**LONG BEACH TRANSIT**
**BOARD OF DIRECTORS MEETING**
**AGENDA**

**THURSDAY, JANUARY 23, 2025**
**4801 AIRPORT PLAZA DRIVE**
**ROSA PARKS BOARD CHAMBER**
**3:30 P.M.**

Abigail Mejia, Chair
David Sutton, Vice Chair
Raul Añorve, Secretary/Treasurer
Eduardo Angeles, Director
Carl Kemp, Director
Randy Rawlings, Director

Joshua Hickman, City Representative
Christopher Koontz, City Representative

Kenneth A. McDonald
President and Chief Executive Officer

**LONG BEACH TRANSIT BOARD OF DIRECTORS IN-PERSON MEETING**

**MEMBERS OF THE PUBLIC CAN ATTEND MONTHLY BOARD MEETINGS AT LONG BEACH TRANSIT CORPORATE OFFICE ROSA PARK BOARD CHAMBER, BY RIDING ROUTES 102, 104, 111 AND 112.**

**THE CLOSEST BUS STOPS TO LBTCO ARE LOCATED:**
**LAKEWOOD BLVD. AND SPRING ST.**
**CLARK AVE. AND 29TH ST.**
**SPRING ST. AND AIRPORT PLAZA DR.**

**TO CONNECT TO ROUTES 102 AND 104, TAKE ROUTES 21, 22, 23, 61, 71, 91, 92, 93, 101, 111, 112, 172, 173, 181 AND 182.**

**TO CONNECT TO ROUTES 111 AND 112, TAKE ROUTES 21, 22, 23, 91, 121, 131, 151, 171, 173, 175 AND 192.**

**MEMBERS OF THE PUBLIC MAY LISTEN TO THE MEETING BY DIALING (669) 444-9171 AND ENTERING THE FOLLOWING MEETING ID: 874 0416 6717**

**MEMBERS OF THE PUBLIC MAY ALSO JOIN THE VIDEO CONFERENCE VIA THE FOLLOWING ZOOM MEETING LINK:**
https://us02web.zoom.us/j/87404166717

**PLEASE NOTE THE ZOOM MEETING MAY ENCOUNTER TECHNICAL DISRUPTIONS, BUT IN-PERSON ACCESS AND PUBLIC COMMENT WILL CONTINUE TO BE AVAILABLE IN ACCORDANCE WITH THE BROWN ACT**

**PERSONS WISHING TO ADDRESS THE BOARD MAY SUBMIT PUBLIC COMMENT VIA EMAIL OR TELEPHONE. MEMBERS OF THE PUBLIC ALSO HAVE THE OPTION TO PROVIDE PUBLIC COMMENT IN THE ZOOM MEETING BY USING THE RAISE HAND FUNCTION OR PRESSING *9 ON YOUR PHONE**

Public comments on agenda items may be submitted by email to board@lbtransit.com or by telephone at 562.599.8599.

If calling, please leave a voicemail with your name (please state it clearly), your telephone number for a return call, and the item number on which you would like to comment (or specify “public comment”).

If emailing, please include your name, your telephone number for a return call, and the item number on which you would like to comment (or specify “public comment”).

More information on this process may be found at ridelbt.com/about-us

**REGULAR MEETING – 3:30 P.M.**

1. Call to Order. (Abigail Mejia)

2. Roll Call. (Jen Flores)

3. Employee Recognition. (Elizabeth Brown)

Employees of the Month for December 2024:

Edward Revilla, Transit Service Delivery and Planning
Francis Armel Abrenica, Maintenance and Infrastructure
Jenifer Maxwel, Administrative Staff

Employees of the Month for January 2025:

Max Toledo, Transit Service Delivery and Planning
Richard Uy, Maintenance and Infrastructure
Jen Flores, Administrative Staff

INFORMATION ITEM

4. Public Comment.

Any member of the public may approach the lectern and, upon recognition by the Chair, state his or her name and proceed to address the Board on any item within the subject matter jurisdiction of the Long Beach Transit Board of Directors, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes, unless different time limits are set by the Chair, subject to the approval of the Board.

5. President and CEO Report. (Kenneth McDonald)

INFORMATION ITEM

**NOTICE TO THE PUBLIC**

All matters included on the Consent Calendar are considered routine by the Long Beach Transit (LBT) Board of Directors and will all be enacted by one motion. There will be no separate discussion of these items unless a member of the Board of Directors or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

**CONSENT CALENDAR (6)**

6. Recommendation to approve the minutes of the regular session meeting held on December 5, 2024.

**Suggested Action:** Approve recommendation.

**REGULAR CALENDAR**

7. Monthly Financial Report. (Lisa Patton)

INFORMATION ITEM

8. Hayden AI Proof-of-Concept Pilot Project Update (Marisol Barajas)

INFORMATION ITEM

9. Fiscal Year 2024 Single Audit Report. (Jenifer Maxwel)

INFORMATION ITEM

10. Fiscal Year 2024 Annual Comprehensive Financial Report. (Ashley Liang)

INFORMATION ITEM

11. Fiscal Year 2024 Retirement Plan Financial Statements for Contract and Salaried Employees. (Terry Coon)

INFORMATION ITEM

12. Long Beach Transit's Retirement Plans and Benefits. (Elizabeth Brown)

INFORMATION ITEM

13. Public Comment.

Any member of the public may approach the lectern and, upon recognition by the Chair, state his or her name and proceed to address the Board on any item within the subject matter jurisdiction of the Long Beach Transit Board of Directors, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes, unless different time limits are set by the Chair, subject to the approval of the Board.

14. Closed Session.

CONFERENCE WITH LEGAL COUNSEL: GOV. CODE § 54956.9
1. Anticipated Litigation: Gov. Code § 54956.9 (b)
(i) Significant exposure to litigation pursuant to subdivision (b) of Gov. Code § 54956.9 (b) a situation where, based on the advice of counsel considering "existing facts and circumstances," there exists a "significant exposure to litigation". (1 case)

15. Board Requests.

16. Adjourn. The next regular meeting will be held on February 27, 2025. (Abigail Mejia)

**Suggested Action:** Approve recommendation.

Note:

Long Beach Transit intends to provide reasonable accommodations in accordance with the Americans with Disabilities Act of 1990. If special accommodation is desired please call the Office of the Board Secretary 48 hours prior to the meeting at 562.599.8599.

Long Beach Transit is an entity which is separate and distinct from the City of Long Beach.

**LONG BEACH TRANSIT**
**BOARD OF DIRECTORS MEETING**
**MINUTES**

**THURSDAY, DECEMBER 5, 2024**
**4801 AIRPORT PLAZA DRIVE**
**ROSA PARKS BOARD CHAMBER**
**10:00 A.M.**

David Sutton, Chair
Abigail Mejia, Vice Chair
Raul Añorve, Secretary/Treasurer
Eduardo Angeles, Director
Carl Kemp, Director
Randy Rawlings, Director
Tunua Thrash-Ntuk, Director

Joshua Hickman, City Representative
Christopher Koontz, City Representative

Kenneth A. McDonald
President and Chief Executive Officer

**REGULAR MEETING – 10:00 A.M.**

1. Call to Order. (David Sutton)

   Vice Chair Mejia called the meeting to order at 10:00 a.m.

2. Roll Call. (Jen Flores)

   **Directors Present:** Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia and Randy Rawlings

   **Directors Excused:** David Sutton and Tunua Thrash-Ntuk

3. Employee Recognition. (Elizabeth Brown)

   Employees of the Month for November 2024:

   Jimmy Jones, Transit Service Delivery and Planning
   Ivan Nieves, Maintenance and Infrastructure
   Heidy Valdes, Administrative Staff

   INFORMATION ITEM

   Adebiyi Ojutiku, Manager, Human Resources, presented the Employees of the Month for November 2024.

4. Public Comment.

   Any member of the public may approach the lectern and, upon recognition by the Chair, state his or her name and proceed to address the Board on any item within the subject matter jurisdiction of the Long Beach Transit Board of Directors, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes, unless different time limits are set by the Chair, subject to the approval of the Board.

There were no public comments.

5. President and CEO Report. (Kenneth McDonald)

INFORMATION ITEM

Kenneth McDonald, President and CEO, presented his monthly report.

CEO McDonald provided information regarding LBT hosting City of Long Beach employees for the Livability Summitt.

CEO McDonald provided an update on the LBT's Community Value and Customer surveys.

CEO McDonald highlighted various shuttle services LBT provided throughout the community in November.

CEO McDonald highlighted various community events LBT staff participated in for the month of November.

CEO McDonald provided a summary of the CTA Annual Fall Conference and Expo attended by Board Directors and staff.

Secretary/Treasurer Añorve contributed a summary of his experience at the conference.

**NOTICE TO THE PUBLIC**

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**CONSENT CALENDAR (6)**

**A motion was made by Director Angeles, seconded by Director Rawlings, to pass the consent calendar. The motion carried by the following vote:**

**Yes:** 5 - Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia and Randy Rawlings
**Excused:** 2 – David Sutton and Tunua Thrash-Ntuk

6. Recommendation to approve the minutes of the regular session meeting held on October 24, 2024.

**Suggested Action:** Approve recommendation.

**REGULAR CALENDAR**

7. Monthly Financial Report. (Lisa Patton)

INFORMATION ITEM

Lisa Patton, Executive Director/VP, Finance and Budget, presented the staff report.

**Item was received and filed**

8. Actuarial Valuation of Retirement Plans for Contract and Salaried Employees as of July 1, 2024. (Ashley Liang)

INFORMATION ITEM

Ashley Liang, Treasurer, presented the staff report.

**Item was received and filed**

9. Election of Officers. (David Sutton)

**Suggested Action:** Approve recommendation.

Individual votes were taken during this time to appoint the Chair, Vice Chair and Secretary/Treasurer. The results are noted below:

Director Rawlings nominated Abigail Mejia to serve as Chair. The nomination carried by the following vote:
**Yes:** 5 - Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia and Randy Rawlings
**Excused:** 2 – David Sutton and Tunua Thrash-Ntuk

Secretary/Treasurer Añorve nominated David Sutton to serve as Vice Chair. The nomination carried by the following vote:
**Yes:** 5 - Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia and Randy Rawlings
**Excused:** 2 – David Sutton and Tunua Thrash-Ntuk

Vice Chair Mejia nominated Raul Añorve to serve as Secretary/Treasurer. The nomination carried by the following vote:
**Yes:** 5 - Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia and Randy Rawlings

**Excused:** 2 – David Sutton and Tunua Thrash-Ntuk

10. Public Comment.

Any member of the public may approach the lectern and, upon recognition by the Chair, state his or her name and proceed to address the Board on any item within the subject matter jurisdiction of the Long Beach Transit Board of Directors, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes, unless different time limits are set by the Chair, subject to the approval of the Board.

There were no public comments.

11. Board Requests.

There were no Board requests.

12. Adjourn. The next regular meeting will be held on January 23, 2025. (David Sutton)

**Suggested Action:** Approve recommendation.

Meeting adjourned at 10:44 a.m.

**A motion was made by Director Angeles, seconded by Director Kemp, to approve the recommendation. The motion carried by the following vote:**

**Yes:** 5 - Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia and Randy Rawlings
**Excused:** 2 – David Sutton and Tunua Thrash-Ntuk

Note:

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# LONG BEACH TRANSIT
# STATEMENT OF REVENUES AND EXPENSES
# FOR PERIOD JULY 1, 2024 TO DECEMBER 31, 2024



| | December 2023 | December 2024 | December Budget | % | Year to Date FY 2024 | Year to Date FY 2025 | Year to Date Budget | % |
|---|---|---|---|---|---|---|---|---|
| **OPERATING REVENUE** | | | | | | | | |
| Passenger Fares | $720,142 | $717,177 | $720,705 | 100 | $4,683,614 | $4,956,395 | $4,759,716 | 104 |
| Dial A Lift Fares | 3,242 | 3,832 | 3,156 | 121 | 19,552 | 21,822 | 19,767 | 110 |
| Aqua Service Fares | 0 | 0 | 0 | - | 155,312 | 202,621 | 179,821 | 113 |
| Special Event Service Revenue | 2,250 | 11,799 | 2,360 | 500 | 5,656 | 99,158 | 9,619 | 1,031 |
| Advertising Revenue | 56,250 | 30,000 | 58,333 | 51 | 403,183 | 263,431 | 349,998 | 75 |
| Interest & Miscellaneous | 518,905 | 747,943 | 293,235 | 255 | 2,148,134 | 3,462,270 | 1,736,639 | 199 |
| **TOTAL OPERATING REVENUE** | **$1,300,789** | **$1,510,751** | **$1,077,789** | **140** | **$7,415,451** | **$9,005,698** | **$7,055,560** | **128** |
| **SUBSIDY REVENUE** | | | | | | | | |
| Federal | $1,639,123 | $1,990,000 | $1,950,000 | 102 | $3,889,123 | $10,990,000 | $10,950,000 | 100 |
| State | 2,838,137 | 2,668,575 | 2,668,574 | 100 | 17,117,491 | 16,011,446 | 16,011,444 | 100 |
| County | 4,051,300 | 4,559,874 | 4,559,873 | 100 | 24,344,906 | 27,359,242 | 27,359,238 | 100 |
| Local | 783,800 | 765,754 | 780,901 | 98 | 5,134,583 | 5,124,420 | 5,164,101 | 99 |
| **TOTAL SUBSIDY REVENUE** | **$9,312,359** | **$9,984,203** | **$9,959,348** | **100** | **$50,486,102** | **$59,485,108** | **$59,484,783** | **100** |
| **TOTAL REVENUE** | **$10,613,148** | **$11,494,954** | **$11,037,137** | **104** | **$57,901,553** | **$68,490,806** | **$66,540,343** | **103** |
| **OPERATING EXPENSES** | | | | | | | | |
| Operations | $4,814,758 | $5,229,645 | $5,525,911 | 95 | $29,023,097 | $30,961,497 | $32,722,150 | 95 |
| Maintenance | 2,254,277 | 2,622,051 | 2,609,706 | 100 | 14,398,259 | 15,410,947 | 15,631,963 | 99 |
| Administration | 2,218,560 | 2,354,290 | 2,513,295 | 94 | 11,904,851 | 12,332,502 | 14,318,183 | 86 |
| Fuel & Lubricants | 485,351 | 479,389 | 527,282 | 91 | 2,955,272 | 2,710,249 | 3,361,739 | 81 |
| **TOTAL OPERATING EXPENSES** | **$9,772,946** | **$10,685,375** | **$11,176,194** | **96** | **$58,281,480** | **$61,415,195** | **$66,034,035** | **93** |
| **NET INCOME (LOSS) BEFORE DEPR.** | **$840,202** | **$809,578** | **($139,058)** | | **($379,927)** | **$7,075,611** | **$506,308** | |
| **DEPRECIATION** | $1,479,619 | $1,436,160 | $1,436,160 | 100 | $8,731,909 | $9,578,966 | $9,578,966 | 100 |

# LONG BEACH TRANSIT
# SCHEDULE OF EXPENSES
# FOR PERIOD JULY 1, 2024 TO DECEMBER 31, 2024



| | Operations | Maintenance | Admin | Total Curr. Month | Current Month Budget | % | Year to Date | Year to Date Budget | % |
|---|---|---|---|---|---|---|---|---|---|
| **LABOR** | | | | | | | | | |
| Operators | $2,756,782 | $0 | $0 | $2,756,782 | $2,848,300 | 97 | $16,251,605 | $16,704,975 | 97 |
| Maintenance | 0 | 630,665 | 0 | 630,665 | 641,984 | 98 | 3,844,660 | 3,811,280 | 101 |
| Salaried | 389,685 | 473,460 | 929,064 | 1,792,210 | 1,877,038 | 95 | 9,471,951 | 10,472,816 | 90 |
| **FRINGE BENEFITS** | | | | | | | | | |
| FICA | 215,844 | 77,245 | 60,654 | 353,742 | 373,767 | 95 | 2,040,340 | 2,229,764 | 92 |
| Pension | 360,485 | 130,052 | 123,021 | 613,558 | 694,551 | 88 | 3,653,825 | 4,135,198 | 88 |
| Health | 604,320 | 188,036 | 126,784 | 919,140 | 978,918 | 94 | 5,367,071 | 5,767,197 | 93 |
| Workers' Compensation | 445,754 | 41,725 | 1,421 | 488,901 | 488,433 | 100 | 2,933,180 | 2,930,598 | 100 |
| Uniform & Tool Allowance | 11,756 | 7,649 | 450 | 19,855 | 27,405 | 72 | 149,631 | 179,137 | 84 |
| Unemployment & Other Fringes | 1,957 | 2,550 | 98,633 | 103,140 | 78,712 | 131 | 262,380 | 274,972 | 95 |
| **SERVICES** | | | | | | | | | |
| Advertising | 0 | 0 | 65,839 | 65,839 | 68,496 | 96 | 346,902 | 443,976 | 78 |
| Professional & Technical | 16,229 | 31,215 | 234,900 | 282,343 | 336,127 | 84 | 1,390,808 | 2,085,131 | 67 |
| Contract Maintenance | 0 | 221,357 | 202,911 | 424,268 | 428,387 | 99 | 2,404,741 | 2,544,109 | 95 |
| Security | 280,975 | 55,336 | 0 | 336,311 | 344,263 | 98 | 1,769,638 | 1,992,709 | 89 |
| Employment Physicals | 0 | 0 | 17,748 | 17,748 | 18,000 | 99 | 111,192 | 108,000 | 103 |
| Other | 0 | 10,036 | 10,213 | 20,249 | 16,029 | 126 | 96,113 | 94,838 | 101 |

