



LONG BEACH
T R A N S I T

LONG BEACH PUBLIC TRANSPORTATION COMPANY RETIREMENT PLAN -
SALARIED EMPLOYEES

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

Table of Contents

Principal Officials	1
Independent Auditors' Report	2
Management's Discussion and Analysis	
Financial Highlights	5
Overview of the Financial Statements	5
Financial Statement Analysis	6
Economic Factors and Rates Affecting Next Year	7
Requests for Information	7
Statements of Fiduciary Net Position	8
Statements of Changes in Fiduciary Net Position	9
Notes to Financial Statements	
(1) Description of Plan	10
(2) Summary of Significant Accounting Policies	11
(3) Federal Income Taxes	13
(4) Cash and Investments	13
(5) Plan Transfer Contribution	16
(6) Investments and Fair Value Measurements	16
(7) Annual Pension Cost and Net Pension Obligation	19
(8) Funded Status and Funding Progress	19
Required Supplemental Information	
(1) Schedule of Assets Held for Investment Purposes	20
(2) Schedule of Funding Progress, Schedule of Contributions, and Schedule of Changes in Net Pension Liability and Related Ratios	22
(3) Schedule of Revenues by Source and Expenses by Type	26

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

Principal Officials

Board of Directors

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

Pension Committee Members

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

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) on pages 5-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Long Beach, California
December 16, 2022

LONG BEACH PUBLIC TRANSPORTATION COMPANY RETIREMENT PLAN - SALARIED EMPLOYEES

Management's Discussion and Analysis

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

FINANCIAL HIGHLIGHTS

- The net position of the Plan at the close of the fiscal year 2022 is \$32.0 million. All of the assets are available to meet the Plan's ongoing obligations to plan participants and their beneficiaries.
- The Plan's total net position held in trust for pension benefits decreased by \$5.7 million, or 15.2%, due to a decrease in investment market value.
- The Plan's pension contributions decreased by approximately \$819k, or 38.4%, primarily due to a decrease in employer contributions.
- Pension benefit distributions increased by approximately \$118k, or 4.1%, for the fiscal year primarily due to long-term employees retiring and receiving lump-sum distributions.

OVERVIEW of the FINANCIAL STATEMENTS

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

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

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

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

The Plan's financial statements can be found beginning on page 8 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 10 of this report.

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

Management's Discussion and Analysis, continued

FINANCIAL STATEMENT ANALYSIS

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

Condensed Summary of Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 581,963	\$ 973,046	\$ 1,092,144
Receivables	-	65,849	78,589
Investments	<u>31,459,240</u>	<u>36,751,910</u>	<u>30,267,908</u>
Total assets	<u>32,041,203</u>	<u>37,790,805</u>	<u>31,438,641</u>
Net position	<u>\$ 32,041,203</u>	<u>\$ 37,790,805</u>	<u>\$ 31,438,641</u>

As of June 30, 2022, \$32 million in total net position is held in trust for pension benefits. All of the assets are available to meet the Plan's ongoing obligation to plan participants and their beneficiaries. There was a \$5.7 million, or 15.2%, decrease in total net position over the prior year primarily due to an unfavorable investment market. There was a negative investment rate of return of (10.5%). The actuarial assumption rate for investment return is 6.0% as of June 30, 2022.

As of June 30, 2021, \$37.8 million in total net position is held in trust for pension benefits. All of the assets are available to meet the Plan's ongoing obligation to plan participants and their beneficiaries. There was a \$6.4 million, or 20.2%, increase in total net position over the prior year primarily due to a favorable investment market. There was a significant positive investment rate of return of 24.2%. The actuarial assumption rate for investment return is 6.0% as of June 30, 2021.

Condensed Summary of Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employer contributions	\$ 1,026,804	\$ 1,826,321	\$ 1,596,044
Employee contributions	288,286	308,205	319,542
Investment income (loss)	<u>(3,870,501)</u>	<u>7,332,880</u>	<u>84,624</u>
Total additions	<u>(2,555,411)</u>	<u>9,467,406</u>	<u>2,000,210</u>
Pension benefits	3,020,182	2,902,046	1,302,936
Administrative costs	<u>174,009</u>	<u>213,196</u>	<u>197,584</u>
Total deductions	<u>3,194,191</u>	<u>3,115,242</u>	<u>1,500,520</u>
Net increase (decrease) in plan net position	<u>\$ (5,749,602)</u>	<u>\$ 6,352,164</u>	<u>\$ 499,690</u>

