

Long Beach Transit

2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

A component unit of the City of Long Beach, CA
for the years ending June 30, 2018 and 2017.





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Prepared by the Finance and Budget Department

Rhea Morillos, Comptroller

Lisa Patton, Executive Director / VP



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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017**

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Long Beach Transit

December 19, 2018

Dear Long Beach Transit Board of Directors:

On behalf of Long Beach Transit, I am pleased to submit for your information and consideration the Comprehensive Annual Financial Report (CAFR) of Long Beach Transit (LBT or Agency) for fiscal year July 1, 2017 to June 30, 2018.

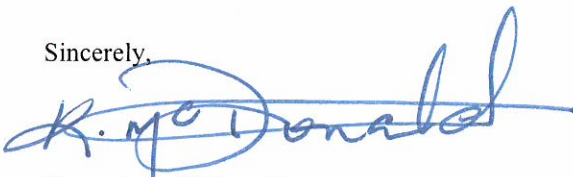
The CAFR has become the standard format used in presenting the results of the Agency's annual financial operations for the fiscal year. LBT believes this report is presented in a manner designed to fairly disclose the financial position and results of Agency operations as measured by its financial activities.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

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

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

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

Sincerely,



Kenneth A. McDonald
President and Chief Executive Officer

REPORTING ENTITY

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

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

Additionally, two designees of the City Manager's Office serve as non-voting 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 five Executive Directors/Vice Presidents heading Finance and Budget; Maintenance and Infrastructure; Information Technology; Employee and Labor Relations; and Transit Service Delivery and Planning. LBT's organizational chart is shown later in this introductory section.

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

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

SERVICES

LBT is continuing its strategic planning process, which commenced in late 2014, to develop a strategy and structure to obtain optimal organizational effectiveness. For 2018, LBT's focus has been on key organizational initiatives to achieve its strategic priorities. These initiatives include focused recruitment with an emphasis on customer service skills, revenue enhancement, and a comprehensive organizational analysis. LBT's Vision Statement, Mission Statement, Values and Leadership Competencies are in support of and have a clear connection to LBT's five Strategic Priorities, which are the functional pillars of the organization and guide LBT's organizational strategies, processes, and people:

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

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

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

Fixed - Route Bus Service

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

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

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

LBT maintains transit shelters and benches, providing customer convenience and comfort. There are over 1,900 stops throughout the system and the Agency ensures the stops are well-maintained and meet high 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 Sports Arena, surrounding hotels, business and government hubs. It is a complimentary service that starts at 3rd Street and the Promenade and links the Pacific Avenue restaurants, shops and offices to the Convention Center, the Pike, Shoreline Village, Aquarium, and Queen Mary. Service operates daily from 5:10 a.m. to 1:00 a.m.

The service is provided by low-floor, zero-emission, battery-electric buses. Passport vehicles are stored and maintained at the central administrative, operating and maintenance facility on Anaheim Street. During fiscal year 2018, the Passport route had 689,933 boardings.

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

LBT offers Dial-A-Lift paratransit service for persons with disabilities. This curb-to-curb, shared-ride service operates on a call-in basis and is provided by a private contractor. All vehicles are owned by LBT, but stored, maintained and dispatched by the contractor. In fiscal year 2018, the Dial-A-Lift service was operated by a local company using a fleet of paratransit vehicles. There were 38,986 boardings on Dial-A-Lift in fiscal year 2018.

Water Taxi Service (AquaBus and AquaLink)

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

There are two AquaBus boats that provide links to the Queen Mary, Aquarium of the Pacific, and Shoreline Village. These boats, which carry up to 38 customers each, link directly with the downtown Passport route and parking facilities, allowing visitors and tourists to see Long Beach's many attractions car-free.

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

The service is operated by Catalina Express, a private contractor. The vessels are owned by LBT, and stored and maintained at the contractor's docking facilities. This service runs daily during the summer months. Annual ridership for fiscal year 2018 was 73,877 boardings.

Community Special Service

LBT provides seasonal service to major museums and attractions in Los Angeles and Orange counties, known as Museum Express. Tickets can be purchased in advance for the service, which runs in July and August. The Museum Express offers residents who would typically not 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. Each year, LBT also supports the Grand Prix of Long Beach and other large-scale, special events by providing supplemental service where needed.

With the City of Long Beach, LBT operated a pilot bus shuttle program, Blue Line 2 Airline, which connected Long Beach Airport (LGB) and Metro Blue Line Wardlow station.

ACCOMPLISHMENTS

LBT began operations in 1963 with fewer than 100 buses with 8 million customer boardings annually. LBT has grown to over 260 buses, paratransit vehicles, catamarans and boats that provide service to 26 million customer boardings annually across Long Beach and 12 surrounding communities. LBT makes everyday life better through its dedication to connecting communities and moving people.

Organizational Focus

The performance of the Agency is one of the two primary objectives of the President and CEO, as he is responsible for the day-to-day operation of the business of LBT. The five Strategic Priorities are the functional pillars of the organization and are used daily to plan, develop, monitor and measure the successful implementation of LBT's business. On the following pages are major successful accomplishments and challenges addressed during the two-year period, beginning January 2017 through December 2018, aligned with the appropriate Strategic Priority.

Improve Safety and Service Quality

Transit Ambassador (TA) Pilot Program (Oct. 2017)

LBT launched a pilot program where uniformed security officers with specialized transit training ride LBT's system to provide on-bus security support and customer service. The ambassadors are visible to customers and are available to assist to mitigate problems should they occur.

Exercise Financial Accountability

Public-Private Partnerships (Ongoing)

Los Angeles Chargers Express Shuttle Service (Aug. 2017)

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

Urban Commons/Queen Mary (Sep. 2017)

LBT formed a public-private partnership with Urban Commons, a Los Angeles-based investment and real estate development firm, and leaseholder to the Queen Mary, to provide AquaLink water taxi service to various Queen Mary events. The initial partnership agreement included providing 48 days of service across the span of Queen Mary's 'Dark Harbor,' 'CHILL' and New Year's Eve events. This pilot program netted a total of \$248,000 in revenue for LBT.

GFOA Distinguished Budget Presentation Award (Dec. 2017)

LBT received the GFOA Distinguished Budget Presentation Award in December 2017 for the fiscal year 2018 budget. This award represents a significant achievement by the Agency. It reflects the commitment of the governing body and staff to meet the highest principles of governmental budgeting and transparency. In order to receive the budget award, the Agency had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an Agency's budget serves as a policy document, a financial plan, an operations guide and a communications device.

Foster Employee Engagement

New Employee Health Care Plans (July 2017)

LBT successfully negotiated an opportunity to enhance health care coverage for its employees by offering options in order to retain and attract high-quality employees. The migration from United Healthcare to Cigna enhanced health care benefits at a lower cost.

Performance Management Software Program (Sep. 2017)

LBT launched a test performance evaluation software tool to utilize in employees' annual performance evaluations, replacing previous manual evaluations. This tool provides the capability for a self-evaluation, as well as a supervisor evaluation. The test was successful and will be implemented agency-wide at the end of fiscal year 2019.

ATU Collective Bargaining Agreement (Dec. 2017)

LBT successfully negotiated a collective bargaining agreement with the Amalgamated Transit Union (ATU) Local 1277, which represents LBT's bus operators and maintenance personnel. This is the first four-year agreement in recent LBT history and provides the organization with a stable financial outlook for ATU-represented wages.

AFSCME Collective Bargaining Agreement (July 2017)

LBT successfully negotiated a collective bargaining agreement with the American Federation of State, County and Municipal Employees, District Council 36 (AFSCME), which represents LBT's supervisors. This is the first four-year agreement between LBT and AFSCME and provides the organization with a stable financial outlook for AFSCME-represented wages.

Enhance Customer Experience

Mobile Ticketing (April 2018)

In April 2018, LBT launched its first-ever mobile ticketing option for AquaLink customers during the City's Premiere motor racing event, Grand Prix of Long Beach. Through a partnership with Token Transit, LBT customers could purchase an all-day AquaLink and bus pass for \$15. Many utilized the new mobile ticketing option and in conversations with customers at the docks, they found the ticket system easy and convenient. LBT continued using mobile ticketing for AquaLink and AquaBus service for the rest of the 2018 water taxi season.

STAR Initiative (May 2018)

LBT completed its Comprehensive Operational Analysis, branded the Systemwide Transit Analysis and Reassessment (STAR) Initiative in May 2018. This in-depth analysis looked at LBT's transit operations and compiled community feedback on how the Agency could enhance on-time performance, ridership, route efficiency, staffing, facilities and service amenities. Recommendations to modify routes, bus stops, and make other improvements were developed in a multi-phased approach. The Short-Term Roadmap includes recommendations that can occur in the next two years. The Mid-Term Roadmap includes recommendations that may be implemented in the next three to five years, while the Long-Term Roadmap includes recommendations that may be implemented in the five- to 10- year timeframe.

Promote Community and Industry Focus

Supervisor Ricardo Vergara (July 2017)

On July 3, 2017, Long Beach Transit Supervisor Ricardo Vergara assisted a LBPD patrol officer in apprehending a violent individual that was resisting arrest at a busy intersection. Supervisor Vergara's actions to assist the LBPD patrol officer not only aided the officer in making a successful arrest but also kept bystanders and Long Beach Transit customers out of harm's way.

CSULB TAP Stickers (Aug. 2017)

In an effort to improve access to transportation, LBT coordinated with California State University, Long Beach (CSULB) to ensure that students have a TAP-enabled sticker affixed to their student identification card so that the holder's can easily access transportation without a separate card.

KEY PERFORMANCE RESULTS

One of the several methods used to monitor performance is through key indicators that track service quality, efficiency, and productivity. Select results for fiscal year 2018 are in Exhibit 10.

Successes

On-Time Performance

At LBT, a bus is considered “on-time” if it leaves a stop no more than five minutes late or one minute early. To improve the travel experience of its customers, LBT trains its operators in delivering on-time service, and reviews individual routes to determine where delays occur so they can be addressed. As a result, LBT’s on-time performance has continued to exceed LBT’s target of 85 percent. During fiscal year 2018, LBT achieved 86 percent on-time performance. Improving schedule reliability allows customers to better plan their trips and encourages repeat ridership.

Preventable Accidents

A preventable accident is one in which the Operator failed to do everything that reasonably could have been done to avoid a collision. LBT has a formal method of measuring and evaluating individual and organizational safety performance with an emphasis on continuous improvement. In fiscal year 2018, LBT was able to reduce the number of preventable accidents from 1.29 per 100,000 miles to 1.22 per 100,000 miles.

Customer Service Response Time

Average speed of answer is a customer service center metric for the average amount of time it takes for calls to be answered within a customer service call center. This data is used to measure efficiency, performance and degree of accessibility to customers. In fiscal year 2018, the average speed of answer was 14 seconds, exceeding LBT’s target of 19 seconds.

Customer Satisfaction

LBT tracks the degree of customer satisfaction with the quality of services provided. An independent research firm is engaged annually to randomly poll customers and non-customers to measure perceptions of LBT’s service quality. Results in several categories are shown in Exhibit 11 for 2018 and prior years. Overall the customer satisfaction index increased from an average of 93 percent to 94 percent.



* There was no Customer Satisfaction survey done in 2010

Challenges

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 consistent and reliable service to our customers. In fiscal year 2018, unplanned operator absences remained high at 12 percent.

Mean Distance Between Failures

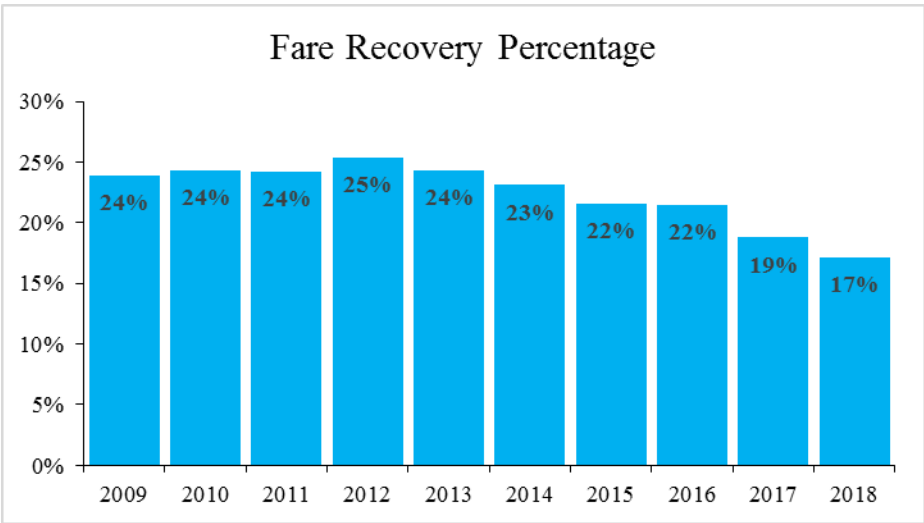
Mean distance between failures (MDBF) is a transit industry standard that measures the mechanical reliability of the fleet. It measures the average bus miles between reportable mechanical failures, i.e., incidents precluding a revenue vehicle from completing its trip. In 2018, LBT’s MBDF decreased from 4,222 to 3,409 miles.

Passengers per Revenue Hour

Route productivity is measured in “passengers per revenue (in-service) hour,” which represents the total passengers on a route divided by the in-service time. This data may be used to determine if the level of transit service on that route is reasonably well matched with the distribution of demand throughout the day. As observed with many transit systems across the country, LBT’s overall passengers per revenue declined during fiscal year 2018 from 35.4 to 33.3 passengers.

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 by the total cost of operations. It is generally used by transit and regulatory agencies as a measure of system efficiency. Fare recovery ratio is affected by several elements, including ridership, fare levels, fare structure (discounts), service levels and operating costs. Any changes in these elements affect the fare recovery ratio. For instance, when ridership falls, there is less fare revenue and the fare recovery ratio will correspondingly decrease. In fiscal year 2018, LBT’s overall fare recovery ratio declined from 19 percent to 17 percent.



FACTORS AFFECTING FINANCIAL CONDITION

General Economic Conditions

The current U.S. job market continues to show strength and stability as reflected by the national unemployment rate now below four percent. As the economy presses against full employment, possible human resource constraints and corresponding fiscal implications may limit the rate of future growth. The overall economic forecast projects stable rebounding from the Great Recession with a slight slowdown with the economic recovery rate.

Economic stability and relations abroad continue to be an important factor in the forecast for the City of Long Beach. Although port activities saw an upswing in 2017, international policies and strengthening of the U.S. dollar may pose challenges to the ports of Long Beach and Los Angeles.

Current local and state legislative actions has yielded additional local and state funding sources that are expected to help bridge the gap in operating shortfalls. The agency's conservative financial practices and prudent policies have enabled LBT to sustain service levels and avoid a reduction in workforce over the past decade.

Financial Policies

It is LBT's policy to maintain the fiscal integrity of its operating and capital budgets. The Agency accomplishes this by ensuring that its ongoing operating costs do not exceed the amount of its ongoing 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 vehicles and investment income. The amount of operating sales tax subsidies received each year is based on a regional formula comprised primarily of fares and revenue miles.

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

LBT procures the majority of its capital assets through annual grants awarded through the Federal Transit Administration. The federal grants are allocated by region under Section 5307 of the Fix America's Surface Transportation FAST Act of 2015. LBT is eligible to receive funds based on a formula allocation and discretionary money for specific projects, such as buses.

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

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

Long-Term Financial Planning

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

LBT's five-year financial plan aligns the Agency's financial capacity with its five- year service objectives and ensures it is able to maintain existing levels of service. Strategies have been developed, including the transfer of federal capital funds to preventive maintenance operations, to achieve long-term sustainability in light of flat subsidy growth.