# LONG BEACH TRANSIT
# SCHEDULE OF EXPENSES
# FOR PERIOD JULY 1, 2024 TO DECEMBER 31, 2024



| | Operations | Maintenance | Admin | Total Curr. Month | Current Month Budget | % | Year to Date | Year to Date Budget | % |
|---|---|---|---|---|---|---|---|---|---|
| **MATERIALS & SUPPLIES** | | | | | | | | | |
| Fuel & Lubricants | $0 | $479,389 | $0 | $479,389 | $527,282 | 91 | $2,710,249 | $3,361,739 | 81 |
| Fleet Parts & Supplies | 0 | 496,068 | 0 | 496,068 | 495,273 | 100 | 2,982,866 | 2,886,011 | 103 |
| Other Materials & Supplies | 0 | 61,921 | 4,819 | 66,739 | 67,419 | 99 | 447,866 | 483,694 | 93 |
| **UTILITIES** | 0 | 121,585 | 39,440 | 161,025 | 163,445 | 99 | 1,067,649 | 1,094,967 | 98 |
| **CASUALTY/LIABILITY COSTS** | 0 | 6,917 | 379,784 | 386,701 | 393,270 | 98 | 2,272,008 | 2,359,620 | 96 |
| **PURCHASED TRANS. SERVICE** | | | | | | | | | |
| Dial A Lift | 101,453 | 0 | 0 | 101,453 | 109,757 | 92 | 612,007 | 667,818 | 92 |
| Aqua Service | 44,406 | 0 | 0 | 44,406 | 45,461 | 98 | 469,446 | 533,246 | 88 |
| **MISC. EXPENSES** | | | | | | | | | |
| Dues & Subscriptions | 0 | 0 | 19,537 | 19,537 | 15,833 | 123 | 100,685 | 94,998 | 106 |
| Taxes, Fees | 0 | 30,343 | 0 | 30,343 | 32,629 | 93 | 183,740 | 195,564 | 94 |
| Training, Travel & Meetings | 0 | 0 | 29,946 | 29,946 | 27,501 | 109 | 141,938 | 165,006 | 86 |
| Schedules & Tickets | 0 | 0 | 0 | 0 | 20,000 | - | 52,453 | 65,000 | 81 |
| Safety & Misc. Items | 0 | 10,530 | 3,991 | 14,520 | 15,334 | 95 | 63,312 | 92,004 | 69 |
| Recruitment Advertising | 0 | 0 | 4,404 | 4,404 | 10,000 | 44 | 29,325 | 50,000 | 59 |
| Other | 0 | 25,360 | 732 | 26,092 | 32,581 | 80 | 187,615 | 209,668 | 89 |
| **TOTAL OPERATING EXPENSES:** | **$5,229,645** | **$3,101,440** | **$2,354,290** | **$10,685,375** | **$11,176,194** | **96** | **$61,415,195** | **$66,034,035** | **93** |

# LONG BEACH TRANSIT
# BALANCE SHEET



| | Balance at 12/31/24 | Balance at 11/30/24 | Balance at 12/31/23 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and Investments | 83,672,083 | 75,806,335 | 68,299,264 |
| Receivables | | | |
| Federal | 23 | 2,184,178 | 1,912,547 |
| State | 7,498,255 | 9,569,530 | 2,294,560 |
| County | 95,995 | 73,269 | 455,939 |
| Local | 2,405,003 | 3,928,592 | 2,421,943 |
| Miscellaneous | 3,397,155 | 3,081,601 | 3,534,602 |
| Materials & Supplies Inv. | 4,211,943 | 4,194,443 | 3,777,600 |
| Net Capital Assets | 114,667,916 | 116,066,796 | 125,627,205 |
| Other Assets | 11,442,435 | 12,255,527 | 17,743,234 |
| **TOTAL ASSETS** | **227,390,807** | **227,160,271** | **226,066,893** |
| **LIABILITIES AND CAPITAL** | | | |
| Trade Payables | 3,049,718 | 2,707,608 | 3,196,067 |
| Accrued Payroll Liabilities | 7,200,322 | 6,044,604 | 6,376,174 |
| Net Pension Liability (GASB 68) | 28,978,646 | 28,978,646 | 34,055,081 |
| Compensated Absence Liabilities | 3,964,589 | 3,935,953 | 3,772,308 |
| Estimated Liabilities | 70,311,487 | 71,020,278 | 69,443,378 |
| Deferred Credits | 21,590,152 | 21,588,012 | 13,323,251 |
| Long-Term Notes Payable | 0 | 0 | 0 |
| **TOTAL LIABILITIES** | **135,094,913** | **134,275,101** | **130,166,259** |
| Federal Capital Contributions | 340,236,711 | 340,236,685 | 338,965,510 |
| State Capital Contributions | 120,700,187 | 120,700,187 | 115,021,934 |
| Local Capital Contributions | 131,864,045 | 131,826,766 | 130,141,806 |
| Accumulated Earnings (Losses) | (500,505,050) | (499,878,469) | (488,228,616) |
| **TOTAL CAPITAL** | **92,295,894** | **92,885,170** | **95,900,634** |
| **TOTAL LIABILITIES AND CAPITAL** | **227,390,807** | **227,160,271** | **226,066,893** |

## INFORMATION ITEM

Hayden AI Proof-of-Concept Pilot Project Update

## STAFF REPRESENTATIVE

Marisol Barajas, Manager, Government Relations

## BACKGROUND

In the last two years, Long Beach Transit (LBT) has received an influx of safety and accessibility concerns from the Belmont Shores neighborhood community and disabled community regarding bus stops along 2nd Street. Individuals and community groups have cited vehicles and trucks of all sizes using LBT bus stops for indefinite lengths of time for delivery, pick-ups, and overall parking.

When LBT bus operators encounter illegally parked vehicles at bus stops, they are required to call in the violation. However, they still need to navigate around the obstruction which could potentially pose a hazard. Boarding and alighting also become difficult and unsafe for customers, especially for those with disabilities.

In 2021, advocacy efforts from California transit agencies led to the passing of AB 917—enacted in 2022, expanded state law (AB 101 and SB 1051) to include bus stop violations by installing forward-facing cameras on buses to capture images to enforce parking violations at bus stops. Before AB 917, forward-facing cameras were only used for bus-only lane enforcement.

Hayden AI, an artificial intelligence and machine learning technology company offered LBT a 60-day no-charge POC pilot program. To improve transit bus operations and bus stop safety and efficiency, LBT executed a Proof-of-Concept (POC) Pilot agreement on April 25th, 2024.

The goal of the pilot was to determine the amount of bus stop parking violations occurring along two (2) critical, high-ridership routes, which operate on 2nd Street in Belmont Shores. Hayden AI POC Pilot allowed LBT to capture data to help address illegal parking at LBT bus stops and improve safety for all riders as they get on and off the bus.

### Proof-of-Concept Pilot Program

The limited 60-day POC Pilot included the installation of the Hayden AI system on two (2) LBT Battery Electric Buses. The POC Pilot was for data collection purposes only. Data collection was focused on the frequency, times and locations of perceived illegally parked vehicles. No citations were issued during the POC Pilot. The POC Pilot was conducted from July 2, 2024 through August 31, 2024. Cameras only recorded for the duration of the POC Pilot. Hayden AI removed the equipment at the end of the POC Pilot.

### Post Proof-of-Concept Pilot Review

Following the completion of the POC Pilot, Hayden AI provided LBT with a report summarizing results, data, and highlighting key findings. The data collected from the 60-day POC pilot provided to LBT reported 833 bus stop violations of perceived illegally parked vehicles, with 470 unique possible violators and 121 repeat offenders.

### Post Pilot Strategy and Implementation

LBT staff has initiated discussions with the City of Long Beach regarding bus stop parking regulations. It has been determined that the City does not have a specific ordinance governing bus stop parking. To establish a formal process for issuing parking violations at bus stops, the City will need to pass a new ordinance that includes a 60-day warning notice period before violations are enforced.

To ensure that key external stakeholders are well informed, staff is developing a communications plan to share findings and assess opportunities for implementing the POC Pilot technology on additional LBT routes for installation and data collection.

LBT's primary goal in addressing illegally parked vehicles at bus stops is to alter driver behavior and enhance transit service. As an agency committed to delivering excellent customer service, the data collected will support efforts to improve safe and reliable access to transit, ultimately enhancing safety for all riders as they board and alight from buses.

## STAFF RECOMMENDATION

Not Applicable. Information only item.

Kenneth A. McDonald
President and Chief Executive Officer

# Board Agenda Item No. 09
# January 23, 2025

## INFORMATION ITEM

Fiscal Year 2024 Single Audit Report

## STAFF REPRESENTATIVE

Jenifer Maxwel, Manager, Capital Programs

## BACKGROUND

Long Beach Transit's (LBT) Single Audit, also known as A-133, is required for all entities that expend $1,000,000 or more in federal awards during the fiscal year. The objective of the audit is to test internal control over compliance with major federal program requirements and determine whether the entity is in compliance with laws, regulations, and grant requirements that may have a direct and material effect on its major federal awards.

This report also includes an audit report on LBT's compliance with the rules and regulations of the Transportation Development Act (TDA).

The Single Audit was performed by Windes, Inc., and includes the following:

- Internal control over financial reporting, compliance, and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards
- Compliance for each major federal program and internal control over compliance required by the Uniform Guidance
- Compliance with the State of California TDA

LBT's Fiscal Year (FY) 2024 Single Audit Report is completed in accordance with the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. This report accompanies LBT's audited financial statements presented in the FY 2024 Annual Comprehensive Financial Report (ACFR).

## STAFF RECOMMENDATION

Not Applicable. Information only item.

Kenneth A. McDonald
President and Chief Executive Officer

Attachment

LONG BEACH TRANSIT

LONG BEACH TRANSIT

# Single Audit Reports and Grant Activity

## For the year ended June 30, 2024


















# LONG BEACH PUBLIC TRANSPORTATION COMPANY
## SINGLE AUDIT AND GRANT ACTIVITY REPORTS
## YEAR ENDED JUNE 30, 2024

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# LONG BEACH PUBLIC TRANSPORTATION COMPANY

Principal Officials

## Board of Directors

| | |
|---|---|
| David Sutton | Chair of the Board |
| Abigail Mejia | Vice Chair |
| Raul Añorve | Secretary/Treasurer |
| Eduardo Angeles | Board Member |
| Carl Kemp | Board Member |
| Randy Rawlings | Board Member |
| Tunua Thrash-Ntuk | Board Member |
| Joshua Hickman | City Representative – Non-Voting, City of Long Beach |
| Christopher Koontz | City Representative – Non-Voting, City of Long Beach |

## Executive Leadership Team (ELT)

| | |
|---|---|
| Kenneth A. McDonald | President and Chief Executive Officer |
| Kimberly M. Yu | Deputy Chief Executive Officer |
| Lisa Patton | Executive Director/VP, Finance and Budget |
| Lee Burner | Executive Director/VP, Transit Service Delivery and Planning |
| James Scott | Executive Director/VP, Maintenance and Infrastructure |
| Elizabeth Brown | Executive Director/VP, Organizational Development and Administration |
| Pretty George | Executive Director/VP, Information Technology |
| Michael Gold | Executive Director/VP, Customer Relations and Communications |

# INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Long Beach Public Transportation Company

We have audited, in accordance with the 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, the financial statements of Long Beach Public Transportation Company (a nonprofit organization), which comprise the statement of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2024.

## Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Long Beach Public Transportation Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Long Beach Public Transportation Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Long Beach Public Transportation Company's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Long Beach Public Transportation Company's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Long Beach Transportation Company's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Long Beach Transportation Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Windes, Inc.

Long Beach, California
December 23, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Long Beach Public Transportation Company

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Long Beach Public Transportation Company's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Long Beach Public Transportation Company's major federal programs for the year ended June 30, 2024. Long Beach Public Transportation Company's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Long Beach Public Transportation Company complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Long Beach Public Transportation Company and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Long Beach Public Transportation Company's compliance with the compliance requirements referred to above.

***Management's Responsibility for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Long Beach Public Transportation Company 's federal programs.

*Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Long Beach Public Transportation Company's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Long Beach Public Transportation Company's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Long Beach Public Transportation Company 's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Long Beach Public Transportation Company's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Long Beach Public Transportation Company's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

*Report on Internal Control over Compliance*

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Long Beach Public Transportation Company as of and for the year ended June 30, 2024, and have issued our report thereon dated December 23, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Windes, Inc.

Long Beach, California
December 23, 2024

Schedule 1

# LONG BEACH PUBLIC TRANSPORTATION COMPANY

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal Assistance Listing Number | Federal Expenditures |
|---|---|---|
| **U. S. Department of Transportation** | | |
| Federal Transit Administration | | |
| CA-90-Z053 | 20.507 | $ 336,215 |
| CA-90-Z120 | 20.507 | 785,693 |
| CA-90-Z232 | 20.507 | 145,255 |
| CA2016-049 | 20.507 | 3,000,904 |
| CA2017-150 | 20.507 | 3,000,208 |
| CA2019-088 | 20.507 | 400,000 |
| CA2020-053 | 20.507 | 61,775 |
| CA2021-142 | 20.507 | 88,927 |
| CA2021-240 | 20.507 | 4,916,228 |
| CA2023-061 | 20.507 | 15,743,567 |
| | | 28,478,772 |
| CA2018-127 | 20.526 | 16,558 |
| **Total Federal Transit Cluster** | | 28,495,330 |
| CA2019-085 | 20.205 | 55,488 |
| **TOTAL EXPENDITURES OF FEDERAL AWARDS** | | $ 28,550,818 |

See accompanying notes to the Schedule of Expenditures of Federal and Non-Federal Awards and accompanying Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.

# LONG BEACH PUBLIC TRANSPORTATION COMPANY

Notes to the Schedule of Expenditures of Federal and Non-Federal Awards
Year Ended June 30, 2024

## (1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of Federal financial assistance programs of the Long Beach Public Transportation Company.

## (2) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the award activities of Long Beach Public Transportation Company under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Long Beach Public Transportation Company, it is not intended to and does not present the financial position, changes in net position, or cash flows of Long Beach Public Transportation Company.

## (3) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Long Beach Public Transportation Company has elected not to use the 10 percent de minis indirect cost rate allowed under the Uniform Guidance.

# LONG BEACH PUBLIC TRANSPORTATION COMPANY

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

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**SECTION I – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

The auditors' report expressed an unmodified opinion on whether the financial statements on Long Beach Public Transportation Company were prepared in accordance with generally accepted accounting principles.

*Internal control over financial reporting*

1. Material weakness(es) identified? – No

2. Significant deficiencies identified? – No

3. Noncompliance material to financial statements noted? – No

**Federal awards**

*Internal control over major programs*

1. Material weakness(es) identified? – No

2. Significant deficiencies identified? – None reported

3. Type of auditors' report issued on compliance for major programs? – Unmodified

4. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? – No

5. Identification of major programs: Federal Transit Cluster (Assistance Listing No. 20.507 and 20.526)

6. Dollar threshold used to distinguish between type A and type B programs was $856,525.

7. Auditee qualified as low-risk auditee? – Yes

**SECTION II – FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**SECTION III – FINDING AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

## INDEPENDENT AUDITORS' REPORT ON THE LONG BEACH PUBLIC TRANSPORTATION COMPANY'S COMPLIANCE WITH THE STATE OF CALIFORNIA TRANSPORTATION DEVELOPMENT ACT

To the Board of Directors of
Long Beach Public Transportation Company

We have audited the financial statements of Long Beach Public Transportation Company as of and for the year ended June 30, 2024 and 2023, and have issued our report thereon, dated December 23, 2024. We conducted our audit 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.

As part of obtaining reasonable assurance about whether the Long Beach Public Transportation Company's financial statements are free of material misstatement, we performed the procedures contained in the Transportation Development Act (TDA) Handbook published by the State of California Department of Transportation, to test the Long Beach Public Transportation Company's compliance with the published rules and regulations of the TDA. Compliance audit procedures performed in accordance with the handbook have been determined to be adequate by the state of California for compliance with the published rules and regulations of the TDA with respect to fiscal and conformance audits of Public Transportation claimants. Such procedures would not necessarily disclose all instances of noncompliance because they were based on selective tests of the accounting records and related data. In addition, providing an opinion on compliance with the published rules and regulations of the TDA was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance, which would lead us to believe that the allocated funds were not expended in conformance with the published rules and regulations of the TDA.

**Schedule of State of California Expenditures of Awards**

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of State of California Expenditures of Awards and the Transportation Development Act – 50% Expenditure Limitation Calculation are presented for purposes of additional analysis as required by the State of California Transportation Development Act and are not required parts of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the board of directors and management of the Long Beach Public Transportation Company, its federal awarding agencies, pass-through entities, and other agencies granting funds to Long Beach Public Transportation Company and is not intended to be, and should not be, used by anyone other than these specified parties.

Windes, Inc.

Long Beach, California
December 23, 2024

Schedule 2

# LONG BEACH PUBLIC TRANSPORTATION COMPANY

State of California Expenditures of Awards
Year Ended June 30, 2024

| State Grantor/Pass-Through Grantor/Program or Cluster Title | State Expenditures |
|---|---|
| **State of California** | |
| SB-325 | |
| LTF Art. 4 | $ 25,332,117 |
| TDA Capital | 508,331 |
| STA & SB1-STA | 8,725,514 |
| SB1-SGR | 449,123 |
| TIRCP | 88,674 |
| Bond SEC | 7,808 |
| **TOTAL EXPENDITURES OF STATE AWARDS** | $ 35,111,567 |

See accompanying Independent Auditors' Report on the Long Beach Public Transportation Company's Compliance with the State of California Transportation Development Act.

# LONG BEACH PUBLIC TRANSPORTATION COMPANY

Notes to the Schedule of State of California Expenditures of Awards
Year Ended June 30, 2024

## (1) General

The accompanying Schedule of State of California Expenditures of Awards presents the activity of the state of California's financial assistance programs of the Long Beach Public Transportation Company.

## (2) Basis of Accounting

The accompanying Schedule of State of California Expenditures of Awards is presented using the accrual basis of accounting, whereby grant revenues are recognized when they are earned and expenses are recognized when they are incurred.

## (3) Relationship to Long Beach Public Transportation Company Financial Reports

Amounts reported in the accompanying schedule agree, in all material respects, with the amounts reported in the related Long Beach Transportation Company financial reports taken as a whole.

Schedule 3

# LONG BEACH PUBLIC TRANSPORTATION COMPANY

Transportation Development Act - 50% Expenditure Limitation Calculation
Year Ended June 30, 2024

| | |
|---|---|
| Total operating costs, excluding depreciation | $ 143,680,445 |
| Add: | |
| Depreciation | 17,749,336 |
| Capital outlay expenditures | 12,758,064 |
| | 30,507,400 |
| Less: | |
| Federal grants received | (28,550,818) |
| Local Transportation funds - capital intensive received | - |
| State Transit Assistance funds - capital intensive received | - |
| | (28,550,818) |
| Total | 145,637,027 |
| 50% of total | 72,818,514 |
| Add total Local Transportation funds - capital intensive received | - |
| Total permissible expenditures - (Local Transportation funds) | $ 72,818,514 |

See accompanying Independent Auditors' Report on the Long Beach Public Transportation Company's Compliance with the State of California Transportation Development Act.