LONG BEACH PUBLIC TRANSPORTATION COMPANY RETIREMENT PLAN - SALARIED EMPLOYEES

Management's Discussion and Analysis, continued

Additions to Plan's Net Position

The assets needed to finance retirement benefits are accumulated through the collection of employer and employee contributions, and through earnings on investments. The employer contribution rates for fiscal years 2022, 2021, and 2020 were 3.78%, 19.73%, and 17.60%, respectively. Effective July 1, 2011, all full-time salaried employees hired before April 1, 2011, began contributing 5% of their annual salary toward the Plan. The Plan met contribution requirements for all three years.

The actuarial assumption for investment income was 6% for fiscal years 2022, 2021, and 2020. In fiscal year 2022, the Plan did not achieve the actuarial assumption rate, producing a negative return of (10.5%). In fiscal year 2021, the Plan exceeded the actuarial assumption rate, producing a positive return of 24.2%. In fiscal year 2020, the Plan did not exceed the actuarial assumption rate, but still produced a positive return of 0.3%.

Deductions from Plan's Net Position

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

Total expenditures for the fiscal year ended June 30, 2022, increased by \$78k, or 2.5%, over fiscal year 2021. In 2022, pension benefit distributions increased by \$118k due to an increase in retirements of long-term employees. Administration expenses incurred from the management of plan assets decreased by approximately \$39k, or 18.4%, when compared to 2021.

Total expenditures for the fiscal year ended June 30, 2021, increased by \$1.6 million, or 107.6%, over fiscal year 2020. In 2021, pension benefit distributions increased by \$1.6 million due to an increase in retirements of long-term employees. Administration expenses incurred from the management of plan assets increased by approximately \$16k, or 7.9%, when compared to 2020.

ECONOMIC FACTORS and RATES AFFECTING NEXT YEAR

The Plan completed a new actuarial valuation dated July 1, 2022. The contribution rate specified in the report increased to 30.62% for fiscal year 2022 from the 2021 rate of 8.78%. Effective July 1, 2011, all full-time salaried employees hired before April 1, 2011, began contributing 5% of their annual salary toward the Plan. The funding status of the Plan decreased to 89.95% as compared to 104.32% in the prior fiscal year.

REQUESTS FOR INFORMATION

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

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

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

	<u>2022</u>	<u>2021</u>
Assets		
Cash (note 4)	\$ 581,963	\$ 973,046
Accounts receivable:		
Contribution receivable	-	65,849
Investments, at fair value (notes 4 and 6):		
Equity mutual funds	21,886,698	25,292,206
Bond mutual funds	9,572,542	4,350,350
Corporate bonds	-	6,570,540
Government bonds	-	538,814
Total investments	<u>31,459,240</u>	<u>36,751,910</u>
Total assets	<u>\$ 32,041,203</u>	<u>\$ 37,790,805</u>
Net position restricted pensions	<u>\$ 32,041,203</u>	<u>\$ 37,790,805</u>

See Independent Auditors' Report

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

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

	<u>2022</u>	<u>2021</u>
Additions:		
Contributions:		
Employer contributions	\$ 1,026,804	\$ 1,826,321
Employee contributions	<u>288,286</u>	<u>308,205</u>
Total contributions	<u>1,315,090</u>	<u>2,134,526</u>
Investment gain (loss):		
Interest	122,849	231,082
Dividends and capital gains	1,090,309	1,269,093
Net unrealized gain (loss) on investments	(10,995,146)	4,930,254
Net realized gain on investments	<u>5,911,487</u>	<u>902,451</u>
Total investment gain (loss), net	<u>(3,870,501)</u>	<u>7,332,880</u>
Deductions:		
Expenditures:		
Pension benefits	3,020,182	2,902,046
Direct administrative costs	16,868	89,074
Other administrative costs	<u>157,141</u>	<u>124,122</u>
Total expenditures	<u>3,194,191</u>	<u>3,115,242</u>
Net increase (decrease) in plan net position	(5,749,602)	6,352,164
Net position restricted for pension, beginning of year	<u>37,790,805</u>	<u>31,438,641</u>
Net position restricted for pension, end of year	<u>\$ 32,041,203</u>	<u>\$ 37,790,805</u>

See Independent Auditors' Report

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

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

(1) Description of Plan

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

Pension Benefits

The Plan is a defined benefit pension plan sponsored by Long Beach Public Transportation (Long Beach Transit or the Company). All full-time salaried employees hired before April 1, 2011 are eligible under the Plan. At June 30, 2022 and 2021, membership consisted of:

	<u>2022</u>	<u>2021</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving such benefits	53	51
Current vested employees	<u>65</u>	<u>71</u>
Total membership	<u>118</u>	<u>122</u>

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

Adjusted final monthly earnings are the employee's highest average monthly wage for 36 consecutive months of earnings during the last ten calendar years of employment, prior to normal retirement date, which provide the highest value. Participants are 100% vested after five years of service.