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

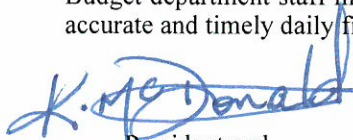
RECOGNITION

Achievement for Excellence in Financial Reporting

For the 28th straight year, the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for excellence in Financial Reporting to LBT for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. A Certificate of Achievement is valid for a period of one year only. In order to receive the award, a governmental unit must publish an easily readable and efficiently organized CAFR in compliance with the GFOA policies, procedures and program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

ACKNOWLEDGMENTS

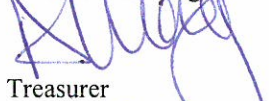
LBT acknowledges the participation and professional contribution of the accountancy firm of Windes, Inc. in providing technical assistance. In addition, LBT recognizes all the Finance and Budget department staff members who contribute their time and efforts to ensure the Agency has accurate and timely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



President and
Chief Executive Officer



Executive Director/VP
Finance and Budget




Treasurer



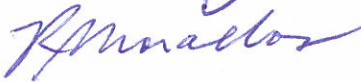
Accounting Manager



Administrative Assistant, Finance



Deputy Chief Executive Officer



Comptroller



Finance Manager



Budget Analyst



Government Finance Officers Association

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

Presented to

**Long Beach Public Transportation
Company, California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

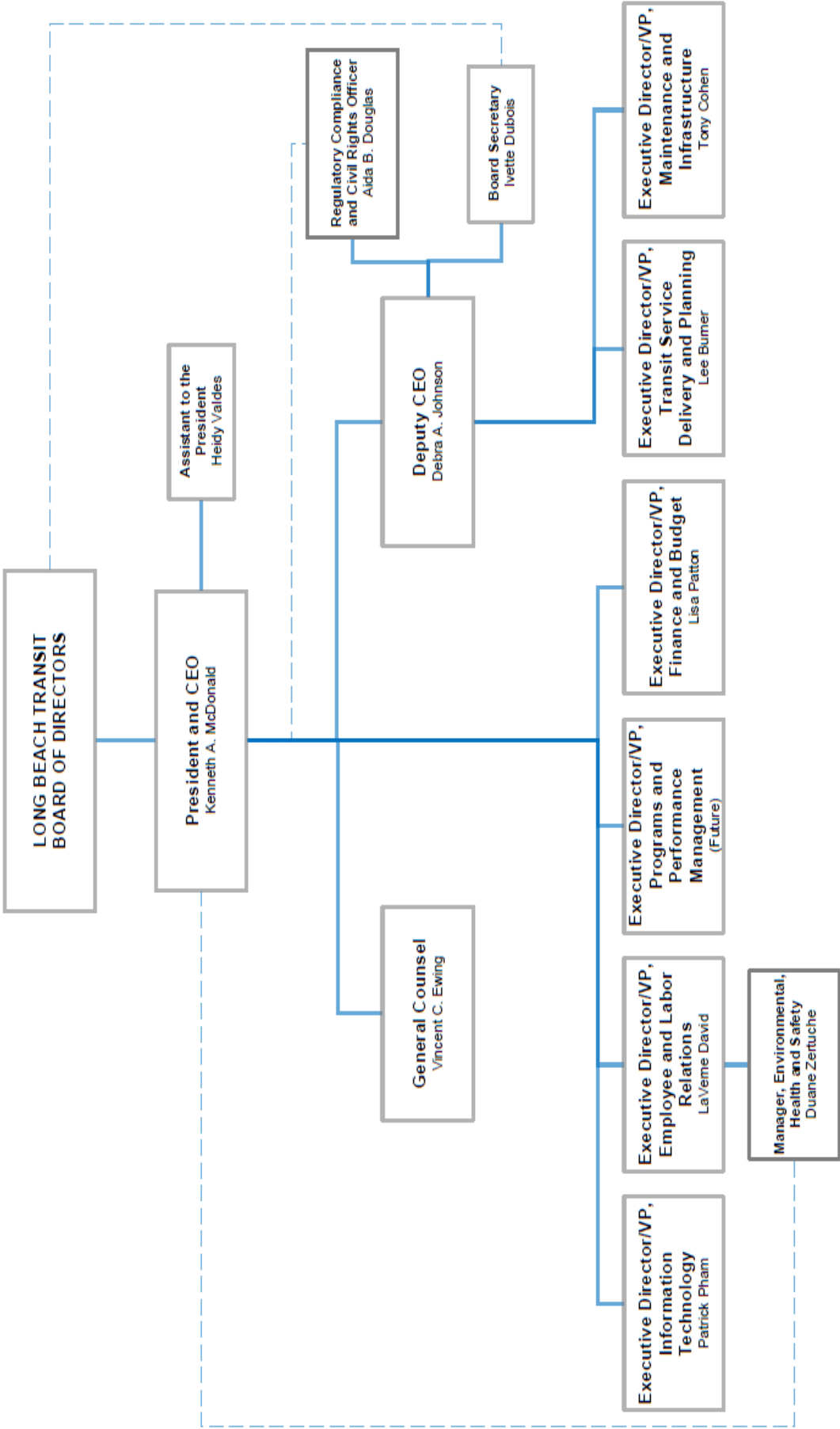
June 30, 2017

Christopher P. Morill

Executive Director/CEO



Organizational Chart



Board of Directors

Sumire Gant	Chair of the Board
Colleen Bentley	Vice Chair
Maricela de Rivera	Secretary – Treasurer
Adam Carrillo	Director
Mary Zendejas	Director
Michael Clemson	Director
Steven Neal	Director
Lea Eriksen	Ex Officio Member, City of Long Beach
Eric Widstrand	Ex Officio Member, City of Long Beach

Executive Leadership Team (ELT)

Kenneth McDonald	President and Chief Executive Officer
Debra Johnson	Deputy Chief Executive Officer
Lisa Patton	Executive Director/VP, Finance and Budget
Lee Burner	Executive Director/VP, Transit Service Delivery and Planning
Tony Cohen	Executive Director/VP, Maintenance and Infrastructure
LaVerne David	Executive Director/VP, Employee and Labor Relations
Patrick Pham	Executive Director/VP, Information Technology



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Long Beach Public Transportation Company

Report on the Financial Statements

We have audited the accompanying financial statements of the Long Beach Public Transportation Company (Company), a component unit of the City of Long Beach, California, which comprise the statements of net position as of June 30, 2018 and 2017, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Long Beach Public Transportation Company as of June 30, 2018 and 2017, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018 on our consideration of Long Beach Public Transportation Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Long Beach Public Transportation Company's internal control over financial reporting and compliance.



Long Beach, California
December 19, 2018



Management's Discussion and Analysis

As management of Long Beach Public Transportation Agency (Long Beach Transit or the Agency), we offer readers of Long Beach Transit's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal years ended June 2018, 2017 and 2016. 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-xi of this report.

FINANCIAL HIGHLIGHTS

- Passenger fares decreased \$1 million or 6.8%, in fiscal year 2018 compared to 2017. The overall decrease continues to be consistent with the decline in ridership of other agencies in the region.
- During this fiscal year, Long Beach Transit secured contracts to provide boat transportation for Queen Mary and Long Beach shoreline events using its AquaLink boats. This generated \$259 thousand for water taxi special events revenue. Long Beach Transit also provided bus shuttle services for the Los Angeles Chargers' home football games, which generated \$180 thousand for special events revenue.
- During the year, Long Beach Transit applied for alternative fuel tax credits and received a total of \$1.1 million, \$800 thousand in federal fuel credits and \$300 thousand in state fuel credits.
- Operating expenses increased in 2018 compared to 2017, due to increases in number of claims to workers' compensation, payouts for the casualty and liability program, and costs for fleet parts and supplies.
- Fuel expenses increased by \$713 thousand as average fuel prices went up in fiscal year 2018 compared 2017.
- The Agency funded preventive maintenance operating expenses with capital grant funds in the amount of \$7.8 million.
- Long Beach Transit's net position in fiscal year 2018 increased by \$13.4 million as a result of capital purchases exceeding depreciation.
- As of June 30, 2018, deferred outflows related to pension liability increased \$4.2 million in total, \$75 thousand decrease, and \$4.3 million increase for Salaried and Contract Plans, respectively. Similarly, net pension liability increased by \$4.6 million in total, \$950 thousand decrease, and \$5.6 million increase, for Salaried and Contract Plans, respectively. The increases were primarily due to the actuarial assumption changes in the Contract Pension Plan. The interest rate assumption for the Contract Plan was lowered from 7% to 6.5% effective July 1, 2017, resulting in a higher net pension liability for the fiscal year being reported.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Management's Discussion and Analysis, continued

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

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

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

The Agency's financial statements can be found on pages 11-15 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 16 - 45 of this report.

FINANCIAL STATEMENT ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Agency's financial position. In the case of Long Beach Transit, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$88.8 million at the close of fiscal year 2018.

Long Beach Transit's Condensed Summary of Net Position

	Year Ended		
	2018	2017	2016
Current assets	\$ 54,397,189	\$ 49,684,077	\$ 50,770,849
Other noncurrent assets	26,183,364	26,253,309	26,222,401
Capital assets, net	102,951,120	89,067,558	83,154,750
Total assets	183,531,673	165,004,944	160,148,000
Deferred outflows of resources	16,633,112	12,467,197	13,797,903
Current liabilities	56,964,118	45,527,860	43,995,791
Noncurrent liabilities	54,356,235	56,510,230	59,932,165
Total liabilities	111,320,353	102,038,090	103,927,956
Deferred inflows of resources	-	-	-
Net position:			
Invested in capital assets	102,951,120	89,067,558	83,154,750
Restricted	87,193	73,776	52,306
Unrestricted	(14,193,881)	(13,707,283)	(13,189,109)
Total net position	\$ 88,844,432	\$ 75,434,051	\$ 70,017,947

Management's Discussion and Analysis, continued

Total net position is \$88.8 million, an increase from 75.4 million in 2017. Net position includes \$103 million invested in capital assets and \$14 million representing unrestricted deficit. Reporting the net pension liability (noncurrent) resulted in a deficit in the unrestricted portion of net position. Unrestricted net position are agency resources that have no restrictions in terms of its use. One reason a net position deficit is created is because of a significant noncurrent liability that is paid over time. In the case of Long Beach Transit, this would be the net pension liability that is funded over the years under the pension program.

Deferred outflows of resources increased by \$4.2 million or by 33% due to a decrease in the investment rate assumption on the Contract Pension Plan. The investment rate of return assumption was lowered from 7% to 6.5% effective July 1, 2017.

In February 2018, alternative fuel tax credits were extended in the signed Bipartisan Budget Act of 2018. This bill reinstates the 50 cent per gallon alternative fuel tax credit which expired on December 31, 2016 and retroactively reinstated until December 31, 2017. During the year, Long Beach Transit received a total of \$800 thousand.

All of Long Beach Transit's capital assets were procured with federal, state, or local grant funds. Long Beach Transit spent \$30 million for capital assets, which included the purchase of 40 compressed natural gas buses, two battery-electric buses, construction of a battery-electric bus charging station with Wireless Advanced Vehicle Electrification (WAVE) technology, and routine replacement of bus components. This resulted in a decrease in liabilities, particularly from unearned revenue of \$6.7 million where capital grant funds received in advance were expended in fiscal year 2018 (see note 5 in notes to financial statements).

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

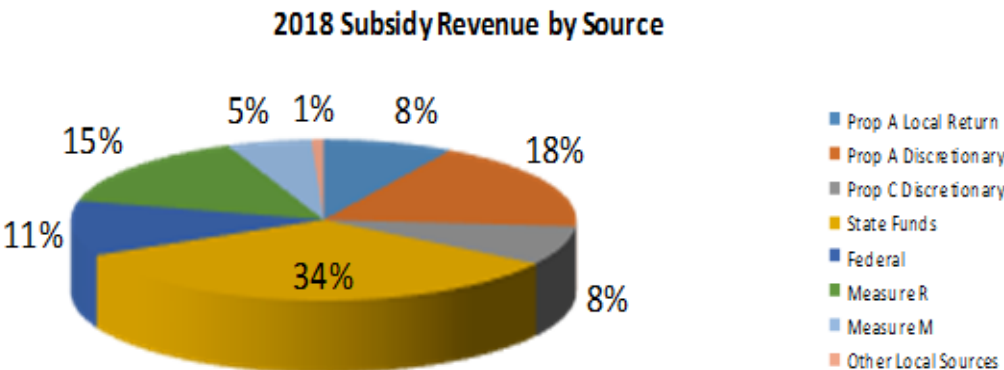
	Year-Ended		
	2018	2017	2016
Operating revenues:			
Passenger fares and special events	\$ 15,067,999	\$ 15,684,899	\$ 17,008,704
Advertising	801,753	618,750	743,132
Other revenue	1,162,645	1,186,303	804,359
Total operating revenues	17,032,397	17,489,952	18,556,195
Nonoperating revenues:			
Subsidies	70,611,297	65,351,654	61,703,522
Interest	383,488	243,075	384,825
Total nonoperating revenues	70,994,785	65,594,729	62,088,347
Total revenues	88,027,182	83,084,681	80,644,542
Expenses:			
Transportation	45,458,610	44,148,976	40,639,813
Maintenance	22,186,665	20,379,891	19,355,457
Administration	20,855,088	19,052,518	16,378,307
Depreciation	16,178,310	17,554,892	18,355,286
Total expenses	104,678,673	101,136,277	94,728,863
Change before capital grants	(16,651,491)	(18,051,596)	(14,084,321)
Capital grants	30,061,872	23,467,700	10,233,655
Change in net position	13,410,381	5,416,104	(3,850,666)
Total net position, July 1	75,434,051	70,017,947	73,868,613
Total net position, June 30	\$ 88,844,432	\$ 75,434,051	\$ 70,017,947

Management’s Discussion and Analysis, continued

Operating revenues. Overall total operating revenues for 2018 decreased by 2.6%. The decrease was due to passenger fares decreasing by 6.8%, offset by the alternative fuel tax credits totaling \$1.1 million. Fare revenue comprises 85.5% of operating revenues. Fare and special events revenue in 2018 decreased by \$617 thousand, or 3.9%.

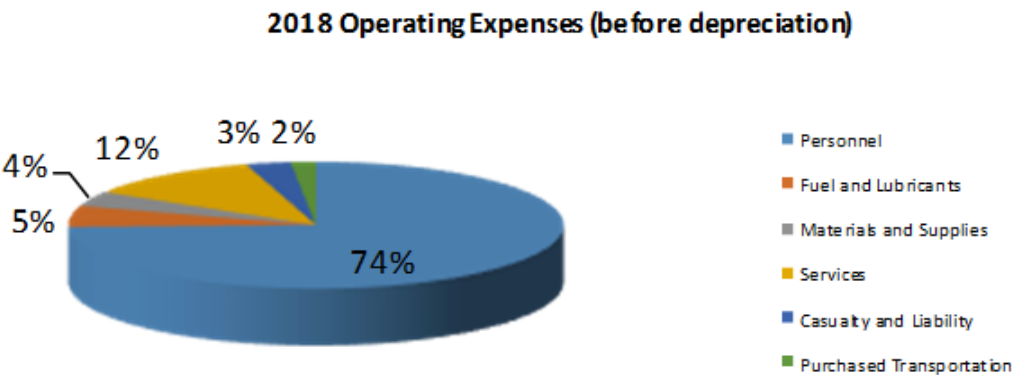
Overall total operating revenues for 2017 decreased by 5.7%. Fare revenue comprised of 89.7% of operating revenues. Fare and special events revenues in 2017 decreased by \$1.3 million, or 7.8%.

Non-operating revenues. Subsidies in 2018, which comprise 80% of total revenues, increased \$5.3 million, or 8%, in 2018. In 2017, subsidy revenue increased \$3.6 million, or 5.9%. Significant increases in 2018 was in Measure M funds and federal funds used for preventive maintenance.



Expenses. Fiscal year 2018 operating expenses, before depreciation and pension adjustment related to GASB 68, increased. This is due to increased claims in workers compensation, increase in cost of fleet parts, partly due to bus tires being recorded as part of operating cost, and increased fuel costs due to higher fuel prices in 2018 versus 2017.

In addition, the contract pension interest rate assumption was lowered from 7% to 6.5% effective July 1, 2017, which resulted in a higher pension liability for the fiscal year.