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Long Beach Public Transportation Company and the Federal Transit Authority

The Federal Transit Administration (FTA) has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics form of the transit agency's annual National Transit Database (NTD) report:

- A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
- A system is in place to record data on a continuing basis, and the data gathering is an ongoing effort.
- Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
- A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
- The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
- The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles (VRM) data, appear to be accurate.
- Data are consistent with prior reporting periods and other facts known about transit agency operations.

We have performed the procedures enumerated in the attachment to this report on the data contained in Long Beach Transportation Company's Federal Funding Allocation Statistics Form for the fiscal year ended June 30, 2024. Such procedures, which were agreed to and specified by FTA in the Declaration section of the 2023 *NTD Policy Manual* and were agreed to by the transit agency, were applied to assist management of Long Beach Transportation Company in evaluating whether Long Beach Transportation Company complied with the standards described in the first paragraph of this report and the information included in the NTD report Federal Funding Allocation Statistics Form is presented in conformity with the requirements of the USDA and Rewards and Reporting System; Final Rule, as specified in 49 CFR Part 630, *Federal Register*, January 15, 1993, and as presented in the 2023 Reporting Manual. Long Beach Transportation Company's management is responsible for the Federal Funding Allocation Statistics Form.

This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attachment either for the purpose for which this report has been requested or for any other purpose.

The procedures described in the attachment to this report were applied separately to each of the information systems used to develop the reported actual VRM, fixed guideway directional route miles (FG DRM), passenger miles traveled (PMT), and operating expenses (OE) of Long Beach Transportation Company for the fiscal year ended June 30, 2024 for each of the following modes:

- Fixed Route – A directly operated transportation service.
- Purchased Transportation – Demand responsive service provided by Global Paratransit, Inc. for residents of Long Beach, Signal Hill, and Lakewood who are at least 18 years old and are unable to use Long Beach Transportation Company's fixed route systems because of permanent mobility impairment.

The results of the procedures performed are included in the accompanying attachment. We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Long Beach Transportation Company's Federal Funding Allocation Statistics Form for the fiscal year ended June 30, 2024, which is presented in conformity with the requirements of the USOA and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, *Federal Register*, January 15, 1993, and as presented in the 2024 Reporting Manual. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the information described above and does not extend to Long Beach Transportation Company's financial statements, or the forms in Long Beach Transportation Company's Federal Funding Allocation Statistics Form, for any date or period.

This report is intended solely for the information and use of the board of directors and management of the Long Beach Public Transportation Company and the FTA, and is not intended to be, and should not be, used by anyone other than those specified parties.

Windes, Inc.

Long Beach, California
December 23, 2024

## AGREED-UPON PROCEDURES

A. *Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2023 NTD Policy Manual. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.*

We obtained and read the written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2024 NTD Policy Manual.

B. *Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:*

- *The extent to which the transit agency followed the procedures on a continuous basis; and*
- *Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630 and as presented in the 2024 NTD Policy Manual.*

We discussed the procedures with Long Beach Transit (LBT) personnel and were informed of the procedures to complete the NTD report are the same guidelines issued by NTD in 49 CFR Part 630. Those procedures are followed continuously such that the accumulation and data reported is consistent with NTD definitions and requirements set forth in 49 CFR Part 630, and as presented in the 2024 NTD Reporting/Policy Manual.

C. *Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.*

We discussed the retention policy with LBT personnel and determined that source documents supporting the data reported on the FFA-10 are maintained for a minimum of three years, which is required by NTD. The LBT personnel further noted that most of the source documents are also retained indefinitely in electronic format.

D. *Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.*

We discussed with LBT personnel and noted the following source documents are maintained for at least five years, which exceeds the three-year minimum required by NTD. This is primarily done electronically:

- Passenger Miles Sampling (Trip Sheets) – Checker Survey Sheets are stored in Excel files.
- Fixed Guideway Directional Route Miles – Excel file for fiscal year ended June 30, 2024.
- Operating Expenses (maintained by Finance) – Electronically stored.
- Contract Agreement for Purchased Transportation (maintained by Purchasing Department) – Electronically stored.

We reviewed the source documents maintained by LBT. Source documents existed and were maintained as stated by LBT.

E. *Discuss the system of internal controls. Inquire whether separate individuals (independent of the individuals preparing source documents and posting data summaries) review the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews.*

We discussed with LBT personnel about internal controls and determined the following personnel were involved with the NTD reporting process:

- Service Planning Administrator enters the survey data (passenger count and passenger mile) collected from the random surveys into an Access database and extracts the data from Access and summarizes the data onto worksheets formatted like the NTD reports.
- Service Delivery Planner reviews and approves the summaries for reasonableness.
- Service Planning Assistant Scheduler submits the data to the NTD on a monthly basis.
- Service Development Manager reviews submission and support.

F. *Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.*

We obtained the written policies and noted that the Service Planning Assistant Scheduler reviews APC data for completeness and accuracy. If no changes are needed, the Service Planning Assistant Scheduler signs off with a signature and date.

G. *Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summaries.*

We obtained the worksheets utilized by LBT to summarize the data for the FFA-10 form. We compared the worksheets to the FFA-10 forms and noted no exceptions. We also tested the arithmetical accuracy of the summary and noted no exceptions.

H. *Discuss the procedure for accumulating and recording Passenger Miles Traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the 2024 NTD Policy Manual.*

We discussed with LBT personnel about procedures for accumulating and recording passenger mile data and was informed that statistical sampling is used for their regular routes and Passport routes. LBT utilizes statistical sampling procedures approved in an FTA circular (Circular 2710.1A), which is taking 11 samples per week. The physical collection of data is done with the use of a Samsung 10" Tablet and along with a hard copy of notes. The tester will input the data on the tablet as well as on the sheet as a backup in case the tablet does not have internet connection, which happens periodically. Per the Service Planning Specialist, if a tablet cannot connect to the internet, the surveyor will take notes and add times to the tablets at the end of the day.

I. *Discuss with transit agency staff (the auditor may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:*

- *The public transit agency serves a UZA with a population less than 500,000 according to the most recent census.*
- *The public transit agency directly operates fewer than 100 revenue (VOMS) (in any size UZA).*
- *Service purchased from a seller is included in the transit agency's NTD report.*
- *For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2023) and determine that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.*
- *Determine how the transit agency estimated annual PMT for the current report year.*

We discussed with LBT personnel about the eligibility to conduct statistical sampling of passenger miles every third year and was informed that LBT has chosen to perform statistical sampling on an annual basis. Statistical sampling was utilized to determine passenger miles in the current reporting year.

J. *Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.*

We discussed with LBT personnel about sampling procedures and were informed that LBT utilizes procedures approved in FTA Circular 2710.1A, which is taking 11 samples per week. We were also informed the sample is taken from the entire route universe. A random number generator built into the scheduling software will randomly select the routes to be sampled. If the route was missed, another route is selected from the generator. We did not note any instances of any missed samples. LBT is following the stated sampling procedure.

K. *Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Test the arithmetical accuracy of the summary.*

We randomly selected a sample of 40 source documents (trip sheets) for accumulating passenger mile data for fiscal year 2024 and inspected the documents to determine if all required data were recorded and the computations were accurately performed.

| | Date | Trip Number | Route |
|---|---|---|---|
| **1** | 9/2/2023 | 9052789 | 192 |
| **2** | 9/9/2023 | 9053032 | 171 |
| **3** | 9/16/2023 | 9052962 | 23 |
| **4** | 9/23/2023 | 9053235 | 91 |
| **5** | 9/30/2023 | 9052293 | 61 |
| **6** | 9/3/2023 | 5636690 | 173 |
| **7** | 9/10/2023 | 4169105 | 103 |
| **8** | 9/17/2023 | 5612058 | 112 |
| **9** | 9/24/2023 | 5767844 | 121 |
| **10** | 9/1/2023 | 4885700 | 22 |
| **11** | 9/8/2023 | 9239418 | 51 |
| **12** | 9/13/2023 | 9292287 | 4 |
| **13** | 9/19/2023 | 1512468 | 173 |
| **14** | 12/2/2023 | 9053031 | 171 |
| **15** | 12/9/2023 | 9052338 | 46 |
| **16** | 12/16/2023 | 9053243 | 91 |
| **17** | 12/23/2024 | 9053116 | 192 |
| **18** | 12/30/2023 | 9052630 | 101 |
| **19** | 12/3/2023 | 5767832 | 121 |
| **20** | 12/10/2023 | 1512965 | 22 |
| **21** | 12/17/2023 | 4169145 | 103 |
| **22** | 12/24/2023 | 1515454 | 41 |
| **23** | 12/31/2023 | 1515861 | 91 |
| **24** | 12/20/2023 | 2833246 | 92 |

| | | | |
|---|---|---|---|
| **25** | 12/26/2023 | 4885789 | 23 |
| **26** | 12/29/2023 | 8446998 | 171 |
| **27** | 3/2/2024 | 9053239 | 91 |
| **28** | 3/9/2024 | 9052600 | 171 |
| **29** | 3/16/2024 | 9052621 | 101 |
| **30** | 3/23/2024 | 9052406 | 61 |
| **31** | 3/30/2024 | 9052828 | 22 |
| **32** | 3/3/2024 | 5636658 | 173 |
| **33** | 3/10/2024 | 5767772 | 121 |
| **34** | 3/17/2024 | 9347649 | 37 |
| **35** | 3/24/2024 | 9760020 | 131 |
| **36** | 3/31/2024 | 5636641 | 172 |
| **37** | 3/7/2024 | 1744334 | 71 |
| **38** | 3/13/2024 | 1512626 | 192 |
| **39** | 3/22/2024 | 1891576 | 51 |
| **40** | 3/28/2024 | 9292267 | 4 |

L. *Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual Vehicle Revenue Miles (VRM) with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.*

We discussed with LBT personnel about the exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles and noted that LBT does provide charter services but not school bus services. We obtained worksheets documenting the calculation of vehicle miles and noted that charter miles, training miles, maintenance miles, and non-fixed route mileage are excluded from the calculations. The charter miles, training miles, maintenance miles, and non-fixed route mileage were maintained on worksheets by the Customer Service Department, Training Department, and Maintenance Department, respectively. We reviewed the worksheets maintained to track these excluded miles and tested for arithmetical accuracy. No exceptions noted.

M. *For actual VRM data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:*

- *If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.*
- *If actual VRMs are calculated from hub odometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.*
- *If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.*

We discussed with LBT personnel the methodology of calculating VRM and determined the calculation is based on time scheduled miles multiplied by the "Service Type" percentage, which indicates the actual total vehicle miles on a monthly basis. We selected three months to test (September 2023, December 2023, and March 2024). For each selected month, we vouched the miles back to summary reports (Time & Mile Report) prepared by the Scheduling Department. We recalculated the computation and noted no exceptions.

N. *For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.*

We discussed with LBT personnel and reviewed board minutes noting that no rail modes or locomotives were added to operations during the year. As such, this procedure does not apply for the current reporting period.

O. *If FG or HIB DRM are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet FTA definition of FG or HIB in that the service is:*

- *Rail, Trolleybus (TB), Ferryboat (FB), or Aerial Tramway (TR); or*
- *Bus (Motorbus (MB), Commuter Bus (CB), or Bus Rapid Transit (RB)) service operating over exclusive or controlled access rights-of-way (ROW); and*
  - *Access is restricted;*
  - *Legitimate need for restricted access is demonstrated by peak period Level of Service (LOS) D or worse on a parallel adjacent highway; and*
  - *Restricted access is enforced for freeways; priority lanes used by other HOV (i.e., Vanpools, carpools) must demonstrate safe operation.*

We discussed with LBT personnel and determined that fixed guideway directional miles are reported on the NTD. The fixed guideway is a segment located on 1st Street between Pacific and Long Beach Blvd. and meets FTA's definition of fixed guideway in that the bus service operates over a controlled access right-of-way, the access is restricted, legitimate need for restricted access is demonstrated by peak period level of service D, and the restricted access is enforced by Long Beach Police.

P. *Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that they computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.*

Testing done in conjunction with Procedure R. See Procedure R for results.

Q. *Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to an FG segment(s), the following apply:*

- *Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.*
- *If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.*

We discussed with LBT personnel and noted no interruptions in service during the current year.

R. *Measure FG/HIB DRM from maps or by retracing route.*

We discussed with LBT personnel about how fixed guideway directional route miles are measured and were informed LBT utilizes a computer mapping system to measure the mileage. We verified the segment measurement reported on the NTD report agreed with the measurement per the mapping software.

S. *Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency should report the actual VRM, PMT, and Operating Expense (OE) for the service operated over the same FG/HIB.*

We discussed with LBT personnel and determined that two other public transit agencies utilize the fixed guideway. LBT personnel informed us that adequate coordination exists such that operations in the fixed guideway are reported only once as those agencies are not allowed to report LBT's FG use.

T. *Review the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2024 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the 2024 report year, the Agency Revenue Service Date must occur within the transit agency's 2024 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the seven-year age requirement for FG/HIB segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.*

We discussed with LBT personnel and determined LBT has one fixed guideway segment located on 1st Street between Pacific and Long Beach Blvd. This has been in service since 1963. We obtained and reviewed the FFA-10 and determined the data has been entered correctly.

U. *Compare Operating Expenses with audited financial data after reconciling items are removed.*

We discussed with LBT personnel and determined operating expense reported on the NTD is taken directly from the audited financial data. We compared operating expense reported on the NTD to the audited financial data and noted no exceptions.

V. *If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of PT-generated fare revenues. The PT fare revenues should equal the amount reported on the Contractual Relationship form.*

We discussed with LBT personnel and determined fare revenues from purchased transportation services are recorded and tracked in LBT's accounting records. The amount on the accounting records equals the amount reported on the Contractual Relationship form (B-30).

W. *If the transit agency's report contains data for purchased transportation services and the procedures in this auditors' review were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Attach a copy of the statement to the report. Note as a negative finding if the purchased transportation services were not included in this auditors' review, and the transit agency does not have a separate Independent Auditor Statement for the purchased transportation data.*

We discussed with LBT personnel and determined transportation services are purchased from Global Paratransit, which does not file its own NTD report, and data for those riders are included in LBT's NTD report. As such, an Independent Auditor Statement is not necessary.

X. *If the transit agency purchases transportation services, obtain a copy of the PT contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract and determine that copies of the contracts are retained for three years.*

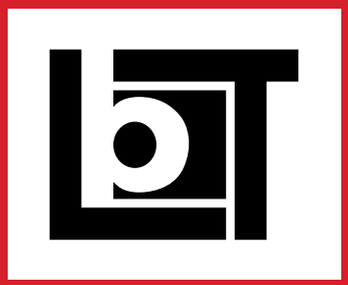
We discussed with LBT personnel and determined that LBT purchased transportation services from Global Paratransit. We obtained a copy of the contract from the Purchasing Manager and determined that it (1) specifies the services to be provided; (2) specifies the monetary consideration; (3) specifies the period covered; (4) is signed by both parties; (5) and the contract is retained in the Purchasing department at the end of the contract for three years.

Y. *If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.*

We discussed with LBT personnel and determined LBT does not have more than one urbanized area (UZA) and does not allocate between urbanized and non-urbanized areas.

Z. *Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased. Interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.*

We compared vehicle revenue mile, passenger mile, and operating expense data reported on the current FFA-10 form to comparable data reported for the prior reporting period and calculated the percentage change for the two fiscal years and noted that operating expenses increased by approximately 23% when compared to the prior year. We interviewed the Treasurer and determined that the cause for the increase was due to increases in wages and benefits.



LONG BEACH
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# Board Agenda Item No. 10
# January 23, 2025

## INFORMATION ITEM

Fiscal Year 2024 Annual Comprehensive Financial Report

## STAFF REPRESENTATIVE

Ashley Liang, Treasurer

## BACKGROUND

The Annual Comprehensive Financial Report (ACFR) is the official report used in presenting the results of Long Beach Transit's (LBT) annual financial operations for the fiscal year. This report is presented in a manner designed to fairly disclose the financial position and results of the operations of LBT as measured by its financial activities.

The Independent Auditors' Report, prepared by Windes, Inc., is included, along with other necessary disclosures, to enable the reader to gain maximum understanding of LBT's financial activities.

The ACFR includes:

- Letter of Transmittal and Agency Overview
- Independent Auditors' Report
- Management's Discussion and Analysis
- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements
- Required Supplementary Information
- Statistical Information

## STAFF RECOMMENDATION

Not applicable. Information only item.

Kenneth A. McDonald
President and Chief Executive Officer

Attachment

LONG BEACH TRANSIT

LONG BEACH TRANSIT

# FY 2024 Annual Comprehensive Financial Report

**A component unit of the City of Long Beach, California for the years ending June 30, 2024 and 2023.**

















LONG BEACH TRANSIT

LONG BEACH TRANSIT

# FY 2024 Annual Comprehensive Financial Report

## A component unit of the City of Long Beach, California for the years ending June 30, 2024 and 2023.

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

All text pages of this report are made from 100% Recycled Fiber and manufactured Carbon Neutral Plus with 100% renewable green electricity.



# ANNUAL COMPREHENSIVE FINANCIAL REPORT
# FOR THE FISCAL YEARS ENDING JUNE 30, 2024 AND 2023

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# Introduction

December 23, 2024

To the Honorable Mayor, Long Beach Transit Board of Directors, and Residents of the City of Long Beach:

On behalf of Long Beach Transit (LBT or Agency), I am pleased to submit for your information the Annual Comprehensive Financial Report of LBT for fiscal year July 1, 2023 to June 30, 2024.

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

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

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

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

## Reporting Entity

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

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

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

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

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

## Services

LBT began operations in 1963 with fewer than 100 buses and carrying 14 million boarding customers annually. LBT has grown to operate 250 buses, 10 paratransit vehicles, two catamarans and two boats that provided service to 18 million customer boardings in Fiscal Year (FY) 2024 across the City of Long Beach and 14 surrounding communities. LBT makes everyday life better through its dedication to connecting communities and moving people.

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

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

## Fixed-Route Bus Service

LBT provides fixed-route bus service to a 110-square-mile area, which includes the cities of Long Beach, Lakewood and Signal Hill; and portions of Artesia, Bellflower, Carson, Cerritos, Compton, Downey, Hawaiian Gardens, Los Alamitos, Norwalk, Paramount and Seal Beach. This service currently covers 38 routes.