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

A participant may also retire with full benefits at any age if the sum of the participant's age and service is at least 80. If the sum of the participant's age and service is less than 80 but 70 or higher, the full benefit will be reduced for each year the retirement date is below 80.

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

LONG BEACH PUBLIC TRANSPORTATION COMPANY RETIREMENT PLAN - SALARIED EMPLOYEES

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

Death and Disability Benefits

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

If a participant becomes occupationally disabled, he or she is entitled to a monthly benefit equal to 1.70% of the participant's average monthly final earnings for each year of service earned. The minimum monthly disability benefit is 17% of the participant average earnings regardless of the length of service or vesting status.

Termination

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

Contributions

During the year ended June 30, 2022, Plan members contributed 5% of their annual salary toward the Plan. The Company contributed the remainder of the actuarially determined rate. Administrative costs of the Plan are a component of the actuarially determined rate.

(2) Summary of Significant Accounting Policies

Reporting Entity

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

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

Long Beach Transit has a separate legal status and has historically operated as an independently managed and operated nonprofit corporation, receiving no direct administrative or financial support from the City. For the present, there has been no expressed intent to alter the status of this financial reporting and administrative relationship.

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

Basis of Presentation

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

LONG BEACH PUBLIC TRANSPORTATION COMPANY RETIREMENT PLAN - SALARIED EMPLOYEES

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

Method Used to Value Investments

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

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

Trust Fund Managed by the Trustee Bank

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

Investment Management

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

Use of Estimates

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

Subsequent Events

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

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

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

(3) Federal Income Taxes

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

(4) Cash and Investments

Cash and investments as of June 30, consists of the following:

	<u>2022</u>	<u>2021</u>
Deposits with Trustee	\$ 581,963	\$ 973,046
Investments	<u>31,459,240</u>	<u>36,751,910</u>
Total	<u>\$ 32,041,203</u>	<u>\$ 37,724,956</u>

Concentration of Credit Risk - Investment Policy Authorized by the Company's Board of Directors

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

	<u>Lower</u>	<u>Strategic Allocation</u>	<u>Upper</u>
U.S. Stocks			
Large	10%	12%	14%
Mid	10%	12%	14%
Small	10%	12%	14%
Real Estate Securities	6%	8%	10%
International Equity			
Developed	7%	9%	11%
Emerging	7%	9%	11%
Commodities	3%	4%	5%
Gold	3%	4%	5%
Fixed Income	25%	30%	35%
Cash Equivalent	0%	0%	5%

Investments in any one issuer or fund that represents 5% or more of total Plan net position have been summarized in note 6. Investments shall also be diversified within asset classes. Equities shall be diversified by economic sector, industry, quality and size and allocated to managers who have distinct and different investment styles.

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

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

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

<u>Type of Investment</u>	<u>2022</u>			<u>2021</u>		
	<u>Portfolio Percentage</u>	<u>Market Value</u>	<u>Maturity</u>	<u>Portfolio Percentage</u>	<u>Market Value</u>	<u>Maturity</u>
Equity Mutual Funds:						
Domestic Securities						
Large Capitalization	12%	\$ 3,696,674	N/A	33%	\$12,035,200	N/A
Mid Capitalization	12%	3,664,993	N/A	0%	-	N/A
Small Capitalization	12%	3,661,902	N/A	7%	2,718,894	N/A
Real Estate Securities	10%	3,041,118	N/A	4%	1,642,829	N/A
Multi-strategy	0%	-	N/A	4%	1,360,654	N/A
International Developed	9%	2,759,183	N/A	21%	7,534,629	N/A
International Emerging	8%	2,724,868	N/A	0%	-	N/A
Gold	4%	1,221,230	N/A	0%	-	N/A
Commodities	3%	1,116,730	N/A	0%	-	N/A
Bond Mutual Funds	30%	9,572,542	8.5 years	12%	4,350,350	6.2 years
Corporate and Government Bonds	0%	-	N/A	19%	7,109,354	3.8 years
Total		<u>\$31,459,240</u>			<u>\$36,751,910</u>	

N/A – not applicable

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2022, equity mutual funds comprise 70% of the Plan's asset portfolio and are not rated. The remaining 30% of the Plan's assets are in bond mutual funds.