Management's Discussion and Analysis, continued

Fiscal year 2018, depreciation expense decreased 7.8% and capital acquisitions exceeded depreciation expense by \$13.9 million. In 2017, depreciation expense decreased 4.4% and depreciation expense exceeded capital acquisitions by \$5.9 million.

CAPITAL ASSETS

Long Beach Transit's investment in capital assets as of June 30, 2018 amounted to \$103 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, fleet, communication and farebox systems, equipment, and passenger facilities. All assets have been purchased with federal, state or local grants awarded to the Agency, and Long Beach Transit has never issued any debt to fund the procurement of capital assets.

The total net increase in the Agency's investment in capital assets for the current fiscal year was 15.6%. Long Beach Transit had \$30 million in new capital acquisitions during the year, an increase of \$6.6 million when compared to 2017. Fiscal year 2018 included the purchase of 40 compressed natural gas buses, two battery-electric buses, construction of a battery-electric bus charging station with WAVE technology, and routine replacement of bus components.

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

Management's Discussion and Analysis, continued

Significant capital asset acquisitions during 2018 included the following:

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

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

	Year-Ended		
	2018	2017	2016
Land	\$ 14,275,000	\$ 14,275,000	\$ 5,525,000
Buildings and improvements	10,614,378	12,271,762	12,073,320
Fleet	67,774,286	54,154,525	55,961,508
Communications systems	12,744	60,871	193,021
Fare collection system	680,364	286,695	219,140
Office, shop and garage equipment	3,203,440	4,606,677	2,089,621
Passenger facilities	1,334,350	2,139,831	2,360,698
Construction in progress	5,056,558	1,272,197	4,732,442
Total capital assets, net of depreciation	<u>\$ 102,951,120</u>	<u>\$ 89,067,558</u>	<u>\$ 83,154,750</u>

Long Beach Transit's investment in capital assets as of June 30, 2017, amounted to \$89 million (net of accumulated depreciation). The Agency had \$23.5 million in new capital acquisitions during the year, an increase of \$13.2 million, when compared to 2016 capital acquisitions.

Significant capital asset acquisitions during 2017 included the following:

- Land at principal facility transferred from the City totaling \$8.7 million
- Seven battery-electric buses totaling \$7.4 million
- Routine replacement of engines, transmissions, tires and bus components totaling \$2.3 million
- Information systems and software upgrades totaling \$1.5 million
- Construction of a battery-electric bus charging station totaling \$1.4 million
- Upgrades to passenger facilities totaling \$580 thousand
- Painting and rehabilitation to water taxis totaling \$464 thousand

Management's Discussion and Analysis, continued

Additional information on Long Beach Transit's capital assets can be found in note (8) in the notes to the Agency's financial statements beginning on page 28 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S FINANCIAL PLAN

The overall economic growth is at a steady rate. Long Beach Transit continues to be vigilant and prudent as we move into fiscal year 2019. As an organization, we remain focused on our mission, "connecting communities and moving people, making everyday life better," and on our strategic priorities which serves as our guideposts for daily decision-making. Constant emergence of new technologies and mobility options keep us agile particularly in leveraging our program initiatives with the support of new and current funding sources.

Proposition 6 was a proposed constitutional amendment included on the November 6, 2018 General Election ballot. The intent of the initiative was to repeal existing Senate Bill 1 (SB 1) funding by repealing the fuel tax increases and vehicle fees that were enacted in 2017 and by requiring voter approval (via ballot propositions) for the California State Legislature to impose, increase, or extend fuel taxes or vehicle fees in the future. SB 1 is a long-term transportation solution that provides new revenues for road safety improvements and upgrades to California's public transportation network. Proposition 6 was defeated with nearly 57 percent of votes cast in opposition to the repeal effort. SB 1 funds are now secured to support our operating and capital programs for the next fiscal years. LBT is committed and will continue to work with legislators, regulators, industry partners and the community we serve, as it is critical to protect funding in order to successfully implement LBT's programs and effectively fulfill the Agency's mission.

LBT continues to face increasing pension and health care costs. During fiscal year 2017-18, the Agency is focusing on addressing a structural challenge within our pension plans by decreasing the expected rate of investment return on the contract plan. The result of this change in assumptions requires us to put more money into the pension plan to ensure it is sustainable for the future. By being more conservative now, Long Beach Transit will be better positioned heading into the future.

In addition to increasing pension costs, health care costs continue their steady climb. While health care costs continue to outpace inflation, offering competitive benefits is important in order to retain and attract high quality employees. With the rapid changes occurring within the health care industry, LBT will continue to look at concepts that may help to minimize our exposure in the future.

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

On August 31, 2018, LBT entered into a four-year Labor Agreement with the American Federation of State, County, and Municipal Employees (AFSCME) District Council 36 to represent the Agency's Supervisors. The contract is effective from July 1, 2017 through June 30, 2021.

The way LBT will achieve our mission in this environment is to continue to improve all aspects of our core business processes, including our service delivery, customer experience and staff development. While management believes Long Beach Transit's conservative financial practices will allow us to meet the funding challenges for the upcoming year, we will closely monitor all of the issues.

Management's Discussion and Analysis, continued

Despite challenges, Long Beach Transit remains financially healthy. Our fiscal year 2019 budget is balanced with current revenues equal to current expenditures. Through improvements in efficiency, Long Beach Transit has been able to increase wages while controlling cost increases. The financial plan approved in May 2018 for fiscal year 2019 totals \$98 million.

This financial report is designed to provide a general overview of Long Beach Transit'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 and Vice President of Finance and Budget, Long Beach Transit, 1963 E. Anaheim St., Long Beach, CA, 90813.



**Statements of Net Position
June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and cash equivalents (note 2)	\$ 41,779,377	\$ 43,497,090
Accounts receivable (note 4)	10,349,894	4,541,780
Materials and supplies inventory	1,456,640	1,156,761
Prepaid expenses	811,278	488,446
Total current assets	<u>54,397,189</u>	<u>49,684,077</u>
Noncurrent Assets:		
Investments (note 2)	26,183,364	26,253,309
Capital assets:		
Land	14,275,000	14,275,000
Construction-in-progress	5,056,558	1,272,197
Capital assets, net of accumulated depreciation:		
Buildings and improvements	10,614,378	12,271,762
Fleet	67,774,286	54,154,525
Communications systems	12,744	60,871
Fare collection system	680,364	286,695
Office, shop and garage equipment	3,203,440	4,606,677
Passenger facilities	1,334,350	2,139,831
Total noncurrent assets	<u>129,134,484</u>	<u>115,320,867</u>
Total assets	<u>\$ 183,531,673</u>	<u>\$ 165,004,944</u>
DEFERRED OUTFLOWS OF RESOURCES		
Net difference of changes related to pension liability	<u>\$ 16,633,112</u>	<u>\$ 12,467,197</u>

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

Statements of Net Position, Continued
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 4,710,519	\$ 2,760,396
Accrued payroll expenses	680,145	514,527
Compensated absences payable (note 11)	3,250,399	3,100,575
Retiree health care benefits (note 11)	232,825	200,050
Subsidy deferral (note 9)	31,000,643	22,877,756
Estimated liability for insurance claims (note 6)	17,089,587	16,074,556
Total current liabilities	<u>56,964,118</u>	<u>45,527,860</u>
Noncurrent Liabilities:		
Unearned revenue (note 5)	16,122,874	22,860,865
Retiree health care benefits (note 11)	3,888,775	3,943,877
Net pension liability (note 13)	34,344,586	29,705,488
Total noncurrent liabilities	<u>54,356,235</u>	<u>56,510,230</u>
Total liabilities	<u>111,320,353</u>	<u>102,038,090</u>
DEFERRED INFLOWS OF RESOURCES		
NET POSITION		
Invested in capital assets	102,951,120	89,067,558
Restricted for:		
Restricted for capital procurement	87,193	73,776
Unrestricted	<u>(14,193,881)</u>	<u>(13,707,283)</u>
Total net position	<u>\$ 88,844,432</u>	<u>\$ 75,434,051</u>

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Passenger fares	\$ 14,562,861	\$ 15,630,301
Special events	505,138	54,598
Advertising	801,753	618,750
Other revenue	<u>1,162,645</u>	<u>1,186,303</u>
Total operating revenues	<u>17,032,397</u>	<u>17,489,952</u>
Operating expenses:		
Transportation	45,458,610	44,148,976
Maintenance	22,186,665	20,379,891
Administration	20,855,088	19,052,518
Depreciation (note 8)	<u>16,178,310</u>	<u>17,554,892</u>
Total operating expenses	<u>104,678,673</u>	<u>101,136,277</u>
Operating loss	<u>(87,646,276)</u>	<u>(83,646,325)</u>
Nonoperating income:		
Subsidies (note 3)	70,611,297	65,351,654
Interest income	<u>383,488</u>	<u>243,075</u>
Total nonoperating income	<u>70,994,785</u>	<u>65,594,729</u>
Change in net position before capital grants	(16,651,491)	(18,051,596)
Capital grants	<u>30,061,872</u>	<u>23,467,700</u>
Change in net position	13,410,381	5,416,104
Total net position, July 1	<u>75,434,051</u>	<u>70,017,947</u>
Total net position, June 30	<u><u>\$ 88,844,432</u></u>	<u><u>\$ 75,434,051</u></u>

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

Statements of Cash Flows
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash received from customers	\$ 17,118,077	\$ 17,225,189
Cash paid to employees for services	(43,325,111)	(41,938,168)
Cash paid to other suppliers of goods or services	(41,966,439)	(38,666,831)
Net cash used in operating activities	<u>(68,173,473)</u>	<u>(63,379,810)</u>
Cash flows provided by noncapital financing activities:		
Operating subsidies received	<u>74,910,914</u>	<u>64,594,617</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	47,672	53,265
Purchase of capital assets	(30,061,872)	(14,717,700)
Capital grant contributions received	<u>21,145,588</u>	<u>13,591,896</u>
Net cash used in capital and related financing activities	<u>(8,868,612)</u>	<u>(1,072,539)</u>
Cash flows provided by investing activities:		
Proceeds from sales and maturities of investments	13,973,000	14,609,521
Purchase of investments	(13,683,413)	(14,462,308)
Realized and unrealized gains	(219,642)	(178,122)
Interest received on cash and investments	<u>343,513</u>	<u>223,442</u>
Net cash provided by investing activities	<u>413,458</u>	<u>192,533</u>
Net change in cash and cash equivalents	(1,717,713)	334,801
Cash and cash equivalents, July 1	<u>43,497,090</u>	<u>43,162,289</u>
Cash and cash equivalents, June 30 (note 2)	<u>\$ 41,779,377</u>	<u>\$ 43,497,090</u>
Noncash capital activities:		
Contribution of capital assets	<u>\$ -</u>	<u>\$ 8,750,000</u>

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

Statements of Cash Flows, Continued
Years Ended June 30, 2018 and 2017

Reconciliation of Operating Loss to Net Cash Used in Operating Activities	2018	2017
Operating loss	\$ (87,646,276)	\$ (83,646,325)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	16,178,310	17,554,892
Increase/(decrease) in accounts receivable from operations	182,523	(250,914)
Increase in materials and supplies inventory	(299,879)	(2,944)
Decrease/(increase) in prepaid expenses	(322,832)	88,987
Decrease/(increase) in deferred flows of resources	(4,165,915)	1,330,706
Increase in accounts payable	1,953,352	751,165
Increase/(decrease) in accrued payroll expenses, compensated absences payable, and retiree health care benefits	293,115	(99,359)
Increase/(decrease) in net pension liability	4,639,098	(834,010)
Increase in estimated liability for insurance claims	1,015,031	1,727,992
Total adjustments	19,472,803	20,266,515
Net cash used in operating activities	<u>\$ (68,173,473)</u>	<u>\$ (63,379,810)</u>

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

Notes to Financial Statements
June 30, 2018 and 2017

(1) Summary of Significant Accounting Policies

Reporting Entity

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

Notes to Financial Statements, Continued

Use of Estimates and Assumptions

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

Material and Supplies Inventory

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

Capital Assets

Capital assets, which include property, plant and equipment, are defined by the Agency as assets with initial project values exceeding \$5,000, with individual federally funded items costing more than \$500 and having an estimated useful life of more than one year. In fiscal year 2017 and prior, bus tire lease were included in the capital assets and depreciated over a 12-month period as allowed by the Federal Transit Administration (FTA). Starting fiscal year 2018, the Agency recorded bus tire lease as an operating expense. Capital assets are valued at historical cost. Depreciation is provided using the straight-line method, with no allowance for salvage values. Donated capital assets are reported at fair value at the date of donation. The Agency did not receive any donated capital assets during fiscal year 2018, but did receive donated land during fiscal year 2017.

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

Buildings and improvements	5-25 years
Buses and vessels	12 years
Fareboxes	10 years
Smaller coaches	7 years
Furniture, equipment and passenger facilities	5 years
Service trucks	4 years
EDP equipment	3 years
Bus components	3 years
Service autos and vans	3 years

Notes to Financial Statements, Continued

Financial Plan

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

Government Grants

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

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

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

The City allocates a portion of its Proposition A local share funding to the Agency in accordance with an agreement among the Agency, the City and the Los Angeles County Metropolitan Transportation Authority (Metro). (See Notes 3 and 4.) The Agency records such Proposition A funds received from the City as subsidy deferred until used for operating assistance and/or capital expenditures. Those Proposition A funds used for operating assistance are included in non-operating subsidies income and those funds used for capital expenditures are included in capital assets.

Statements of Cash Flows

For purposes of the statements of cash flows, the Agency considers all of its cash deposits and investments with an original maturity of three months or less to be cash and cash equivalents. Monies invested with the State Treasurer's Local Agency Investment Fund (LAIF) may have maturities longer than 90 days; however, LAIF functions as a demand deposit account. Therefore, the Agency considers such investments to be cash equivalents. There was \$8,750,000 of noncash capital contributions from the City of Long Beach (see note 8) during 2017. There were no noncash capital and related financing activities in 2018.

Notes to Financial Statements, Continued

(2) Cash and Investments

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

	2018	2017
Cash on hand	\$ 70,300	\$ 107,068
Deposits with financial institutions	7,870,903	3,508,605
Outstanding checks	(1,092,948)	(1,395,241)
Cash equivalents	34,931,122	41,276,658
Total cash and cash equivalents	41,779,377	43,497,090
Investments	26,183,364	26,253,309
Total cash, cash equivalents and investments	\$ 67,962,741	\$ 69,750,399

Investments Authorized by the California Government Code and Long Beach Transit's Investment Policy

The table below identifies the investment types that are authorized for Long Beach Transit 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 fiscal years 2018 and 2017, the Agency elected to have its investments with LAIF and a similarly structured investment vehicle managed by an independent manager.

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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The 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, 2018 and 2017, respectively.