Of the 38 fixed routes operated by LBT, 22 transfer through the First Street Transit Gallery. The First Street Transit Gallery, located in downtown Long Beach, is the focal point of the fixed-route system, as well as the Los Angeles County Metropolitan Transportation Authority (LA Metro) Metro A (Blue) Line service running between Long Beach and downtown Los Angeles. The First Street Transit Gallery provides special features such as exclusive bus lanes and traffic control equipment, enhanced bus stop amenities, customer transit shelters equipped with graphic displays, and digital monitors displaying real-time schedule information. This location is also a major transfer point for Flixbus, Los Angeles Department of Transportation (LADOT), LA Metro, and Torrance Transit.

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

LBT maintains transit shelters and benches, providing customer convenience and comfort. There are approximately 2,000 bus stops throughout the system and the Agency ensures the stops are well-maintained and meet cleanliness standards.

## Downtown Circulator (Passport Route)

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

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

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

LBT offers Dial-A-Lift demand response paratransit service for persons with disabilities. This curb-to-curb, shared-ride service operates on a call-in basis and is provided by a private contractor. All vehicles are owned by LBT, but stored, maintained, dispatched and operated by the contractor. In FY 2024, there were 22,234 boardings on Dial-A-Lift.

## Water Taxi Service (AquaBus and AquaLink)

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

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

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

Both AquaBus and AquaLink services are provided by a private contractor. The vessels are owned by LBT and stored and maintained at the contractor's docking facilities.

## Community Special Services

LBT provides express services to different locations and attractions throughout the year. During the summer, LBT has operated Museum Express bus service to major museums and cultural attractions in Los Angeles and Orange counties. The Museum Express offers residents who would not ordinarily use transit an opportunity to experience transit and is particularly beneficial to LBT's senior and transit-dependent customers who can rely on the service to access attractions they could not travel to on their own. LBT suspended the service in 2020 due to the pandemic, and resumed Museum Express in the fall of 2024. LBT also provides transportation service to Dignity Health Sports Park for Los Angeles Galaxy home games through the Galaxy Express. Additionally, each year, LBT supports the Grand Prix of Long Beach and other large-scale, special events by providing supplemental service where needed.

## Commuter Express (UCLA)

Since 2019, LBT has offered the UCLA/Westwood Commuter Express service. With trips operating weekdays, customers can be picked up at two locations in Long Beach and transported to the UCLA/Westwood area, including the UCLA Medical Center. This popular service helps commuters avoid sitting in personal cars in traffic and serves students and employees alike.

## Accomplishments and Major Initiatives

### Organizational Focus

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

LBT's Strategic Priorities are:

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

Listed on the following pages are successful accomplishments and major initiatives addressed during the fiscal year, beginning July 2023 through June 2024, organized by Strategic Priority.

### Improve Safety and Service Quality

**LBT Bus Video Security and APC Upgrade** (June 2024)

In FY 2024, LBT upgraded its Onboard Video Security and Automated Passenger Counting (APC) systems across its bus fleet to enhance safety, data accuracy, and operational reliability. The newly installed Apollo RoadRunner 4K DVRs provide high-definition video quality and the capability to remotely access and download video while buses are operating in the field. LBT successfully completed the upgrades, ensuring consistency and allowing real-time video access for immediate incident review.

Similarly, LBT increased APC coverage of its fleet by equipping additional buses with IRMA matrix sensors, providing precise ridership data critical for service planning and budget management.

By combining DVR and APC installations, LBT will minimize bus downtime and improve fleet uniformity. These upgrades will significantly boost safety by providing cleaner, accessible video footage for incident assessment and enhance LBT's ability to respond to ridership trends, aligning resources with demand and supporting long-term service efficiency.

**Updates to Signs at Bus Stops** (June 2024)

In June 2024, LBT introduced a pilot program aimed at updating LBT's customer-facing cassette inserts at bus stops. Currently, there are over 2000 bus stops in LBT's system. Each stop has a cassette and insert that provides riders information about the routes that serve that stop. In response to customer feedback, LBT developed new cassette inserts and launched a pilot project to prototype a new design, implementing it at 325 bus stops.

Some highlights of the new, more user friendly inserts include:

- A larger map that serves as the focus of the design, now based on the customer's point of view, making it easier to understand where the route is going
- Inserts are now specific to each bus stop, rather than a single insert for an entire route, which is how the information was previously presented
- The new maps show various destinations accessible from that stop via different routes
- Routes are color coded for readibility and highlight key destinations like school and hospitals

This pilot project will be up through early FY 2025, allowing LBT to gather customer feedback to determine next steps.

## Exercise Financial Accountability

**Labor Union Agreements** (June 2024)
In FY 2024, Long Beach Transit reached agreements with both organized labor unions, Amalgamated Transit Union (ATU) and American Federation of State, County and Municipal Employees (AFSCME). The effective bargaining agreements included wage increases and other enhanced benefits. As a result of these contracts, the agency has budgeted for higher costs associated with labor and other personnel related expenses in FY 2025. With rising salaries, LBT expects to be more competitive with other public agencies and employers in the area.

**LBT's Disadvantaged Business Enterprise Program** (ongoing)
Long Beach Transit is required to develop a Disadvantaged Business Enterprise (DBE) program pursuant to the United States Department of Transportation (USDOT) DBE regulations, 49 CFR Part 26.45 as a condition of receiving federal assistance. The program aims to combat discrimination and create a leveled playing field while remedying the effects of ongoing and past discrimination in federally funded projects.

Over the next three years, Long Beach Transit expects to release more than $123 million in contract opportunities across various sectors including construction, professional services, and materials and supplies (excluding the purchase of new buses). Projects include bus stop amenities, bus components, facility and parking lot improvement, building construction, information systems, office equipment, electric bus charging infrastructure, security/safety enhancements, shop equipment, support vehicles and tire leases.

In FY 2024, Long Beach Transit launched a partnership with the City of Los Angeles Regional Alliance Marketplace for Procurement, also known as RAMP. RAMP is a groundbreaking initiative designed to advertise all current solicitation opportunities from public and private organizations throughout the Los Angeles region in one central hub. This will make it easier for local, small and disadvantaged businesses to access procurement opportunities available at any given time.

## Foster Employee Engagement

**LBT 2 Time Capsule Opening** (September 2023)
On Saturday, September 9, 2023, LBT employees gathered to celebrate the opening of a time capsule that was burried in 1998 in dedication of the opening of the Jackson Transit Center (LBT 2).

Inside the 25-year-old capsule were various items, including vintage pins, a transit guide, AquaLink memorabilia, service maps and plans and an LBT ACFR financial report from 1997.

**Rosa Parks Board Chamber Dedication** (December 2023)

In FY 2024, the majority of LBT's administrative staff relocated to LBT's new corporate office (LBTCO) at 4801 Airport Plaza Drive in Long Beach, CA. As part of this move, LBT's board meetings, previously held at Long Beach City Council Chambers, are now hosted in the board chamber at LBTCO. The board chamber, located on the first floor, was formally dedicated to Rosa Parks in early December 2023. The chamber honors Parks who was a pioneer of civil rights and equality. LBT continues to uphold her legacy through its mission: "Dedicated to connecting communities and moving people... making everyday life better."

**Five Star Roadeo is Back** (March 2024)
After a four-year break, the regional Five-Star Bus Roadeo made its return in March 2024 and LBT took the lead! This year, nine LBT Bus Operators competed against six other local municipal transit agencies at Gardena Transit. The bus roadeo is an event that showcases bus operator skills, competition and camaraderie as they navigate an obstacle course that is designed to test their safety and driving skills, and their customer service abilities. Four LBT bus operators were recognized with 1st, 2nd and 3rd place trophies. LBT's first-place prize winner advanced to the Southern California Regional Bus Roadeo and headed to the International Bus Roadeo in Portland, Oregon.

## Enhance Customer Experience

**Dial-A-Lift Electric Vehicle Pilot Program** (January 2024)

As part of LBT's initiative to be a zero-emission fleet, the agency purchased its first fully electric paratransit van in FY 2024. In January, LBT launched a test pilot program using this van in the LBT Dial-A-Lift service. The van has the capacity to accommodate five customers, with three seated customers and two in wheelchairs for shared rides. This Ford E-Transit has a range of 100 miles on a full charge. LBT plans to continue the program by purchasing electric vehicles to replace relief vehicles as they reach their end of useful life.

**Continuation of GoPass Program** (Ongoing)

In FY 2022, LBT's Board of Directors approved the adoption of the pilot GoPass Program. This program allows eligible students attending participating school districts to ride LBT's fixed-route services as well as all other participating transit agencies, with a free TAP card. With the Board's approval, this pilot program was extended through June 30, 2024 and LBT saw increases in student participation of GoPass. As of June 30, 2024, there were over 29k GoPass TAP cards registered to participating students in LBT’s service area. LBT had approximately 2.6 million boardings associated with the GoPass program.

As of April 2024, the LA Metro Board of Directors approved a motion to make the pilot program permanent effective July 1, 2024. It is expected that LBT will similarly continue offering the program through the next fiscal year, with further evaluation of how to fund the costs of permanent adoption of the program.

## Promote Community and Industry Focus

**LBT's Commitment to Upcoming Industry Events**

In FY 2024, LBT committed to hosting several events throughout the current and upcoming fiscal years. The first of these events was the inaugural TransDash Performance Summit held in June 2024 at LBT's corporate offices. Summit attendees represented eight transit agencies from across the U.S. TransDash is a digital National Performance Dashboard which empowers the entire public transportation industry and the individual agencies that comprise it to quantifiably measure, deliver and benchmark measurable value. For LBT, TransDash serves as an internal compass, directing focus on performance beyond the volume of customers carried to the overall value LBT provides to its stakeholders. LBT uses the dashboard to help identify strengths, pinpoint areas for improvement, and make data-driven decisions.

Looking ahead, LBT will host the APTA Marketing, Communication and Customer Experience Workshop in February 2025, and CTA Fall Conference and Expo in November 2025.

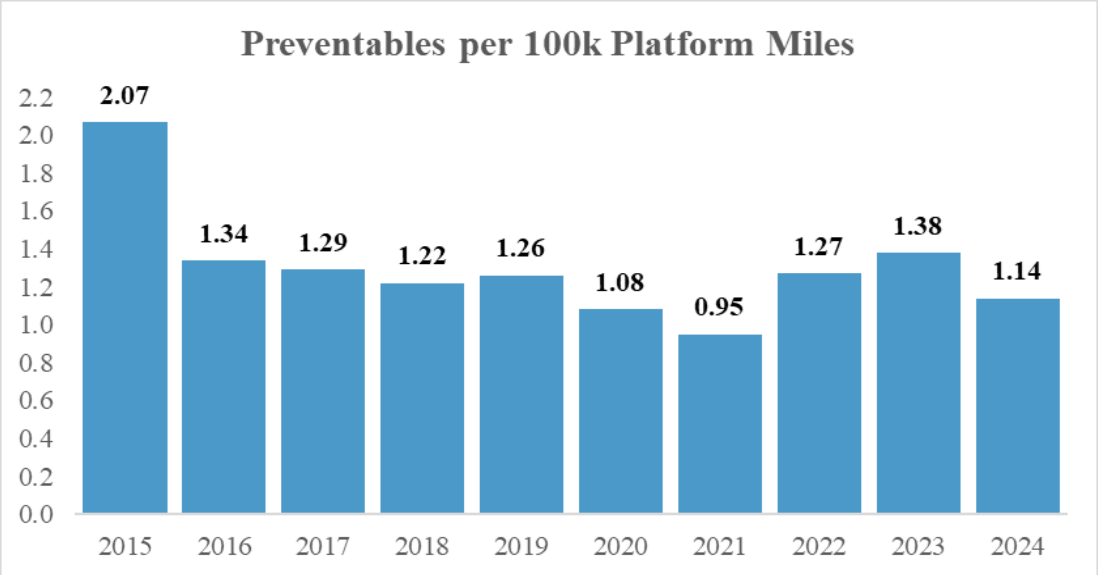
# Key Performance Indicator (KPI) Results

One of the several methods used to monitor the Agency's performance is through Key Performance Indicators (KPIs) that track service quality, efficiency, and productivity. The KPIs support LBT's strategic priorities and each has a specific goal set annually to measure progress. The KPIs also bring together cross-departmental analysts to track, measure and analyze the Agency's performance. Quarterly, these analysts communicate and present the performance results to evaluate trends and identify action plans for improvement. The following are examples of LBT's KPIs and selected results for FY 2024 can be found in Exhibit 10.

## Successes

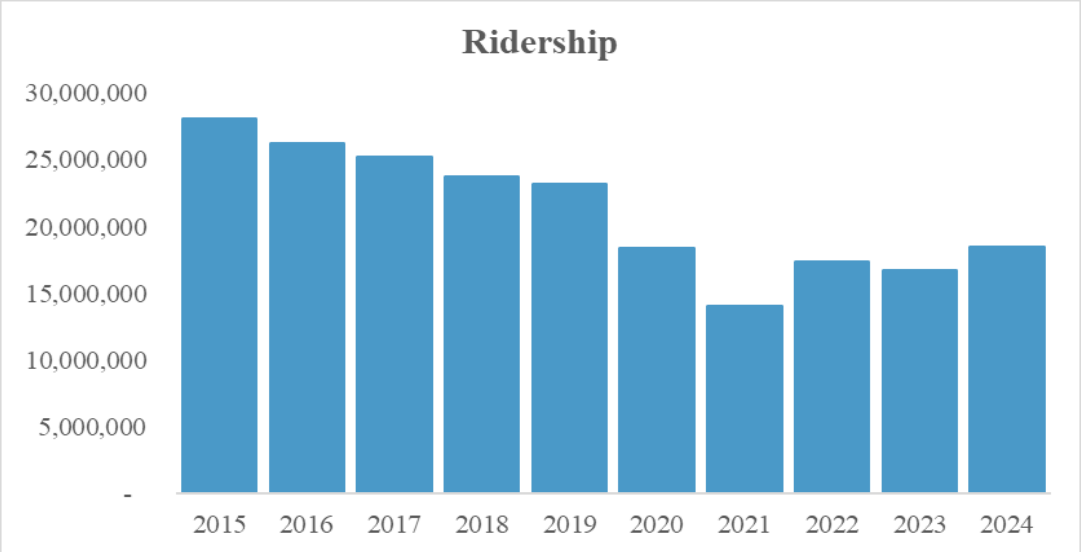
**Decrease Preventable Accidents per 100k Platform Miles**

Preventable accidents per 100k platform miles measure the safety of LBT's bus operators and maintenance staff as they operate a bus. A preventable accident is one in which the bus operator or the maintenance staff failed to do everything they reasonably could have done to avoid a collision. To help reduce accidents, several initiatives were acted on. Safety blitzes were conducted with our Operators and Maintenance staff, while yard safety improvements, such as lighting upgrades, were made to enhance visibility while driving at night. Bus Stop Committee meetings were held to address accident hotspots along routes, and collaborations between Safety and Transit Customer Amenities resulted in the creation of warning signs. Additionally, suggestion boxes were placed for Operators to provide safety concerns. Together, these efforts contributed to a decrease in preventable accidents per 100,000 platform miles from 1.38 in FY2023 to 1.14 in FY 2024.




**Increase in Ridership**

LBT is proud to connect communities and move people, making everyday life better. Boardings increased in FY 2024 to 18,841,114 from 16,803,005 in FY 2023. The increase is attributed to LA Metro Programs like GoPass and the Low-Income Fare is Easy (LIFE). These programs offer free rides to the qualifying customers.

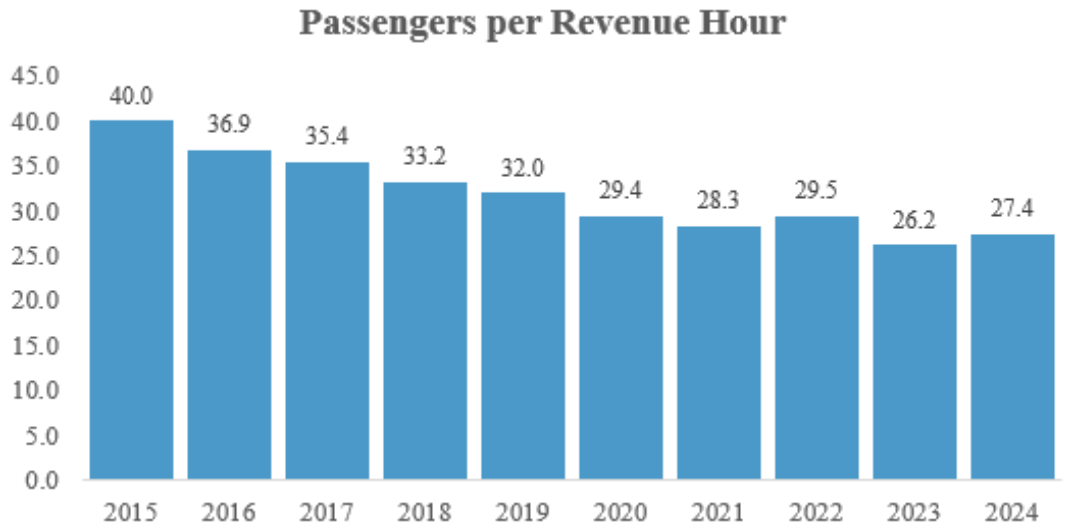



**Increase in Passengers per Revenue Hour**

Route productivity is a key performance indicator in public transit, measured by 'passengers per revenue (in-service) hour.' This metric is calculated by dividing the total number of passengers on a route by the hours that buses are actively serving customers. This measurement offers insight into

how well the transit service aligns with passenger demand across different times of day, helping to ensure that resources are deployed efficiently to meet ridership needs.

In FY 2024, our passengers per revenue hour improved, increasing from 26.2 in FY 2023 to 27.4. This growth suggests that service levels are increasingly in tune with demand. Several factors contribute to this improvement, including targeted schedule adjustments based on route productivity data. Additionally, programs such as GoPass and LIFE, which aim to make public transit more accessible and affordable, have boosted ridership and positively impacted this metric.



