services	(52,719,445)	(47,209,585)
Net cash used for operating activities	(90,942,962)	(88,485,907)
Cash flows provided by noncapital financing activities:		
Operating subsidies received	94,498,976	92,406,268
Cash flows from capital and related financing activities:		
Proceeds (use of proceeds) from sale of capital assets	32,284	(77,682)
Purchase of capital assets	(25,309,345)	(22,739,045)
Capital grant contributions received	21,770,180	12,576,386
Net cash used for capital and related financing activities	(3,506,881)	(10,240,341)
Cash flows provided by investing activities:		
Net proceeds and gains from investments	11,470,537	10,858,657
Purchase of investments	(10,359,660)	(5,564,353)
Interest received on cash and investments	(723,050)	426,752
Net cash provided by investing activities	387,827	5,721,056
Net change in cash and cash equivalents	436,960	(598,924)
Cash and cash equivalents, July 1	52,615,290	53,214,214
Cash and cash equivalents, June 30 (note 2)	$ 53,052,250	$ 52,615,290

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

Statements of Cash Flows, Continued
Years Ended June 30, 2022 and 2021

Reconciliation of Operating Loss to Net Cash Used for Operating Activities	2022	2021
Operating loss	$ (106,505,550)	$ (108,768,646)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation expense	14,782,360	14,278,928
(Increase) decrease in accounts receivable from operations	470,391	1,278,620
(Increase) decrease in materials and supplies inventory	(493,317)	(192,061)
(Increase) decrease in prepaid expenses	(212,238)	816,698
(Increase) decrease in deferred outflows of resources	(8,701,247)	7,631,835
Increase (decrease) in accounts payable	1,773,077	1,428,801
Increase (decrease) in accrued payroll expenses, compensated absences payable, and sick leave benefits	944,354	2,490
Increase (decrease) in net pension liability	18,326,619	(20,834,703)
Increase (decrease) in estimated liability for insurance claims	384,476	453,609
Increase (decrease) in lease liability	(117,894)	
Increase (decrease) in deferred inflows of resources	(11,593,993)	15,418,522
Total adjustments	15,562,588	20,282,739
Net cash used in operating activities	$ (90,942,962)	$ (88,485,907)

Noncash investing, and capital financing activities:

During the years ended June 30, 2022 and 2021, the Agency had noncash capital asset additions of $2,693,569 and $5,711,640 respectively, which were included in accounts payable and note payable in the statements of net position.

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

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

	Pension Trust Funds	
	2022	2011
Assets		
Cash	$ 876,060	$ 2,684,006
Accounts Receivable:		
Contribution receivable	-	312,500
Investments, at fair value		
Equity mutual funds	31,450,588	81,708,720
Bond mutual funds	15,722,872	27,783,307
Private equity	53,889,334	-
Corporate bonds	-	6,570,540
Government bonds	-	538,814
Total investments	101,062,794	116,601,381
Total assets	$ 101,938,854	$ 119,597,887
Net position restricted for pensions	$ 101,938,854	$ 119,597,887

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

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

	Pension Trust Funds	
	2022	**2021**
Additions:		
Contributions:		
Employer contributions	$ 4,693,906	$ 6,167,491
Employee contributions	2,493,206	3,024,413
Total contributions	7,187,112	9,191,904
Investment gain (loss):		
Interest	122,907	782,776
Dividends and capital gains	1,732,634	3,399,062
Net unrealized gain (loss) on investments	(29,159,184)	15,532,976
Net realized gain on investments	14,533,703	3,772,483
Total investment gain (loss), net	(12,769,940)	23,487,297
Deductions:		
Expenditures:		
Pension benefits	11,556,717	7,665,131
Direct administrative costs	48,904	271,724
Other administrative costs	470,584	359,966
Total expenditures	12,076,205	8,296,821
Net increase (decrease) in plan net position	(17,659,033)	24,382,380
Net position restricted for pension, beginning of year	119,597,887	95,215,507
Net position restricted for pension, end of year	$ 101,938,854	$ 119,597,887

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

Notes to Financial Statements
June 30, 2022 and 2021

(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 annual comprehensive 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 assets) 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 assets) 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.

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.

Notes to Financial Statements (continued)

(1) Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts are written off when determined to be uncollectible. In the opinion of management, all significant accounts receivable at June 30, 2022 and 2021 are fully collectible.

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 $10,000 and having an estimated useful life of more than one year. Prior to July 1, 2021, the threshold was an initial value of more than $5,000. The definition was changed as of FY 2022. 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 FY 2022.

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

Buildings and improvements	5-40 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

Long-Term Debt

LBT has historically not carried debt and prioritized only using available grant funds to procure capital acquisitions. When a promissory note is executed for the acquisition a capital asset, interest payments are recorded as operating expenses.

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 principal balances of debt attributable to the acquisition, construction or improvement of those 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)

(1) Summary of Significant Accounting Policies (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.

Adopted Pronouncements

In June 2017, GASB issued Statement No. 87, Leases for reporting periods beginning after June 15, 2021. This statement aims to increase the transparency of the agency's lease liabilities by establishing a single model for lease accounting and requiring all leases to be reported on the statement of net position as capital or financing leases.

Future Pronouncements

In May 2020, GASB issued Statement 96 defining Subscription-Based Information Technology Arrangements (SBITAs). This statement requires the agency to record a right-to-use subscription intangible assets and corresponding subscription liability. This pronouncement is effective for fiscal years beginning after June 15, 2022. 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 20, 2022, the date on which the accompanying financial statements were available to be issued for the year ended June 30, 2022.

Notes to Financial Statements (continued)

(2) Cash, Cash Equivalents and Investments

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

	2022	2021
Cash on hand	$ 19,866	$ 10,218
Deposits with financial institutions	6,804,138	1,178,781
Cash equivalents	46,228,246	51,426,291
Total cash and cash equivalents	53,052,250	52,615,290
Investments	21,779,394	22,890,271
Total cash, cash equivalents and investments	$ 74,831,644	$ 75,505,561

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 FY 2022 and FY 2021, the Agency elected to have its investments with LAIF and a similarly structured investment vehicle managed by an independent manager.

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

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment at June 30, 2022 and 2021, respectively.

Notes to Financial Statements (continued)

(2) Cash, Cash Equivalents and Investments (continued)

Type		2022	Weighted Average Maturity (Yrs)
Cash Equivalents			
Local Agency Investment Fund (LAIF)	$	45,606,553	0.85
Fidelity Municipal Money Market		621,693	N/A
Total Cash Equivalents	$	46,228,246	
Corporate Bonds			
Intel Corp ST NT 2.700% Due 12/15/2022		699,748	0.5
Nike Inc Bond 2.250% Due 05/01/2023		696,535	0.8
Apple Inc. 2.400% Due 05/03/2023		696,710	0.8
Microsoft Corp. 2.875% Due 02/06/2024		698,243	1.5
Home Depot Inc. 3.750% Due 02/15/2024		707,427	1.6
UnitedHealth Group Inc. 2.375% Due 08/15/2024		685,538	2.0
Toyota Motor Cr Corp. 1.800% Due 02/13/2025		667,919	2.5
Visa Inc. 3.150% Due 12/14/2025		692,118	3.2
Bershire Hathaway Inc. 3.125% Due 03/15/2026		686,721	3.4
Corporate Bonds Total	$	6,230,959	
Government Bonds			
Fannie Mae 2.000% Due 10/05/2022		1,499,295	0.3
United States Treas Note 2.000% Due 10/31/2022		1,499,340	0.3
United States Treas Note 2.000% Due 11/30/2022		1,997,040	0.4
United States Treas Note 2.625% Due 02/28/2023		1,998,820	0.7
Federal Home Loan Banks 2.750% Due 12/13/2024		1,987,660	2.4
Freddie Mac 1.500% Due on 02/12/2025		1,443,090	2.4
United States Treas Note 1.125% Due 02/28/2025		1,905,460	2.6
Federal Farm CR BKS Bond 0.600% Due 12/09/2025		459,800	0.02
Federal Farm CR BKS Bond 0.900% Due 06/15/2026		922,110	0.02
Federal Farm CR BKS Bond 0.870% Due 09/01/2026		1,835,820	0.1
Government Bonds Total	$	15,548,435	
Total Investment Value	$	21,779,394	

As of June 30, 2022 and 2021, there were $101,285 and $89,152, respectively, of accrued bond interest which are included in accounts receivable.

Weighted average maturity represents earlier of date of bond maturation or date of call option.

Notes to Financial Statements (continued)

(2) Cash, Cash Equivalents and Investments (continued)

Type	2021	Weighted Average Maturity (Yrs)
Cash Equivalents		
Local Agency Investment Fund (LAIF)	$ 51,053,594	0.80
Fidelity Municipal Money Market	372,697	N/A
Total Cash Equivalents	$ 51,426,291	
Corporate Bonds		
Apple Inc 2.400% Due 05/03/2023	$ 726,236	1.8
Home Depo Inc. 3.750% Due 02/15/2024	754,152	2.5
Intel Corp. 2.70% Due 12/15/2022	724,472	1.4
Microsoft Crop. 2.875% Due 02/06/2024	740,313	2.5
Nike Inc. 2.250% Due 05/01/2023	721,630	1.8
Prudential Financial 4.500% Due 11/16/2021	711,025	0.4
Toyota Motor Cr. Corp. 1.800% Due 02/13/2025	722,911	2.5
United Health Group Inc. 2.375% Due 08/15/2024	736,442	3.0
Visa Inc. 3.150% Due 12/14/2025	766,080	4.0
Corporate Bonds Total	$ 6,603,261	
Government Bonds		
Fannie Mae 2.000% Due 10/05/2022	$ 1,534,425	1.3
Federal Farm Cr Bks Bond 0.600% Due 12/09/2025	491,070	1.0
Federal Farm Cr Bks Bond 0.900% Due 06/15/2026	998,740	1.0
Federal Farm Credit Bank 3.050% Due 11/15/2021	1,516,560	0.4
Federal Home Loan Banks 2.750% Due 12/13/2024	2,147,820	3.5
United States Treasury Note Bond 1.125% Due 08/31/2021	2,003,580	0.2
United States Treasury Note Bond 2.875% Due 11/15/2021	2,020,780	0.4
US Treasury N/B 2.125% Due 12/31/2021	2,020,400	0.5
US Treasury N/B 1.500% Due 01/31/2022	2,016,720	0.6
US Treasury Note Bond 2.000% Due 10/31/2022	1,536,915	1.3
Government Bonds Total	$ 16,287,010	
Total Investment Value	$ 22,890,271	

Notes to Financial Statements (continued)

(2) Cash, Cash Equivalents and Investments (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, 2022.

Investment Type	Rating
Corporate Bonds	
Intel Corp ST NT 2.700% Due 12/15/2022	A+
Nike Inc Bond 2.250% Due 05/01/2023	AA-
Apple Inc. 2.400% Due 05/03/2023	AA+
Microsoft Corp. 2.875% Due 02/06/2024	AAA
Home Depot Inc. 3.750% Due 02/15/2024	A
UnitedHealth Group Inc. 2.375% Due 08/15/2024	A+
Toyota Motor Cr Corp. 1.800% Due 02/13/2025	A+
Visa Inc. 3.150% Due 12/14/2025	AA-
Bershire Hathaway Inc. 3.125% Due 03/15/2026	AA

Investment Type	Rating
Government Bonds	
Fannie Mae 2.000% Due 10/05/2022	AA+
United States Treas Note 2.000% Due 10/31/2022	AA+
United States Treas Note 2.000% Due 11/30/2022	AA+
United States Treas Note 2.625% Due 02/28/2023	AA+
Federal Home Loan Banks 2.750% Due 12/13/2024	AA+
Freddie Mac 1.500% Due on 02/12/2025	AA+
United States Treas Note 1.125% Due 02/28/2025	AA+
Federal Farm CR BKS Bond 0.600% Due 12/09/2025	AA+
Federal Farm CR BKS Bond 0.900% Due 06/15/2026	AA+
Federal Farm CR BKS Bond 0.870% Due 09/01/2026	AA+

Notes to Financial Statements (continued)

(2) Cash, Cash Equivalents and Investments (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 or Level 3 inputs.