Notes to Financial Statements, Continued

Type	2018	Weighted Average Maturity (Yrs)
<u>Cash Equivalents</u>		
Local Agency Investment Fund (LAIF)	\$ 34,726,961	0.53
Fidelity Municipal Money Market	204,161	N/A
Total cash equivalents	<u>\$ 34,931,122</u>	
<u>Corporate Bonds</u>		
Amgen Inc 1.900% Due 05-10-19	\$ 695,443	0.9
Blackrock Inc 5.000% Due 12-10-19	722,071	1.4
General Elec Cap Corp 2.342% Due 11-15-20	684,236	2.3
Genzyme Corp 5.000% Due 6-15-20	726,096	1.9
Toyota Motor Credit Corp 3.3% Due 01-12-22	701,932	3.3
Pepsico Inc 2.250% Due 01-07-19	698,866	0.5
Prudential Financial Inc 4.500% Due 11-16-21	726,089	3.1
Bank Amer CHRLT Nc Mtn 2.050% Due 12-07-18	698,838	0.4
Texas Instruments Inc 2.750% Due 03-12-21	697,753	2.6
Apple Inc 1.900% Due 02-07-20	691,159	1.6
Toronto-Dominion Bank 2.125% Due 07-02-19	695,848	1.0
Corporate Bonds Total	<u>\$ 7,738,331</u>	
<u>Government Bonds</u>		
Federal Hm Ln Bk 1.750% Due 12-14-18	\$ 1,247,450	0.5
Federal Natl Mtg Assn 1.875% Due 02-19-19	1,995,540	0.6
Federal Farm Cr Bks 1.470% Due 02-17-21	966,400	2.5
Federal Farm FR Bks Bond 1.560% Due 07-26-21	1,443,795	3.0
Federal Hm Ln Bk 1.250% Due 05-25-21	1,960,260	0.1
Fannie Mae 2% Due 10-05-22	1,451,610	4.0
US Treasury NTS Note 1.500% Due 01-31-22	1,919,920	3.4
US Treasury Note 1.750% Due 09-30-19	1,983,120	1.2
US Treasury Note 1.375% Due 02-15-20	1,473,225	1.6
US Treasury Note 1.375% Due 11-30-18	2,243,318	0.4
US Treasury Note 3.750% Due 11-15-18	1,760,395	0.4
Government & Government Agency Bonds Total	<u>\$ 18,445,033</u>	
Total Investment Value	<u><u>\$ 26,183,364</u></u>	

As of June 30, 2018 and 2017, there was \$129,461 and \$105,375, respectively, of accrued bond interest which is included in accounts receivable.

Notes to Financial Statements, Continued

Type	2017	Weighted Average Maturity (Yrs)
<u>Cash Equivalents</u>		
Local Agency Investment Fund (LAIF)	\$ 41,211,083	0.53
Fidelity Municipal Money Market	65,575	N/A
Total cash equivalents	<u>\$ 41,276,658</u>	
<u>Corporate Bonds</u>		
Amgen Inc 1.900% Due 05-10-19	\$ 700,658	1.9
Blackrock Inc 5.000% Due 12-10-19	751,604	2.5
General Elec Cap Corp 5.625% Due 05-01-18	723,856	0.8
Genzyme Corp 5.000% Due 06-15-20	756,343	3.0
NYSE Euronext 2.000% Due 10-05-17	700,899	0.3
PepsiCo Inc 2.250% Due 01-07-19	706,790	1.5
Prudential Financial Inc 4.500% Due 11-16-21	759,234	4.4
Qualcomm Inc 1.400% Due 05-18-18	699,559	0.9
Texas Instruments Inc 2.750% Due 03-12-21	714,581	3.7
Toronto-Dominion Bank 2.125% Due 07-02-19	703,430	2.0
Wells Fargo & Agency 1.400% Due 09-08-17	700,042	0.2
Corporate Bonds Total	<u>\$ 7,916,996</u>	
<u>Government Bonds</u>		
Federal Hm Ln Bk 1.250% Due 05-25-21	\$ 1,974,800	3.9
Federal Farm Cr Bks 0.780% Due 09-14-17	1,249,238	0.2
Federal Farm Cr Bks 1.560% Due 07-26-21	1,474,365	4.1
Federal Farm Cr Bks 1.470% Due 02-17-21	979,990	3.6
Federal Hm Ln Bk 5.000% Due 11-17-17	2,028,140	0.4
Fannie Mae 1.875% Due 02-19-19	2,015,500	1.6
US Treasury N/B 1.500% Due 01-31-22	1,969,680	4.6
US Treasury N/B 1.000% Due 03-15-18	1,996,640	0.7
US Treasury Note 1.375% Due 11-30-18	2,250,698	1.4
US Treasury Note 0.750% Due 10-31-17	2,397,262	0.3
Government & Government Agency Bonds Total	<u>\$ 18,336,313</u>	
Total Investment Value	<u><u>\$ 26,253,309</u></u>	

Notes to Financial Statements, Continued

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization. Ratings on the investments, excluding LAIF and money market accounts, are as follows at June 30, 2018.

Investment Type	Rating
<u>Investments</u>	
Amgen Inc 1.900% Due 05-10-19	A
Blackrock Inc 5.000% Due 12-10-19	AA-
General Elec Cap Corp 2.342% Due 11-15-20	A
Genzyme Corp 5.000% Due 06-15-20	AA
Toyota Motor Credit Corp 3.3% Due 01-12-22	AA-
Pepsico Inc 2.250% Due 01-07-19	A+
Prudential Financial Inc 4.500% Due 11-16-21	A
Bank Amer CHRLT Nc Mtn 2.050% Due 12-07-18	A+
Texas Instruments Inc 2.750% Due 03-12-21	A+
Toronto-Dominion Bank 2.125% Due 07-02-19	AA-
Apple Inc 1.900% Due 02-07-20	AA+
<u>Investment Type</u>	<u>Rating</u>
<u>Government Bonds</u>	
Federal Hm Ln Bk 1.750% Due 12-14-18	AA+
Federal Natl Mtg Assn 1.875% Due 02-19-19	AA+
Federal Farm Cr Bks 1.470% Due 02-17-21	AA+
Federal Farm FR Bks Bond 1.560% Due 07-26-21	AA+
Federal Hm Ln Bk 1.250% Due 05-25-21	AA+
Fannie Mae 2.0% Due 10-05-22	AA+
US Treasury NTS Note 1.500% Dye 01-31-22	AA+
US Treasury Note 1.750% Due 09-30-19	AA+
US Treasury Note 1.375% Due 02-15-20	AA+
US Treasury Note 1.375% Due 11-30-18	AA+
US Treasury Note 3.750% Due 11-15-18	AA+

Notes to Financial Statements, Continued

Concentration of Credit Risk

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

Custodial Credit Risk

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

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

Fair Value

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

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

None of LBT's investments are valued using Level 1 and Level 3 inputs. LBT uses the market approach as a valuation technique in the application of GASB 72.

Notes to Financial Statements, Continued

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

Fair Value Measurements at June 30, 2018

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

Fair Value Measurements at June 30, 2017

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Money Market		\$ 65,575		\$ 65,575
US Treasury Securities:				
Corporate Bonds		7,916,996		7,916,996
Government Bonds		18,336,313		18,336,313
State of California Local Agency Investment Fund		41,211,083		41,211,083
Total assets at fair value	<u>None</u>	<u>\$ 67,529,967</u>	<u>None</u>	<u>\$ 67,529,967</u>

(3) Operating Subsidies

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

	<u>2018</u>	<u>2017</u>
Proposition A, County of Los Angeles	\$ 12,648,905	\$ 14,174,567
TDA, STA and LCTOP, State of California	23,689,180	24,402,408
Proposition C, County of Los Angeles	5,554,625	5,480,517
Proposition A Allocation, City of Long Beach	5,924,407	5,572,292
Preventive Maintenance, Federal	7,846,063	4,327,990
Measure R	10,553,704	10,091,533
Measure M	3,846,430	-
Other local sources	547,983	1,302,347
Total	<u>\$ 70,611,297</u>	<u>\$ 65,351,654</u>

Notes to Financial Statements, Continued

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

Additionally, each city in 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 is included above.

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

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

Measure R, approved by the voters in November 2009, provides a ½ cent sales tax for transportation improvements. In November 2016, voters approved Measure M which provides an additional ½ 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.

Other local monies are reimbursement for service hours supplied to seven surrounding cities and Job Access Reverse Commute funds (JARC) awarded for service for Route 1 Service Expansion project that provides direct connection between major employment centers in the City of Carson, downtown Long Beach, and the Metro Blue Line Del Amo Station. JARC funding for this operating service ended in fiscal year 2017. Route 1 services continued in fiscal year 2018 and was funded with other operating subsidies. In 2017, Long Beach Transit was awarded funds from the Metro ExpressLanes Net Toll Revenue Reinvestment Grant to operate the Los Angeles Galaxy Shuttle Bus Service.

Notes to Financial Statements, Continued

(4) Accounts Receivable

Accounts receivable were comprised of the following at June 30:

	<u>2018</u>	<u>2017</u>
Subsidies	\$ 189,138	\$ 178,015
Insurance reimbursements	307,419	404,262
Interest	235,330	195,355
Trade receivables	797,063	882,744
Proposition A funds due from City	3,184,224	1,568,667
Capital grants receivable	2,986,742	859,350
STA	1,085,407	453,387
STA-SB1	<u>1,564,571</u>	<u>-</u>
Total	<u>\$ 10,349,894</u>	<u>\$ 4,541,780</u>

Accounts are written off when determined to be uncollectible. In the opinion of management, all significant accounts receivable at June 30, 2018 and 2017 are fully collectible.

(5) Unearned Revenue

At June 30, 2018 and 2017, the balances of unearned revenue are as follows:

	<u>2018</u>	<u>2017</u>
Capital grant funds	\$ 15,587,658	\$ 22,376,550
Other	<u>535,216</u>	<u>484,315</u>
Total unearned revenue	<u>\$ 16,122,874</u>	<u>\$ 22,860,865</u>

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

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

(6) Estimated Liability for Insurance Claims

Under its insurance programs, the Agency retains the risk for each occurrence of workers' compensation and public liability and property damage claimed up to \$1.5 million and \$2 million, respectively. Workers' compensation maximum limit of indemnity per occurrence is statutory and employer's liability is \$2,000,000 per aggregate. Individual claim settlements for both workers' compensation and public liability and property damage did not exceed insurance coverage limits in fiscal years 2018 and 2017.

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

Notes to Financial Statements, Continued

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

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

	Public Liability and Property Damage	Workers' Compensation	Total
Estimated liabilities at June 30, 2016	\$ 6,967,359	\$ 7,379,208	\$ 14,346,567
Reserves:			
New claims	1,015,809	724,154	1,739,963
Adjustments to existing claims	491,539	3,010,525	3,502,064
Payouts	<u>(867,686)</u>	<u>(2,646,352)</u>	<u>(3,514,038)</u>
Estimated liabilities at June 30, 2017	7,607,021	8,467,535	16,074,556
Reserves:			
New claims	919,408	1,343,179	2,262,587
Adjustments to existing claims	977,562	3,256,657	4,234,219
Payouts	<u>(2,162,170)</u>	<u>(3,319,605)</u>	<u>(5,481,775)</u>
Estimated liabilities at June 30, 2018	<u>\$ 7,341,821</u>	<u>\$ 9,747,766</u>	<u>\$ 17,089,587</u>

(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 money market and 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, 2018 and 2017 was as follows:

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

The Agency operates from two locations within the City of Long Beach. The principal maintenance facility is located in the central portion of the City and the satellite facility is in North Long Beach.

Land previously included on the Agency's books includes a parcel adjacent to the principle maintenance facility and the North Long Beach site. Land occupied by the Agency's principle facility was transferred to Long Beach Transit from the City per a Quitclaim deed recorded on December 9, 2016. the appraised value was estimated at \$8,750,000.

Notes to Financial Statements, Continued

	Balance at June 30, 2016	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2017
Capital assets not being depreciated:					
Land	\$ 5,525,000	\$ -	\$ 8,750,000	\$ -	\$ 14,275,000
Construction in progress	4,732,442	(4,657,322)	1,197,077	-	1,272,197
Total capital assets not being depreciated	10,257,442	(4,657,322)	9,947,077	-	15,547,197
Capital assets being depreciated:					
Buildings and improvements	51,165,750	527,564	1,416,056	-	53,109,370
Fleet	149,384,221	1,407,282	10,246,803	(3,888,735)	157,149,571
Communications systems	7,458,484	-	3,637	-	7,462,121
Fare collection system	8,346,764	31,466	142,545	-	8,520,775
Office, shop and garage equipment	22,945,576	2,447,362	1,368,490	(491,848)	26,269,580
Passenger facilities	15,926,726	243,648	343,092	(127,494)	16,385,972
Total capital assets being depreciated	255,227,521	4,657,322	13,520,623	(4,508,077)	268,897,389
Less accumulated depreciation:					
Buildings and improvements	(39,092,430)	-	(1,745,178)	-	(40,837,608)
Fleet	(93,422,713)	-	(13,461,068)	3,888,735	(102,995,046)
Communications systems	(7,265,463)	-	(135,787)	-	(7,401,250)
Fare collection system	(8,127,624)	-	(106,456)	-	(8,234,080)
Office, shop and garage equipment	(20,855,955)	-	(1,298,796)	491,848	(21,662,903)
Passenger facilities	(13,566,028)	-	(807,607)	127,494	(14,246,141)
Total accumulated depreciation	(182,330,213)	-	(17,554,892)	4,508,077	(195,377,028)
Total capital assets being depreciated, net	72,897,308	4,657,322	(4,034,269)	-	73,520,361
Total capital assets, net	\$ 83,154,750	\$ -	\$ 5,912,808	\$ -	\$ 89,067,558

Notes to Financial Statements, Continued

(9) Subsidy Deferral

The amount of subsidies received each year is based upon estimated funding marks prepared by Metro. These estimates are used for budget preparation, with final marks received after final budgets are approved. Subsidies received in excess of expenditures are carried over for use in the next year. As of June 30, 2018 and 2017, the Agency had remaining Prop A subsidy funding of \$23,543,643 and \$21,409,979, respectively, to be utilized in future fiscal years.

As of June 30, 2018, the Agency had remaining Measure M subsidy funding of \$4,807,022 to be used to fund operations in future fiscal years. The balance of Measure R as of June 30, 2017 of \$1,467,777 was expended during fiscal year 2018.

In addition, as of June 30, 2018, STA and STA-SB1 funding which was included in the final funding marks from Metro amounted to \$1,085,407 and \$1,564,571, respectively. The Agency has not received payment for these funds as of the end of fiscal year 2018 and is reflected in Accounts Receivable (See Note 4).

(10) Commitments and Contingencies

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

Purchase Contracts

The Agency had the following significant purchase commitments outstanding at June 30, 2018. These purchase orders are for future goods and services the Agency is committed to by contract but has yet to receive. The balances listed on the next page represent some contingency balances; therefore, actual costs may be lower than shown.

Notes to Financial Statements, Continued

<u>Vendor</u>	<u>Project</u>	<u>Amount</u>	<u>Expected Completion</u>
Merrimac Energy Group	Gasoline Fuel \$	436,667	June 2018
New Flyer of America	Bus Replacement	22,388,039	July 2018
	Convention Center		
Fast Track Construction Corp.	Design - Build	124,642	July 2018
SC Fuels	Diesel Fuel	238,096	July 2018
BYD Motors, Inc.	Bus Replacement	82,938	July 2018
Nelson\Nygaard	Operational Analysis	43,302	August 2018
Catalina Express	Water Vessel Service	399,323	August 2018
Global Paratransit	DAL	187,234	August 2018
Michelin North America, Inc.	Tire Lease	276,289	September 2018
	CNG Station		
Clean Energy	Maintenance	168,221	September 2018
Vector USA	Intercom system	69,194	October 2018
	Hybrid Ucap		
New Flyer Industries	Reconditioning	485,089	February 2019
Giro, Inc.	Hastus Upgrade	593,036	April 2019
Delta Motor Co. Inc.	Hybrid Components	72,360	June 2019
Catalina Express	Water Vessel Service	891,276	August 2019
	Security Guard		
Allied Universal	Services	616,585	October 2019

Lease Obligations

In fiscal year 2017 and prior, bus tire leases were included in the capital assets and depreciated over a 12-month period as allowed by the Federal Transit Administration (FTA). Starting fiscal year 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 \$645,993 and \$604,672 for the years ended June 30, 2018 and 2017, respectively.

Notes to Financial Statements, Continued

(11) Employee Benefits

Vacation Compensation

Employees accrue vacation by reason of tenure at annual rates ranging from 12 to 30 days per year. Salaried employees may accumulate and carryover no more than the number of vacation days earned in the previous year. Contract employees are paid their earned vacation in full each year. On June 30, 2018 and 2017, accrued unpaid vacation for all Agency employees amounted to \$3,250,399 and \$3,100,575, respectively.

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

<u>Balance 6/30/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/17</u>	<u>Due Within One Year</u>
\$ 3,014,117	\$ 3,100,575	\$(3,014,117)	\$ 3,100,575	\$ 3,100,575

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 ten (10) days earned during the calendar year. Vacation days carried over from the previous year are not eligible for this program. The Agency paid \$199,187 and \$167,595 under this program during 2018 and 2017, respectively.