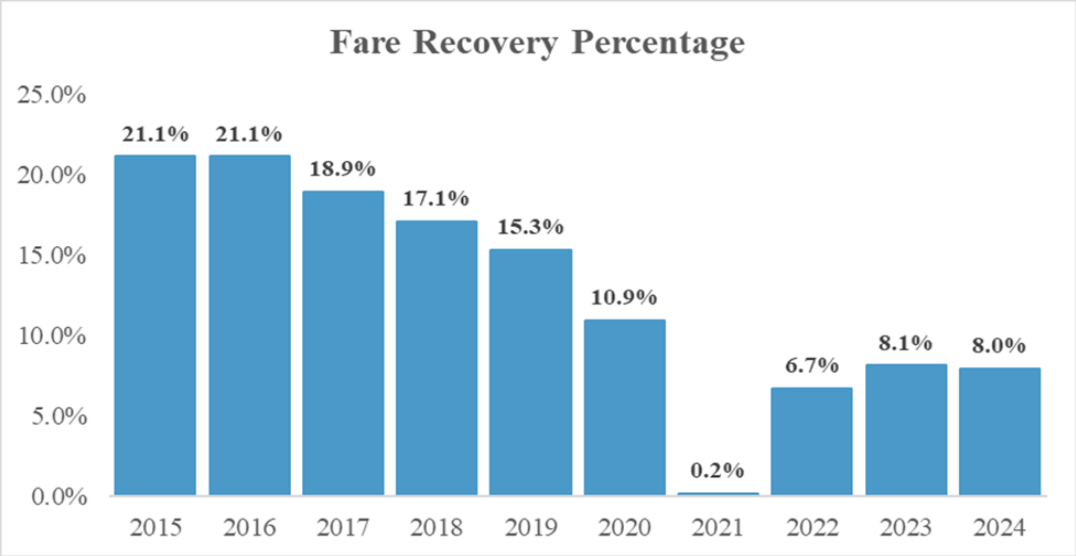

**Steady Fare Recovery Ratio**

Fare recovery ratio represents the portion of operating costs covered by fare revenue and is calculated by dividing total revenue from fixed-route service, paratransit (Dial-A-Lift), Aqua Taxi, and special events by total operational costs. Transit and regulatory agencies use this ratio to assess system efficiency, with boardings, fare levels, fare structures (discounts), service levels, and operating costs all influencing the ratio.

In FY 2024, fixed-route revenue increased by 6%, supported by LA Metro programs such as GoPass and LIFE, as well as LBT's CSULB 150-Day Pass sales. Paratransit revenue remained steady compared to FY 2023, while special events revenue surged by 109% due to the Galaxy Express charter, which had not been originally budgeted.

The Aqua Taxi played a significant role in maintaining the fare recovery ratio, with 60,097 boardings in FY 2024, a slight decrease from FY 2023's 62,053 boardings. It's worth noting that the Aqua Taxi did not operate year-round this past fiscal year, unlike in FY 2023. The cost to ride the AquaLink is $5 per ride and $1 for the AquaBoats.

Overall, the Fare Recovery Ratio for FY 2024 was 8.0%, a slight decrease from 8.1% in FY 2023.



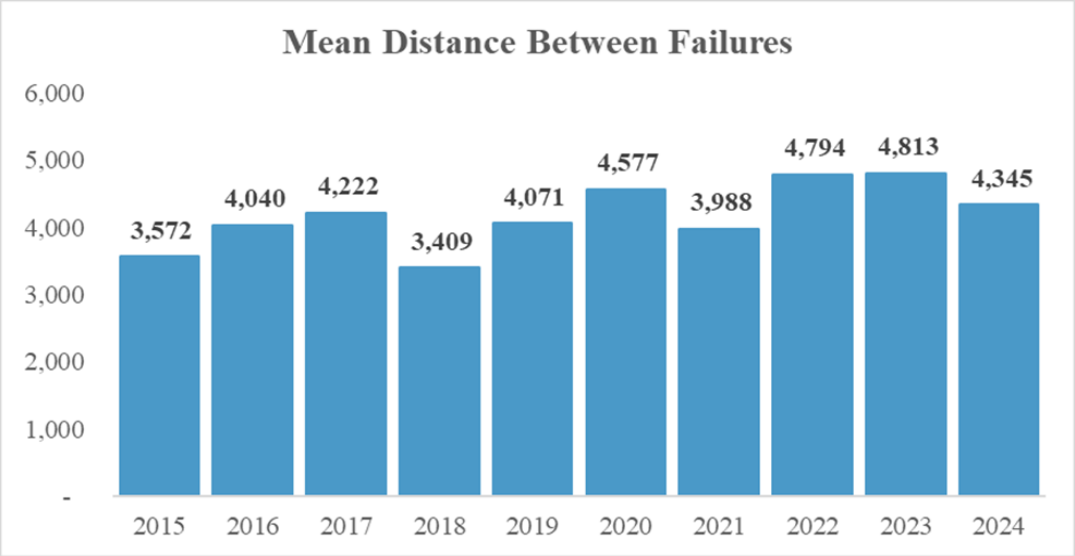

## Challenges

**Decreased Mean Distance Between Failures**

The Mean Distance Between Failures (MDBF) is a transit industry standard that measures the mechanical reliability of the fleet. It measures the average bus miles traveled between reportable mechanical failures, i.e. incidents preventing a revenue vehicle from completing its trip. The overall MDBF decreased from 4,813 miles in FY 2023 to 4,345 in FY 2024.

Despite LBT completing 95% of scheduled preventative maintenance routines, the decrease in MDBF is primarily due to reliability issues with the fleet of 81 hybrid buses, which are now over 15 years old. Of the 250 buses, these hybrid buses have seen a significant increase in engine/propulsion system failures. In FY 2024, these buses experienced 509 failures in this area, compared to 351 in FY 2023.

The hybrid fleet are past their useful life benchmark of 12 years, with the oldest series now 20 years old. Additionally, LBT's increasing challenges in sourcing replacement parts for these buses, as LBT is among the few agencies still operating them. However, LBT continues cross-departmental collaboration which helps to ensure that buses receive necessary and timely maintenance. LBT provides daily tailgate reporting to maintenance teams, training opportunities, preventative maintenance programs for air conditioning, compressed natural gas tank inspections, air dryer, wheelchair ramps, etc.




**Increase in Unplanned Absences**

An unplanned absence is when a bus operator is unexpectedly absent from work due to reasons such as illness, family emergencies, or personal issues. Measuring and decreasing unplanned absences is important because excessive unplanned absences have a direct impact on LBT's ability to provide customers with a consistent and reliable transit service. When there are not enough operators available to provide service to the community, it results in 'missed service,' causing inconvenience to passengers.

In Fiscal Year 2024, the rate of unplanned absences rose from 15.09% in FY 2023 to 16.11%, reflecting a slight upward trend.

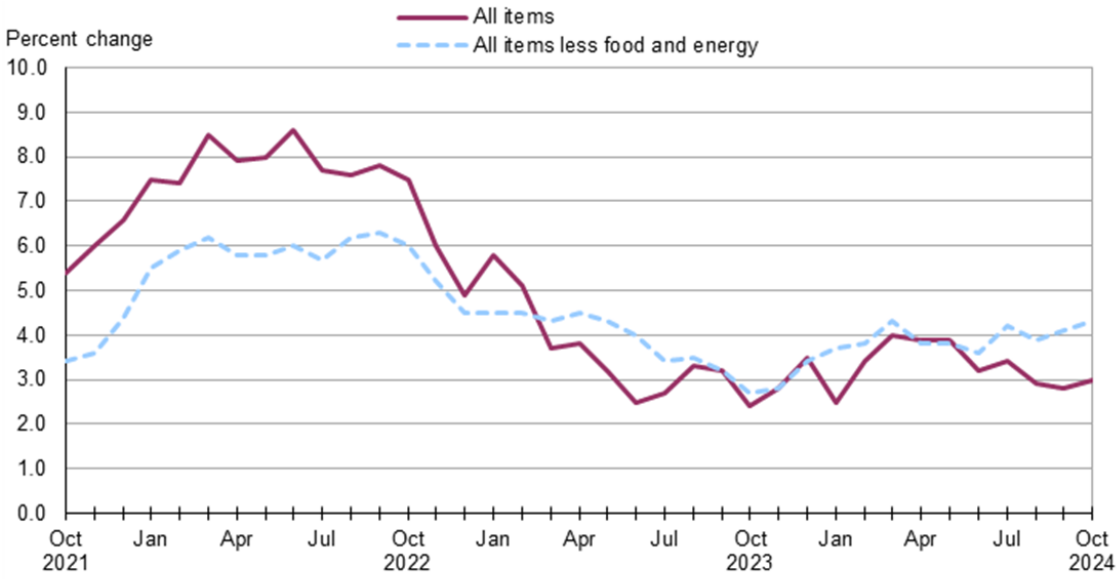
## Factors Affecting Financial Condition

### General Economic Conditions

The U.S. economy is showing signs of strength. The Federal Reserve has begun to lower interest rates as inflation has eased and is projected to fall close to the Fed's target to 2%. While there remains uncertainty in the near term, especially with transitions in the Federal government, there are signs of continued economic strength. As of Fall 2024, the University of California, Los Angeles (UCLA) Anderson Forecast projects robust economic growth in 2025 and 2026, fueled in part by a rebound in the housing market as interest rates normalize.

Two economic factors of note affecting the Agency are inflation and consumer spending. Inflation caused substantial price increases in previous years. This had a significant negative impact on LBT's expenses, especially on the cost of fleet parts and other materials and supplies. The change in Consumer Price Index (CPI) has come down from its peak, and begun to stablize.

More locally, in Los Angeles County the CPI has followed a similar trend, stablizing between 3% and 4% over the last year.



Source: U.S. Bureau of Labor Statistics.

The second factor affecting the Agency is consumer spending. LBT receives subsidies from the County based on a formula allocation of sales tax revenues collected. High inflation contributed to an increase in taxable sales because prices were higher. With the decline in inflation rates, that effect has ended. While taxable sales in the state increased beyond pre-pandemic levels, they have begun to level off. The Agency is faced with the challenge of financing its growing expenses in the midst flattening or declining revenues. Proactive financial planning continues to be vital for the Agency's financial sustainability.

## Financial Policies

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

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

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

LBT procures the majority of its capital assets through annual grants awarded through the Federal Transit Administration (FTA). The federal grants are allocated by region under Section 5307 of the Bipartisan Infrastructure Law passed in November 2021, established funding levels and federal policy for the nation's highway and public transit systems for fiscal years 2022 through 2026. The Agency is eligible to receive Section 5307 funds based on a formula allocation. The Agency also competes for discretionary funds to support specific transit projects. As permitted by federal law, the Agency also uses these funds for preventative maintenance operating expenses.

## Capital Planning Policy

LBT's capital program is a long-term planning and budget process that identifies capital funding needs in order to maintain, improve and enhance LBT's fleet, equipment and infrastructure. The projects included in the capital program are those with initial project values exceeding $10,000 and having an estimated useful life of at least one year. The capital program is developed as a three-year, forward looking capital plan that considers the Agency's Capital Strategic Focus including:

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

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

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

In alignment with LBT's vision statement,

> "A leading provider of transportation options delivering innovative and high-performing services within a multi-modal network that transforms the social, environmental and economic well-being of the diverse communities we serve."

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

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

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

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

## Investment Policy

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

## Procurement Policy

LBT's procurement policy is established to ensure open, full and competitive participation for all vendors and suppliers. The Agency optimizes public funds by using its solicitation process through quality of services or low bids to meet its operational needs. LBT's staff has authority to procure and award goods and services up to $200,000 in FY 2023. Procurements exceeding that threshold are authorized by LBT's Board of Directors. This threshold was previously set at $100,000. LBT's Board of Directors approved the increased threshold at their February 2021 meeting.

## Reserve Policy

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

## Long-Term Financial Planning

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

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

- Service levels
- Operating revenue
- Wages and collective bargaining agreements
- Benefit costs and trends
- Fuel types and price trends
- Capital investment expenses
- Vendor contracts

- Risk management and mitigation
- Economic growth rates, including sales tax and Consumer Price Index

The Agency's long-term operating and capital plan is a vital tool used to prepare for the future. It stimulates long-term strategic thinking and it gives guidance on LBT's financial direction.

## Long-Term Debt Policy

LBT has historically not carried debt and prioritized only using available grant funds to procure capital acquisitions. In FY 2021, LBT executed a promissory note for the acquisition of its corporate administrative office. Interest payments toward the note are recorded as operating expenses. This promissory note was paid in full in FY 2023 and LBT did not carry any debt as of June 30, 2023.

## Risk Management Policy

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

It is LBT's policy to have an annual actuarial report, which computes losses and reserve levels. The Agency recognizes losses on an accrual basis. Cash and investments are maintained to fully fund the estimated liabilities. Additional information on LBT's risk management activity can be found on page 34 in note (6) of the notes to the accompanying financial statements.

## Retirement Policy

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

LBT also sponsors a 401(a) defined contribution plan for salaried employees hired on or after April 1, 2011. In FY 2020, changes in the 401(a) Plan policy were ratified to increase the matching employer contribution equal to an employee's salary deferrals to the Agency's Deferred Compensation Plan, up to a maximum of five percent of compensation, excluding overtime and bonuses, plus a non-elective contribution to the 401(a) Plan equal to five percent of compensation, excluding overtime and bonuses.

## Recognition

### Achievement for Excellence in Financial Reporting

For the 34th consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to LBT for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. A Certificate of Achievement is valid for a period of one year only. In order to receive the award, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report in compliance with the GFOA policies, procedures and program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

### Achievement for Highest Service Effectiveness

In FY 2024, LBT was recognized with the Highest Service Effectiveness (productivity) among public transportation agencies using TransPro's TransDash. With a service effectiveness rating of 2.7—well above the national average of 1.8—LBT's Transit Service Planning and Delivery Department continues to advance service efficiency. This means that, on average, a route that is 10 miles long will service 27 customer trips per run, emphasizing LBT's commitment to connecting communities and moving people... making everyday life better.

## Acknowledgements

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

Kenneth McDonald
President and
Chief Executive Officer

LISA PATTON
Executive Director/VP,
Finance and Budget

Ashley Liang
Treasurer

Manager, Capital Programs

Terry Coon
Manager, Finance

Irma Pamplona
Finance Analyst

Laura Orozco
Administrative Assistant, Finance

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

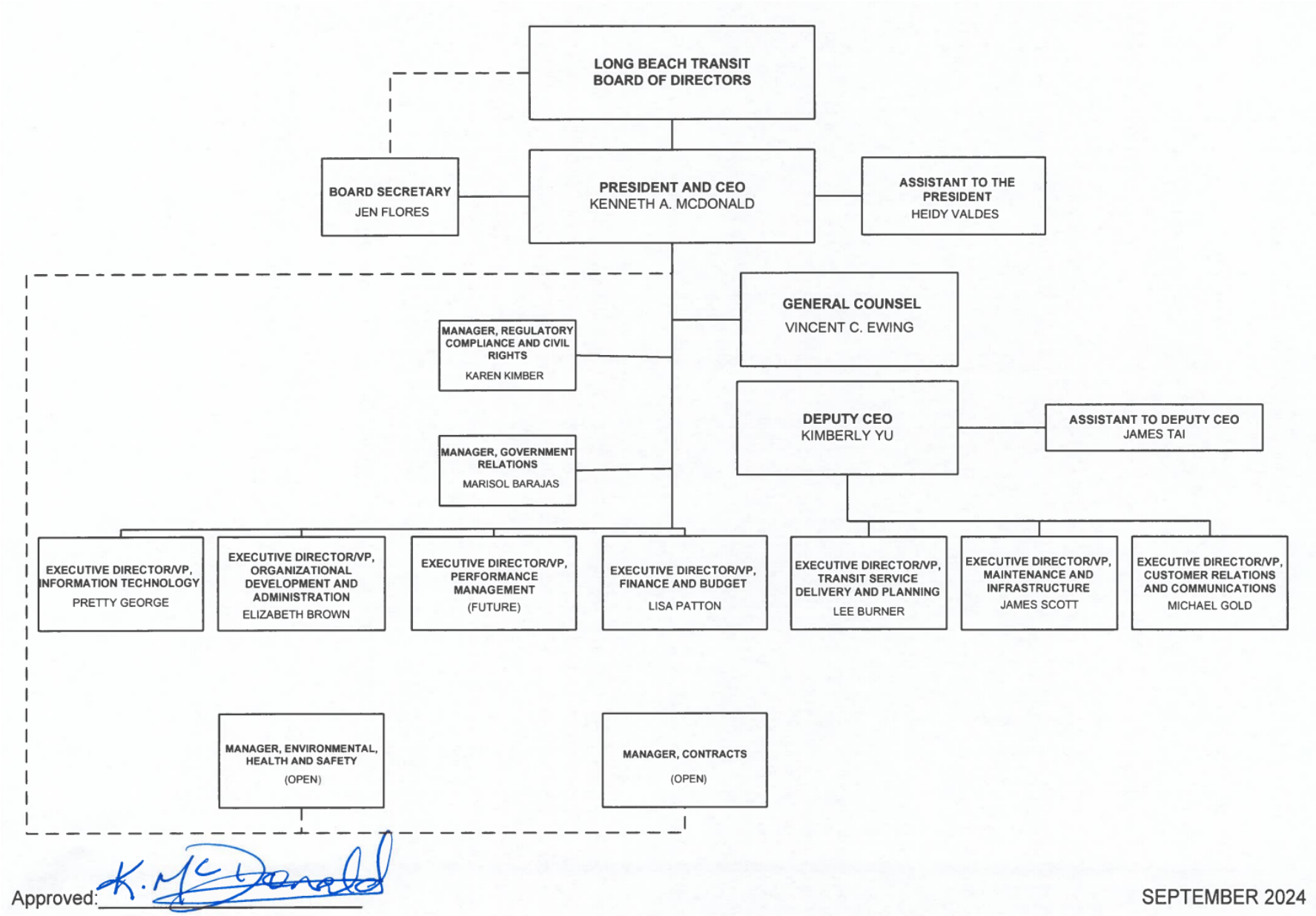
**Long Beach Transit**
**California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO


LONG BEACH TRANSIT BOARD OF DIRECTORS
BOARD SECRETARY
JEN FLORES
PRESIDENT AND CEO
KENNETH A. MCDONALD
ASSISTANT TO THE PRESIDENT
HEIDY VALDES
GENERAL COUNSEL
VINCENT C. EWING
MANAGER, REGULATORY COMPLIANCE AND CIVIL RIGHTS
KAREN KIMBER
DEPUTY CEO
KIMBERLY YU
ASSISTANT TO DEPUTY CEO
JAMES TAI
MANAGER, GOVERNMENT RELATIONS
MARISOL BARAJAS
EXECUTIVE DIRECTOR/VP, INFORMATION TECHNOLOGY
PRETTY GEORGE
EXECUTIVE DIRECTOR/VP, ORGANIZATIONAL DEVELOPMENT AND ADMINISTRATION
ELIZABETH BROWN
EXECUTIVE DIRECTOR/VP, PERFORMANCE MANAGEMENT
(FUTURE)
EXECUTIVE DIRECTOR/VP, FINANCE AND BUDGET
LISA PATTON
EXECUTIVE DIRECTOR/VP, TRANSIT SERVICE DELIVERY AND PLANNING
LEE BURNER
EXECUTIVE DIRECTOR/VP, MAINTENANCE AND INFRASTRUCTURE
JAMES SCOTT
EXECUTIVE DIRECTOR/VP, CUSTOMER RELATIONS AND COMMUNICATIONS
MICHAEL GOLD
MANAGER, ENVIRONMENTAL, HEALTH AND SAFETY
(OPEN)
MANAGER, CONTRACTS
(OPEN)
Approved:
SEPTEMBER 2024

**Board of Directors**

| | |
|---|---|
| David Sutton | Chair of the Board |
| Abigail Mejia | Vice Chair |
| Raul Anorve | Secretary/Treasurer |
| Eduardo Angeles | Director |
| Carl Kemp | Director |
| Randy Rawlings | Director |
| Tunua Thrash-Ntuk | Director |
| Joshua Hickman | City Representative - Non-Voting, City of Long Beach |
| Christopher Koontz | City Representative - Non-Voting, City of Long Beach |

**Executive Leadership Team (ELT)**

| | |
|---|---|
| Kenneth A. McDonald | President and Chief Executive Officer |
| Kimberly Yu | Deputy Chief Executive Officer |
| Elizabeth Brown | Executive Director/VP, Organizational Development and Administration |
| Lee Burner | Executive Director/VP, Transit Service Delivery and Planning |
| Michael Gold | Executive Director/VP, Customer Relations and Communications |
| Lisa Patton | Executive Director/VP, Finance and Budget |
| Pretty George | Executive Director/VP, Information Technology |
| James Scott | Executive Director/VP, Maintenance and Infrastructure |

# Financial

# INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Long Beach Public Transportation Company

## Opinion

We have audited the accompanying financial statements of the business-type activities and fiduciary net position of Long Beach Public Transportation Company (the Company) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary net position of the Company as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

## Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that raises substantial doubt shortly thereafter.