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

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

Credit ratings for the fixed income investments held at June 30, 2022 and 2021 are as follows:

<u>Investment Type</u>	<u>S&P Rating</u>	2022	2021
		<u>Fair Value</u>	<u>Fair Value</u>
Government Bonds	Not rated	\$ -	\$ 336,598
	AA+	-	202,216
		<u>-</u>	<u>538,814</u>
Bond Mutual Funds	Not rated	22,940	-
	AAA	9,549,602	2,629,465
	BB	-	1,720,885
		<u>9,572,542</u>	<u>4,350,350</u>
Corporate Bonds	Not rated	-	145,233
	AA	-	164,045
	AA-	-	712,058
	A+	-	312,988
	A	-	665,461
	A-	-	1,519,370
	BBB+	-	1,437,349
	BBB	-	944,247
	BBB-	-	669,789
		<u>-</u>	<u>6,570,540</u>
		<u>\$ 9,572,542</u>	<u>\$ 11,459,704</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Per the Plan's investment policy, the percentage of total assets allocated to cash deposits should be sufficient only to assure liquidity to meet disbursement needs, which are minimal.

Custodial credit risk for investments generally applies to direct investments in marketable securities. Custodial credit risk does not apply to the Plan's indirect investment in securities through the use of mutual funds or government investment pools.

Risk and Uncertainties

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

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

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

(5) Plan Transfer Contribution

When contract employees accept salaried positions and become eligible to participate in the Company's Salaried Employees Retirement Plan, service years earned while in their union positions are recognized under the Salaried Plan. Benefit calculations for these employees have been prepared by the Company's actuary using each affected employees' service years and age at the time of transfer to their new position. There were no such transfers in the fiscal years ended June 30, 2022 and 2021.

(6) Investments and Fair Value Measurements

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

<u>Description of Investments</u>	<u>Cost</u>	<u>Fair Value</u>
2022:		
iShares 7-10 Year Treasury Bond ETF	\$ 10,964,075	\$ 9,549,603
Spdr S&P 500 ETF	4,272,468	3,696,673
iShares Russell Mid Cap ETF	4,471,041	3,664,993
iShares Russell 2000	4,406,298	3,661,902
iShares Msci Eafe ETF	3,148,416	2,759,183
Vanguard Ftse Emerging Markets ETF	3,358,107	2,724,868
Spdr Dow Jones REIT ETF	<u>2,837,127</u>	<u>2,510,017</u>
	33,457,532	28,567,239
Remaining investments not exceeding 5% of total net position	<u>2,777,810</u>	<u>2,892,001</u>
Total	<u>\$ 36,235,342</u>	<u>\$ 31,459,240</u>

<u>Description of Investments</u>	<u>Cost</u>	<u>Fair Value</u>
2021:		
Wisdomtree Tr 90/60 US Balanced Fund	\$ 3,481,994	\$ 4,662,354
iShares Core S&P ETF	2,282,468	2,876,206
iShares Core US Aggregate Bond ETF	2,598,180	2,629,465
Russell Multifactor U.S. Equity Fund	1,623,982	2,464,163
iShares Inc Core MSCI EMKT	1,698,678	2,096,431
iShares Russell 1000	<u>1,407,227</u>	<u>2,032,477</u>
	13,092,529	16,761,096
Remaining investments not exceeding 5% of total net position	<u>17,533,450</u>	<u>19,990,814</u>
Total	<u>\$ 30,625,979</u>	<u>\$ 36,751,910</u>

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

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

Fair Value Measurements

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

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

Any remaining investments not categorized under the fair value hierarchy are shown at net asset value (NAV). NAV is used as a practical expedient to estimate the fair value of the Plan's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2022, the Plan did not hold any investments measured at NAV.