Post-Retirement Health Care Benefits

Full-time Agency employees are entitled to receive up to 96 hours of sick leave per year. Unused sick leave may be accumulated until retirement with the cash value, or a percentage thereof for Contract retirees, used to pay health and dental insurance premiums under the Agency's Retired Employees Health Insurance Program (REHIP). Once the cash value of the retiring employee's unused sick leave is exhausted, the retiree is required to pay all health and dental premiums.

There were 139 and 125 participants in the Agency's REHIP at June 30, 2018 and 2017, respectively. The cash value equivalent of the remaining unused sick leave for the current retirees totaled \$1,547,100 and \$1,627,617, respectively. Total premiums paid by the Agency under the REHIP during the fiscal years ended June 30, 2018 and 2017, were \$335,057 and \$208,834, respectively.

The Agency has established a liability related to unused sick leave which it estimates will be used by retirees to cover premiums under the REHIP. The estimated costs of the REHIP for both current and expected future payments are \$4,121,600 and \$4,143,927 at June 30, 2018 and 2017, respectively.

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

<u>Balance 6/30/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/17</u>	<u>Due Within One Year</u>
\$ 3,796,873	\$ 555,888	\$(208,834)	\$ 4,143,927	\$ 200,050

Notes to Financial Statements, Continued

(12) Labor Agreement

Union Labor Agreement

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

On August 31, 2018, the American Federation of State, County, and Municipal Employees (AFSCME), District Council 36, ratified a new four-year Labor Agreement with Long Beach Transit. The contract is effective from July 1, 2017, through June 30, 2021. The Agreement provides the parties with specific procedures governing the duration and renewal of the Agreement to maintain safe and efficient operation of the transit system. Long Beach Transit has no reason to expect any service disruption with regard to the Agreement.

(13) Pension Benefits

Plan Descriptions

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

The Agency's payroll for employees covered by each pension plan for the years ended June 30, 2018 and 2017 was \$31,093,861 and \$30,447,872 for the Contract Plan, respectively, and \$4,858,664 and \$5,186,888 for the Salaried Plan, respectively. Total Agency payroll for 2018 and 2017 was \$43,273,561 and \$41,938,168, 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 a ATU collective bargaining agreement between the Agency and the Union participate in the Contract Plan as of their date of employment. All full-time employees not covered by a collective bargaining agreement and hired before April 1, 2011 participate in the Salaried Plan as of their date of employment. Participants in the Contract Plan and Salaried Plan employees hired before April 1, 2011, are eligible for annual benefit payments at the normal retirement age of 64 and completion of 10 years of credited service and become 100% vested after five credited years of service. Employees covered under the Salaried Plan can retire prior to 64 with a normal retirement benefit if the combination of the employee's age and service equals 80 or more. For employees covered under the Salaried Plan hired on or after April 1, 2011, Long Beach Transit adopted a new 401(a) qualified retirement plan for employer matching contributions. Contract employees hired on or after April 1, 2011 are not eligible to participate in the 401(a) qualified retirement plan, but are eligible to continue to participate in the Contract Plan.

Notes to Financial Statements, Continued

Pension Plan Benefits

Benefit payments for the Salaried Plan are determined as 1.70% of adjusted final monthly earnings multiplied by years of credited service (maximum credit of 40 years). Adjusted final monthly earnings are the employee's highest average monthly wage for 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. 1.7% of adjusted final monthly earnings greater than \$500 multiplied by the years of credited service (maximum credit of 40 years).

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

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

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 those Plan members unable to perform their usual work duties who leave service after 10 or more years of credited service.

Termination

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

Notes to Financial Statements, Continued

Funding Policy and Annual Pension Contributions

Plan members are required to contribute 5% for salaried and 6.3% for contract employees of their annual salaries. The Agency is required to contribute to the Plans at an actuarially determined rate. The contribution rates for 2018 were 20.96% and 60.15% for the Contract and Salaried Plans, respectively. For 2018, the Agency’s annual contributions were \$4,054,711 and \$2,602,155 for the Contract and Salaried Plans, respectively. In 2017, the Agency's annual contributions were \$3,877,435 and \$2,790,134 for the Contract and Salaried Plans, respectively.

Funding Progress

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

Salaried Plan (in thousands)

Actuarial valuation date (July 1)	(a) Actuarial value of assets	(b) Actuarial Accrued liability (AAL) – entry age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a percentage of covered payroll
2018	\$ 27,867	\$ 31,216	\$ 3,349	89.27%	\$ 4,859	60.15%
2017	\$ 25,233	\$ 29,528	\$ 4,295	85.45%	\$ 5,187	60.35%

Contract Plan (in thousands)

Actuarial valuation date (July 1)	(a) Actuarial value of assets	(b) Actuarial Accrued liability (AAL) – entry age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of covered payroll
2018	\$ 56,022	\$ 87,017	\$ 30,995	64.38%	\$ 31,094	20.96%
2017	\$ 52,742	\$ 81,804	\$ 29,062	64.47%	\$ 30,448	19.77%

Three-Year Trend Information

Contract Plan

Year ended June 30	Actuarially Determined Amount	Actual Contribution
2018	\$ 6,516,603	\$ 6,516,603
2017	6,018,860	6,018,860
2016	5,193,480	5,193,480

Salaried Plan

Year ended June 30	Actuarially Determined Amount	Actual Contribution
2018	\$ 1,922,605	\$ 2,922,605
2017	2,030,220	3,130,220
2016	2,000,708	4,635,552

Notes to Financial Statements, Continued

Net Pension Liability – Salaried Plan

The Salaried Plan’s net pension liability was measured as of June 30, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	6.00% compounded annually
Salary Increases	3.00% per year
Mortality	IRS 2007 Current Liability Combined Table
Employee Contribution	
Interest Credit	5.00% compounded annually
Administrative Expenses	\$203,559 per year payable at the beginning of the year
Termination before retirement:	

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

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

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

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

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

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

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

Notes to Financial Statements, Continued

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

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

Discount Rate. The discount rate used to measure the total pension liability was 6.00 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)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2017	\$ 29,527,880	\$ 25,232,880	\$ 4,295,000
Changes for the year:			
Service cost	831,665		831,665
Interest	1,589,310		1,589,310
Expected investment income		1,550,016	(1,550,016)
Difference between expected and actual experience	770,200	(173,234)	943,434
Net Transfer to/from Contract Plan		37,663	(37,663)
Contributions - employer		2,602,155	(2,602,155)
Contributions - employee		320,450	(320,450)
Benefit payments, including refunds	(1,503,429)	(1,503,429)	-
Administrative expense		(199,961)	199,961
Net changes	1,687,746	2,633,660	(945,914)
Balances at 6/30/2018	\$ 31,215,626	\$ 27,866,540	\$ 3,349,086

Notes to Financial Statements, Continued

		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2016	\$29,966,438	\$22,777,566	\$7,188,872
Changes for the year:			
Service cost	858,666		858,666
Interest	1,626,217		1,626,217
Expected investment income		1,364,370	(1,364,370)
Difference between expected and actual experience	80,484	913,167	(832,683)
Net Transfer to/from Contract Plan		255,041	(255,041)
Contributions - employer		2,790,134	(2,790,134)
Contributions - employee		340,086	(340,086)
Benefit payments, including refunds	(3,003,925)	(3,003,925)	-
Administrative expense		(203,559)	203,559
Net changes	(438,558)	2,455,314	(2,893,872)
Balances at 6/30/2017	\$29,527,880	\$25,232,880	\$4,295,000

Notes to Financial Statements, Continued

Net Pension Liability – Contract Plan

The Contract Plan’s net pension liability was measured as of June 30, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	6.50% compounded annually
Salary Increases	3.00% per year
Mortality	IRS 2007 Current Liability Combined Table
Employee Contribution	
Interest Credit	5.00% compounded annually
Administrative Expenses	\$376,137 per year payable at the beginning of the year

Termination before retirement:

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

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

Notes to Financial Statements, Continued

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

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

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

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

Notes to Financial Statements, Continued

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2016	\$70,401,250	\$47,050,624	\$23,350,626
Changes for the year:			
Service cost	3,352,311		3,352,311
Interest	4,970,642		4,970,642
Expected investment income		3,328,875	(3,328,875)
Difference between expected and actual experience	849,980	1,591,024	(741,044)
Net transfer to/from Contract Plan		(255,041)	255,041
Contributions - employer		3,877,435	(3,877,435)
Contributions - employee		2,461,425	(2,141,425)
Benefit payments, including refunds	(4,615,902)	(4,615,902)	
Administrative expense		(376,137)	376,137
Other changes (assumptions)	3,194,510		3,194,510
Net changes	7,751,541	5,691,679	2,059,862
Balances at 6/30/2017	\$78,152,791	\$52,742,303	\$25,410,488

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

The following presents the net pension liability of the Contract Plan as of June 30, 2018, 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 1-percentage point lower (5.5%) or 1-percentage point higher (7.5%) than the current rate. The Salaried Plan's net position is calculated using a discount rate that is 1-percentage point lower (5.00%) or 1-percentage point higher (7.00%) than the current rate or 6.00%.

	<u>Contract Plan</u>
1% Decrease or 5.5%	\$ 39,389,635
6.5 % Current Discount Rate	\$ 30,995,500
1% Increase or 7.5%	\$ 23,686,051
	<u>Salaried Plan</u>
1% Decrease or 5.0%	\$ 5,508,546
6.0% Current Discount Rate	\$ 3,349,086
1% Increase of 7.0%	\$ 1,451,953

Notes to Financial Statements, Continued

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

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

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

For the year ended June 30, 2017, the Salaried Plan reported deferred outflows and resources and deferred inflows of resources related to pensions from the following sources:

Salaried Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 373,654	
Changes of assumptions	2,211,980	
Net difference between projected and actual earning on plan investments	809,555	
Total	\$ 3,395,189	None

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

Salaried Plan – Year Ended June 30	Amount to Be Recognized
2019	\$(1,203,220)
2020	\$(1,300,775)
2021	\$ (804,344)
2022	\$ 15,124
2023	\$ (27,119)
Thereafter	\$ --

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

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

Notes to Financial Statements, Continued

For the year ended June 30, 2017, the Contract Plan reported deferred outflows and resources and deferred inflows of resources related to pensions from the following sources:

Contract Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,812,266	
Changes in assumption	2,819,568	
Net difference between projected and actual earning on plan investments	3,070,174	
Total	<u>\$ 9,072,008</u>	<u>None</u>

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

Contract Plan – Year Ended June 30	Amount to Be Recognized
2019	\$(2,359,158)
2020	\$(2,761,154)
2021	\$(2,070,208)
2022	\$(1,285,880)
2023	\$(1,529,333)
Thereafter	\$(3,307,045)

Defined Contribution Plan 401 (a)

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

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

Required Supplementary Information

The following are schedules of Funding Progress and Contributions and Schedules of Changes in Net Pension Liability for the six years ending June 30, 2013 through 2018 for the two Company sponsored defined benefit pension plans – Long Beach Public Transportation Company Retirement Plan – Contract Employees (Contract Plan) and Long Beach Public Transportation Company Retirement Plan – Salaried

LONG BEACH TRANSIT RETIREMENT PLAN - SALARIED EMPLOYEES

Schedule of Funding Progress and Contributions and Schedule of Changes in Net Pension Liability and Related Ratios June 30, 2018 and 2017

	Schedule of Changes in Net Pension Liability and Related Ratios					
	2018	2017	2016	2015	2014	2013
Total pension liability						
Service cost	\$ 831,665	\$ 858,666	\$ 769,704	\$ 845,302	\$ 773,964	\$ 641,489
Interest	1,589,310	1,626,217	1,724,678	1,704,802	1,809,528	1,355,511
Difference between expected and actual experience	770,200	80,484	427,104	(582,806)	667,873	1,089,429
Changes of assumptions	-	-	2,816,346	-	-	3,694,438
Benefit payments	(1,503,429)	(3,003,925)	(1,332,112)	(1,818,412)	(2,342,868)	(702,018)
Net change	1,687,746	(438,558)	4,405,720	148,886	908,497	6,078,849
Beginning total pension liability	29,527,880	29,966,438	25,560,718	25,411,832	24,503,335	18,424,486
Ending total pension liability	<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	\$ 2,602,155	\$ 2,790,134	\$ 4,270,185	\$ 4,758,243	\$ 2,847,508	\$ 2,244,185
Employee contributions	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)	1,376,782	2,277,537	(194,989)	(11,557)	1,750,047	960,977
Pension benefits	(1,503,429)	(3,003,925)	(1,332,112)	(1,818,412)	(2,342,868)	(702,018)
Administrative expenses	(199,961)	(203,559)	(167,603)	(167,173)	(142,202)	(117,013)
Net change	2,633,660	2,455,314	2,958,349	3,164,006	2,791,119	2,836,089
Beginning plan fiduciary net position	25,232,880	22,777,566	19,819,217	16,655,211	13,864,092	11,028,003
Ending plan fiduciary net position	<u>\$ 27,866,540</u>	<u>\$ 25,232,880</u>	<u>\$ 22,777,566</u>	<u>\$ 19,819,217</u>	<u>\$ 16,655,211</u>	<u>\$ 13,864,092</u>
Company's net pension liability	<u>\$ 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	89.3%	85.5%	76.0%	77.5%	65.5%	56.6%
Covered payroll	\$ 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	68.9%	82.8%	119.3%	90.0%	126.5%	136.4%

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

LONG BEACH TRANSIT

RETIREMENT PLAN - CONTRACT EMPLOYEES

Schedule of Funding Progress and Contributions and Schedule of Changes in Net Pension Liability and Related Ratios June 30, 2018 and 2017

Schedule of Changes in Net Pension Liability and Related Ratios

	2018	2017	2016	2015	2014	2013
Total pension liability						
Service cost	\$ 3,750,722	\$ 3,352,311	\$ 2,713,135	\$ 2,893,596	\$ 2,285,562	\$ 1,972,068
Interest	5,173,663	4,970,642	4,575,251	4,462,912	4,418,719	3,621,647
Difference between expected and actual experience	1,915,331	849,980	3,062,106	(1,252,537)	877,921	(652,845)
Changes of assumptions	3,651,179	3,194,510	-	-	-	6,749,225
Benefit payments	(5,626,291)	(4,615,902)	(3,182,794)	(4,881,029)	(4,326,353)	(2,447,910)
Net change	8,864,604	7,751,541	7,167,698	1,222,942	3,255,849	9,242,185
Beginning total pension liability	78,152,791	70,401,250	63,233,552	62,010,610	58,754,761	49,512,576
Ending total pension liability	\$ 87,017,395	\$ 78,152,791	\$ 70,401,250	\$ 63,233,552	\$ 62,010,610	\$ 58,754,761
Plan fiduciary net position						
Employer contributions	\$ 4,054,711	\$ 3,877,435	\$ 3,439,288	\$ 3,067,778	\$ 3,326,307	\$ 2,572,888
Employee contributions	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)	2,807,077	4,919,899	(407,799)	(569)	5,113,555	3,324,692
Pension benefits	(5,626,291)	(4,615,902)	(3,182,794)	(4,881,029)	(4,326,353)	(2,447,910)
Administrative expenses	(380,134)	(376,137)	(325,026)	(349,496)	(323,518)	(291,858)
Net change	3,279,592	5,691,679	1,260,360	(520,152)	4,985,111	4,299,912
Beginning plan fiduciary net position	52,742,303	47,050,624	45,790,264	46,310,416	41,325,305	37,025,393
Ending plan fiduciary net position	\$ 56,021,895	\$ 52,742,303	\$ 47,050,624	\$ 45,790,264	\$ 46,310,416	\$ 41,325,305
Company's net pension liability	\$ 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	64.4%	67.5%	66.8%	72.4%	74.7%	70.3%
Covered payroll	\$ 31,094,000	\$ 30,448,000	\$ 29,787,000	\$ 25,321,000	\$ 27,266,000	\$ 24,693,000
Company's net pension liability as a % of covered payroll	99.7%	95.5%	89.1%	68.9%	57.6%	70.6%

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

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STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to assess how the Agency's financial performance and well-being have changed over time.</i>	47
Revenue Capacity <i>These schedules contain information on the Agency's revenue sources and their fluctuations over time.</i>	50
Demographic and Economic Information <i>These schedules offer demographic and economic indicators regarding the environment within which the Agency's financial activities take place.</i>	52
Operating Information <i>These schedules contain information about services the Agency provides and the activities it performs.</i>	54
Pension Information <i>The Agency's Pension Plans' financial statements are issued under separate cover. The schedules contained in this section include general financial and actuarial information providing data concerning the Plans' funding status and general activity.</i>	62
Grant Information <i>The Agency's grant programs are issued under separate cover in the Single Audit. The schedules contained in this section provide a summary of capital grant activity for Federal, State and Local sources.</i>	64

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

**Financial Trends
Net Position by Component
2009 - 2018**

Exhibit 1

	Invested in Capital Assets	(1)	Restricted	Unrestricted	Total
2009	\$ 87,250,464		\$ 102,205	\$ 3,502,574	\$ 90,855,243
2010	84,286,309		16,747	3,588,032	87,891,088
2011	83,828,062		21,356	3,583,423	87,432,841
2012	79,281,750		13,558	3,591,221	82,886,529
2013	98,327,695		30,174	3,574,605	101,932,474
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

(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
2009 – 2018**

Exhibit 2

	Personnel Wages & Benefits	Fuel & Lubricants	Supplies & Materials	Services	Casualty & Liability	Purchased Transportation	Depreciation	Total
2009	\$ 50,711,153	\$ 5,721,736	\$ 2,442,697	\$ 5,758,880	\$ 2,115,349	\$ 1,380,796	\$ 14,009,081	\$ 82,139,692
2010	52,742,176	5,625,348	2,280,932	5,997,208	1,897,047	1,349,681	16,519,346	86,411,738
2011	52,462,571	6,754,776	2,858,490	6,644,394	3,693,995	1,026,413	17,588,757	91,029,396
2012	51,744,582	7,816,511	3,104,125	7,132,271	2,274,190	1,204,522	19,311,548	92,587,749
2013	54,820,343	7,290,527	2,654,286	7,692,693	2,532,732	1,464,569	20,249,160	96,704,310
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

* Reclassified fiscal year 2017. Total remained the same.