## Auditors' Responsibilities for the Audits of the Financial Statements

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

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

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

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

***Required Supplementary Information***

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

***Supplementary Information***

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards,* we have also issued our report dated December 23, 2024 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.



Long Beach, California
December 23, 2024

# Management's Discussion and Analysis

# Management's Discussion and Analysis

As management of Long Beach Public Transportation Company (Long Beach Transit, LBT or the Agency), we offer readers of LBT's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal years ended June 2024, 2023, and 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-xxi of this report.

## FINANCIAL HIGHLIGHTS

- Passenger fares earned in FY 2024 were $9.92 million, an increase from $9.11 million, in FY 2023. This increase was the result of continued recovery of ridership post-pandemic and, specifically, increases in regular, reduced, and student fares.
- Subsidies for FY 2024 were $108.99 million, an increase from $100.33 million in FY 2023. This increase is attritable to receipt of one-time Federal assistance through the American Rescue Plan Act and incremental state, county, and local subsidy increases.
- Operating expenses in FY 2024 were $143.68 million, an increase from $132.86 million in FY 2023. The increase in expenses was driven by the increase in cost for personnel wages and benefits as a result of two collective bargaining unit negotiations, as well as inflationary increases in material costs.
- Fuel expenses in FY 2024 were $5.70 million, a decrease from $6.54 million in FY 2023, due to significant decrease in the market price of CNG during the year.
- Capital acquisitions in FY 2024 were $12.76 million, compared to $28.77 million in FY 2023.
- Net position at the end of FY 2024 is $89.44 million compared to $95.57 million at the end of FY 2023. Total assets increased by $7.69 million and deferred outflows of resources decreased by $5.48 million, while total liabilities increased by $8.33 million and deferred inflows of resources increased by $15 thousand.
- Total net pension liability decreased to $28.98 million in FY 2024, compared to $34.06 million in FY 2023. This decrease of $5.08 million consists of decreases of $621 thousand and $4.46 million for the Salaried and Contract Plans, respectively. The decrease is due to a combination of better than expected investment market performance and evaluation of plan experience compared to plan assumptions.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

# Management's Discussion and Analysis (continued)

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

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

The Agency's financial statements can be found on pages 14-20 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 21-56 of this report.

## FINANCIAL STATEMENT ANALYSIS

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

The Agency's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $89.44 million at the close of FY 2024, a decrease from $95.57 million at the close of FY 2023.

**Long Beach Transit's**
**Condensed Summary of Net Position**

| | Year Ended | | |
|---|---|---|---|
| | **2024** | **2023** | **2022** |
| **Assets** | | | |
| Current assets | $ 89,640,486 | $ 70,617,190 | $ 67,291,608 |
| Other noncurrent assets | 13,384,644 | 18,691,912 | 21,779,394 |
| Capital assets, net | 118,890,477 | 124,916,199 | 114,165,117 |
| **Total assets** | 221,915,607 | 214,225,301 | 203,236,119 |
| Deferred outflows of resources | 6,438,007 | 11,915,316 | 16,026,996 |
| **Liabilities** | | | |
| Current liabilities | 88,401,216 | 74,224,875 | 75,167,366 |
| Noncurrent liabilities | 47,316,519 | 53,168,164 | 54,525,021 |
| **Total liabilities** | 135,717,735 | 127,393,039 | 129,692,387 |
| Deferred inflows of resources | 3,193,179 | 3,178,028 | 3,824,529 |
| **Net position** | | | |
| Net investment in capital assets | 109,117,095 | 110,464,392 | 102,135,121 |
| Restricted | 226,204 | 290,978 | 300,492 |
| Unrestricted | (19,900,599) | (15,185,820) | (16,689,414) |
| **Total net position** | $ 89,442,700 | $ 95,569,550 | $ 85,746,199 |

# Management's Discussion and Analysis (continued)

**Assets.** Current assets increased to $89.64 million in FY 2024 from $70.62 million in FY 2023, an increase of $19.02 million. This increase was largely due to the increase in cash and cash equivalent and accounts receivable. This increase was contributed by receipt of one-time Federal assistance through the American Rescue Plan Act. Current assets in FY 2023 increased to $70.62 million from $67.29 million in FY 2022, an increase of $3.33 million. This increase was largely due to the increase in accounts receivable of $2.86 million, consisting primarily of subsidies and capital grants receivable that was contributed by receipt of capital assets before fiscal year end that create a reimbruseable receivable from the LBT's funding agencies.

Other noncurrent assets, which are Agency investments, noncurrent lease receivable and prepaid lease commission, decreased to $13.39 million in FY 2024 from $18.69 million in FY 2023. The decrease is primarily due to timing of investments and amount held in cash and cash equivalent. In FY 2024, LBT did not enter into any new lease agreement for its corporate administrate office, which contributed to the decrease in the lease receivable and prepaid lease commission.

Net capital assets totaled $118.89 million in FY 2024, compared to $124.92 million in FY 2023, a decrease of $6.03 million. This decrease is due to decrease in capital asset additions in FY 2024 and continued depreciation of existing assets. In FY 2023, net capital assets increased by $10.75 million compared to FY 2022. This increase was a result of construction-in-progress projects and capitalization of subscription-based information technology arrangements.

**Deferred Outflows of Resources.** Deferred outflows of resources decreased in FY 2024 to $6.44 million from $11.92 million in FY 2023, a decrease of $5.48 million. In FY 2023 there was a decrease of $4.11 million, from $16.03 million in FY 2022. Changes in deferred outflows are a result of the amortization of prior years' changes in pension liability, as well as gains and losses in the value of the plan investments. More information on deferred outflows of resources can be found in note (1) and note (13) of the notes to the accompanying financial statements.

**Liabilities.** Current liabilities increased to $88.32 million in FY 2024 from $74.15 million in FY 2023, an increase of $14.17 million. The increase was due to an increase in subsidy deferral related to receipt of one-time Federal assistance and deferral of Measure M. In FY 2023, current liabilities decreased due to decreases in subsidy deferral and note payable.

Noncurrent liabilities decreased to $47.40 million in FY 2024 from $53.25 million in FY 2023, a decrease of $5.85 million. The decrease is primarily due to a decrease in net pension liability in the amount of $5.08 million. In FY 2023, noncurrent liabilities decreased from $54.53 million in FY 2022 due to a decrease in uneraned revenue which are grants allocated for capital projects that have not yet been expended.

**Deferred Inflows of Resources.** Deferred inflows of resources increased in FY 2024 to $3.19 million from $3.18 million in FY 2023, an increase of $15 thousand. In FY 2023 there was a decrease of $640 thousand. Changes in deferred inflows are a result of the amortization of prior years' changes in pension liability and gains and losses in the value of the plan investments, as well as capitalization of lease liability. More information on deferred inflows of resources can be found in note (1), (10) and (13) of the notes to the accompanying financial statements.

# Management's Discussion and Analysis (continued)

**Net Position.** Total net position at the end of FY 2024 is $89.44 million, a decrease from $95.57 million in FY 2023. Net position is calculated as assets and deferred outflows of resources less liabilities and deferred inflows of resources. LBT's net position includes $109.12 million invested in capital assets and $19.90 million of unrestricted deficit. Unrestricted net position represents Agency resources that have no restrictions in terms of their use. One reason for a net position shortfall is a significant noncurrent liability that is paid over time. In the case of LBT, this is the net pension liability that is funded over multiple years under the pension program. Recording the noncurrent net pension liability resulted in a deficit in unrestricted net position.

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

| | Year-Ended | | |
|---|---|---|---|
| | **2024** | **2023** | **2022** |
| **Operating revenues:** | | | |
| Passenger fares and special events | $ 10,025,181 | $ 9,153,996 | $ 7,138,072 |
| Advertising | 740,683 | 717,456 | 843,340 |
| Other revenue | 2,232,104 | 2,381,048 | 1,133,274 |
| Total operating revenues | 12,997,968 | 12,252,500 | 9,114,686 |
| **Nonoperating revenues:** | | | |
| Subsidies | 108,987,379 | 100,325,363 | 94,483,188 |
| Investment return, net | 2,810,184 | 1,228,625 | (673,484) |
| Total nonoperating revenues | 111,797,563 | 101,553,988 | 93,809,704 |
| Total revenues | 124,795,531 | 113,806,488 | 102,924,390 |
| **Operating expenses:** | | | |
| Transportation | 63,063,572 | 57,167,700 | 50,067,770 |
| Maintenance | 36,655,042 | 34,517,574 | 29,986,862 |
| Administration | 26,212,495 | 24,377,847 | 20,783,244 |
| Depreciation | 17,749,336 | 16,794,369 | 14,782,360 |
| Total operating expenses | 143,680,445 | 132,857,490 | 115,620,236 |
| **Change before capital grants** | (18,884,914) | (19,051,002) | (12,695,846) |
| **Capital grants** | 12,758,064 | 28,767,615 | 25,309,346 |
| **Change in net position** | (6,126,850) | 9,716,613 | 12,613,500 |
| **Total net position, July 1** | 95,569,550 | 85,746,199 | 73,250,593 |
| **Restatement - GASB 87** | - | - | (117,894) |
| **Restatement - GASB 96** | - | 106,738 | - |
| **Total net position, June 30** | $ 89,442,700 | $ 95,569,550 | $ 85,746,199 |

**Operating revenues.** In FY 2024, total operating revenue increased to $13.00 million compared to $12.25 million in FY 2023. This increase was due to an increase in passenger fare revenue as well as an increase in special events.

In FY 2024, passenger fare and special events revenue was $10.03 million, an increase from $9.15 million in FY 2023. This is an $871 thousand increase.

# Management's Discussion and Analysis (continued)

In January 2022, LBT joined LA Metro in piloting the GoPass program, enabling K-12 and Community College students in LA County to ride public transportation for free on participating agencies. GoPass ridership in FY 2024 reached 2.72 million, a 35% increase over FY 2023's 2.02 million rides. This growth is largely due to the addition of more participating school districts, which allowed a greater number of students to utilize our services for their daily transportation needs.

Revenue from the Low-Income Fare is Easy Program (LIFE) grew to $609,670 in FY 2024, representing a 60% increase from FY 2023's $381,453. As part of an LA Metro initiative, a more streamlined approval process helped increase accessibility, bringing in more eligible riders. LBT receives reimbursements from LA Metro at $1.14 per regular ride and $0.38 per senior/disabled ride, which has helped support fare assistance while broadening access to affordable transit.

FY 2024 revenue from special events nearly doubled to $100,247, compared to $47,626 in FY 2023. This increase was driven by successful events such as the Galaxy Express service and the efforts of our Community Relations and Communications teams to establish more partnerships, enabling us to offer expanded charter services to support community activities.

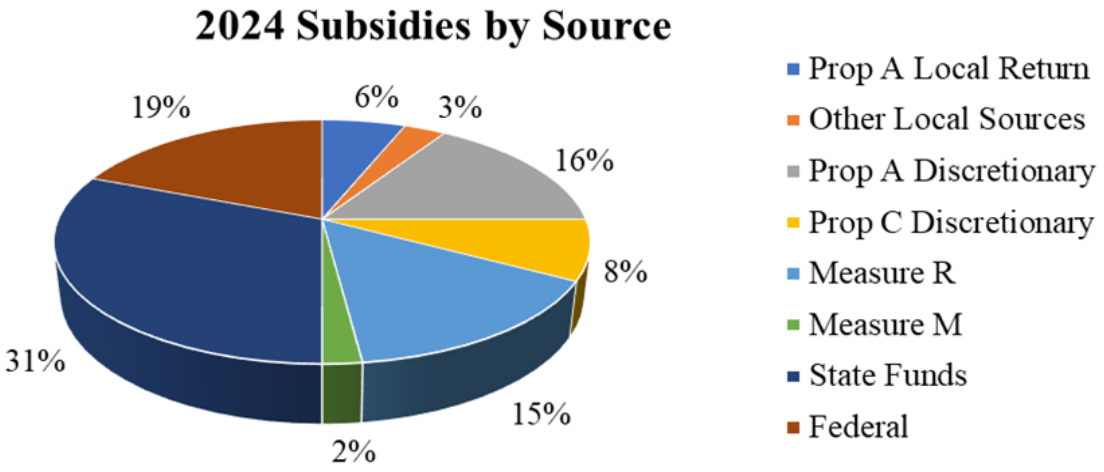
Despite a planned reduction in service, Aqua Taxi revenue in FY 2024 reached $241,795. While slightly down from FY 2023's $300,859, this exceeded our budget expectations and demonstrated the sustained popularity of the service. Both AquaLink and AquaBuses were in revenue service during the aqua season.

In FY 2024, advertising revenue was $741 thousand, an increase compared to $717 thousand in FY 2023. LBT is paid a contracted minimum annual guarantee (MAG) regardless of actual revenue. A reconciliation is performed every year and if revenues exceed the MAG, LBT receives additonal revenue. In FY 2022, advertising revenue was $843 thousand.

Other revenues amounted to $2.23 million in FY 2024, a decrease from $2.38 million in FY 2023, largely due to a decrease in fuel tax credits recognized, offset by an increase in tenant rental income. In fiscal years 2024, 2023, and 2022, LBT received fuel tax credits totaling $1.35 million, $1.62 million, and $1.09 million, respectively. The Inflation Reduction Act of 2022, which extended the Alternative Fuels Tax Credit for three years, was passed during FY 2023 but was effective retroactively from January 2022 through December 31, 2024. Beginning in FY 2023, LBT had a lease agreement with a tenant at its corporate office. Two additional months of rental income were received in FY 2024, resulting in rental income of $751 thousand for FY 2024. The increase in other revenues in FY 2023 from $1.13 million in FY 2022, was mainly due to the aforementioned federal fuel credits as well as the commencement of tenant rental income.

## Management's Discussion and Analysis (continued)

**Nonoperating revenues.** Subsidies in FY 2024 totaled $108.99 million or 87.3% of total revenues. This represents an increase from $100.33 million in FY 2023, a difference of $8.66 million. This increase was largely due to increases in one-time Federal assistance through the American Rescue Plan Act. In FY 2023, there was an increase in subsidies of $5.85 million, due to increases in county sales tax revenues.




Interest revenue increased in FY 2024 to $2.81 million, compared to $1.23 million in FY 2023, due to higher interest rates earned on investments. In FY 2023, there was an increase in interest income earnings, up from the loss of $673 thousand in FY 2022 also due to a higher interest rates earned on investments.

**Total Revenues.** Overall, in FY 2024 revenues total $124.80 million, an increase from $113.81 million in FY 2023. This is the result of increases in operating and non-operating revenue, as well as noncapital subsidies, as discussed above. In FY 2023, there was an increase in total revenue from $102.92 million in FY 2022.

## Management's Discussion and Analysis (continued)

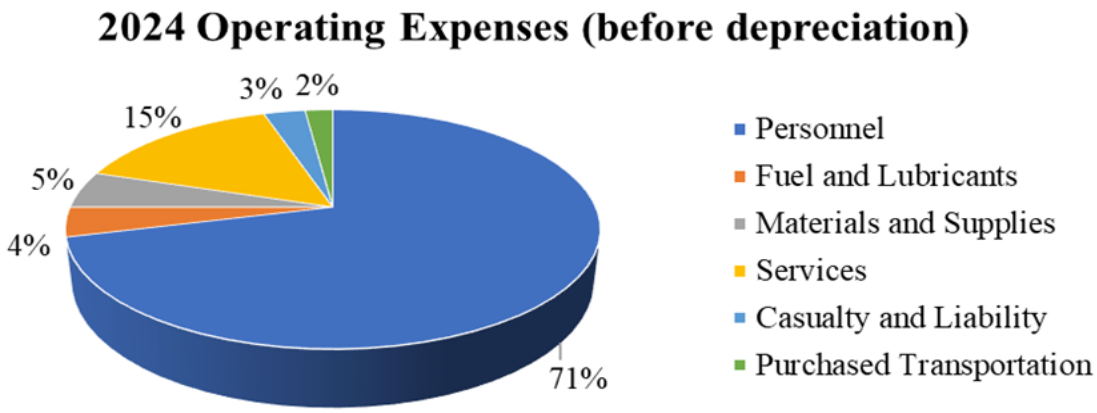
**Operating expenses**. Operating expenses before depreciation increased in FY 2023 to $125.93 from $116.06 million in FY 2023, an increase of $9.87 million. The increase was primarily due to an increased cost of personnel wages and benefits.