Notes to Financial Statements (continued)

(2) Cash, Cash Equivalents and Investments (continued)

The Agency has the following recurring fair value measurements as of June 30, 2022 and 2021:

- 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.
- State of California Local Agency Investment Fund (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, 2022

	(Level 1)	(Level 2)	(Level 3)	Total
Money Market		$ 621,693		$ 621,693
Corporate Bonds		6,230,959		6,230,959
Government Bonds		15,548,435		15,548,435
State of California Local Agency Investment Fund		45,606,553		45,606,553
Total assets at fair value	None	$ 68,007,640	None	$ 68,007,640

Fair Value Measurements at June 30, 2021

	(Level 1)	(Level 2)	(Level 3)	Total
Money Market		$ 372,697		$ 372,697
Corporate Bonds		6,603,261		6,603,261
Government Bonds		16,287,010		16,287,010
State of California Local Agency Investment Fund		51,053,594		51,053,594
Total assets at fair value	None	$ 74,316,562	None	$ 74,316,562

Notes to Financial Statements (continued)

(3) Operating Subsidies

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

	2022	2021
Proposition A Local Return, City of Long Beach	$ 6,610,018	$ 6,190,887
Proposition A, County of Los Angeles	15,623,473	10,148,508
Proposition C, County of Los Angeles	6,091,528	5,408,081
Measure R, County of Los Angeles	10,301,721	7,903,883
Measure M, County of Los Angeles	10,201,986	6,243,110
TDA, STA, STA-SB1 and LCTOP, State of California	29,367,503	25,747,982
Preventive Maintenance, Federal	-	500,000
CARES Act, Federal	-	29,203,837
CRRSA Act, Federal	14,159,497	-
City of Carson	1,350,820	-
Local Municipalities	684,298	635,943
Other sources	92,344	4,582
Total	$ 94,483,188	$ 91,986,813

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 $6,610,018 in FY 2022.

Measure R, approved by county voters in November 2008, provides a half-cent sales tax for transportation improvements. In November 2016, county votes 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.

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 (SB1), the Road Repair and Accountability Act of 2017, into law. A part of this program augments STA 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.

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 subsidies in the Agency's

Notes to Financial Statements (continued)

(3) Operating Subsidies (continued)

financial statements. The FTA funds 100% of the costs and FTA local match requirement is met by utilizing Transportation Development Credits.

On March 27, 2020, President Donald Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act provides relief funding to prevent, prepare for, and respond to the COVID-19 pandemic. The FTA allocated a total of $1.068 billion to Los Angeles County under the existing FTA Section 5307 Urbanized Area Formula Grant program. LBT was allocated and used $29,203,837 to fund operating expenses in FY 2021.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law, which includes $900 billion in supplemental appropriations for COVID-19 relief, $14 billion of which was allocated to support the transit industry during the COVID-19 public health emergency. LBT was allocated $26.67 million of CRRSAA funds and used $14,159,497 to fund operating expenses in FY 2022.

Other local monies are reimbursement for service hours supplied to eight surrounding cities. In FY 2022, the City of Carson's reimbursement totaled $1.35M following a 2021 contract for services. Additionally, 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:

	2022	2021
Trade receivables	$ 918,734	$ 1,142,599
Interest	198,971	149,405
Capital grants receivable	4,372,328	3,250,866
Proposition A funds due from City	2,529,568	1,943,770
STA	545,982	853,595
STA-SB1	407,669	642,345
Other receivables	695,424	127,638
Total	$ 9,668,676	$ 8,110,218

Notes to Financial Statements (continued)

(5) Unearned Revenue

At June 30, 2022 and 2021, the balances of unearned revenue were as follows:

	2022	2021
Capital grant funds	$ 5,967,156	$ 8,423,308
Other	83,262	47,589
Total unearned revenue	$ 6,050,418	$ 8,470,897

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 2022 and FY 2021.

Under its insurance programs, the Agency retains the risk for each occurrence of personal liability and property damage (PL/PD) claimed up to $3 million. There were no individual claim settlements for PL/PD that exceeded the insurance coverage for FY 2022 and FY 2021.

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:

	Personal Liability and Property Damage	Workers' Compensation	Total
Estimated liabilities at June 30, 2020	$ 6,736,136	$ 12,694,257	$ 19,430,393
Reserves:			
New claims	148,821	694,640	843,461
Adjustments to existing claims	1,392,321	4,042,176	5,434,497
Payouts	(2,067,455)	(3,756,894)	(5,824,349)
Estimated liabilities at June 30, 2021	6,209,823	13,674,179	19,884,002
Reserves:			
New claims	339,578	630,586	970,164
Adjustments to existing claims	994,236	4,499,760	5,493,996
Payouts	(2,411,586)	(3,668,098)	(6,079,684)
Estimated liabilities at June 30, 2022	$ 5,132,051	$ 15,136,427	$ 20,268,478

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, 2022 and 2021 was as follows:

	Balance at June 30, 2021	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2022
Capital assets not being depreciated:					
Land	$ 14,275,000	$ -	$ -	$ -	$ 14,275,000
Construction in progress	1,910,932	(1,338,934)	6,361,812	-	6,933,810
Total capital assets not being depreciated	16,185,932	(1,338,934)	6,361,812	-	21,208,810
Capital assets being depreciated:					
Buildings and improvements	77,407,478	146,978	703,095	-	78,257,551
Fleet	169,411,434	848,635	15,867,379	(6,381,319)	179,746,129
Communications systems	7,462,121	-	-	-	7,462,121
Fare collection system	9,340,489	-	-	-	9,340,489
Office, shop and garage equipment	30,891,268	343,321	617,480	(7,553,911)	24,298,158
Customer amenities	17,485,294	-	223,786	-	17,709,080
Total capital assets being depreciated	311,998,084	1,338,934	17,411,740	(13,935,230)	316,813,528
Less accumulated depreciation:					
Buildings and improvements	(49,058,863)	-	(2,086,720)	-	(51,145,583)
Fleet	(123,133,989)	-	(10,224,152)	6,381,319	(126,976,822)
Communications systems	(7,461,129)	-	-	-	(7,461,129)
Fare collection system	(8,866,094)	-	(79,863)	-	(8,945,957)
Office, shop and garage equipment	(27,668,426)	-	(1,586,606)	7,553,911	(21,701,121)
Customer amenities	(15,638,800)	-	(805,019)	-	(16,443,819)
Total accumulated depreciation	(231,827,301)	-	(14,782,360)	13,935,230	(232,674,431)
Total capital assets being depreciated, net	80,170,783	1,338,934	2,629,380	-	84,139,097
Total capital assets, net	$ 96,356,715	$ -	$ 8,991,192	$ -	$ 105,347,907

Notes to Financial Statements (continued)

(8) Capital Assets (continued)

	Balance at June 30, 2020	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2021
Capital assets not being depreciated:					
Land	$ 14,275,000	$ -	$ -	$ -	$ 14,275,000
Construction in progress	2,776,119	(2,394,054)	1,528,867	-	1,910,932
Total capital assets not being depreciated	17,051,119	(2,394,054)	1,528,867	-	16,185,932
Capital assets being depreciated:					
Buildings and improvements	54,270,027	1,030,778	22,106,673	-	77,407,478
Fleet	168,253,180	183,017	2,260,261	(1,285,024)	169,411,434
Communications systems	7,462,121	-	-	-	7,462,121
Fare collection system	9,314,770	11,091	14,628	-	9,340,489
Office, shop and garage equipment	28,637,039	1,164,129	1,114,638	(24,538)	30,891,268
Customer amenities	17,432,056	5,039	466,358	(418,159)	17,485,294
Total capital assets being depreciated	285,369,193	2,394,054	25,962,558	(1,727,721)	311,998,084
Less accumulated depreciation:					
Buildings and improvements	(47,103,321)	-	(1,955,542)	-	(49,058,863)
Fleet	(114,104,682)	-	(10,314,331)	1,285,024	(123,133,989)
Communications systems	(7,461,129)	-	-	-	(7,461,129)
Fare collection system	(8,684,918)	-	(181,176)	-	(8,866,094)
Office, shop and garage equipment	(26,834,192)	-	(858,772)	24,538	(27,668,426)
Customer amenities	(15,087,852)	-	(969,107)	418,159	(15,638,800)
Total accumulated depreciation	(219,276,094)	-	(14,278,928)	1,727,721	(231,827,301)
Total capital assets being depreciated, net	66,093,099	2,394,054	11,683,630	-	80,170,783
Total capital assets, net	$ 83,144,218	$ -	$ 13,212,497	$ -	$ 96,356,715

(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, 2022 and 2021, the Agency had remaining Prop A subsidy funding of $32,301,688 and $31,686,744, respectively, to be utilized in future fiscal years.

As of June 30, 2022, the Agency maintained STA funds of $1,085,407, which was the same amount as of June 30, 2021. STA-SB1 funds remaining amounted to $1,614,890 as of June 30, 2022, which was the same amount as of June 30, 2021. The Agency had Measure M funds of $7,857,443 and $7,792,804 as of June 30, 2022 and 2021, respectively. These funds are to be used to fund operations in future fiscal years.

Notes to Financial Statements (continued)

(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, 2022. 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.

Vendor	Project	Amount	Expected Completion
Smart Auto & Coach Detailing	Bus Detailing services and Window	$ 654,644	July 2022
Complete Coach Works	2013 GILLIG REHAB year 1 and 2 of 3	$ 2,552,607	August 2022
United Healthcare	Medical Employee Benefits	$ 10,500,000	August 2022
United Healthcare	Dental Employee Benefits	$ 538,000	August 2022
United Healthcare	Vision Employee Benefits	$ 119,000	August 2022
United Healthcare of California	Life Insurance - Employee Benefits	$ 292,156	August 2022
8x8, INC.	Hosted Service for Telephone support	$ 297,769	September 2022
La Canada Design Group	LBTCO Phase 1B - Design Development	$ 365,302	September 2022
Nth Generation Computing Inc	Cybersecurity monitoring and mediation	$ 234,360	September 2022
CDW-G LLC	MS EA License	$ 152,711	September 2022
City of Long Beach Police	Police Services - 10/1/21-9/30/22	$ 2,410,592	September 2022
Mission Linen Supply	Uniform and Materials	$ 163,310	September 2022
Complete Coach Works	2013 GILLIG REHAB year 3 of 3	$ 1,404,519	October 2022
Zaretsky Engineering Solutions	LBTCO Building Automation System Upgrade	$ 365,552	October 2022
Cummins Pacific LLC	L9-280 Cummins Engines	$ 171,008	November 2022
Sirius Computer Solutions, Inc	Network Switch at LBTCO	$ 168,210	November 2022
Global Diversified Voltage	ATS - Costs of Labor, Material and equipment	$ 214,538	December 2022
Dorado Design and Contruction	LBT1 BEB Charging StatioNS	$ 295,204	December 2022
BYD Motors, Inc.	14 BYD BEB Buses	$ 1,493,976	December 2022
Mccray's Enterprises	Bus repair #1835	$ 109,041	December 2022
Spectrum Charter Communications	3 years of internet connection through 12/2022	$ 218,345	December 2022
Transit Information Products	Option year two of contract 16-014	$ 200,000	December 2022
Swiftly Inc.	On time performance Module	$ 214,247	January 2023
Urban Elevator Service CA, LLC	LBTCO Elevator Modernization Project	$ 846,564	January 2023