Long Beach Transit

Exhibit 3

Financial Trends Changes in Net Position 2009 – 2018

Expenses	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Transportation	\$ 34,874,385	\$ 36,416,765	\$ 35,413,269	\$ 35,139,334	\$ 37,554,281	\$ 38,869,648	\$ 39,488,966	\$ 40,639,813	\$ 44,148,976	\$ 45,458,610
Maintenance	18,602,288	18,546,811	21,292,632	21,834,078	22,042,606	21,878,415	20,479,627	19,355,457	20,379,891	22,186,665
Risk Management	5,278,264	5,266,428	6,791,630	7,175,642	6,222,310	7,900,442	8,795,766	5,891,767	7,638,605	9,124,849
Marketing & Customer Service	1,578,839	1,673,878	1,665,938	1,761,195	1,827,629	1,917,253	1,948,218	1,950,613	2,119,166	1,849,042
General Administration	7,796,835	7,988,510	8,277,170	7,365,952	8,808,324	9,327,279	8,150,602	8,535,927	9,294,747	9,881,197
Depreciation	14,009,081	16,519,346	17,588,757	19,311,548	20,249,160	20,605,041	18,343,403	18,355,286	17,554,892	16,178,310
Total Expenses	\$ 82,139,692	\$ 86,411,738	\$ 91,029,396	\$ 92,587,749	\$ 96,704,310	\$ 100,498,078	\$ 97,206,582	\$ 94,728,863	\$ 101,136,277	\$ 104,678,671
Revenues										
Passenger Fares	\$ 15,785,523	\$ 16,473,909	\$ 17,308,290	\$ 18,085,942	\$ 18,024,416	\$ 17,966,020	\$ 17,516,839	\$ 16,945,561	\$ 15,630,301	\$ 14,562,861
Special Events	72,389	71,809	41,935	21,386	43,693	25,496	18,754	63,143	54,598	505,138
Advertising	797,814	609,161	558,490	688,089	542,382	630,413	603,029	743,132	618,750	801,753
Subtotal Operating	16,655,726	17,154,879	17,908,715	18,795,417	18,610,491	18,621,929	18,138,622	17,751,836	16,303,649	15,869,752
Subsidies	50,720,199	51,773,322	55,012,754	54,112,325	57,671,790	61,008,975	64,700,470	61,703,522	65,351,654	70,611,297
Interest & Other	754,686	964,191	519,170	368,458	172,869	262,133	293,115	1,189,184	1,429,378	1,546,133
Subtotal Nonoperating	51,474,885	52,737,513	55,531,924	54,480,783	57,844,659	61,271,108	64,993,585	62,892,706	66,781,032	72,157,430
Total Revenues	\$ 68,130,611	\$ 69,892,392	\$ 73,440,639	\$ 73,276,200	\$ 76,455,150	\$ 79,893,037	\$ 83,132,207	\$ 80,644,542	\$ 83,084,681	\$ 88,027,182
Net Expense	\$ (14,009,081)	\$ (16,519,346)	\$ (17,588,757)	\$ (19,311,549)	\$ (20,249,160)	\$ (20,605,041)	\$ (14,074,375)	\$ (14,084,321)	\$ (18,051,596)	\$ (16,651,491)
Capital Grants	28,744,925	13,555,191	17,130,510	14,765,236	39,295,105	7,135,567	24,761,575	10,233,655	23,467,700	30,061,872
Change in Net Position	\$ 14,735,844	\$ (2,964,155)	\$ (458,247)	\$ (4,546,313)	\$ 19,045,945	\$ (13,469,474)	\$ 10,687,200	\$ (3,850,666)	\$ 5,416,104	\$ 13,410,381

Long Beach Transit

Financial Trends Capital Expenditures By Type 2009 - 2018

Exhibit 4

Fiscal Year	Facilities	Fleet	Passenger Facilities	AVL, Farebox & Radio			Furniture & IT Equipment	Shop & Garage Equipment	Total
				Equipment	Equipment	Equipment			
2009	\$ 3,133,478	\$ 20,214,981	\$ 1,557,227	\$ 2,068,732	\$ 1,468,789	\$ 301,718	\$ 28,744,925		
2010	1,224,068	6,436,753	2,149,479	47,960	1,796,856	1,900,075	13,555,191		
2011	1,206,706	6,764,468	7,256,720	518,104	1,134,931	249,581	17,130,510		
2012	4,325,055	6,651,509	859,424	395,016	2,320,594	213,638	14,765,236		
2013	3,499,678	33,192,608	246,410	173,465	1,900,072	282,872	39,295,105		
2014	1,179,707	4,291,904	432,180	93,033	1,090,098	48,645	7,135,567		
2015	790,850	21,682,852	1,121,151	154,802	964,131	47,789	24,761,575		
2016	428,727	6,722,168	961,882	177,299	1,739,603	203,976	10,233,655		
2017	1,562,076	10,528,848	1,039,431	146,183	1,406,411	34,751	14,717,700		
2018	283,004	26,615,064	1,401,501	680,162	982,787	99,354	30,061,872		

**Revenue Capacity
Operating Subsidy Sources
2009 - 2018**

Exhibit 5

	Prop A Funds City of Long Beach	Prop A Discretionary Funds L.A. County	Prop C Measure M & R Funds L.A. County	State Assistance	Federal Preventive Maintenance Program	Other Sources	Total
2009	\$ 4,067,755	\$ 12,500,860	\$ 9,848,459	\$ 21,266,639	\$ 2,378,850	\$ 657,636	\$ 50,720,199
2010	3,536,593	12,069,662	14,374,634	14,777,565	6,704,200	310,668	51,773,322
2011	5,375,238	13,460,669	12,371,325	17,480,351	6,067,800	257,371	55,012,754
2012	5,891,768	8,822,958	13,546,398	20,170,522	5,325,134	355,545	54,112,325
2013	5,044,272	10,873,265	11,934,386	22,547,344	6,339,255	933,268	57,671,790
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

**Revenue Capacity
Farebox Recovery Percentage
2009 - 2018**

Exhibit 6

<u>Year</u>	<u>Percentage</u>
2009	23.9
2010	24.3
2011	24.2
2012	25.4
2013	24.3
2014	23.1
2015	21.6
2016	21.5
2017	18.8
2018	17.1

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

**Revenue Capacity
Fare History
2009 - 2018**

	<u>2009</u>	<u>2010-2018</u>
Fixed Route Service:		
<u>Cash Fares:</u>		
Regular	\$ 1.10	\$ 1.25
Student	1.10	1.25
Senior & Disabled	0.50	0.60
Local transfer	-	-
Interagency transfer	0.50	0.50
<u>Day Pass:</u>		
Regular	\$ 3.50	\$ 4.00
Discounted	2.00	2.50
5 - Day Pass:		
Regular	\$ 16.00	\$ 18.00
Discounted	8.00	9.00
<u>Monthly Pass:</u>		
Regular	\$ 60.00	\$ 65.00
Student	35.00	40.00
Senior & Disabled	21.00	24.00
Dial-A-Lift Service:		
Cash Fares	\$ 2.00	\$ 2.00
Water Taxi:		
Cash Fares:		
AquaBus	\$ 1.00	\$ 1.00
AquaLink	5.00	5.00

Demographic and Economic Information
City of Long Beach
Demographic Statistics
2009-2018

Exhibit 8

Fiscal Year Ended June 30	Estimated Population (A)	Personal Income (in millions) (B&E)	Per Capita Personal Income (B&E)	Public School Enrollment (C)	Unemployment Rate (D)
2009	462,211	12,752	27,589	87,509	12.8
2010	462,685	12,938	27,964	86,283	13.9
2011	462,257	13,486	29,173	84,812	13.4
2012	465,576	14,058	30,196	83,691	12.2
2013	467,646	14,757	31,556	82,256	10.3
2014	469,428	15,525	33,072	81,155	8.6
2015	473,577	16,242	34,296	79,709	6.8
2016	474,140	16,939	35,725	77,812	5.7
2017	480,173	17,864	37,203	76,428	5.3
2018	478,561	16,210	34,370	74,681	5.1

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 for 2018, so an average of the last five years was used.
- (C) California Department of Education Educational Demographic Unit. Annual school census from Long Beach Unified School District for preschool, grades kindergarten through 12.
- (D) Average annual rate reported by California Employment Development Department (EDD).
- (E) Restated prior years due to the data's annual revision.

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

Exhibit 9

Employer	2017 Number of Employees	Percentage of Total City Employment	2008 Number of Employees	Percentage of Total City Employment
Long Beach Unified School District	12,808	5.28%	8,335	3.59%
City of Long Beach	5,318	2.19%	5,812	2.50%
Long Beach Memorial Medical Center	5,091	2.10%	5,800	2.49%
California State University, Long Beach	3,045	1.25%	6,367	2.74%
Veterans Affairs Medical Center	3,243	1.34%	2,500	1.08%
Long Beach City College	2,744	1.13%	2,300	0.99%
Molina Healthcare Inc.	2,433	1.00%	N/A	N/A
California State Univ Long Beach Foundation	1,708	0.70%	N/A	N/A
The Boeing Agency	1,705	0.70%	8200	3.53%
St. Mary's Medical Center	1,466	0.60%	1,480	0.64%

Source: City of Long Beach, Department of Financial Management Accounting and Business License and State of California Employment Development Department Labor Market Information.

* This is the latest information available.

**Operating Information
Key Performance Indicators
2009 – 2018**

Exhibit 10

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Fixed Route</u>										
Operating Cost Per Vehicle Service Hour	\$ 96.28	\$ 98.73	\$ 106.77	\$ 105.61	\$ 110.11	\$ 115.04	\$ 115.40	\$ 112.67	\$ 114.57	\$ 120.98
Operating Cost Per Passenger	\$ 2.20	\$ 2.34	\$ 2.54	\$ 2.50	\$ 2.56	\$ 2.69	\$ 2.85	\$ 2.94	\$ 3.22	\$ 3.65
Roadcalls	1,392	1,481	1,325	1,819	1,778	2,243	2,163	1,912	1,897	2,367
Miles Between Roadcalls	5,716	5,384	5,807	4,219	4,438	3,413	3,572	4,040	4,222	3,409
Total Accidents	940	923	851	865	881	1,026	912	999	938	871
Preventable Accidents	149	100	90	89	120	101	126	103	99	94
Preventable Accidents Per 100,000 Miles	1.87	1.25	1.17	1.16	1.52	1.36	2.07	1.34	1.29	1.22
Passengers per Vehicle Service Hour	44	43	45	48	43	42	40	37	35	33
On-Time Performance ¹	99.9%	99.9%	99.8%	99.9%	99.9%	77.4%	78.5%	85.2%	86.7%	85.7%
Number of Vehicles	263	265	265	260	262	248	249	249	249	249
Number of Employees	742	732	708	725	728	729	723	728	727	746
<u>Special Services</u>										
Dial-A-Lift Cost Per Passenger ²	\$ 21.65	\$ 23.02	\$ 19.71	\$ 19.64	\$ 20.42	\$ 20.60	\$ 19.36	\$ 18.34	\$ 18.90	\$ 20.19
Dial-A-Lift Passengers Per Service Hour ³	4.7	4.8	5.0	5.1	4.8	5.1	5.7	4.8	2.1	1.8
Number of Dial-A-Lift Vehicles	16	17	15	15	13	13	15	12	10	10
Water Taxi Cost Per Passenger ⁴	\$ 9.47	\$ 10.99	\$ 11.94	\$ 13.73	\$ 9.23	\$ 12.69	\$ 11.27	\$ 10.94	\$ 9.03	\$ 9.32
Water Taxi Passengers Per Vehicle Service Hour	14.96	13.81	13.45	13.40	13.80	16.33	16.12	18.70	18.99	18.61
Number of Water Taxi Vessels	3	3	3	4	4	4	4	4	4	4

¹FY14 On-Time Performance calculation has changed. Scheduled times are compared with actual departure times using TransitMaster Automated Vehicle Location (AVL) system data. No waivers are used.

²FY17 Dial-A-Lift Cost Per Passenger restated to reflect revenue retention by LBT.

³In FY17 Dial-A-Lift was reclassified from Demand Taxi to Demand Response. All hours and miles are now reported including deadhead and breaks between trips.

⁴FY17 Water Taxi Cost Per Passenger restated to reflect revenue retention by LBT. Costs only include fixed route water taxi services.

**Operating Information
Customer Satisfaction Trends
2008-2018***

Exhibit 11

Service Element	% of Customers Rating Favorably									
	2008	2009	2011	2012	2013	2014	2015	2016	2017	2018
LBT Overall	96	95	97	97	97	97	90	96	93	98
LBT Compared to Others	92	89	89	93	95	91	**	**	**	**
Operator Appearance	99	97	99	99	99	98	92	98	98	99
Fares	91	85	73	87	91	92	90	94	93	90
Operator Courtesy	88	90	90	92	94	91	91	95	95	99
Operator Safety	93	97	97	98	99	92	90	98	97	99
On Board Safety	93	95	95	96	97	95	86	90	**	**
Route Convenience	96	93	95	96	98	95	90	95	94	94
Information Available	93	93	90	95	95	92	86	92	91	89
Telephone Information	92	91	90	91	89	86	83	91	88	93
Bus Stop Safety	91	87	90	92	95	92	84	78	**	**
Bus Stop Convenience	97	95	96	96	97	97	89	95	94	95
Schedule Reliability	77	78	78	85	89	84	83	89	88	93
Bus Cleanliness	88	85	93	94	95	95	85	88	91	90
Bus Stop Cleanliness	89	84	86	91	91	92	87	86	88	88
Customer Satisfaction Index***	92	90	90	93	95	93	88	92	93	94

Source: Annual community survey.