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

<u>Investments by Fair Value</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity mutual funds	\$ 21,886,698	\$ 21,355,597	\$ 531,101	\$ -
Bond mutual funds	<u>9,572,542</u>	<u>9,549,602</u>	<u>22,940</u>	<u>-</u>
	<u>\$ 31,459,240</u>	<u>\$ 30,905,199</u>	<u>\$ 554,041</u>	<u>\$ -</u>

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

<u>Investments by Fair Value</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity mutual funds	\$ 25,292,206	\$ 24,882,506	\$ -	\$ 409,700
Bond mutual funds	4,350,350	2,629,465	1,697,991	22,894
Corporate bonds	6,570,540	6,570,540	-	-
Government bonds	<u>538,814</u>	<u>538,814</u>	<u>-</u>	<u>-</u>
	<u>\$ 36,751,910</u>	<u>\$ 34,621,325</u>	<u>\$ 1,697,991</u>	<u>\$ 432,594</u>

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

- *Equity Mutual Funds*: assets of each fund are valued daily at close of market and pricing is transmitted to fund custodians. Fund pricing is done after the close of each market day and the underlying securities are valued based on their closing trading values each day.
- *Bond Mutual Funds*: assets of each fund are valued daily at close of market and pricing is transmitted to fund custodians. Fund pricing is done after the close of each market day and the underlying securities are valued based on their closing trading values each day.
- *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.
- *Government Bonds*: valued using a market-based model which considers yield, price of comparable securities, coupon rate, maturity, credit quality and dealer-provided prices.

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

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

(7) Annual Pension Cost and Net Pension Obligation

As of June 30, 2022, Plan members contributed 5% of their annual salary toward the Plan. The Company contributed the remainder of the actuarially determined rate. The Company's annual pension cost and net pension obligation at June 30, 2022 and 2021 are as follows:

<u>Year Ended June 30</u>	<u>Actuarially Determined Amount</u>	<u>Actual Contribution</u>	<u>Net Pension Obligation</u>
2022	\$ 220,551	\$ 1,026,804	\$ -
2021	\$ 1,439,021	\$ 1,826,321	\$ -

(8) Funded Status and Funding Progress

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

(dollar amounts in thousands)

<u>Actuarial valuation date (July 1)</u>	<u>(a) Actuarial value of assets</u>	<u>(b) Actuarial accrued liability (AAL)- entry age</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded ratio</u>	<u>(c) Covered payroll</u>	<u>((b-a)/c) UAAL as a percentage of covered payroll</u>
2022	\$ 32,041	\$ 35,619	\$ 3,578	89.95%	\$ 3,923	102.24%
2021	\$ 37,791	\$ 36,225	\$ (1,566)	104.32%	\$ 4,869	(32.16%)

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

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

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

<u>Description of Investments</u>	<u>Number of Shares/Units</u>	<u>Cost</u>	<u>Fair Value</u>
June 30, 2022:			
<u>Equity mutual funds:</u>			
Spdr S&P 500 ETF	9,799	\$ 4,272,468	\$ 3,696,674
iShares Russell Mid Cap ETF	56,681	4,471,041	3,664,993
iShares Russell 2000 ETF	21,622	4,406,298	3,661,902
iShares MSCI EAFE ETF	44,154	3,148,415	2,759,183
Vanguard FTSE Emerging Markets ETF	65,423	3,358,107	2,724,868
Spdr Dow Jones REIT ETF	26,399	2,837,127	2,510,017
iShares Gold Trust ETF	35,594	1,224,730	1,221,230
Invesco Optimum Yield ETF	61,903	1,126,956	1,116,730
Predex I	16,382	420,858	531,101
Total equity mutual funds		<u>25,266,000</u>	<u>21,886,698</u>
<u>Bond mutual funds:</u>			
iShares Core US Aggregate Bond ETF	93,349	10,964,075	9,549,602
Stone Ridge Reinsurance Risk	570	5,267	22,940
Total bond mutual funds		<u>10,969,342</u>	<u>9,572,542</u>
Total investments		<u>\$ 36,235,342</u>	<u>\$ 31,459,240</u>
<u>Description of Investments</u>	<u>Number of Shares/Units</u>	<u>Cost</u>	<u>Fair Value</u>
June 30, 2021:			
<u>Equity mutual funds:</u>			
Wisdomtree Tr 90/60 US Balanced Fund	114,723	\$ 3,481,994	\$ 4,662,354
iShares Core S&P 500 ETF	6,690	2,282,468	2,876,206
Russell Multifactor US Equity Fund	146,328	1,623,982	2,464,163
iShares Inc Core MSCI EMKT	31,295	1,698,678	2,096,431
iShares Russell 1000	8,396	1,407,227	2,032,477
iShares Msci EAFE ETF	23,530	1,514,477	1,856,042
Acuitas US Microcap Fund	103,633	988,172	1,735,857
iShares Tr Core MSCI EAFE ETF	19,907	1,235,316	1,490,250
Amplify Blackswan Growth and Tr Core ETF	39,704	1,282,203	1,360,654
Russell Multifactor International Equity Fund	115,480	1,016,270	1,257,575
iShares Russell 2000	4,286	657,431	983,037
iShares MSCI EAFE Small-Cap ETF	11,250	678,952	834,331
iShares Real Estate 50 ETF	14,141	592,912	825,010
Predex Fund Class I	15,697	409,922	409,700
iShares International Developed Real Estate ETF	13,929	311,824	408,119
Total equity mutual funds		<u>19,181,828</u>	<u>25,292,206</u>