ADP Commercial LLC	Install access control system at LBTCO	$ 315,787	January 2023
Letner Roofing Company	LBTCO Roof Replacement Project	$ 426,000	February 2023
New Flyer of America	20 BEB buses 35'	$ 20,592,300	February 2023
ND Construction Co, Inc	Bus Shelter at Downtown LBT	$ 656,225	April 2023
IBI Group	IT consulting service for LBTACO move	$ 155,000	June 2023
The Center for Transportation	Charge Technology and Management	$ 130,000	June 2023
Carl Warren & Co.	Liability and Subrogation Third Party	$ 509,059	June 2023
Catalina Express	Water Taxi Services Aug 2022 to July 2023	$ 872,011	July 2023
Intueor Consulting, Inc.	ERP_EAM Technical Consultant	$ 1,030,420	August 2023
Empyrean Benefit Solutions, Inc.	Employee Benefits	$ 100,000	September 2023
Fidelity Security Life Insurance	Fidelity Security Life Insurance Co.	$ 119,000	September 2023
BYD Motors, Inc.	5 BEB Commuter Buses	$ 6,590,338	October 2023
New Flyer of America	Heliox 50kw Mobile Chargers	$ 102,941	October 2023
Clean Energy	CNG station maintenance services	$ 1,180,724	October 2023
New Flyer of America	Heliox Charging Stations for NF Buses:	$ 1,631,894	December 2023
Delta Motor Co. Inc.	Hybrid Reconditioning Project Base	$ 448,067	December 2023
Commune Communication	Communications, Creative Services	$ 612,000	December 2023
Downtown Long Beach Alliance	Year 1- 3 CY2021 TVIC Restroom Host	$ 687,935	January 2024
Innovative Pest Solutions	Pest Control	$ 154,680	May 2024
City Terrace Service Inc.	Towing Services Contract	$ 179,970	June 2024
Merrimac Energy Group	Gasoline Fuel FY22 thru FY24	$ 7,945,955	June 2024
SC Fuels	Diesel Fuel FY22 thru FY24	$ 207,657	June 2024
Transpro Consulting, LLC	TransDash Annual Subscription	$ 111,334	June 2024
Trapeze Software Group, Inc	TransitMaster Annual Software	$ 559,294	September 2024
Universal Protection Service LP	Security Guard Services - Three years	$ 3,992,153	October 2024
CTI Environmental, Inc.	Owners Rep Services	$ 560,592	December 2024
The Goodyear Tire & Rubber Co.	Tire Servies	$ 2,141,201	January 2025
Giro, Inc.	Hastus Software Maintenance and Support	$ 535,924	January 2026
Global Paratransit Inc.	DAL Services	$ 6,884,581	February 2026
Athens Administrators	Workers Comp Third-Party Adminstrator	$ 1,333,921	January 2027

Notes to Financial Statements (continued)

(10) Commitments and Contingencies (continued)

Lease Obligations

In FY 2021, LBT purchased new corporate administrative offices. As part of the purchase, the Agency was assigned to an existing ground lease with the City of Long Beach. 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 total lease costs were $275,394 and $229,493 for years ended June 30, 2022 and 2021, respectively.

In estimating the present value of the lease liabilities, LBT estimated the discount rate based on the Consumer Price Index pursuant to the terms of the lease agreement. The interest rate used for the calculation was 2.26% for year ended June 30, 2022.

The following is a schedule of future minimum lease payments required under the lease:

Year Ending June 30,	Principal	Interest
2023	$ 79,047	$ 204,609
2024	80,833	202,822
2025	82,660	200,995
2026	84,528	199,127
2027	86,439	197,217
2028-2032	506,909	953,917
2033-2037	612,689	891,962
2037-2042	732,350	817,440
2043-2047	867,575	728,709
2048-2052	1,020,246	623,927
Thereafter	4,900,208	1,074,437
	$ 9,053,484	$ 6,095,162

Service 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 $621,383 and $549,085 for the years ended June 30, 2022 and 2021, respectively.

In connection with the purchase of the Agency's corporate administrative offices, the Agency entered into a contract for property management services at a total cost not to exceed $772,725 for three years.

Business Risks Associated with the Impacts of COVID-19

The Agency's operations are 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, 2022 and 2021, accrued unpaid vacation for all Agency employees amounted to $3,391,167 and $3,265,004 respectively.

Balance 6/30/21	Additions	Deletions	Balance 6/30/22	Due Within One Year
$ 3,265,004	$ 3,391,167	$(3,265,004)	$ 3,391,167	$ 3,391,167

Balance 6/30/20	Additions	Deletions	Balance 6/30/21	Due Within One Year
$ 3,444,177	$ 3,265,004	$(3,444,177)	$ 3,265,004	$ 3,265,004

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 $219,603 and $539,308 under this program during 2022 and 2021, 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 153 and 135 retirees with unused sick leave converted cash accounts at June 30, 2022 and 2021, respectively. The cash value equivalent of the remaining unused sick leave for the current retirees totaled $1,995,191 and $1,628,044 respectively. Total reimbursements paid by the Agency during the fiscal years ended June 30, 2022 and 2021, were $312,348 and $233,044, respectively.

The Agency has established a liability related to unused sick leave for both current and future payments. The estimated liability at June 30, 2022 and 2021, was $5,457,576 and $4,899,706, respectively.

Balance 6/30/21	Additions	Deletions	Balance 6/30/22	Due Within One Year
$ 4,899,706	$ 870,217	$(312,348)	$ 5,457,575	$ 238,470

Balance 6/30/20	Additions	Deletions	Balance 6/30/21	Due Within One Year
$ 4,699,472	$ 433,278	$(233,044)	$ 4,899,706	$ 179,221

Notes to Financial Statements (continued)

(12) Labor Agreements

Union Labor Agreements

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. The agreements provide the parties with specific procedures governing the duration and renewal of the agreements. Both agreements were effective through FY 2021 and expired on June 30, 2021.

On July 26, 2021, ATU Local 1277 and AFSCME District Council 36 Supervisory Unit, respectively, ratified new two-year Labor Agreements with Long Beach Transit. The contracts are effective from July 1, 2021 to June 30, 2023.

On December 8, 2020, AFSCME District Council 36 became the representative for LBT's General Unit employees, including Parts Storekeepers, Stops & Zones Assistants, Stops & Zones Lead and Facilities Maintenance Technicians. On November 1, 2021, AFSCME District Council 36 General Unit and LBT ratified a new two-year agreement effective from July 1, 2021 to June 30, 2023.

On August 16, 2022, AFSCME District Council 36 became the representative for LBT's Customer Service Unit employees comprised of Customer Care Clerks. At that same time, AFSCME District Council 36 General Unit and LBT ratified a new two-year agreement effective from July 1, 2021 to June 30, 2023.

(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, 2022 and 2021 was $32,022,263 and $30,014,658 for the Contract Plan, respectively, and $3,923,681 and $4,869,172 for the Salaried Plan, respectively. Total Agency payroll for 2022 and 2021 was $47,578,439 and $44,440,364, 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. 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)

(13) Pension Benefits (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)

(13) Pension Benefits (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 2022 were 16.18% and 8.78% for the Contract and Salaried Plans, respectively. For 2022, the Agency's annual contributions were $3,667,102 and $1,026,804 for the Contract and Salaried Plans, respectively. For 2021, the Agency's annual contributions were $4,341,170 and $1,826,321 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, 2022, 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, 2022 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	PRI-2012 White Collar Mortality Table Projected with Scale MP-2019; PRI-2012 Disabled Mortality Table Projected with Scale MP-2019 for disabled participants.
Employee Contribution	
Interest Credit	5.00% compounded annually
Lump Sums	4.50% interest; IRS applicable mortality
Administrative Expenses	$174,009 per year payable at the beginning of the year
Termination Before Retirement:	

Age	Turnover Rate
20	7.86%
25	7.57%
30	8.64%
35	8.00%
40	5.64%
45	4.04%
50	2.78%
55	1.67%
60	1.10%

Notes to Financial Statements (continued)

(13) Pension Benefits (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)

(13) Pension Benefits (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.

	Increase (Decrease)		
Salaried Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 6/30/2021	$ 36,225,266	$ 37,790,805	$ (1,565,539)
Changes for the year:			
Service cost	732,452	-	732,452
Interest	1,951,207	-	1,951,207
Expected investment income	-	2,211,896	(2,211,896)
Difference between expected and actual experience	(269,231)	(6,082,397)	5,813,166
Contributions - employer	-	1,026,804	(1,026,804)
Contributions - employee	-	288,286	(288,286)
Benefit payments, including refunds	(3,020,182)	(3,020,182)	-
Administrative expense	-	(174,009)	174,009
Other changes (assumptions)	-	-	-
Net changes	(605,754)	(5,749,602)	5,143,848
Balances at 6/30/2022	$ 35,619,512	$ 32,041,203	$ 3,578,309

	Increase (Decrease)		
Salaried Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 6/30/2020	$ 33,942,216	$ 31,438,641	$ 2,503,575
Changes for the year:			
Service Cost	702,231	-	702,231
Interest	1,844,293	-	1,844,293
Expected investment income	-	1,857,326	(1,857,326)
Difference between expected and actual experience	2,251,272	5,475,554	(3,224,282)
Contributions - employer	-	1,826,321	(1,826,321)
Contributions - employee	-	308,205	(308,205)
Benefit payments, including refunds	(2,902,046)	(2,902,046)	-
Administrative expense	-	(213,196)	213,196
Other changes (assumptions)	387,300	-	387,300
Net Changes	2,283,050	6,352,164	(4,069,114)
Balances at 6/30/2021	$ 36,225,266	$ 37,790,805	$ (1,565,539)

Notes to Financial Statements (continued)

(13) Pension Benefits (continued)

Net Pension Liability – Contract Plan

The Contract Plan's net pension liability was measured as of June 30, 2022, 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, 2022 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	PRI-2012 Blue Collar Mortality Table Projected with Scale MP-2019; PRI-2012 Disabled Mortality Table Projected with Scale MP-2019 for disabled participants
Employee Contribution Interest Credit	5.00% compounded annually
Lump Sums	4.50% interest; IRS applicable mortality
Administrative Expenses	$345,479 per year payable at the beginning of the year

Termination Before Retirement:

Age	Turnover Rate
20	8.00%
25	7.80%
30	7.30%
35	6.30%
40	5.40%
45	4.40%
50	3.70%
55	3.50%
60	3.50%

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)

(13) Pension Benefits (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; 5.0 Commodities
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.