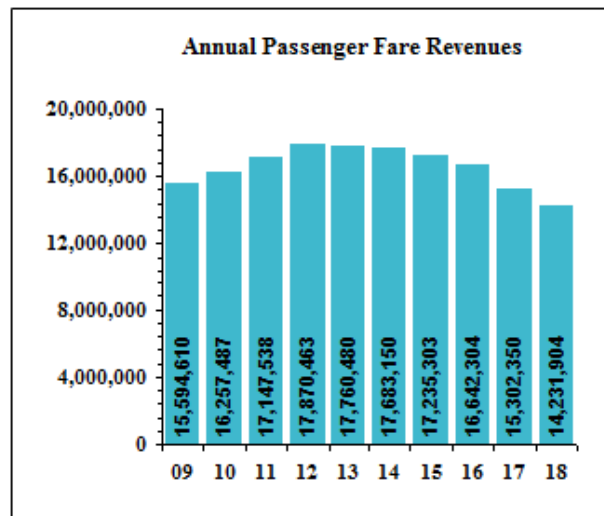
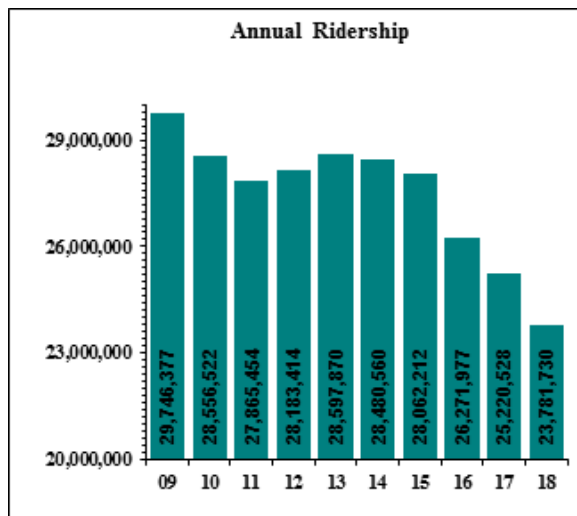
* Formal customer surveys were not performed for fiscal year 2010.

** Not surveyed

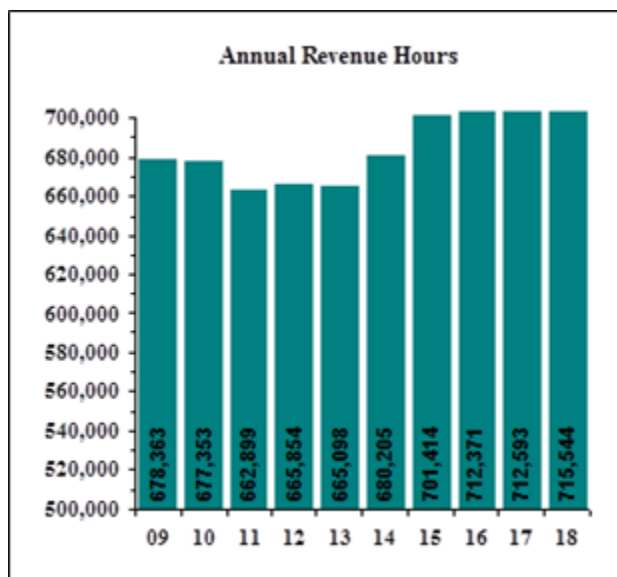
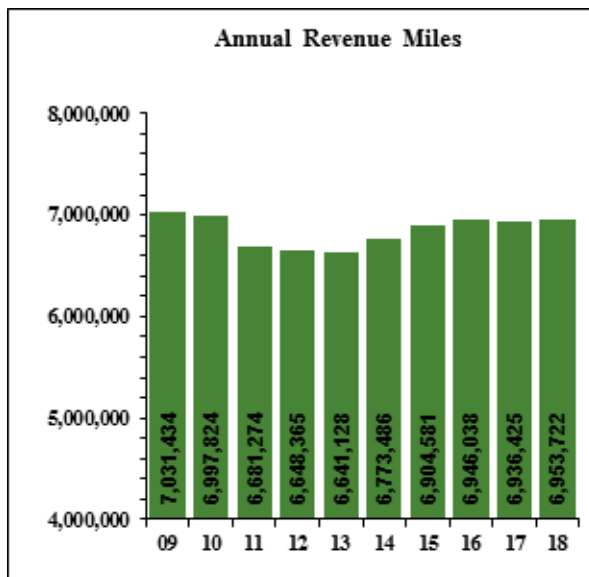
*** The customer satisfaction index is an average of the above ratings.

**Operating Information
Fixed Route Statistics
2009 - 2018**

Exhibit 12

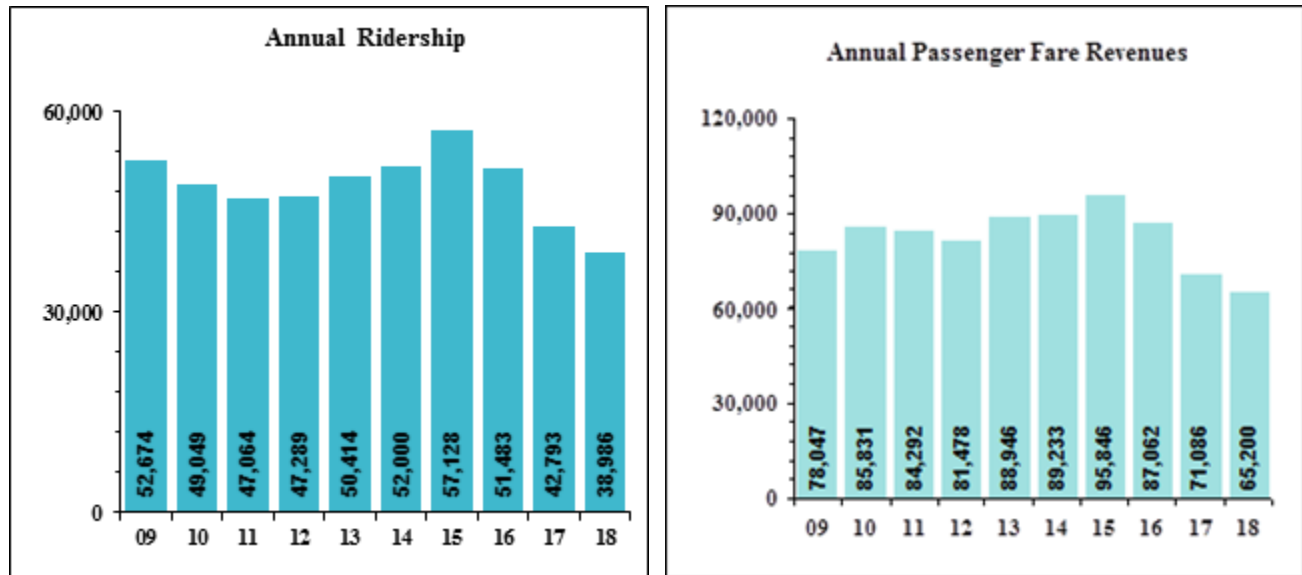


Long Beach Transit had a loss of ridership from FY 2017 to FY 2018, with 25.2 million boardings on Long Beach Transit buses in FY 2017 falling to 23.7 million boardings on Long Beach Transit buses in FY 2018. The 23.7 million boardings represented a 6.0% decrease from the previous year. This ridership decline is consistent with the experiences of other Southern California transit agencies.

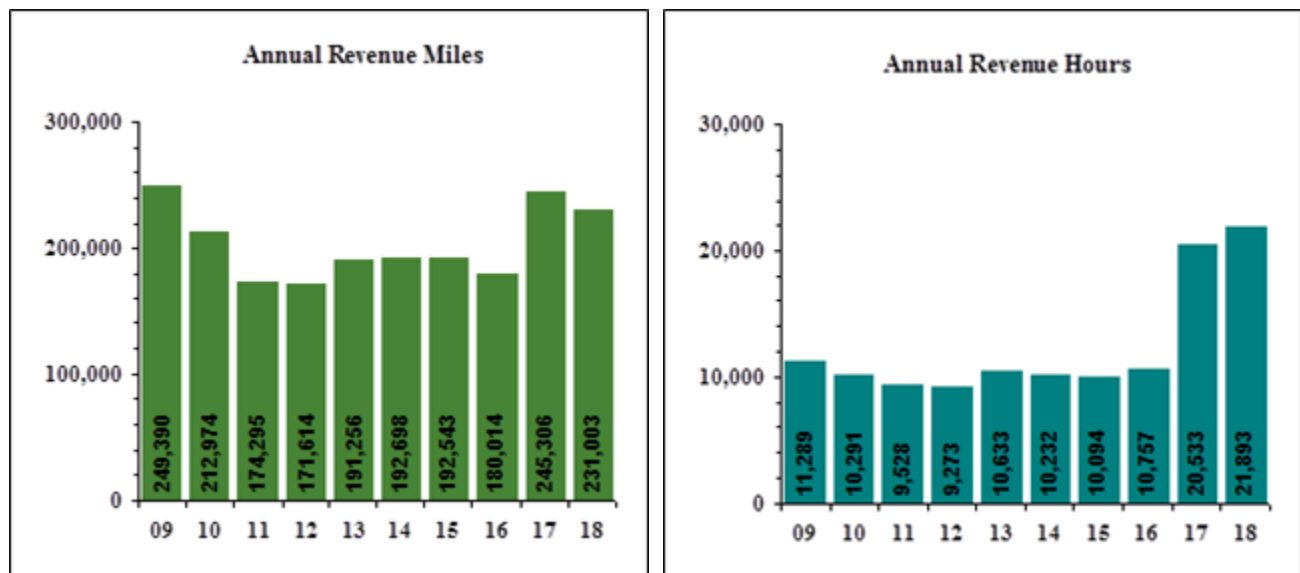


Source: Long Beach Transit's Annual National Transit Database Report

**Operating Information
Dial-A-Lift Statistics
2009 - 2018**

Exhibit 13

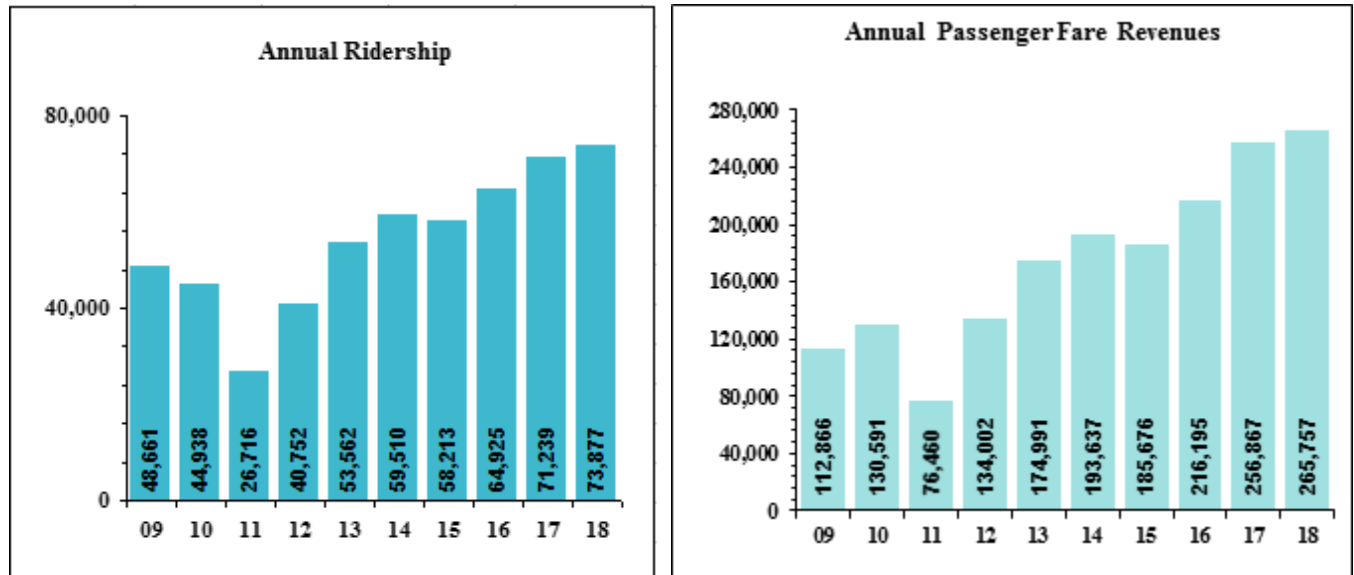
Dial-A-Lift had a 8.9% decrease in ridership in FY18. In FY17, LBT began recertifying members who had the service for more than three years to ensure that Dial-A-Lift is serving customers who truly need the service. The ridership decrease is attributed to this recertification process. The Dial-A-Lift service is supplied by a private contractor who provides Dial-A-Lift vehicle trips. In FY17, DAL was reclassified from Demand Taxi to Demand Response. All hours and miles are now reported including deadhead and breaks between trips.



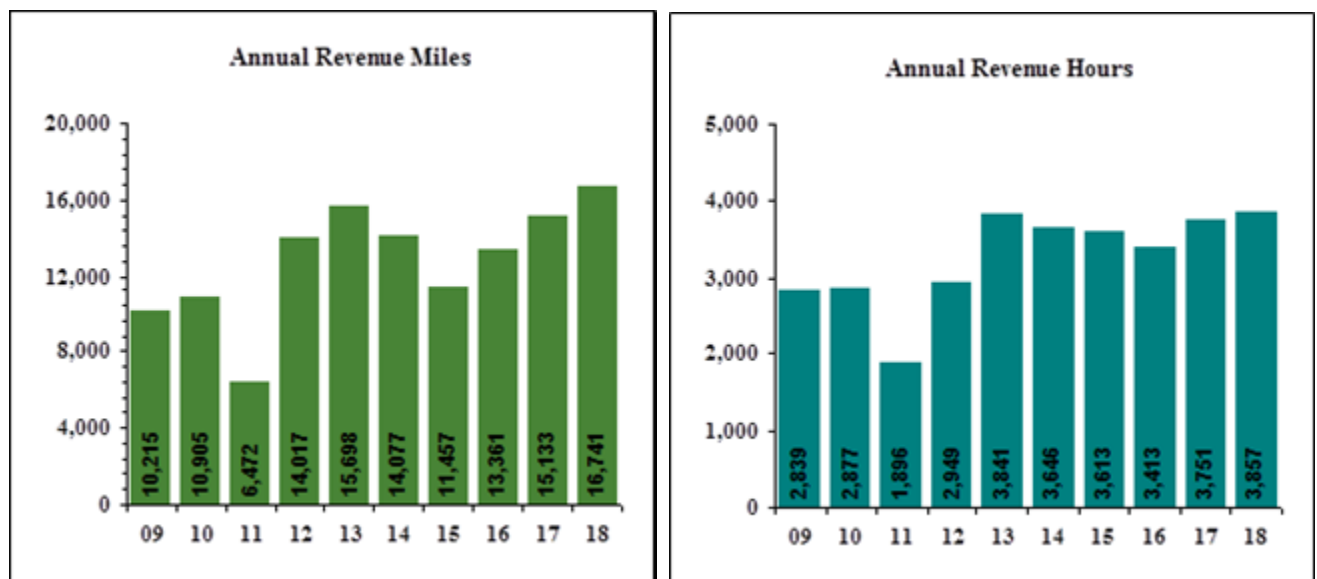
Source: Long Beach Transit's Annual National Transit Database Report

Operating Information Water Taxi Statistics 2009-2018

Exhibit 14



Water Taxi ridership increased 3.7% and revenues increased 3.4% in FY18. These increases are due to the increased ridership on the AquaLink service. The attractions along the AquaLink route have increased the popularity of the service.