Total labor costs excluding benefits increased by 11.6% to $58.22 million in FY 2024 from $52.15 million in FY 2023 due to wage and fringe benefit expenses. An increase in pension expense contributed to the increase in the cost of benefits.

An increase of transit service combined and a decrease in overallcost of fuel, especially CNG, led to a decrease of $829 thousand in fuel costs for FY 2024 compared to FY 2023. Fuel expenses increased by $1.09 million in FY 2023 compared to FY 2022.

The Agency has managed to control operating costs and did not lay off any of its employees during FY 2024.

In FY 2023, operating expenses before depreciation increased to $116.06 million from $100.84 million in FY 2022, an increase of $15.22 million. The increase was primarily due to increased cost of personnel wages and benefits.




**Capital Grants.** In FY 2024 capital grants amounted to $12.76 million, an decrease from $28.77 million in FY 2023. Depreciation expense totaled $17.75 million in FY 2024, compared with $16.79 million in FY 2023, an increase of $960 thousand.

# Management's Discussion and Analysis (continued)

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

| | Year-Ended | | |
|---|---|---|---|
| | **2024** | **2023** | **2022** |
| Land | $ 14,275,000 | $ 14,275,000 | $ 14,275,000 |
| Construction in progress | 4,650,383 | 17,918,054 | 6,933,810 |
| Buildings and improvements | 26,397,093 | 27,528,931 | 27,111,968 |
| Fleet | 56,553,937 | 51,040,321 | 52,769,306 |
| Communications systems | 992 | 992 | 992 |
| Fare collection system | 299,962 | 326,175 | 394,532 |
| Office, shop and garage equipment | 2,325,084 | 1,910,513 | 2,597,037 |
| Customer amenities | 4,614,638 | 1,108,379 | 1,265,261 |
| Lease assets | 8,520,298 | 8,709,638 | 8,817,211 |
| Subscription assets | 1,253,090 | 2,098,196 | - |
| Total capital assets, net of depreciation | $ 118,890,477 | $ 124,916,199 | $ 114,165,117 |

**Capital Assets.** LBT had $12.76 million in new tangible capital asset acquisitions during FY 2024, an decrease of $12.79 million when compared to FY 2023. In FY 2024, capital assets have been purchased with federal, state and local grants awarded to the Agency.

LBT's investment in capital assets as of June 30, 2023, amounted to $118.89 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, fleet, communication and farebox systems, equipment, and customer amenities, as well as capitalization of intangible assets including lease and subscription assets.

The Agency's investment in capital assets decreased by 4.8% in FY 2024, from $124.92 million in FY 2023. Major capital acquisitions in FY 2024 included the purchase of battery electric buses and charging infrastructure, automated passenger counters, State of Good Repair for revenue and service vehicles, bus facility safety lighting, and corporate office building improvements.

Total grant awards will vary each year as LBT is eligible for a formula percentage of Los Angeles County's federal funding, plus one-time grants available for specific projects, such as bus replacement. Grant requirements allow, on average, three years to expend the funds.

Significant capital asset acquisitions during FY 2024 included the following:

- New Flyer BEB Buses, $10.32 million
- LBTCO renovation of 7th and 8th floors, $1.66 million
- LBTCO Tenant Improvements, $1.1 million
- LBTCO Network, $1.1 million
- Routine replacement of bus, ferry boat, and service car engines, transmissions, and components, $413 thousand
- Automatic Passenger Counter (APC) Upgrade, $579 thousand
- BYD Electrical infrastructure and charging stations, $367 thousand
- Service vehicles, $307 thousand
- Bus Facility Safety Lighting, $244 thousand
- Dial-a-Lift Van, $140 thousand

# Management's Discussion and Analysis (continued)

LBT's investment in capital assets as of June 30, 2023, amounted to $124.92 million (net of accumulated depreciation and amortization). The Agency had $25.55 million in new tangible capital acquisitions during the year, an increase of $1.78 million, when compared to FY 2022.

Significant capital asset acquisitions during FY 2023 included the following:

- New Flyer BEB Buses, $7.78 million
- BYD Electrical infrastructure and charging stations, $3.47 million
- Automatic Passenger Counter (APC) Upgrade, $3.2 million
- Routine replacement of engines, transmissions, and bus components, $1.65 million
- LBTCO renovation of 7th and 8th floors, $4.1 million
- LBTCO Tenant Improvements, $1.1 million
- LBTCO elevator and roof modernization, $930 thousand
- LBTCO Network, $469 thousand
- Bus Shelters Improvements, $630 thousand
- ERP/EAM, $148 thousand

Additional information on LBT's capital assets can be found in note (8) in the notes to the Agency's financial statements on page 36 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S FINANCIAL PLAN

The national economy is showing signs of strength with inflation under control and interest rates coming down. At the same time, LBT ridership has shown steady recovery post-pandemic. However, there is still risks, as the Agency faces slow growth, stagnant revenues and rising day-to-day operational costs

A history of strong financial planning and stewardship allowed LBT to weather the pandemic without furloughs or layoffs. Federal assistance from the American Rescue Plan Act (ARPA) also helped LBT to develop a balanced financial plan for FY 2025. However, the Federal assistance funds are expiring and sales tax subsidy revenues are flattening, which means that it is vital for LBT to continue to look beyond one year in its financial planning to make sustainable decisions.

The FY 2025 financial plan focuses on building efficiency through organizational optimization. It endeavors to initiate continuous improvement initiatives across the agency by aligning departmental initiatives with the organizational priorities through a design thinking process. The FY 2025 plan maintains service improvements from prior years, while also taking a conservative approach due to macro-economic uncertainty.

LBT has ongoing labor agreements with Amalgamated Transit Union (ATU), Local 1277 and American Federation of State, County, and Municipal Employees (AFSCME) District Council 36. The agreements provide the parties with specific procedures governing the duration and renewal of the agreements. The agreements were ratified in FY 2024 and are effective through June 30, 2026 for ATU and June 30, 2027 for AFSCME. LBT has no reason to expect any service disruption with regard to these agreements.

Despite challenges, LBT remains financially healthy. The Agency's FY 2025 budget is balanced with current revenues equal to current expenditures. The operating financial plan for FY 2025, approved in June 2024, totals $132.19 million.

# Management's Discussion and Analysis (continued)

## REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of LBT's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director/VP of Finance and Budget, Long Beach Transit, 4801 Airport Plaza Drive. Long Beach, CA 90815.

# Financial Statements

# Statements of Net Position
# June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents (note 2) | $ 66,571,310 | $ 52,433,805 |
| Accounts receivable (note 4) | 17,627,552 | 12,525,188 |
| Lease asset, current portion | 191,310 | 9,189 |
| Lease receivable, current portion | 700,876 | 655,295 |
| Materials and supplies inventory | 3,957,076 | 3,760,094 |
| Prepaid expenses | 592,362 | 1,233,619 |
| Total current assets | 89,640,486 | 70,617,190 |
| Noncurrent Assets: | | |
| Investments (note 2) | 11,363,793 | 15,912,334 |
| Lease receivable, net of current portion | 1,896,535 | 2,597,411 |
| Prepaid lease commission | 124,316 | 182,167 |
| Capital assets, not being depreciated/amortized (note 8) | | |
| Land | 14,275,000 | 14,275,000 |
| Construction-in-progress | 4,650,383 | 17,918,054 |
| Total capital assets, not being depreciated/amortized (note 8) | 18,925,383 | 32,193,054 |
| Capital assets, being depreciated/amortized, net (note 8): | | |
| Buildings and improvements | 26,397,093 | 27,528,931 |
| Fleet | 56,553,937 | 51,040,321 |
| Communications systems | 992 | 992 |
| Fare collection system | 299,962 | 326,175 |
| Office, shop and garage equipment | 2,325,084 | 1,910,513 |
| Customer amenities | 4,614,638 | 1,108,379 |
| Right-to-use lease assets | 8,520,298 | 8,709,638 |
| Right-to-use subscription assets | 1,253,090 | 2,098,196 |
| Total capital assets, being depreciated/amortized, net (note 8) | 99,965,094 | 92,723,145 |
| Total noncurrent assets | 132,275,121 | 143,608,111 |
| Total assets | 221,915,607 | 214,225,301 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows related to pension | 6,438,007 | 11,915,316 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 228,353,614 | $ 226,140,617 |

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

# Statements of Net Position, Continued
# June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable | $ 6,047,758 | $ 7,059,768 |
| Accrued payroll expenses | 1,833,459 | 1,552,984 |
| Compensated absences payable (note 11) | 3,792,776 | 3,613,807 |
| Lease liability, current portion | 82,359 | 80,520 |
| Subscription liability, current portion | 646,133 | 818,906 |
| Sick leave benefits (note 11) | 200,883 | 222,453 |
| Subsidy deferral (note 9) | 51,550,707 | 38,569,948 |
| Estimated liability for insurance claims (note 6) | 24,247,141 | 22,306,489 |
| Total current liabilities | 88,401,216 | 74,224,875 |
| Noncurrent Liabilities: | | |
| Unearned revenue (note 5) | 2,395,416 | 3,286,334 |
| Lease liability, net of current portion | 8,862,152 | 8,944,513 |
| Subscription liability, net of current portion | 289,034 | 935,168 |
| Sick leave benefits (note 11) | 6,791,272 | 5,947,068 |
| Net pension liability (note 13) | 28,978,645 | 34,055,081 |
| Total noncurrent liabilities | 47,316,519 | 53,168,164 |
| Total liabilities | 135,717,735 | 127,393,039 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows related to lease | 2,458,474 | 3,178,028 |
| Deferred inflows related to pension | 734,705 | - |
| Total deferred inflows of resources | 3,193,179 | 3,178,028 |
| NET POSITION | | |
| Net investment in capital assets | 109,117,095 | 110,464,392 |
| Restricted for: | | |
| Capital procurement | 226,204 | 290,978 |
| Unrestricted | (19,900,599) | (15,185,820) |
| Total net position | 89,442,700 | 95,569,550 |
| TOTAL LIABILITIES AND NET POSITION | $ 228,353,614 | $ 226,140,617 |

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, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| Operating revenues: | | |
| Passenger fares | $ 9,924,934 | $ 9,106,371 |
| Special events | 100,247 | 47,625 |
| Advertising | 740,683 | 717,456 |
| Other revenue | 2,232,104 | 2,381,048 |
| Total operating revenues | 12,997,968 | 12,252,500 |
| Noncapital subsidies (note 3) | 108,987,379 | 100,325,363 |
| Operating expenses: | | |
| Transportation | 63,063,572 | 57,167,700 |
| Maintenance | 36,655,042 | 34,517,574 |
| Administration | 26,212,495 | 24,377,847 |
| Depreciation (note 8) | 17,749,336 | 16,794,369 |
| Total operating expenses | 143,680,445 | 132,857,490 |
| Operating loss and noncapital subsidies | (21,695,098) | (20,279,627) |
| Nonoperating revenues (expenses): | | |
| Investment return, net | 2,810,184 | 1,228,625 |
| Total nonoperating revenues | 2,810,184 | 1,228,625 |
| Change in net position before capital grants | (18,884,914) | (19,051,002) |
| Capital grants | 12,758,064 | 28,767,615 |
| Change in net position | (6,126,850) | 9,716,613 |
| Total net position, July 1 | 95,569,550 | 85,746,199 |
| Restatement - GASB 96 | - | 106,738 |
| Total net position, June 30 | $ 89,442,700 | $ 95,569,550 |

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

# Statements of Cash Flows
# Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| Cash flows from operating activities: | | |
| Cash received from customers | $ 12,978,667 | $ 11,045,157 |
| Cash paid to employees for services | (58,334,961) | (52,150,841) |
| Cash paid to other suppliers of goods or services | (63,648,257) | (58,467,729) |
| Net cash used for operating activities | (109,004,551) | (99,573,413) |
| Cash flows provided by noncapital financing activities: | | |
| Operating subsidies received | 122,024,557 | 95,981,345 |
| Cash flows from capital and related financing activities: | | |
| Proceeds (use of proceeds) from sale of capital assets | (78,467) | 95,537 |
| Purchase of capital assets | (12,758,064) | (28,767,615) |
| Capital grant contributions received | 6,919,353 | 24,802,274 |
| Net cash used for capital and related financing activities | (5,917,178) | (3,869,804) |
| Cash flows provided by investing activities: | | |
| Net proceeds and gains from investments | 4,548,541 | 14,828,230 |
| Purchase of investments | - | (8,961,170) |
| Interest received on cash and investments | 2,486,136 | 976,367 |
| Net cash provided by investing activities | 7,034,677 | 6,843,427 |
| Net change in cash and cash equivalents | 14,137,505 | (618,445) |
| Cash and cash equivalents, July 1 | 52,433,805 | 53,052,250 |
| Cash and cash equivalents, June 30 (note 2) | $ 66,571,310 | $ 52,433,805 |

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

# Statements of Cash Flows, Continued
# Years Ended June 30, 2024 and 2023

| Reconciliation of Operating Loss to Net Cash Used for Operating Activities | 2024 | 2023 |
|---|---|---|
| Operating loss | $ (130,682,477) | $ (120,604,990) |
| Adjustments to reconcile operating loss to net cash used for operating activities: | | |
| Depreciation expense | 17,749,336 | 16,794,369 |
| (Increase) decrease in accounts receivable from operations | (65,425) | (2,108,480) |
| (Increase) decrease in materials and supplies inventory | (196,981) | (550,204) |
| (Increase) decrease in prepaid expenses and lease assets | 1,675,703 | 235,340 |
| (Increase) decrease in lease commission and receivable (non-current) | 758,727 | (2,779,578) |
| (Increase) decrease in deferred outflows of resources | 6,212,014 | 4,111,680 |
| Increase (decrease) in accounts payable | (1,153,695) | 1,288,261 |
| Increase (decrease) in accrued payroll expenses, compensated absences payable, and sick leave benefits | 1,282,078 | 1,245,379 |
| Increase (decrease) in net pension liability | (5,076,435) | 1,862,744 |
| Increase (decrease) in estimated liability for insurance claims | 1,940,652 | 2,038,011 |
| Increase (decrease) in lease liability | (728,494) | (459,444) |
| Increase (decrease) in deferred inflows of resources related to pension | - | (3,824,529) |
| Increase (decrease) in deferred inflows of resources related to lease | (719,554) | 3,178,028 |
| Total adjustments | 21,677,926 | 21,031,577 |
| Net cash used in operating activities | $ (109,004,551) | $ (99,573,413) |

Noncash investing, and capital financing activities:

During the years ended June 30, 2024 and 2023, the Agency had noncash capital asset additions of $925,016 and $3,672,700 respectively, which were included in accounts payable in the statements of net position.

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

# Combined Statements of Fiduciary Net Position
# June 30, 2024 and 2023

| | Pension Trust Funds | |
|---|---|---|
| | 2024 | 2023 |
| **Assets** | | |
| Cash | $ 2,611,606 | $ 2,543,932 |
| Accounts Receivable: | | |
| Transfer receivable from Contract Plan | 56,154 | 428,919 |
| Investments, at fair value | | |
| Equity mutual funds | 26,085,206 | 30,393,742 |
| Bond mutual funds | 18,677,022 | 16,104,176 |
| Private equity | 74,725,579 | 60,028,368 |
| Total investments | 119,487,807 | 106,526,286 |
| Total assets | $ 122,155,567 | $ 109,499,137 |
| **Liabilities** | | |
| Payable due to Salaried Plan | $ - | $ 428,919 |
| Total liabilities | $ - | $ 428,919 |
| **Net position restricted for pensions** | $ 122,155,567 | $ 109,070,218 |

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

# Combined Statements of Changes in Fiduciary Net Position
# Years Ended June 30, 2024 and 2023

| | Pension Trust Funds | |
|---|---|---|
| | 2024 | 2023 |
| **Additions:** | | |
| Contributions: | | |
| Employer contributions | $ 6,749,217 | $ 5,521,873 |
| Employee contributions | 3,552,576 | 2,820,031 |
| Total contributions | 10,301,793 | 8,341,904 |
| Investment gain (loss): | | |
| Interest | 68,549 | 35,244 |
| Dividends and capital gains | 1,527,428 | 1,353,356 |
| Net unrealized gain (loss) on investments | 12,267,897 | 7,571,111 |
| Net realized gain on investments | (2,017,190) | (363,650) |
| Total investment gain (loss), net | 11,846,684 | 8,596,061 |
| Other additions: | | |
| Benefit transfers from Contract Plan | - | 428,919 |
| Total other additions | - | 428,919 |
| **Deductions:** | | |
| Expenditures: | | |
| Pension benefits | 8,422,114 | 9,278,489 |
| Direct administrative costs | 64,215 | 55,307 |
| Other administrative costs | 576,799 | 472,805 |
| Total expenditures | 9,063,128 | 9,806,601 |
| Other deductions: | | |
| Benefit transfers to salaried plan | - | 428,919 |
| Total other deductions | - | 428,919 |
| Net increase (decrease) in plan net position | 13,085,349 | 7,131,364 |
| Net position restricted for pension, beginning of year | 109,070,218 | 101,938,854 |
| Net position restricted for pension, end of year | $ 122,155,567 | $ 109,070,218 |

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

# Notes to Financial Statements
# June 30, 2024 and 2023

## (1) Summary of Significant Accounting Policies

Reporting Entity

Long Beach Public Transportation Company (Long Beach Transit or the Agency) is a California nonprofit corporation organized to provide public transportation services in Long Beach, California. The Agency is governed by a seven-member Board of Directors appointed to serve four-year terms by the Mayor of the City of Long Beach California (City), 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. As such, the Agency's financial statements are included in the City's annual comprehensive financial report as a discreetely presented component unit. LBT has a separate legal status and has historically operated as an independently managed and operated nonprofit corporation, receiving no direct administrative or financial support from the City. For the present, there has been no expressed intent to alter the status of this financial reporting and administrative relationship.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

> **Deferred Outflows of Resources** – represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.
>
> **Deferred Inflows of Resources** – represent inflows of resources (accumulation of net assets) that apply to future periods and that, therefore, will not be recognized as revenue until that time.