	Increase (Decrease)		
Contract Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2021	$ 97,238,339	$ 81,807,082	$ 15,431,257
Changes for the year:			
Service cost	3,811,387	-	3,811,387
Interest	6,014,362	-	6,014,362
Expected investment income	-	5,221,176	(5,221,176)
Difference between expected and actual experience	(15,874)	(14,120,615)	14,104,741
Contributions - employer	-	3,667,102	(3,667,102)
Contributions - employee	-	2,204,920	(2,204,920)
Benefit payments, including refunds	(8,536,535)	(8,536,535)	-
Administrative expense	-	(345,479)	345,479
Other changes (assumptions)	-	-	-
Net changes	1,273,340	(11,909,431)	13,182,771
Balances at 6/30/2022	$ 98,511,679	$ 69,897,651	$ 28,614,028

Notes to Financial Statements (continued)

(13) Pension Benefits (continued)

Contract Plan	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2020	$ 95,973,712	$ 63,776,866	$ 32,196,846
Changes for the year			
Service cost	3,955,144	-	3,955,144
Interest	6,020,256	-	6,020,256
Expected investment income	-	4,205,500	(4,205,500)
Difference between expected and actual experience	(5,289,301)	11,948,917	(17,238,218)
Contributions - employer	-	4,341,170	(4,341,170)
Contributions - employee	-	2,716,208	(2,716,208)
Benefit payments, including refunds	(4,763,085)	(4,763,085)	-
Administrative expense	-	(418,494)	418,494
Other changes (assumptons)	1,341,613	-	1,341,613
Net changes	1,264,627	18,030,216	(16,765,589)
Balances at 6/30/2021	$ 97,238,339	$ 81,807,082	$ 15,431,257

Net Pension Liability - Combined Plans

Combined Plans	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2021	$ 133,463,605	$ 119,597,887	$ 13,865,718
Changes for the year:			
Service cost	4,543,839	-	4,543,839
Interest	7,965,569	-	7,965,569
Expected investment income	-	7,433,072	(7,433,072)
Difference between expected and actual experience	(285,105)	(20,203,012)	19,917,907
Contributions - employer	-	4,693,906	(4,693,906)
Contributions - employee	-	2,493,206	(2,493,206)
Benefit payments, including refunds	(11,556,717)	(11,556,717)	-
Administrative expense	-	(519,488)	519,488
Other changes (assumption)	-	-	-
Net changes	667,586	(17,659,033)	18,326,619
Balances at 6/30/2022	$ 134,131,191	$ 101,938,854	$ 32,192,337

Notes to Financial Statements (continued)

(13) Pension Benefits (continued)

Combined Plans	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2020	$ 129,915,928	$ 95,215,507	$ 34,700,421
Changes for the year			
Service cost	4,657,375	-	4,657,375
Interest	7,864,549	-	7,864,549
Expected investment income	-	6,062,826	(6,062,826)
Difference between expected and actual experience	(3,038,029)	17,424,471	(20,462,500)
Contributions - employer	-	6,167,491	(6,167,491)
Contributions - employee	-	3,024,413	(3,024,413)
Benefit payments, including refunds	(7,665,131)	(7,665,131)	-
Administrative expense	-	(631,690)	631,690
Other changes (assumptions)	1,728,913	-	1,728,913
Net changes	3,547,677	24,382,380	(20,834,703)
Balances at 6/30/2021	$ 133,463,605	$ 119,597,887	$ 13,865,718

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the Contract Plan as of June 30, 2022, 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 (asset) 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%	$ 35,771,817
6.5% Current Discount Rate	$ 28,614,028
1% Increase or 7.5%	$ 19,097,551

	Salaried Plan
1% Decrease or 5.0%	$ 5,891,281
6.0% Current Discount Rate	$ 3,578,308
1% Increase or 7.0%	$ 1,562,547

Notes to Financial Statements (continued)

(13) Pension Benefits (continued)

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

For the year ended June 30, 2022, the Salaried Plan recognized pension expense of $696,806. At June 30, 2022, 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	$ 1,097,765	-
Changes of assumptions	255,565	-
Net difference between projected and actual earning on plan investments	3,184,317	-
Total	$ 4,537,647	$ -

For the year ended June 30, 2021, the Salaried Plan recognized pension expense of $1,912,890. At June 30, 2021, 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	$ 2,289,266	-
Changes of assumptions	387,300	-
Net difference between projected and actual earning on plan investments	-	3,650,490
Total	$ 2,676,566	$ 3,650,490

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
2023	$	(1,400,564)
2024	$	(1,374,917)
2025	$	(424,317)
2026	$	(121,369)
2027	$	(1,216,480)
Thereafter	$	--

Notes to Financial Statements (continued)

(13) Pension Benefits (continued)

For the year ended June 30, 2022, the Contract Plan recognized pension expense of $2,285,228. At June 30, 2022, 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	$ -	$ 3,824,529
Changes of assumptions	3,687,482	-
Net difference between projected and actual earning on plan investments	7,801,867	-
Total	$ 11,489,349	$ 3,824,529

For the year ended June 30, 2021, the Contract Plan recognized pension expense of $6,322,999. At June 30, 2021, 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	$ -	$ 4,097,089
Changes of assumptions	4,649,183	-
Net difference between projected and actual earning on plan investments	-	7,670,943
Total	$ 4,649,183	$ 11,768,032

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
2023	$	(2,386,619)
2024	$	(2,294,002)
2025	$	(1,571,136)
2026	$	(310,637)
2027	$	(2,206,792)
Thereafter	$	1,104,366

Notes to Financial Statements (continued)

(13) Pension Benefits (continued)

For the year ended June 30, 2022, both plans recognized pension expense of $2,982,034. At June 30, 2022, 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	$ 1,097,765	$ 3,824,529
Changes of assumptions	3,943,047	-
Net difference between projected and actual earning on plan investments	10,986,184	-
Total	$ 16,026,996	$ 3,824,529

For the year ended June 30, 2021, both plans recognized pension expense of $8,235,889. At June 30, 2021, 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	$ 2,289,266	$ 4,097,089
Changes of assumptions	5,036,483	-
Net difference between projected and actual earning on plan investments	-	11,321,433
Total	$ 7,325,749	$ 15,418,522

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
2023	$ (3,787,183)
2024	$ (3,668,919)
2025	$ (1,995,453)
2026	$ (432,006)
2027	$ (3,423,272)
Thereafter	$ 1,104,366

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) Note Payable

On August 18, 2020, the Agency 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. During the year ended June 30, 2021, the Agency made additional principal payments of $5 million, and during the year ended June 30, 2022, the Agency made additional principal payments of $400 thousand, resulting in an outstanding balance of $3,212,786 as of June 30, 2022.

Balance 6/30/21	Additions	Deletions	Balance 6/30/22
$ 4,752,379	$ -	$ 1,539,593	$ 3,212,786

Future maturities of the note payable are as follows:

Year Ending June 30,	
2023	$ 1,203,109
2024	1,264,662
2025	745,015
Note payable at June 30, 2022	$ 3,212,786

Interest payments toward the note are recorded as operating expenses.

(15) Subsequent Events

On July 1, 2022, LBT submitted a payment to the Port of Long Beach for $3.21 million, the remaining principal balance of the promissory note. This was the Agency's only outstanding long-term debt.

LBT entered into an office lease agreement as the lessor for the tenant use of a floor of LBT's corporate office building. The lease, which is effective from September 1, 2022 through November 30, 2027, includes three months of rent abatement and an annual 3% increase to the base rent.

The financial statements as of and for the year ended June 30, 2022 have not been impacted by the subsequent events 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 2022 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 (Asset)
and Related Ratios
For the Years Ended

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability										
Service cost	$ 732,452	$ 702,231	$ 753,733	$ 800,422	$ 831,665	$ 858,666	$ 769,704	$ 845,302	$ 773,964	$ 641,489
Interest	1,951,207	1,844,293	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	(269,231)	2,251,272	(624,271)	598,675	770,200	80,484	427,104	(582,806)	667,873	1,089,429
Changes of assumptions	-	387,300	-	-	-	-	2,816,346	-	-	3,694,438
Benefit payments	(3,020,182)	(2,902,046)	(1,302,936)	(951,414)	(1,503,429)	(3,003,925)	(1,332,112)	(1,818,412)	(2,342,868)	(702,018)
Net change	(605,754)	2,283,050	605,784	2,120,806	1,687,746	(438,558)	4,405,720	148,886	908,497	6,078,849
Beginning total pension liability	36,225,266	33,942,216	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	$ 35,619,512	$ 36,225,266	$ 33,942,216	$ 33,336,432	$ 31,215,626	$ 29,527,880	$ 29,966,438	$ 25,560,718	$ 25,411,832	$ 24,503,335
Plan fiduciary net position										
Employer contributions	$ 1,026,804	$ 1,826,321	$ 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	288,286	308,205	319,542	322,305	320,450	340,086	365,367	402,617	436,748	449,958
Net transfer to/from Contract Plan	-	-	-	-	37,663	255,041	17,501	288	241,886	-
Investment income (loss)	(3,870,501)	7,332,880	84,624	777,683	1,376,782	2,277,537	(194,989)	(11,557)	1,750,047	960,977
Pension benefits	(3,020,182)	(2,902,046)	(1,302,936)	(951,414)	(1,503,429)	(3,003,925)	(1,332,112)	(1,818,412)	(2,342,868)	(702,018)
Administrative expenses	(174,009)	(213,196)	(197,584)	(187,683)	(199,961)	(203,559)	(167,603)	(167,173)	(142,202)	(117,013)
Net change	(5,749,602)	6,352,164	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	37,790,805	31,438,641	30,938,951	27,866,540	25,232,880	22,777,566	19,819,217	16,655,211	13,864,092	11,028,003
Ending plan fiduciary net position	$ 32,041,203	$ 37,790,805	$ 31,438,641	$ 30,938,951	$ 27,866,540	$ 25,232,880	$ 22,777,566	$ 19,819,217	$ 16,655,211	$ 13,864,092
Company's net pension liability (asset)	$ 3,578,309	$ (1,565,539)	$ 2,503,575	$ 2,397,481	$ 3,349,086	$ 4,295,000	$ 7,188,872	$ 5,741,501	$ 8,756,621	$ 10,639,243
Plan fiduciary net position as a % of total pension liability	89.95%	104.32%	92.62%	92.81%	89.27%	85.45%	76.01%	77.54%	65.54%	56.58%
Covered payroll	$ 3,923,681	$ 4,869,172	$ 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 (asset) as a % of covered payroll	91.20%	-32.16%	54.55%	50.11%	68.92%	82.80%	119.36%	89.98%	126.45%	136.38%

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total pension liability										
Service cost	$ 3,811,387	$ 3,955,144	$ 3,749,883	$ 3,862,139	$ 3,750,722	$ 3,352,311	$ 2,713,135	$ 2,893,596	$ 2,285,562	$ 1,972,068
Interest	6,014,362	6,020,256	5,661,960	5,458,336	5,173,663	4,970,642	4,575,251	4,462,912	4,418,719	3,621,647
Difference between expected and actual experience	(15,874)	(5,289,301)	(820,357)	(1,182,989)	1,915,331	849,980	3,062,106	(1,252,537)	877,921	(652,845)
Changes of assumptions	-	1,341,613	-	-	3,651,179	3,194,510	-	-	-	6,749,225
Benefit payments	(8,536,535)	(4,763,085)	(3,912,892)	(3,859,763)	(5,626,291)	(4,615,902)	(3,182,794)	(4,881,029)	(4,326,353)	(2,447,910)
Net change	1,273,340	1,264,627	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	97,238,339	95,973,712	91,295,118	87,017,395	78,152,791	70,401,250	63,233,552	62,010,610	58,754,761	49,512,576
Ending total pension liability	$ 98,511,679	$ 97,238,339	$ 95,973,712	$ 91,295,118	$ 87,017,395	$ 78,152,791	$ 70,401,250	$ 63,233,552	$ 62,010,610	$ 58,754,761
Plan fiduciary net position										
Employer contributions	$ 3,667,102	$ 4,341,170	$ 4,357,936	$ 4,488,508	$ 4,054,711	$ 3,877,435	$ 3,439,288	$ 3,067,778	$ 3,326,307	$ 2,572,888
Employee contributions	2,204,920	2,716,208	2,810,418	2,677,045	2,461,892	2,141,425	1,754,192	1,643,452	1,437,006	1,142,100
Net transfer to/from Contract Plan	-	-	-	-	(37,663)	(255,041)	(17,501)	(288)	(241,886)	-
Investment income (loss)	(8,899,439)	16,154,417	207,350	1,715,995	2,807,077	4,919,899	(407,799)	(569)	5,113,555	3,324,692
Pension benefits	(8,536,535)	(4,763,085)	(3,912,892)	(3,859,763)	(5,626,291)	(4,615,902)	(3,182,794)	(4,881,029)	(4,326,353)	(2,447,910)
Administrative expenses	(345,479)	(418,494)	(364,995)	(364,631)	(380,134)	(376,137)	(325,026)	(349,496)	(323,518)	(291,858)
Net change	(11,909,431)	18,030,216	3,097,817	4,657,154	3,279,592	5,691,679	1,260,360	(520,152)	4,985,111	4,299,912
Beginning plan fiduciary net position	81,807,082	63,776,866	60,679,049	56,021,895	52,742,303	47,050,624	45,790,264	46,310,416	41,325,305	37,025,393
Ending plan fiduciary net position	$ 69,897,651	$ 81,807,082	$ 63,776,866	$ 60,679,049	$ 56,021,895	$ 52,742,303	$ 47,050,624	$ 45,790,264	$ 46,310,416	$ 41,325,305
Company's net pension liability	$ 28,614,028	$ 15,431,257	$ 32,196,846	$ 30,616,069	$ 30,995,500	$ 25,410,488	$ 23,350,626	$ 17,443,288	$ 15,700,194	$ 17,429,456
Plan fiduciary net position as a % of total pension liability	70.95%	84.13%	66.45%	66.46%	64.38%	67.49%	66.83%	72.41%	74.68%	70.34%
Covered payroll	$ 32,022,263	$ 30,014,658	$ 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	89.36%	51.41%	100.78%	99.97%	99.68%	83.46%	78.39%	68.89%	57.58%	70.58%