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

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

<u>Description of Investments</u>	<u>Number of Shares/Units</u>	<u>Cost</u>	<u>Fair Value</u>
June 30, 2021 (continued):			
<u>Bond mutual funds:</u>			
iShares Core US Aggregate Bond ETF	22,799	2,598,180	2,629,465
Stone Ridge High Yield Reinsurance Risk	186,798	1,776,332	1,697,991
Stone Ridge Reinsurance Risk	570	<u>5,267</u>	<u>22,894</u>
Total bond mutual funds		<u>4,379,779</u>	<u>4,350,350</u>
<u>Corporate bonds:</u>			
Vmware Inc Sr Nt Due 05-15-2027	250,000	293,813	287,050
Janus Cap Group Inc 4.875% Due 8-01-25	250,000	267,967	283,305
CBS Corp New Sr Nt	250,000	274,505	273,728
Visa Inc 3.15% Due 12-14-25	250,000	266,275	273,600
Waste Mgmt Inc Del Sr Gbl Nt	250,000	280,053	273,578
Motorola Inc Sr Nt 4.00% Due 9-1-24	250,000	263,102	273,448
General Mtrs Co 4.875% Due 10-05-23	250,000	266,056	272,325
Southern Co Sr Gbl Nt 3.25% Due 7-01-26	250,000	265,121	271,150
Citigroup Inc 3.875% Due 10-25-23	250,000	263,699	269,828
Intercontinental Exchange Inc 4.0% Due 10-15-23	250,000	267,598	269,405
JPMorgan Chase Sr Nt 2.955% Due 10-01-26	250,000	275,623	269,353
Leucadia National Corp 5.50% Due 10-18-23	250,000	264,258	269,125
Disney Walt Co Sr Gbl 2.20% Due 01-13-2028	250,000	261,160	259,328
Abbvie Inc 2.9% Due 11-06-22	250,000	255,589	258,228
Chevron Corporation 1.995% Due 5-11-27	250,000	256,728	258,050
Phillips 66 Sr Gbl 4.30% Due 4-01-22	250,000	267,504	257,240
BP Cap Mkts Sr Note 3.245% Due 5-06-22	250,000	261,146	255,993
Prudential Finl Inc 4.50% Due 11-16-21	250,000	271,798	253,938
Comcast Corp Sr Blbl Nt 4.15% Due 10-15-28	175,000	207,921	202,890
General Electric Co Sr Gbl Nt 3.45% Due 5-01-27	175,000	176,393	192,509
Shell International Sr Nt 3.875% Due 11-13-2028	160,000	189,636	183,618
Nike Inc Sr Nt 2.25% Due 05-01-2023	175,000	163,216	180,408
Berkshire Hathaway 3.125% Due 3-15-26	150,000	163,216	164,045
Oracle Corp Sr Gbl Nt 3.25% Due 11-15-2027	150,000	170,353	163,317
Hartford Finl Svcs Group Inc Deb Pfd 7.875%	5,450	145,592	145,243
Commonwealth Edison 3.70% Due 8-15-28	125,000	145,355	142,118
Intel Corp Sr Note 2.70% Due 12-15-22	125,000	116,883	129,370
Washington Real Estate Invt 3.95% Due 10-15-22	125,000	125,817	129,069
Synchrony Finl Sr Global 3.00% Due 8-15-24	100,000	<u>104,803</u>	<u>109,281</u>
Total corporate bonds		<u>6,531,180</u>	<u>6,570,540</u>
<u>Government bonds:</u>			
Federal Farm Credit Banks 3.05% Due 11-15-21	200,000	200,850	202,216
US Treasury Note 2.125% Due 12-31-21	150,000	152,629	151,535
US Treasury Note 2.25% Due 11-15-24	175,000	<u>179,713</u>	<u>185,063</u>
Total government bonds		<u>533,192</u>	<u>538,814</u>
Total investments		<u>\$ 30,625,979</u>	<u>\$ 36,751,910</u>