Source: State Controller's Report

**Operating Information
Schedule of Insurance in Force
June 30, 2018**

Exhibit 15

Program	Expiration Term	Agency	Amount/Limit
<u>LIABILITY</u>			
A. Auto and General Liability			
	07/1/19 1 yr	Argonaut Insurance Agency Alteris Insurance Services	\$10,000,000 excess of \$2,000,000 SIR
B. Underground Storage Tank- Third-Party Liability			
	04/1/19 1 yr	Illinois Union Insurance Co.	\$2,000,000 - each incident \$3,000,000 - aggregate \$6,000,000 Total Policy Aggregate/ All Incidents Deductible \$50,000
<u>COMMERCIAL PROPERTY</u>			
	04/1/19 1 yr	Travelers Property Casualty Co.	<div>\$ 23,028,180 Real Property</div> <div>\$ 22,353,000 Business Personal Property</div> <div>\$ 50,000 Deductible for buses in the open</div> <div>\$ 476,000 Extra Expense per occurrence; except \$50,000 for buses in the yard</div> <div>\$ 2,500</div>
<u>WORKERS' COMPENSATION</u>			
	07/1/19 1 yr	Safety National Casualty Corp	<div>SIR: \$1,500,000</div> <div>WC limit each accident: Statutory Employer's Liability per occurrence: \$2,000,000</div>
<u>CRIME POLICY</u>			
	11/1/19 1 yr	Hartford Fire Insurance Co.	<div>\$1,000,000 - employee theft; \$20,000 deductible</div> <div>\$1,000,000 - computer and funds transfer fraud; \$5,000 deductible</div> <div>\$1,000,000 – theft, disappearance and destruction; \$5,000 deductible</div>

**Operating Information
Schedule of Insurance in Force (Continued)
June 30, 2018**

FELONIOUS ASSAULT POLICY

7/1/20	3 yr	Chubb and Son, A Division of Federal Insurance Agency	\$100,000 – life insurance policy
--------	------	---	-----------------------------------

FIDUCIARY LIABILITY

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

07/1/19	1 yr	ACE American Insurance Company	\$ 5,000,000/\$5,000,000 Each Incident/Aggregate Coverage \$25,000 Retention
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ENVIRONMENTAL LEGAL LIABILITY

07/1/19	1 yr	ACE American Insurance Company	\$ 5,000,000/\$5,000,000 Each Incident/Aggregate Coverage \$25,000 Retention
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Source: Long Beach Transit's Risk Management Department

Long Beach Transit

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

Exhibit 16

DAILY HOURS OF OPERATION

FREQUENCY OF SERVICE

Peak/Base (5am - 6pm) Evening/Night (after 6pm)

Route	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday
1	30 min	50 min	50 min	30/60 min	50 min	50 min	438A - 1110X	609A - 837P	609A - 837P
20	15/20min	20min	20min	20/30/60 min	20/30/60 min	20/30/60 min	445A - 110X	455A - 113X	455A - 113X
40	10 min	12 min	15 min	10/30 min	15/30 min	20/30 min	430A - 125X	502A - 124X	505A - 124X
50	12/15 min	20/30 min	20 min	15/20/30 min	20/30 min	20/30 min	430A - 1210X	505A - 1211X	510A - 1211X
60	12 min	20/30 min	20 min	20/30/60 min	20/30/60 min	20/30/60 min	450A - 120X	532A - 128X	529A - 117X
70	30 min	40 min	40 min	30 min	40 min	40 min	455A - 825P	506A - 855P	506A - 855P
80	50 min	--	--	--	--	--	615A - 642P	--	--
90	10/20 min	15/20/min	20/30 min	15/20/30 min	15/20/30 min	20/30 min	400A - 115X	500A - 115X	500A - 115X
96 'ZAP'	--	--	--	--	--	--	--	--	--
101/103	20 min	20/40 min	20/40 min	30 min	20/40 min	20/40 min	458A - 1045P	550A - 805P	550A - 805P
102/104	30/40 min	60 min	60 min	40/60 min	--	--	531A - 850P	645A - 725P	647A - 725P
110	20 min	30 min	30 min	30/60 min	30/60 min	30/60 min	500A - 120X	505A - 101X	647A - 725P
121	20 min	20/30/60 min	25/30 min	20/30 min	25/30 min	25/30 min	425A - 109X	501A - 108X	505A - 1224X
131	45 min	60 min	60 min	60 min	60 min	60 min	502 - 1015P	530A - 927P	530A - 927P
151	20 min	30/35/40 min	30/35/40 min	20/60 min	40/60 min	40/60 min	418A - 1252X	454A - 1254X	454A - 1254X
170	15 min	15/30 min	15/30 min	20/30/60 min	15/30/60 min	15/30/60 min	500A - 1256X	508A - 1257X	523A - 1225X
171	40 min	45 min	45 min	36 min	60 min	60 min	425A - 1110X	655A - 1106P	658A - 1010P
175	12/15/35/40 min	--	--	--	--	--	625A-717X	--	--
176	30 min	--	--	--	--	--	646A-659X	--	--
181	45 min	60 min	60 min	40-60 min	60 min	60 min	540A - 948X	535A - 854X	505A - 856P
182	45 min	60 min	60 min	60 min	60 min	60 min	555A - 855P	535A - 823P	535A - 823P
190	15 min	20/30min	20 min	20/30/60 min	20/30/60 min	20/30/60 min	401A - 115X	503A - 121X	505A - 121X
Passport Passport	15 min	10/15 min	15 min	15/20/30 min	10/15/30 min	15/20/30 min	508A - 1246X	508A - 1258X	508A - 1256X

Source: Long Beach Transit's Service Planning Department

Pension Information
Employer and Employee Pension Contributions
2009 – 2018

Fiscal Year Ended June 30	Employer Contribution*	Employee Contribution	Covered Payroll **	Contribution as a Percentage of Payroll
<u>Contract Plan</u>				
2009	\$ 3,048,814		\$ 24,293,482	12.55
2010	4,111,605		23,738,325	17.32
2011	3,791,200		23,062,414	16.44
2012	2,099,802	\$ 1,141,708	23,947,941	13.54
2013	2,473,826	1,105,052	24,693,232	14.49
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
<u>Salaried Plan</u>				
2009	\$ 1,582,975		\$ 8,624,326	18.35
2010	1,964,523		7,729,285	25.42
2011	2,041,762		7,121,812	28.67
2012	1,244,244	\$ 387,987	7,602,881	21.47
2013	2,244,185	449,958	7,800,712	34.54
2014	2,847,508	436,748	6,924,729	47.43
2015	4,758,243	402,617	6,380,468	80.89
2016	4,270,185	365,367	6,023,124	76.96
2017	2,790,134	340,086	5,186,888	60.35
2018	2,602,155	320,450	4,858,664	60.15

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

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

Source: Contract and Salaried pension plan financial statements for the year ended June 30, 2018.
 These financial statements are prepared under separate cover and contain additional trend information.

Long Beach Transit

Pension Information
Pension Revenues by Source and Expenses by Type
2009 – 2018

Exhibit 18

Fiscal Year Ended June 30	Revenues by Source				Expenses by Type			
	Employer and Employee Contributions	Benefit transfer	Investment Return	Total	Administrative Expenses	Benefit Payments	Benefit transfer	Total
<u>Contract</u>								
<u>Plan</u>								
2009	\$ 3,048,814	\$ -	\$ (5,613,626)	\$ (2,564,812)	\$ 167,515	\$ 1,448,156	\$ 35,377	\$ 1,651,048
2010	4,111,605	--	(3,780,305)	331,300	204,627	2,544,902	158,341	2,907,870
2011	3,791,200	--	6,604,495	10,395,695	227,965	1,852,836	168,731	2,249,532
2012	3,241,510	--	(682,971)	2,558,539	255,280	2,610,617	25,643	2,891,540
2013	3,714,988	--	3,324,692	7,039,680	291,858	2,447,910	--	2,739,768
2014	4,763,313	--	5,113,555	9,876,868	323,518	4,326,353	241,886	4,891,757
2015	4,711,230	--	(407,799)	4,710,661	349,496	4,881,029	288	5,230,813
2016	5,193,480	--	(407,799)	4,785,681	325,026	3,182,794	17,501	3,525,321
2017	6,018,860	--	4,919,899	10,938,759	376,137	4,615,902	255,041	5,247,080
2018	6,516,603	--	2,807,077	9,323,680	380,134	5,626,291	37,663	6,044,088
<u>Salaried</u>								
<u>Plan</u>								
2009	\$ 1,582,975	\$ 35,377	\$ (1,889,274)	\$ (270,922)	\$ 90,378	\$ 1,567,196	\$ -	\$ 1,657,574
2010	1,964,523	158,341	(1,169,295)	953,569	94,633	950,146	--	1,044,779
2011	2,041,762	168,731	2,235,151	4,445,644	118,827	2,255,212	--	2,374,039
2012	1,632,231	25,643	(238,790)	1,419,084	118,457	2,294,168	--	2,412,625
2013	2,694,143	--	960,977	3,655,120	117,013	702,018	--	819,031
2014	3,284,256	241,886	1,750,047	5,276,189	142,002	2,342,868	--	2,484,870
2015	5,160,860	288	(11,557)	5,149,591	167,173	1,818,412	--	1,985,585
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

Source: Contract and Salaried pension plan financial statements for the year ended June 30, 2018.

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

Long Beach Transit

Exhibit 19

Grant Information
Capital Grant History
Federal Grants 2009 - 2018

FTA Grants	Authorized Amount	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CA-90-Y082	11,356,000 \$	608,104									
CA-90-Y117	7,751,180	239,603									
CA-90-Y226	10,958,295	241,178 \$	57,407								
CA-90-Y271	9,982,170	1,132,509	130,707								
CA-90-Y391	13,354,477	2,125,881	484,648 \$	95,849 \$	60,034 \$	2,527,386					
CA-90-Y440	6,358,401	3,394,798	178,157	35,420	11,972						
CA-90-Y502	14,756,941	10,160,890	1,582,195	81,688	132,711	26,545					
CA-90-Y652	13,051,167	1,446,032	1,569,176	654,528	398,367	8,331,767 \$	428,257 \$	175,263 \$	41,956		
CA-95-X040	447,000	70,418	300,763	57,282							
CA-03-0714	970,874										
CA-04-0061	1,915,492	1,911,839									
CA-90-Y731	14,960,635	71,794	5,850,160	4,965,764	234,409	3,761,979	71,168	5,361			
CA-03-0759	485,888	485,888									
CA-90-X007	16,497,214	496,563	6,466,024	8,840,940	693,688						
CA-04-0065	2,604,050			1,998,932	(173,860)	778,978					
CA-04-0134	1,783,466			222,952	351,368	1,096,541	71,421	41,184			
CA-90-Y798	13,994,380			3,046,130	6,541,814	646,277	312,347	829,421	11,026 \$	2,344	
CA-90Y880	15,774,862				746,816	7,199,267	2,525,909	86,464	40,244	33,223 \$	1,935,227
CA-04-0184	2,863,280				899,012	702,223	387,690	330,469	5,296	70,224	
CA-04-0199	950,000					950,000					
CA-88-0004	6,700,000				637,161		193,185	88,283	237,053	4,213,586	1,677,736
CA-90-Y957	16,248,527				1,048,270		2,605,970	5,748,917	46,226	112,598	6,552,428
CA-90-X053	17,391,081						773,241	3,102,621	6,504,828	44,927	455,784
CA-90-Z120	20,701,104						49,875	10,518,828	1,438,564	1,254,135	1,812,501
CA-58-0015	2,000,000							2,000,000			
CA-90-Z232	14,113,447								1,622,069	5,264,836	4,829,286
CA2016-049	20,731,551									1,314,496	9,911,532
CA2017-050	17,837,931										2,069,639
TOTAL		\$ 22,385,497	\$ 16,619,237	\$ 19,999,485	\$ 9,896,331	\$ 27,706,394	\$ 7,419,063	\$ 22,926,811	\$ 9,947,262	\$ 12,310,369	\$ 29,244,133

Long Beach Transit

Exhibit 20

Grant Information Capital Grant History State Grants 2009 - 2018

State Grants	Authorized Amount	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CA-90-Y082	1,471,292	\$ 84,231									
CA-90-Y117	1,937,795	59,932									
CA-90-Y226	2,739,574	88,662	\$ 14,374								
CA-95-X040	203,182	32,009	11,826								
STA 01	990,696										
STA 02	1,341,400										
STA 03	838,329										
STA 07	910,000										
STA 08	3,528,162	2,352,877	440,431	\$ 40,077	\$ 10,681	\$ 19,986					
STA 11	580,795					331,826	\$ 248,972				
1B SEC	\$ 2,232,588	240,999	417,044	100,896	252,533	197,999	374,050	\$ 274,793	\$ 644,369	\$ 84,411	\$ 22,254
TOTAL		\$ 2,858,710	\$ 883,675	\$ 140,973	\$ 263,214	\$ 549,811	\$ 623,022	\$ 274,793	\$ 644,369	\$ 84,411	\$ 22,254

Long Beach Transit

Grant Information Capital Grant History Local Grants 2009 - 2018

Exhibit 21

Local Grants	Authorized Amount	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Prop C Security FY 03	349,154 \$	4,096									
Prop C Security FY 04	923,452	127									
Prop C - CA-90-Y271	2,375,547	212,278 \$	27,101								
Prop C FY 04	923,452	335									
Prop C Security FY 05	324,000	110,000									
Prop C FY 05	1,324,200	39,410									
Prop C-CA-90-Y391	2,934,372	486,797		21,172 \$	13,250 \$	517,992					
Prop C-CA-90-Y440	1,329,020	682,488		8,134	2,935						
Prop C FY 07	152,022	137,823									
Prop C Sec-CA-90-440	138,600	44,280		721							
Prop C FY 08	1,661,127	670,767		433,695	207,383						
Prop C-CA-90-Y502	3,512,702	2,562,193		20,417	33,179	6,698					
Prop C-CA-90-Y652	2,030,062	245,504		163,641	131,869	1,037,686 \$	107,052 \$	43,821 \$	9,366		
Prop C-CA04-0061	392,330	391,582									
MTA 8111	428,774	164,545									
AQMD 08	81,744										
Prop C - CA03-0759	99,520	99,520									
Prop C Sec-CA-90-Y652	47,128	13,381		(13)							
Prop C Sec FY08	31,896										
Prop C FY 09	985,343	142,767		519,828							
Prop C-CA90-Y731	3,604,442	63,292	322,747	1,239,842	58,875	736,865	17,792	2,837			
Prop C FY 10	110,000		60,825	49,175							
Prop C FY 11	3,808,593			155,049	908,816	1,257,341	702,307	341,032	339,043 \$	105,434	\$ 229,189
Prop C-CA-90-798	3,003,969			762,626	1,635,402	161,627	78,086	107,922	2,693	586	
Prop C-CA-04-065	576,983			499,766	(43,498)	120,715					
Prop C-CA-04-134	312,540			55,704	87,876	140,809	17,855	10,297	1,324	17,254	
Prop C-CA-04-184	860,720				224,801	225,800	125,882	109,267	303,876	104,107	54,336
Prop C FY 12	2,818,242					987,020	928,199	324,026	357,117	357,117	28,235
Prop C FY 13	3,242,074					27,419	328,881	1,747,453	551,216	443,083	324,697
Prop C-CA-88-0004	876,429					219,786	82,791	35,027	85,464		
Prop C-CA-90-Y957	2,864					881	701	265	841	177	
Prop C FY 14	2,518,706						61,119	499,668	429,482	708,945	624,427
Prop C-CA-90-Y880	2,252						927	1,325			
Prop C FY 15	4,033,963							658,270	1,117,119	990,459	185,851
Prop C-CA-90-Z053	89,216							3,305	5,799	706	71,351
Prop C-CA-90-Y120	1,465,833							890,691	150,106	86,122	2,098
Prop C FY 16	4,172,213								92,683	610,084	121,131
Prop C-CA-90-Z232	90,824									36,827	46,848
Prop C - CA - 2016-049	700,368										608,052
Prop C FY 17											14,715
Prop C FY 18											551,683
TOTAL		\$ 6,184,825 \$	3,052,503 \$	3,929,757 \$	3,260,888 \$	5,440,639 \$	2,451,592 \$	4,775,206 \$	3,089,012 \$	3,460,901 \$	2,862,613

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LONG BEACH TRANSIT