Required Supplementary Information (continued)

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

Schedule of Contributions
Salaried Plan
2013 - 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 508,837	$ 1,747,226	$ 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	1,026,804	1,826,321	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	288,286	308,205	319,542	322,305	320,450	340,086	365,367	402,617	436,748	449,958
Total contributions	1,315,090	2,134,526	1,915,586	3,433,825	2,922,605	3,130,220	4,635,552	5,160,860	3,284,256	2,694,143
Contribution deficiency (excess)	$ (806,253)	$ (387,300)	$ -	$ (1,500,000)	$ (1,000,000)	$ (1,100,000)	$ (2,634,844)	$ (2,555,638)	$ (800,000)	$ (807,800)
Covered payroll	$ 3,923,681	$ 4,869,172	$ 4,589,323	$ 4,783,000	$ 4,859,000	$ 5,187,000	$ 6,023,000	$ 6,381,000	$ 6,925,000	$ 7,801,000
Contributions as a percentage of covered payroll	33.52%	43.84%	41.74%	71.79%	60.15%	60.35%	76.96%	80.88%	47.43%	34.54%

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	**4 years**
Asset valuation method	**Market value**
Salary increases	**3.0% per annum**
Investment rate of return	**6% compounded annually**
Administrative expenses	**$174,009**
Employee contribution interest credit	**5.00% per year**
Termination before retirement	

Age	Turnover Rate
20	7.86%
25	7.57
30	8.64
35	8.00
40	5.64
45	4.04
50	2.78
55	1.67
60	1.10

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

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

Lump Sums

Interest: 4.50%; IRS Applicable Mortality

Mortality

PRI-2012 white color mortality table projected with scale MP-2019; PRI-2012 disabled mortality table projected with scale MP-2019 for disabled participants

Required Supplementary Information (continued)

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

Schedule of Contributions
Contract Plan
2013 - 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 5,872,022	$ 7,057,378	$ 7,168,354	$ 7,165,553	$ 6,516,603	$ 6,018,860	$ 5,193,480	$ 4,711,230	$ 4,763,313	$ 3,714,988
Employer contributions	3,667,102	4,341,170	4,357,936	4,488,508	4,054,711	3,877,435	3,439,288	3,067,778	3,326,307	2,572,888
Employee contributions	2,204,920	2,716,208	2,810,418	2,677,045	2,461,892	2,141,425	1,754,192	1,643,452	1,437,006	1,142,100
Total contributions	5,872,022	7,057,378	7,168,354	7,165,553	6,516,603	6,018,860	5,193,480	4,711,230	4,763,313	3,714,988
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 32,022,263	$ 30,014,658	$ 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 payroll	18.34%	23.51%	22.44%	23.40%	20.96%	19.77%	17.44%	18.61%	17.47%	15.04%

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	15 years
Asset valuation method	Market value
Salary increases	3.0% per annum
Investment rate of return	6.5% compounded annually
Administrative expenses	$345,479
Employee contribution interest credit	5.00% per year

Termination before retirement

Age	Turnover Rate
20	8.00%
25	7.80
30	7.30
35	6.30
40	5.40
45	4.40
50	3.70
55	3.50
60	3.50

Retirement age	All active, inactive vested, and future inactive vested participants are assumed to retire at age 64 after completion of 10 years of service.
Marital Status	80% of non-retired participants are married. Female spouse is assumed to be three years younger than the male spouse.
Form of payment	80% of active participants hired prior to July 1, 2012 are assumed to elect the lump-sum option. The remaining 20% of active participants hired prior to July 1, 2012, all actives hired on or after July 1, 2012, and vested terminated participants are assumed to elect the single life annuity.
Unknown data	Participants with unreported data, such as missing birthdates, are assumed to have the same characteristics as similar participants.
Lump Sums	Interest: 4.50%; IRS Applicable Mortality
Mortality	PRI-2012 blue collar mortality table projected with scale MP-2019; PRI-2012 disabled mortality table projected with Scale MP-2019 for disabled participants

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Statistics

STATISTICAL SECTION

This part of Long Beach Public Transportation Company's annual comprehensive 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.

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

Financial Trends
Net Position by Component
2013 - 2022

Exhibit 1

	Invested in Capital Assets	Restricted	Unrestricted	Total (1)
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
2021	91,604,336	303,855	(18,775,492)	73,132,699
2022	102,135,121	300,492	(16,689,414)	85,746,199

(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
2013 – 2022

Exhibit 2

	Personnel Wages & Benefits	Fuel & Lubricants	Supplies & Materials	Services	Casualty & Liability	Purchased Transportation	Depreciation	Total
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
2021	70,838,886	3,201,240	4,075,103	14,029,903	3,229,011	1,103,400	14,278,928	110,756,471
2022	69,644,142	5,449,432	5,039,366	15,825,051	3,236,628	1,643,257	14,782,360	115,620,236

Financial Trends

Exhibit 3

Changes in Net Position

2013 – 2022

Expenses	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Transportation	$ 37,554,281	$ 38,869,648	$ 39,488,966	$ 40,639,813	$ 44,148,976	$ 45,458,610	$ 47,848,764	$ 54,678,389	$ 50,691,529	$ 50,067,770
Maintenance	22,042,606	21,878,415	20,479,627	19,355,457	20,379,891	22,186,665	23,854,682	24,288,404	25,714,741	29,986,862
Risk Management	6,222,310	7,900,442	8,795,766	5,891,767	7,638,605	9,124,849	8,856,141	5,605,293	5,361,897	4,472,587
Marketing & Customer Service	1,827,629	1,917,253	1,948,218	1,950,613	2,119,166	1,849,042	2,339,313	2,393,953	2,138,173	2,676,176
General Administration	8,808,324	9,327,279	8,150,602	8,535,927	9,294,747	9,881,197	11,261,543	13,161,148	12,571,203	13,634,481
Depreciation	20,249,160	20,605,041	18,343,403	18,355,286	17,554,892	16,178,310	16,340,080	15,739,478	14,278,928	14,782,360
Total Expenses	**$ 96,704,310**	**$ 100,498,078**	**$ 97,206,582**	**$ 94,728,863**	**$ 101,136,277**	**$ 104,678,673**	**$ 110,500,523**	**$ 115,866,665**	**$ 110,756,471**	**$ 115,620,236**
Revenues										
Passenger Fares	$ 18,024,416	$ 17,966,020	$ 17,516,839	$ 16,945,561	$ 15,630,301	$ 14,562,861	$ 14,167,351	$ 10,452,194	$ 154,380	$ 7,077,072
Special Events	43,693	25,496	18,754	63,143	54,598	505,138	292,292	240,512	750	61,000
Advertising	542,382	630,413	603,029	743,132	618,750	801,753	1,069,805	978,484	649,678	843,340
Subtotal Operating	18,610,491	18,621,929	18,138,622	17,751,836	16,303,649	15,869,752	15,529,448	11,671,190	804,808	7,981,412
Subsidies	57,671,790	61,008,975	64,700,470	61,703,522	65,351,654	70,611,297	76,153,983	82,029,003	91,986,813	94,483,188
Interest & Other	172,869	262,133	293,115	1,189,184	1,429,378	1,546,133	2,643,016	4,229,590	1,470,268	459,790
Subtotal Nonoperating	57,844,659	61,271,108	64,993,585	62,892,706	66,781,032	72,157,430	78,796,999	86,258,593	93,457,081	94,942,978
Total Revenues	**$ 76,455,150**	**$ 79,893,037**	**$ 83,132,207**	**$ 80,644,542**	**$ 83,084,681**	**$ 88,027,182**	**$ 94,326,447**	**$ 97,929,783**	**$ 94,261,889**	**$ 102,924,390**
Net Expense	$ (20,249,160)	$ (20,605,041)	$ (14,074,375)	$ (14,084,321)	$ (18,051,596)	$ (16,651,491)	$ (16,174,076)	$ (17,936,882)	$ (16,494,582)	$ (12,695,846)
Capital Grants	39,295,105	7,135,567	24,761,575	10,233,655	23,467,700	30,061,872	4,457,864	7,814,792	22,739,045	25,309,346
Change in Net Position	**$ 19,045,945**	**$ (13,469,474)**	**$ 10,687,200**	**$ (3,850,666)**	**$ 5,416,104**	**$ 13,410,381**	**$ (11,716,212)**	**$ (10,122,090)**	**$ 6,244,463**	**$ 12,613,500**

Financial Trends
Capital Expenditures by Type
2013 - 2022

Exhibit 4

Fiscal Year	Facilities	Fleet	Customer Amenities	AVL, Farebox & Radio Equipment	Furniture & IT Equipment	Shop & Garage Equipment	Total
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
2021	17,633,745	3,119,591	466,358	14,739	1,483,243	21,369	22,739,045
2022	4,599,349	18,913,838	223,786	-	1,571,573	800	25,309,346

Revenue Capacity
Operating Subsidy Sources
2013 - 2022

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	Federal COVID-19 Assistance	Other Sources	Total
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
2021	6,190,887	10,148,508	19,555,074	25,747,982	500,000	29,203,837	640,525	91,986,813
2022	6,610,018	15,623,473	26,595,235	29,367,503	-	14,159,497	2,127,462	94,483,188

Revenue Capacity
Fare Recovery Percentage
2013 - 2022

Exhibit 6

Year				Percentage
2013	....	....	....	23.6
2014	....	....	....	22.5
2015	....	....	....	21.1
2016	....	....	....	21.1
2017	....	....	....	18.9
2018	....	....	....	17.1
2019	....	....	....	15.3
2020	....	....	....	10.9
2021	....	....	....	0.2
2022	....	....	....	6.9

Fare recovery percentage represents passenger fares and special event revenue divided by operating expenses before depreciation.

Note: As part of LBT's COVID-19 response, LBT did not enforce fare collection until September 19, 2021. This resulted in a lower fare recovery percentage.