See Independent Auditors' Report

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

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

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

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

Actuarial valuation date (July 1)	(a) Actuarial value of assets	(b) Actuarial accrued liability (AAL)- entry age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded ratio	(c) Covered payroll	((b-a)/c) UAAL as a percentage of covered payroll
2022	\$ 32,041	\$ 35,619	3,578	89.95%	\$ 3,923	102.24%
2021	37,791	36,225	(1,566)	104.32%	4,869	(32.16%)
2020	31,439	33,942	2,503	92.63%	4,589	54.54%
2019	30,939	33,336	2,397	92.81%	4,783	50.11%
2018	27,867	31,216	3,349	89.27%	4,859	68.92%
2017	25,233	29,528	4,295	85.45%	5,187	82.80%
2016	22,778	29,966	7,188	76.01%	6,023	119.34%
2015	19,819	25,561	5,742	77.54%	6,381	89.99%
2014	16,655	25,412	8,757	65.54%	6,925	126.46%
2013	13,864	24,503	10,639	56.58%	7,801	136.38%

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

Schedule of Contributions

Year ended June 30	Actuarially determined amount	Annual required contribution as a percentage of covered payroll	Employer contribution	Employee contribution
2022	\$ 508,837	8.78%	\$ 1,026,804	\$ 288,286
2021	1,747,226	24.73%	1,826,321	308,205
2020	1,915,586	22.60%	1,596,044	319,542
2019	1,933,825	25.89%	3,111,520	322,305
2018	1,922,605	27.09%	2,602,155	320,450
2017	2,030,220	29.85%	2,790,134	340,086
2016	2,000,708	24.55%	4,270,185	365,367
2015	2,605,222	27.52%	4,758,243	402,617
2014	2,484,256	28.46%	2,847,508	436,748
2013	1,886,343	20.97%	2,244,185	449,958

See Independent Auditors' Report

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

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

Schedule of Changes in Net Pension Liability and Related Ratios										
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total pension liability										
Service cost	\$ 732,451	\$ 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
Differences 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	(605,755)	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	<u>36,225,266</u>	<u>33,942,216</u>	<u>33,336,432</u>	<u>31,215,626</u>	<u>29,527,880</u>	<u>29,966,438</u>	<u>25,560,718</u>	<u>25,411,832</u>	<u>24,503,335</u>	<u>18,424,486</u>
Ending total pension liability	<u>\$ 35,619,511</u>	<u>\$36,225,266</u>	<u>\$ 33,942,216</u>	<u>\$33,336,432</u>	<u>\$ 31,215,626</u>	<u>\$29,527,880</u>	<u>\$29,966,438</u>	<u>\$ 25,560,718</u>	<u>\$ 25,411,832</u>	<u>\$24,503,335</u>
Plan fiduciary net position										
Employer contributions	\$ 1,026,804	\$ 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
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 transfer to/from Contract Plan	-	-	-	-	37,663	255,041	17,501	288	241,886	-
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	<u>37,790,805</u>	<u>31,438,641</u>	<u>30,938,951</u>	<u>27,866,540</u>	<u>25,232,880</u>	<u>22,777,566</u>	<u>19,819,217</u>	<u>16,655,211</u>	<u>13,864,092</u>	<u>11,028,003</u>
Ending plan fiduciary net position	<u>\$ 32,041,203</u>	<u>\$37,790,805</u>	<u>\$ 31,438,641</u>	<u>\$ 30,938,951</u>	<u>\$27,866,540</u>	<u>\$25,232,880</u>	<u>\$22,777,566</u>	<u>\$ 19,819,217</u>	<u>\$ 16,655,211</u>	<u>\$ 13,864,092</u>
Company's net pension liability (asset)	<u>\$ 3,578,308</u>	<u>\$ (1,565,539)</u>	<u>\$ 2,503,575</u>	<u>\$ 2,397,481</u>	<u>\$ 3,349,086</u>	<u>\$ 4,295,000</u>	<u>\$ 7,188,872</u>	<u>\$ 5,741,501</u>	<u>\$ 8,756,621</u>	<u>\$ 10,639,243</u>
Plan fiduciary net position as a % of total pension liability	89.95%	104.32%	91.58%	92.81%	89.27%	85.45%	76.01%	77.54%	65.54%	56.60%
Covered payroll	\$ 3,923,000	\$ 4,869,000	\$ 4,589,000	\$ 4,783,000	\$ 4,859,000	\$ 5,187,000	\$ 6,023,000	\$ 6,381,000	\$ 6,925,000	\$ 7,801,000
Company's net pension liability as a % of covered payroll	91.21%	(32.16%)	63.00%	50.11%	68.92%	82.80%	119.36%	89.99%	126.46%	136.38%