Revenue Capacity
Fare History
2013 - 2022

Exhibit 7

Fixed Route Service:		
Cash Fares:		
UCLA Commuter Express	$	4.00
UCLA Commuter Express Senior & Disabled		2.00
Regular		1.25
Student		1.25
Senior and Disabled		0.60
Interagency transfer		0.50
Day Pass:		
UCLA Commuter Express	$	7.00
UCLA Commuter Express Senior & Disabled		3.50
Regular		4.00
Senior and Disabled		2.50
5 - Day Pass:		
Regular	$	18.00
Senior and Disabled		9.00
Monthly Pass:		
UCLA Commuter Express	$	120.00
Regular		65.00
Student		40.00
Senior and Disabled		24.00
Dial-A-Lift Service:		
Cash Fare	$	2.00
Water Taxi:		
AquaBus	$	1.00
AquaLink		5.00

Demographic and Economic Information — Exhibit 8
City of Long Beach
Demographic Statistics
2013 - 2022

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)
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
2021	467,730	16,866	35,507	69,708	9.4
2022	460,682	16,852	35,464	67,573	4.7

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 — Exhibit 9
City of Long Beach
Principal Employers
Most Recent Year Available and Nine Years Prior

Employer	2021 Number of Employees	Percentage of Total City Employment	2012 Number of Employees	Percentage of Total City Employment
Long Beach Unified School District	11,157	4.72%	11,334	4.83%
City of Long Beach	5,384	2.28%	5,758	2.45%
Long Beach Memorial Medical Center	5,114	2.16%	5,743	2.45%
Veteran Affairs Medical Center	3,300	1.40%	2,200	0.94%
California State University, Long Beach (CSULB)	3,120	1.32%	3,527	1.50%
Long Beach City College	2,515	1.06%	1,785	0.76%
The Boeing Company	1,844	0.78%	5,186	2.21%
St. Mary Medical Center	1,558	0.66%	1,432	0.61%
CSULB Research Foundation	1,227	0.52%	1,500	0.64%
Molina Healthcare Inc.	1,119	0.47%		
United States Postal Service			1,306	0.56%

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 2012 and 2021 via City of Long Beach.

Operating Information Key Performance Indicators 2013 – 2022

Exhibit 10

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fixed Route										
Operating Cost Per Vehicle Service Hour	$ 110.11	$ 115.04	$ 115.40	$ 112.67	$ 114.57	$ 120.98	$ 127.44	$ 153.72	$ 186.40	$ 171.20
Operating Cost Per Passenger	$ 2.56	$ 2.69	$ 2.85	$ 2.94	$ 3.22	$ 3.65	$ 3.98	$ 5.23	$ 6.60	$ 5.81
Roadcalls	1,778	2,243	2,163	1,912	1,897	2,367	2,021	1,552	1,423	1,398
Mean Distance Between Failures	4,438	3,413	3,572	4,040	4,222	3,409	4,071	4,577	3,988	4,794
Total Accidents	881	1,026	912	999	938	871	784	589	456	574
Preventable Accidents	120	101	126	103	99	94	101	73	51	82
Preventable Accidents Per 100,000 Miles	1.52	1.36	2.07	1.34	1.29	1.22	1.26	1.08	0.95	1.27
Passengers per Vehicle Service Hour	43	42	40	37	35	33	32	29	28	29
On-Time Performance[1]	99.9%	77.4%	78.5%	85.2%	86.7%	85.7%	84.7%	84.6%	88.8%	86.4%
Number of Vehicles	262	248	249	249	249	249	249	249	249	249
Number of Employees	728	729	723	728	727	746	745	743	743	727
Special Services										
Dial-A-Lift Cost Per Passenger	$ 20.42	$ 20.60	$ 19.36	$ 18.34	$ 18.90	$ 20.19	$ 27.12	$ 35.77	$ 65.10	$ 54.62
Dial-A-Lift Passengers Per Service Hour	4.8	5.1	5.7	4.8	2.1	1.8	1.6	1.6	1.4	1.5
Number of Dial-A-Lift Vehicles	13	13	15	12	10	10	10	10	10	10
Water Taxi Cost Per Passenger[2]	$ 9.23	$ 12.69	$ 11.27	$ 10.94	$ 9.03	$ 9.32	$ 10.17	$ 11.48	$ 53.60	$ 18.88
Water Taxi Passengers Per Vehicle Service Hour	13.94	16.32	16.11	19.02	18.99	19.15	19.49	19.01	39.73	18.05
Number of Water Taxi Vessels	4	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
2012 - 2022

Exhibit 11

Service Element	2012	2013	2014	2015	2016	2017	2018	2019	2020	2022
	% of Customers Rating Favorably									
LBT Overall	97	97	97	90	96	93	98	98	97	95
LBT Compared to Others	93	95	91	**	**	**	**	**	**	**
Operator Appearance	99	99	98	92	98	98	99	98	94	94
Fares	87	91	92	90	94	93	90	95	88	91
Operator Courtesy	92	94	91	91	95	95	99	96	93	95
Operator Safety	98	99	92	90	98	97	99	99	95	95
On Board Safety	96	97	95	86	90	**	**	**	**	**
Route Convenience	96	98	95	90	95	94	94	96	91	89
Information Available	95	95	92	86	92	91	89	90	87	90
Telephone Information	91	89	86	83	91	88	93	91	82	88
Bus Stop Safety	92	95	92	84	78	**	**	**	**	**
Bus Stop Convenience	96	97	97	89	95	94	95	94	88	91
Schedule Reliability	85	89	84	83	89	88	93	90	83	86
Bus Cleanliness	94	95	95	85	88	91	90	91	88	89
Bus Stop Cleanliness	91	91	92	87	86	88	88	82	81	84

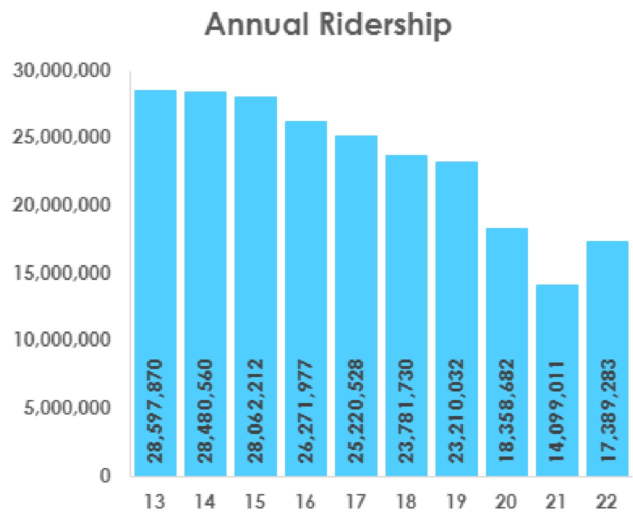
Note: Due to the COVID-19 Pandemic, LBT did not conduct a Customer Satisfaction Survey in FY 2021.

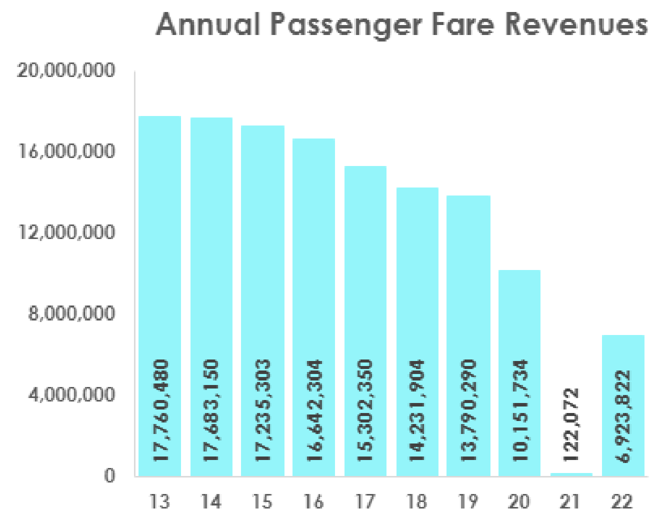
Source: Annual customer survey.

** Not surveyed

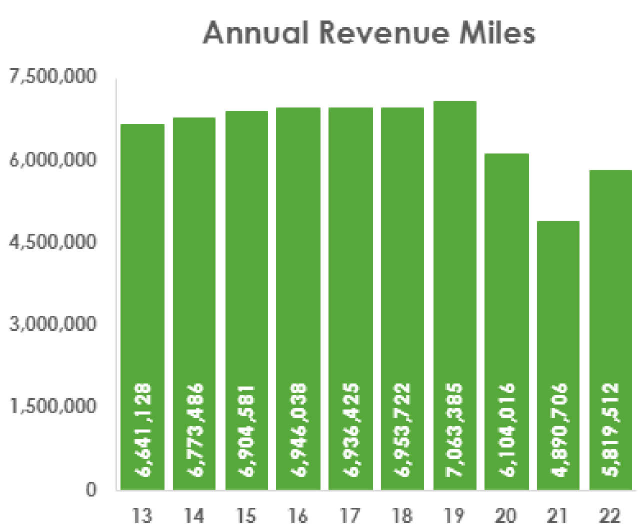
Operating Information Fixed Route Statistics 2013 - 2022

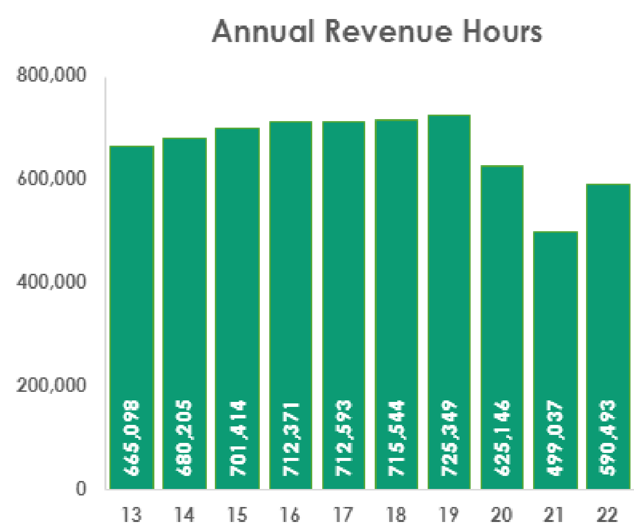
Exhibit 12





LBT had an increase of ridership from FY 2021 to FY 2022, with 14.1 million boardings on LBT buses in FY 2021 to 17.4 million boardings on LBT buses in FY 2022. The 17.4 million boardings represented a 23.3% increase from the previous year. This ridership increase is largely due to the businesses reopening, schools welcoming back their students to campus, and employees returning to offices. Despite the COVID-19 pandemic, social distancing restrictions remained in place.

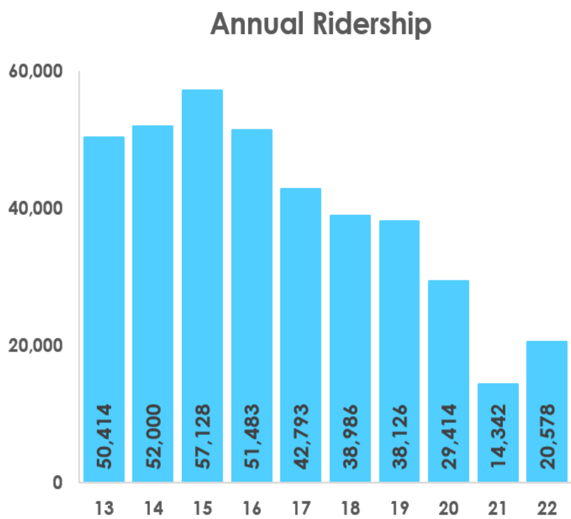


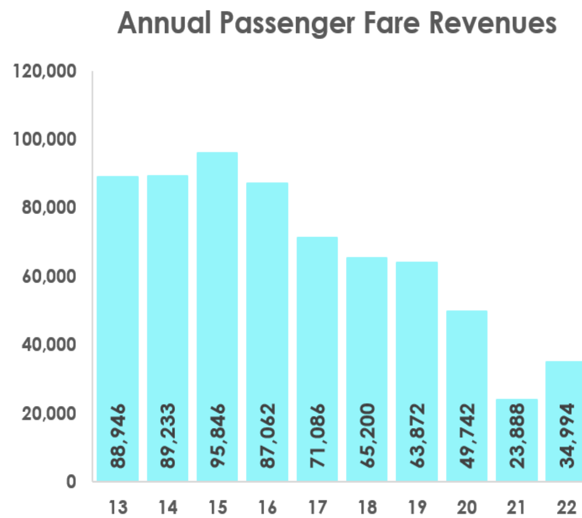


Source: Long Beach Transit's Annual National Transit Database Report

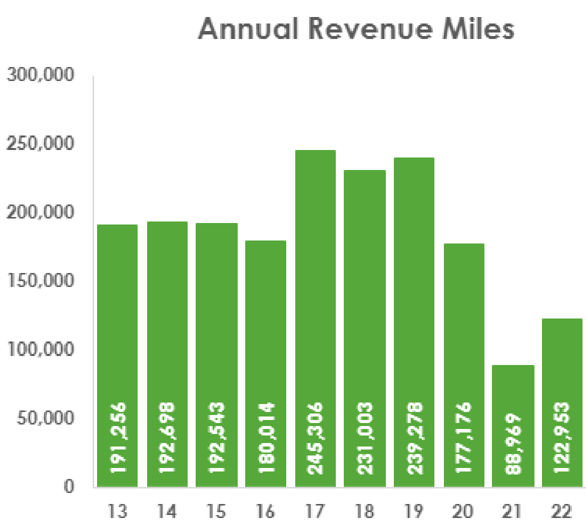
Operating Information
Dial-A-Lift Statistics
2013 - 2022

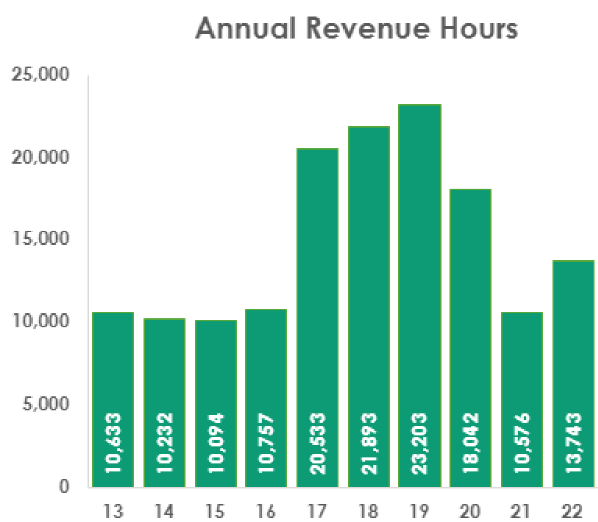
Exhibit 13





Dial-A-Lift had a 43.5% increase in ridership in FY 2022. The ridership increase is attributed in large part to the recovery from the pandemic and new riders using the service. The Dial-A-Lift service is supplied by a private contractor who provides Dial-A-Life vehicle trips.

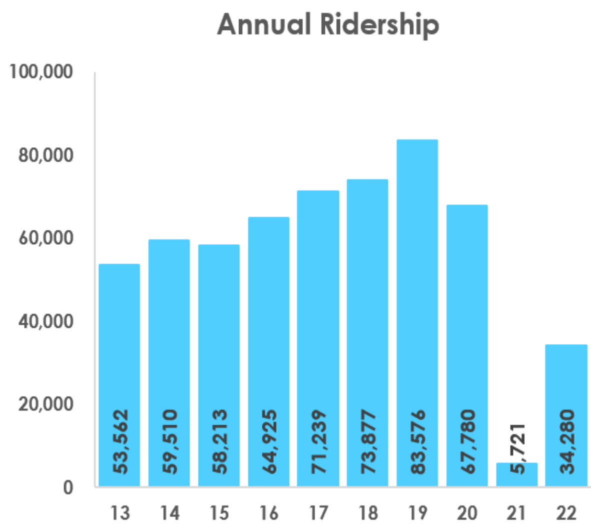


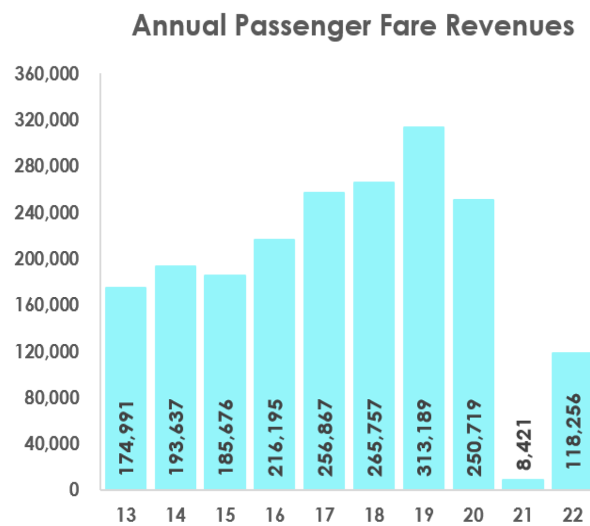


Source: Long Beach Transit's Annual National Transit Database Report

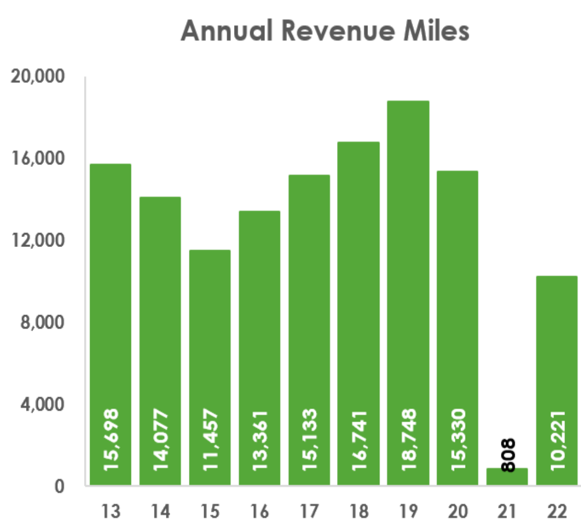
Operating Information
Water Taxi Statistics
2013 - 2022

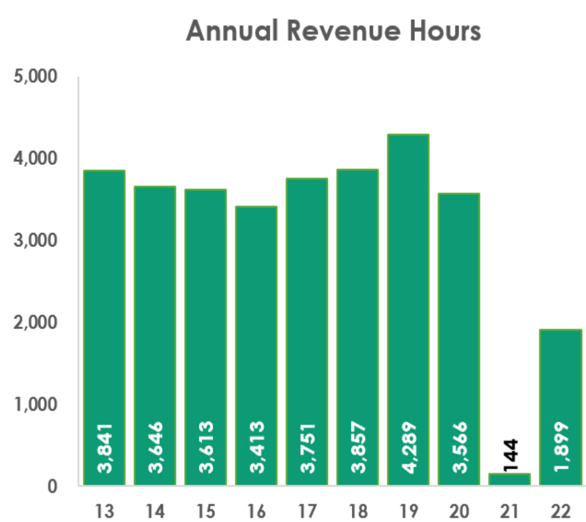
Exhibit 14





Water Taxi ridership increased 499.2% and revenues increased 1,300.0% in FY 2022. The water taxis ran weekend service (Friday, Saturday, and Sunday) from September 10, 2021 to May 20, 2022. Starting Memorial Day Weekend and running through June 30, 2022, service on the Aqualinks were increased to seven days. LBT introduced a mobile app in April 2022 which gave customers another option to pay for their ticket.





Source: State Controller's Report

Operating Information — Exhibit 15
Schedule of Insurance in Force
June 30, 2022

Program Expiration	Term	Agency	Amount/Limit
LIABILITY			
A. Public Entity Liability			
07/1/23	1 yr	Princeton Excess & Surplus Lines Insurance Co.	$5,000,000 Excess of $3,000,000 SIR
B. Public Entity Management Liability			
02/21/23	1 yr	ACE American Insurance Company	$3,000,000 - Each Incident and in the Aggregate $50,000 - Retention for Each Claim $150,000 - Management Liability/Public Liability for Each Claim
C. UST Insurance - Storage Tank Liability			
02/21/23	1 yr	ACE American Insurance Company	$3,000,000 - Each Incident and in the Aggregate $50,000 - Retention for Each Claim $150,000 - Management Liability/Public Liability for Each Claim
D. Excess Liability			
07/1/23	1 yr	Allied World National Assurance Co.	$5,000,000 - Excess of $3,000,000 SIR
COMMERCIAL PROPERTY			
04/1/23	1 yr	Travelers Property Casualty Co.	$80,956,773 - Buildings $41,524,000 - 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 for Buses $50,000 - Deductible per Earthquake Sprinkler Leakage $5,000 - Deductible Personal Property in Transit

WORKERS' COMPENSATION

07/1/23	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

11/1/22	1 yr	Hartford Fire Insurance Co.	$1,000,000 - Employee Theft $1,000,000 - Inside the Premises (Money, Securities and Other Property) $1,000,000 - Computer and Funds $50,000 - Money Orders & Counterfeit Currency $20,000 Deductible (Employee Theft) $5,000 - Deductible For All Other Claims

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

FIDUCIARY LIABILITY

11/1/22	1 yr	Federal Insurance Co.	$ 3,000,000 - Each Loss $ 3,000,000 - Each Policy Period $ 10,000 - Deductible

CYBER LIABILITY

07/1/23	1 yr	Palomar Excess and Surplus Ins Co	$5,000,000 - Aggregate Limit of Liability $100,000 - Deductible Per Claim

ENVIRONMENTAL LEGAL LIABILITY

06/21/24	1 yr	Aspen Specialty Insurance Co.	$5,000,000 - Pollution Incident Limit $5,000,000 - Aggregate Limit of Liability $25,000 - Per Incident Deductible