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

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

**Salaried Plan
Schedule of Contributions
Last 10 Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
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	<u>1,315,090</u>	<u>2,134,526</u>	<u>1,915,586</u>	<u>3,433,825</u>	<u>2,922,605</u>	<u>3,130,220</u>	<u>4,635,552</u>	<u>5,160,860</u>	<u>3,284,256</u>	<u>2,694,143</u>
Contribution deficiency (excess)	<u>\$ (806,253)</u>	<u>\$ (387,300)</u>	<u>\$ -</u>	<u>\$ (1,500,000)</u>	<u>\$ (1,000,000)</u>	<u>\$ (1,100,000)</u>	<u>\$ (2,634,844)</u>	<u>\$ (2,555,638)</u>	<u>\$ (800,000)</u>	<u>\$ (807,800)</u>
Covered payroll	\$ 3,923,000	\$ 4,869,000	\$ 4,589,000	\$ 4,783,000	\$ 4,859,000	\$ 5,187,000	\$ 6,023,000	\$ 6,381,000	\$ 6,925,000	\$ 7,801,000
Contributions as a percentage of covered-employee payroll	33.52%	43.84%	41.74%	71.79%	60.15%	60.35%	76.96%	80.88%	47.43%	34.54%

See Independent Auditors' Report

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

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

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

Valuation date	July 1, 2022
Actuarial cost method	Entry age normal cost frozen initial liability
Amortization method	Level dollar closed
Remaining amortization period assumption	10 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.0%
Discount rate	6.0%
Projected salary increases	3.0%
Cost-of-living adjustments	None

Mortality rates were based on the following:

Heathy: PRI-2012 White Collar Mortality Table Projected with Scale MP-2019

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

The following presents the net pension liability calculated using the discount rate of 6.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.0%) or 1-percentage-point higher (7.0%) than the current rate (dollar amounts in thousands):

<u>Discount Rate</u>	<u>Net Pension Liability</u>
5.0%	\$ 5,891
6.0%	3,578
7.0%	1,562

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

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

Revenue by source					
Fiscal year	Contributions*	Benefit transfers	Investment income (loss)	Rate of return	Total
2022	\$ 1,315,090	\$ -	\$ (3,870,501)	(10.5)%	\$ (2,555,411)
2021	2,134,526	-	7,332,880	24.23%	9,467,406
2020	1,915,586	-	84,624	0.27%	2,000,210
2019	3,433,825	-	777,683	2.79%	4,211,508
2018	2,922,605	37,663	1,376,782	5.46%	4,337,050
2017	3,130,220	255,041	2,277,537	9.85%	5,662,798
2016	4,635,552	17,501	(194,989)	(1.07)%	4,458,064
2015	5,160,860	30,160	(11,557)	(0.08)%	5,179,463
2014	3,284,256	241,886	1,750,047	12.90%	5,276,189
2013	2,694,143	-	960,977	9.00%	3,655,120

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

Expenses by type					
Fiscal year	Benefits	Direct administrative costs	Other administrative costs	Benefit transfers	Total
2022	\$ 3,020,182	\$ 16,868	\$ 157,141	\$ -	\$ 3,194,191
2021	2,902,046	89,074	124,122	-	3,115,242
2020	1,302,936	80,942	116,642	-	1,500,520
2019	951,414	73,481	114,202	-	1,139,097
2018	1,503,429	69,491	130,470	-	1,703,390
2017	3,003,925	61,873	141,686	-	3,207,484
2016	1,332,112	51,850	115,753	-	1,499,715
2015	1,818,412	44,789	122,384	29,872	2,015,457
2014	2,342,868	48,398	93,804	-	2,485,070
2013	702,018	34,391	82,622	-	819,031