Source: Long Beach Transit's Risk Management Department

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

Exhibit 16

	FREQUENCY OF SERVICE						DAILY HOURS OF OPERATION		
	Peak/Base (5am - 6pm)			Evening/Night (after 6pm)					
Route	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday
1	40 min	40/60 min	60 min	40 min	60 min	60 min	520A - 747P	730A - 820P	730A - 820P
2	40 min	40 min	--	40 min	--	--	505A - 730P	1015A - 600P	--
4	40 min	40 min	--	40 min	--	--	515A - 745P	1035A - 545P	--
8	40 min	40 min	--	40 min	--	--	510A - 750P	1030A - 550P	--
20	15/20 min	20 min	20 min	20/30 min	20/30 min	20/30 min	500A - 1109P	500A - 1115P	500A - 1115P
40	10 min	15 min	15 min	10/15/30 min	15/30 min	15/30 min	504A - 1055P	505A - 1056P	505A - 5056P
50	15 min	30 min	30 min	15/20/30 min	30 min	30 min	459A - 1115P	500A - 1055P	500A - 1055P
60	15 min	20 min	20 min	15/20/30 min	20/30 min	20/30 min	500A - 1058P	504A - 1055P	505A - 1055P
70	40 min	45 min	45 min	40 min	45 min	45 min	603A - 815P	617A - 812P	617A - 812P
80	--	--	--	--	--	--	--	--	--
90*	12 min	20 min	20/30 min	15/20/30 min	20/30 min	20/30 min	458A - 1100P	505A - 1102P	505A - 1101P
96 'ZAP'	--	--	--	--	--	--	--	--	--
101/103	30 min	20/40 min	20/40 min	30 min	40 min	40 min	503A - 1040P	550A - 805P	550A - 805P
104	45 min	60 min	60 min	45 min	--	--	510A - 750P	648A - 725P	650A - 725P
110	30 min	30 min	30 min	30 min	30 min	30 min	604A - 855P	605A - 855P	605A - 855P
121	20 min	30 min	30 min	20/30 min	30 min	30 min	502A - 1108P	505A - 2300P	505A - 2300P
131	40 min	--	--	--	--	--	550A - 633P	--	--
151	40 min	40 min	40 min	40 min	40 min	40 min	552A - 853P	552A - 854P	552A - 854P
170	15 min	15/30 min	15/30 min	20/30 min	30 min	30 min	500A - 1100P	503A - 1057P	503A - 1059P
171/175*	20 min	45 min	45 min	20/30 min	60 min	60 min	510A - 1100P	658A - 1010P	658A - 1010P
176	--	--	--	--	--	--	--	--	--
181	60 min	60 min	60 min	60 min	60 min	60 min	607A -900P	604A - 855P	604A - 855P
182	60 min	60 min	60 min	60 min	60 min	60 min	605A - 825P	605A - 823P	605A - 823P
190	15 min	20 min	20 min	15/20/30 min	20/30 min	20/30 min	500A - 1102P	505A - 1055P	505A - 1055P
405	4 trips: (2) AM (2) PM			--	--	--	515A, 715P	--	--
Passport									
Passport	--	--	--	--	--	--	--	--	--

Source: Long Beach Transit's Service Planning Department

* 92,93 and 175 operate on weekdays only

Pension Information
Employer and Employee Pension Contributions
2013 – 2022

Exhibit 17

Fiscal Year Ended June 30	Employer Contribution*	Employee Contribution	Covered Payroll	Contribution as a Percentage of Payroll
Contract Plan				
2013	2,572,888	1,142,100	24,693,232	15.04
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
2021	4,341,170	2,716,208	30,014,658	23.51
2022	3,667,102	2,204,920	32,022,263	18.34
Salaried Plan				
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
2021	1,826,321	308,205	4,869,172	43.84
2022	1,026,804	288,286	3,923,681	33.52

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

Source: Contract and Salaried pension plan financial statements for the year ended June 30, 2022.
These financial statements are prepared under separate cover and contain additional trend information.

Pension Information

Exhibit 18

Pension Revenues by Source and Expenses by Type
2013 – 2022

Fiscal Year Ended June 30	Revenues by Source: Employer and Employee Contributions	Benefit transfer	Investment Return	Total	Expenses by Type: Administrative Expenses	Benefit Payments	Benefit transfer	Total
Contract Plan								
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	29,872	(569)	4,740,533	349,496	4,881,029	30,160	5,260,685
2016	5,193,480	-	(407,799)	4,785,681	325,026	3,182,794	17,501	3,525,321
2017	6,018,860	-	4,919,899	10,938,759	376,137	4,615,902	255,041	5,247,080
2018	6,516,603	-	2,807,077	9,323,680	380,134	5,626,291	37,663	6,044,088
2019	7,165,553	-	1,715,995	8,881,548	364,631	3,859,763	-	4,224,394
2020	7,168,354	-	207,350	7,375,704	364,995	3,912,892	-	4,277,887
2021	7,057,378	-	16,154,417	23,211,795	418,494	4,763,085	-	5,181,579
2022	5,872,022	-	(8,899,439)	(3,027,417)	345,479	8,536,535	-	8,882,014
Salaried Plan								
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	142,202	2,342,868	-	2,485,070
2015	5,160,860	30,160	(11,557)	5,179,463	167,173	1,818,412	29,872	2,015,457
2016	4,635,552	17,501	(194,989)	4,458,064	167,603	1,332,112	-	1,499,715
2017	3,130,220	255,041	2,277,537	5,662,798	203,559	3,003,925	-	3,207,484
2018	2,922,605	37,663	1,376,782	4,337,050	199,961	1,503,429	-	1,703,390
2019	3,433,825	-	777,683	4,211,508	187,683	951,414	-	1,139,097
2020	1,915,586	-	84,624	2,000,210	197,584	1,302,936	-	1,500,520
2021	2,134,526	-	7,332,880	9,467,406	213,196	2,902,046	-	3,115,242
2022	1,315,090	-	(3,870,501)	(2,555,411)	174,009	3,020,182	-	3,194,191

Source: Contract and Salaried pension plan financial statements for the year ended June 30, 2022.
These financial statements are prepared under separate cover and contain additional trend information.

Grant Information
Capital Grant History
Federal Grants 2013 - 2022

Exhibit 19

FTA Grants	Authorized Amount	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
CA-90-Y391	$ 13,354,477	$ 2,527,386									
CA-90-Y440	6,358,401										
CA-90-Y502	14,756,941	26,545									
CA-90-Y652	13,051,167	8,331,767	$ 428,257	$ 175,263	$ 41,956						
CA-90-Y731	14,960,635	3,761,979	71,168	5,361							
CA-90-X007	16,497,214										
CA-04-0065	2,604,050	778,978									
CA-04-0134	1,783,466	1,096,541	71,421	41,184							
CA-90-Y798	13,994,380	646,277	312,347	829,421	11,026	$ 2,344			$ 37,584	$ 15,744	$ 2,551,689
CA-90-Y880	15,774,862	7,199,267	2,525,909	86,464	40,244	33,223	$ 1,935,227	$ 21,716	6,425		3,179,570
CA-04-0184	2,863,280	702,223	387,690	330,469	5,296	70,224					
CA-04-0199	950,000	950,000									
CA-88-0004	6,700,000	637,161	193,185	88,283	237,053	4,213,586	1,677,736	66,432			
CA-90-Y957	16,248,527	1,048,270	2,605,970	5,748,917	46,226	112,598	6,552,428	127,859	6,259		
CA-90-Z053	17,391,081		773,241	3,102,621	6,504,828	44,927	455,784	96,488	144,629	228,552	480,576
CA-90-Z120	20,701,104		49,875	10,518,828	1,438,564	1,254,135	1,812,501	868,012	961,781	120,704	673,711
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	313,058	331,970	171,349
CA-2016-049	20,731,551					1,314,496	9,911,532	498,404	723,164	1,009,748	398,298
CA-2017-150	17,837,931						2,069,639	3,258,119	824,468	141,674	849,925
CA-37-X100	437,730						426,335	11,395			
CA-2018-127	1,172,867							17,326		33,673	
CA-2019-085	142,296									77,686	15,861
CA-2019-088	17,095,459								1,925,532	278,827	
CA-2020-053	30,004,904										17,009
CA-2020-171	1,206,518										6,950
CA-2020-179	29,203,837									29,203,837	
CA-2021-142	11,500,835										
CA-2021-240	26,671,160										14,702,076
	TOTAL	$ 27,706,394	$ 7,419,063	$ 22,926,811	$ 9,947,262	$ 12,310,369	$ 29,670,468	$ 5,268,610	$ 4,942,900	$ 31,442,415	$ 23,047,014

Grant Information
Capital Grant History
State Grants 2013 - 2022

Exhibit 20

State Grants	Authorized Amount	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
STA 08	3,528,162	$ 19,986									
STA 11	580,795	331,826	$ 248,972								
1B PTMISEA	22,170,051	5,851,780	20,924	$ 1,990,351	$ 299,786	$ 1,780,966	$ 1,883,455	$ 508,411	$ 93,396	$ 9,734,680	
1B SEC	3,952,019	197,999	374,050	274,793	644,369	84,411	22,254	204,910	401,085	314,689	$ 130,893
LCTOP 16	533,759							483,236	26,081	24,442	
LCTOP 21	436,239										
SB1-SGR 18	925,973										$ 925,020
SB1-SGR 19	1,031,783										$ 995,359
SB1-SGR 20	1,074,836										$ 552,713
SB1-SGR 21	1,024,004										
SB1-SGR 22	898,084										
TIRCP 18	3,951,167										$ 3,224,087
TIRCP 20	6,451,000										
	TOTAL	$ 6,401,591	$ 643,946	$ 2,265,144	$ 944,155	$ 1,865,377	$ 1,905,709	$ 1,196,557	$ 520,562	$ 10,073,811	$ 5,828,072

Grant Information
Capital Grant History
Local Grants 2013 - 2022

Exhibit 21

Local Grants	Authorized Amount	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Prop C-CA-90-Y391	$ 2,934,372	$ 517,992									
Prop C-CA-90-Y440	1,329,020										
Prop C FY 08	1,661,127										
Prop C-CA-90-Y502	3,512,702	6,698									
Prop C-CA-90-Y652	2,030,062	1,037,686	$ 107,052	$ 43,821	$ 9,366						
Prop C-CA90-Y731	3,604,442	736,865	17,792	2,837							
Prop C FY 10	351,120						$ 229,189	$ 11,757	$ 173		
Prop C FY 11	3,825,903	1,257,341	702,307	341,032	339,043	$ 105,434			9,567	$ 9,567	
Prop C-CA-90-798	2,762,272	161,627	78,086	107,922	2,693	586			9,396	3,936	
Prop C-CA-04-065	576,983	120,715									
Prop C-CA-04-134	312,540	140,809	17,855	10,297							
Prop C-CA-04-184	860,720	225,800	125,882	109,267	1,324	17,254					
Prop C FY 12	2,818,242	987,020	928,199	324,026	303,876	104,107	54,336			114,642	78,212
Prop C FY 13	3,242,178	27,419	328,881	1,747,453	551,216	357,117	28,235	29,979	68,930	24,447	
Prop C-CA-88-0004	876,429	219,786	82,791	35,027	85,464	443,083	132,474	24,361			
Prop C-CA-90-Y957	2,864	881	701	265	841	177					
Prop C FY 14	2,693,659		61,119	499,668	429,482	708,945	624,427	17,104	51,684	203,671	97,592
Prop C-CA-90-Y880	2,252		927	1,325							
Prop C FY 15	4,017,168			658,270	1,117,119	990,459	185,851	242,819	336,250	165,644	130,897
Prop C-CA-90-Z053	942,340			3,305	5,799	706	71,351	7,638		(1,639)	20,245
Prop C-CA-90-Z120	1,204,244			890,691	150,106	86,122	2,098	934	(934)	23,058	40,518
Prop C FY 16	4,173,683				92,683	610,084	121,131	283,782	386,182	2,622,919	11,509
Prop C-CA-90-Z232	90,824					36,827	46,848	5,203			
Prop C-CA-2016-049	2,031,274						608,052			52	
Prop C-CA-37-X100	109,433						106,583	2,850			
Prop C-CA-2017-150	9,421									1,260	425
Prop C-CA-2018-127	6,600										
Prop C-CA-2019-085	35,574									19,421	3,965
Prop C-CA-2020-053	223,825										4,027
Prop C FY 17	4,340,125						14,715	82,412	216,264	718,289	1,109,905
Prop C FY 18	4,492,599						551,683	427,283	665,083	243,289	721,694
Prop C FY 19	4,384,464							112,288	2,921,888	452,668	372,276
Prop C FY 20	4,700,414									971,452	1,224,749
Prop C FY 21	2,143,750									930,227	854,966
Prop C FY 22	4,560,701										2,869,514
Prop C-TIRCP-18-3	26,250										26,250
Prop C-CA-2021-142	285,500										
	TOTAL	$ 5,440,639	$ 2,451,592	$ 4,775,206	$ 3,089,012	$ 3,460,901	$ 2,776,973	$ 1,248,410	$ 4,664,483	$ 6,502,903	$ 7,566,744

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