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

Use of Estimates and Assumptions

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

# Notes to Financial Statements (continued)

**(1) Summary of Significant Accounting Policies (continued)**

Accounts Receivable

Accounts are written off when determined to be uncollectible. In the opinion of management, all significant accounts receivable at June 30, 2024 and 2023 are fully collectible.

Material and Supplies Inventory

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

Capital Assets

Capital assets, which include property, plant and equipment, are defined by the Agency as assets with an initial individual cost of more than $10 thousand and having an estimated useful life of more than one year. Capital assets are valued at historical cost. Depreciation is provided using the straight-line method, with no allowance for salvage values. Donated capital assets are reported at acquisition value at the date of donation. The Agency did not receive any donated capital assets during FY 2024.

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

| | |
|---|---|
| Buildings and improvements | 5-40 years |
| Buses and vessels | 12 years |
| Fareboxes | 10 years |
| Smaller buses | 7 years |
| Furniture, equipment and customer amenities | 5 years |
| Service trucks | 4 years |
| Information systems equipment | 3 years |
| Bus components | 3 years |
| Service autos and vans | 3 years |

Long-Term Debt

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

Net Position

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

**Net investment in capital assets**: This category in the net position represents capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

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

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

# Notes to Financial Statements (continued)

**(1) Summary of Significant Accounting Policies (continued)**

Financial Plan

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

Government Grants

Grants for the acquisition of equipment or other capital outlay are not formally recognized in the accounts until the grant becomes a valid receivable as a result of the Agency complying with appropriate grant requirements.

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

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

Statements of Cash Flows

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

Adopted Pronouncements

For the year ended June 30, 2024, LBT implemented the provisions of GASB Statement No. 103, Financial Reporting Model Improvements. This statement aims to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assesesing an agency's accountability.

Future Pronouncements

There are no applicable pronouncements pending implementation.

Subsequent Events

Management has evaluated the impact of any subsequent events through December 23, 2024, the date on which the accompanying financial statements were available to be issued for the year ended June 30, 2023.

Reclassifications

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

# Notes to Financial Statements (continued)

## (2) Cash, Cash Equivalents and Investments

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

| | 2024 | 2023 |
|---|---|---|
| Cash on hand | $ 35,463 | $ 45,252 |
| Deposits with financial institutions | 201,746 | 759,655 |
| Cash equivalents | 66,334,101 | 51,628,898 |
| Total cash and cash equivalents | 66,571,310 | 52,433,805 |
| Investments | 11,363,793 | 15,912,334 |
| Total cash, cash equivalents and investments | $ 77,935,103 | $ 68,346,139 |

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

The table below identifies the investment types that are authorized for LBT by the Agency's investment policy. The table also identifies certain provisions of the Agency's investment policy that address interest rate risk, credit risk and concentration of credit risk. During FY 2024 and FY 2023, the Agency elected to have its investments with LAIF and a similarly structured investment vehicle managed by an independent manager.

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

### Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment at June 30, 2024 and 2023, respectively.

# Notes to Financial Statements (continued)

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

| Type | | 2024 | Weighted Average Maturity (Yrs) |
|---|---|---|---|
| **Cash Equivalents** | | | |
| Local Agency Investment Fund (LAIF) | $ | 64,544,474 | 0.59 |
| Fidelity Municipal Money Market | | 1,789,627 | N/A |
| **Total Cash Equivalents** | | 66,334,101 | |
| | | | |
| **Corporate Bonds** | | | |
| UnitedHealth Group. 2.375% Due 08/15/2024 | $ | 697,184 | 0.1 |
| Toyota Motor Credit Group 1.800% Due 02/13/2025 | | 684,460 | 0.6 |
| Visa Inc. 3.150% Due 12/14/2025 | | 680,771 | 1.4 |
| Berkshire Hathaway Inc. 3.125% Due 03/15/2026 | | 677,551 | 1.6 |
| Corporate Bonds Total | | 2,739,966 | |
| | | | |
| **Government Bonds** | | | |
| Federal Home Loan Bank 2.750% Due 12/13/2024 | | 1,976,320 | 0.4 |
| Freddie Mac 1.500% Due 02/12/2025 | | 1,465,487 | 0.6 |
| United States Treas Note 1.125% Due 02/28/2025 | | 1,946,540 | 0.7 |
| Federal Farm CR BKS Bond 0.600% Due 12/09/2025 | | 469,500 | 0.04 |
| Federal Farm CR BKS Bond 0.900% Due 06/15/2026 | | 927,380 | 0.04 |
| Federal Farm CR BKS Bond 0.870% Due 09/01/2026 | | 1,838,600 | 0.03 |
| Government Bonds Total | | 8,623,827 | |
| | | | |
| **Total Investment Value** | $ | 11,363,793 | |

As of June 30, 2024 and 2023, there were $43,934 and $61,957 respectively, of accrued bond interest which are included in accounts receivable.

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

# Notes to Financial Statements (continued)

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

| Type | | 2023 | Weighted Average Maturity (Yrs) |
|---|---|---|---|
| **Cash Equivalents** | | | |
| Local Agency Investment Fund (LAIF) | $ | 51,516,770 | 0.71 |
| Fidelity Municipal Money Market | | 112,128 | N/A |
| **Total Cash Equivalents** | $ | 51,628,898 | |
| | | | |
| **Corporate Bonds** | | | |
| Microsoft Corp. 2.875% Due 02/06/2024 | $ | 689,416 | 0.58 |
| Home Depot Inc. 3.750% Due 02/15/2024 | | 692,664 | 0.60 |
| UnitedHealth Group. 2.375% Due 08/15/2024 | | 676,452 | 1.08 |
| Toyota Motor Credit Group 1.800% Due 02/13/2025 | | 662,347 | 1.55 |
| Visa Inc. 3.150% Due 2/14/2025 | | 670,971 | 2.32 |
| Berkshire Hathaway Inc. 3.125% Due 03/15/2026 | | 674,289 | 2.54 |
| Corporate Bonds Total | | 4,066,139 | |
| | | | |
| **Government Bonds** | | | |
| United States Treas Bill Due 07/05/2023 | | 3,499,055 | 0.01 |
| Federal Home Loan Bank 2.750% Due 12/13/2024 | | 1,929,160 | 1.40 |
| Freddie Mac 1.500% Due 02/12/2025 | | 1,415,955 | 1.56 |
| United States Treas Note 1.125% Due 02/28/2025 | | 1,874,620 | 1.61 |
| Federal Farm CR BKS Bond 0.600% Due 12/09/2025 | | 451,795 | 0.02 |
| Federal Farm CR BKS Bond 0.900% Due 06/152026 | | 895,170 | 0.02 |
| Federal Farm CR BKS Bond 0.870% Due 09/01/2026 | | 1,780,440 | 0.01 |
| Government Bonds Total | | 11,846,195 | |
| | | | |
| **Total Investment Value** | $ | 15,912,334 | |

# Notes to Financial Statements (continued)

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

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization. Ratings on the investments, excluding LAIF and money market accounts, are as follows at June 30, 2024.

| Investment Type | Rating |
|---|---|
| **Corporate Bonds** | |
| UnitedHealth Group. 2.375% Due 08/15/2024 | A+ |
| Toyota Motor Credit Group 1.800% Due 02/13/2025 | A+ |
| Visa Inc. 3.150% Due 12/14/2025 | AA- |
| Berkshire Hathaway Inc. 3.125% Due 03/15/2026 | AA |

| Investment Type | Rating |
|---|---|
| **Government Bonds** | |
| Federal Home Loan Bank 2.750% Due 12/13/2024 | AA+ |
| Freddie Mac 1.500% Due 02/12/2025 | AA+ |
| United States Treas Note 1.125% Due 02/28/2025 | AA+ |
| Federal Farm CR BKS Bond 0.600% Due 12/09/2025 | AA+ |
| Federal Farm CR BKS Bond 0.900% Due 06/15/2026 | AA+ |
| Federal Farm CR BKS Bond 0.870% Due 09/01/2026 | AA+ |

# Notes to Financial Statements (continued)

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

**Concentration of Credit Risk**

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

**Custodial Credit Risk**

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

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

**Fair Value**

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

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

None of LBT's investments are valued using Level 1 or Level 3 inputs.

# Notes to Financial Statements (continued)

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

The Agency has the following recurring fair value measurements as of June 30, 2024 and 2023:

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

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

**Fair Value Measurements at June 30, 2024**

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Money Market | $ - | $ 1,789,627 | $ - | $ 1,789,627 |
| Corporate Bonds | | 2,739,968 | | 2,739,968 |
| Government Bonds | | 8,623,827 | | 8,623,827 |
| State of California Local Agency Investment Fund | | 64,544,474 | | 64,544,474 |
| Total assets at fair value | $ - | $ 77,697,896 | $ - | $ 77,697,896 |

**Fair Value Measurements at June 30, 2023**

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Money Market | $ - | $ 112,128 | $ - | $ 112,128 |
| Corporate Bonds | | 4,066,139 | | 4,066,139 |
| Government Bonds | | 11,846,195 | | 11,846,195 |
| State of California Local Agency Investment Fund | | 51,516,770 | | 51,516,770 |
| Total assets at fair value | $ - | $ 67,541,232 | $ - | $ 67,541,232 |

# Notes to Financial Statements (continued)

**(3) Operating Subsidies**

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

| | 2024 | 2023 |
|---|---|---|
| Proposition A Local Return, City of Long Beach | $ 6,474,278 | $ 6,515,894 |
| Proposition A, County of Los Angeles | 17,547,201 | 16,493,649 |
| Proposition C, County of Los Angeles | 8,292,324 | 7,515,603 |
| Measure R, County of Los Angeles | 15,882,204 | 12,935,117 |
| Measure M, County of Los Angeles | 2,763,018 | 14,504,022 |
| TDA, STA, STA-SB1, LCTOP and TIRCP, State of California | 34,146,304 | 32,452,380 |
| Preventive Maintenance, Federal | 400,000 | 100,000 |
| CRRSA Act, Federal | 4,916,228 | 7,050,002 |
| ARP Act, Federal | 15,743,567 | - |
| Local Municipalities | 2,785,149 | 2,670,665 |
| Other Sources | 37,106 | 88,031 |
| Total | $ 108,987,379 | $ 100,325,363 |

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

Additionally, each city in the county receives a formula allocation of certain Proposition A revenues. The City of Long Beach in turn allocates a portion of its Proposition A local share funding to the Agency in accordance with an agreement between the Agency and the City. The portion of the local Proposition A funds used for operating assistance was $6,474,278 in FY 2024.

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

The State of California's Transportation Development Act (TDA) of 1971 designated a portion of county sales tax receipts to finance transit operations and development. This financing is made available to eligible transit operators within the County through allocations from the Local Transportation Fund of Los Angeles County and administered by Metro. State Transit Assistance Funds (STA) are generated from state fuel taxes and are disbursed to transit agencies based on a formula allocation by Metro. In April 2017, Governor Jerry Brown signed Senate Bill 1 (SB1), the Road Repair and Accountability Act of 2017, into law. A part of this program augments STA with a portion of the new sales tax on diesel fuel.

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

In accordance with the FTA regulations, the Agency is allowed to use a portion of federal grant monies for operating preventative maintenance expenditures. These funds are shown as subsidies in the Agency's

# Notes to Financial Statements (continued)

**(3) Operating Subsidies (continued)**

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

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law, which includes $900 billion in supplemental appropriations for COVID-19 relief, $14 billion of which was allocated to support the transit industry during the COVID-19 public health emergency. LBT was allocated $26.67 million of CRRSAA funds and used $14.16 million in FY 2022, $7.05 million in FY 2023, and $4.92 million in FY 2024, to fund operating expenses.

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into lay, providing about $30 billion for transit operators nationwide to prevent, prepare for, and respond to the COVID-19 pandemic. LBT was allocated $42.86 million in ARPA funds and used $15.74 million in FY 2024 to fund operating expenses.

Local Municipalities revenue represents reimbursement for service hours supplied to eight surrounding cities. Additionally, in 2017, LBT was awarded funds from the Metro ExpressLanes Net Toll Revenue Reinvestment Grant to operate the Los Angeles Galaxy Shuttle Bus Service. ExpressLanes revenue is reflected in Other Sources.

**(4) Accounts Receivable**

Accounts receivable were comprised of the following at June 30:

| | 2024 | 2023 |
|---|---|---|
| Trade receivables | $ 2,326,391 | $ 2,126,080 |
| Interest | 775,277 | 451,229 |
| Capital grants receivable | 1,512,722 | 5,478,047 |
| Proposition A funds due from City | 1,181,883 | 1,979,979 |
| STA | 1,235,220 | 907,019 |
| STA-SB1 | 946,160 | 705,523 |
| ARPA | 8,792,672 | - |
| Other receivables | 857,227 | 877,311 |
| Total | $ 17,627,552 | $ 12,525,188 |

**(5) Unearned Revenue**

At June 30, 2024 and 2023, the balances of unearned revenue were as follows:

| | 2024 | 2023 |
|---|---|---|
| Capital grant funds | $ 2,265,833 | $ 3,107,534 |
| Other | 129,583 | 178,800 |
| Total unearned revenue | $ 2,395,416 | $ 3,286,334 |

Capital grants receivable are grant funds earned and shown as capital contributions through purchase or construction of qualifying capital assets, but not yet received. Capital grant funds included in unearned

revenue are funds the Agency has received in advance for capital asset acquisition or construction, but which have not been expended at the date of the statements of net position.

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

# Notes to Financial Statements (continued)

**(6) Estimated Liability for Insurance Claims**

Under its insurance programs, the Agency retains the risk for each occurrence of workers' compensation claimed up to $1.5 million. Workers' compensation maximum limit of indemnity per occurrence is statutory and employer's liability is $2.0 million per aggregate. Individual claim settlements for workers' compensation did not exceed insurance coverage limits in FY 2024 and FY 2023.

Under its insurance programs, the Agency retains the risk for each occurrence of personal liability and property damage (PL/PD) claimed up to $3 million. There were no individual claim settlements for PL/PD that exceeded the insurance coverage for FY 2024 and FY 2023.

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

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

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

| | Personal Liability and Property Damage | Workers' Compensation | Total |
|---|---|---|---|
| Estimated liabilities at June 30, 2022 | $ 5,132,051 | $ 15,136,427 | $ 20,268,478 |
| Reserves: | | | |
| New claims | 258,638 | 1,253,369 | 1,512,007 |
| Adjustments to existing claims | 2,013,543 | 3,138,917 | 5,152,460 |
| Payouts | (606,708) | (4,019,748) | (4,626,456) |
| Estimated liabilities at June 30, 2023 | 6,797,524 | 15,508,965 | 22,306,489 |
| Reserves: | | | |
| New claims | 207,864 | 1,245,226 | 1,453,090 |
| Adjustments to existing claims | 762,624 | 5,421,996 | 6,184,620 |
| Payouts | (808,680) | (4,888,378) | (5,697,058) |
| Estimated liabilities at June 30, 2024 | $ 6,959,332 | $ 17,287,809 | $ 24,247,141 |

# Notes to Financial Statements (continued)

**(7) Deferred Compensation**

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

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

LBT also sponsors a 401(a) deferred contribution plan for salaried employees hired on or after April 1, 2011. The plan provides an employer contribution equal to an employee's salary deferrals to the Agency's Deferred Compensation Plan, up to maximum of five percent of compensation, excluding overtime and bonuses, plus a non-elective contribution to the 401(a) plan equal to five percent of compensation, excluding overtime and bonuses. The matching contribution expenses are reflected in the Agency's operating expenses.

# Notes to Financial Statements (continued)

## (8) Capital Assets

Capital asset activity for the years ended June 30, 2024 and 2023 was as follows:

| | Balance at June 30, 2023 | Adjustments/ Transfers | Increases | Decreases | Balance at June 30, 2024 |
|---|---|---|---|---|---|
| **Non-depreciable/amortizable capital assets:** | | | | | |
| Land | $ 14,275,000 | $ - | $ - | $ - | $ 14,275,000 |
| Construction in progress | 17,918,054 | (15,244,921) | 1,977,250 | - | 4,650,383 |
| Total non-depreciable/ amortizable capital assets | 32,193,054 | (15,244,921) | 1,977,250 | - | 18,925,383 |
| **Depreciable/amortizable capital assets:** | | | | | |
| Buildings and improvements | 81,162,040 | 328,566 | 1,326,151 | - | 82,816,757 |
| Fleet | 183,223,295 | 10,884,486 | 7,610,615 | (151,425) | 201,566,971 |
| Communications systems | 7,461,067 | - | - | - | 7,461,067 |
| Fare collection system | 9,340,489 | - | 40,360 | - | 9,380,849 |
| Office, shop and garage equipment | 25,047,256 | 146,359 | 1,803,689 | (5,416) | 26,991,888 |
| Customer amenities | 18,381,754 | 3,885,510 | - | (844,819) | 21,422,445 |
| Intangible assets: | | | | | |
| Right-to-use lease assets | 9,246,101 | - | - | - | 9,246,101 |
| Right-to-use subscription assets | 3,313,034 | - | - | - | 3,313,034 |
| Total depreciable/ amortizable capital assets | 337,175,036 | 15,244,921 | 10,780,815 | (1,001,660) | 362,199,112 |
| **Less accumulated depreciation/ amortization:** | | | | | |
| Buildings and improvements | (53,633,109) | - | (2,786,555) | - | (56,419,664) |
| Fleet | (132,182,974) | - | (12,981,485) | 151,425 | (145,013,034) |
| Communications systems | (7,460,075) | - | - | - | (7,460,075) |
| Fare collection system | (9,014,314) | - | (66,573) | - | (9,080,887) |
| Office, shop and garage equipment | (23,136,743) | - | (1,535,477) | 5,416 | (24,666,804) |
| Customer amenities | (17,273,375) | - | (379,251) | 844,819 | (16,807,807) |
| Intangible assets: | | | | | |
| Right-to-use lease assets | (536,463) | - | (189,340) | | (725,803) |
| Right-to-use subscription assets | (1,214,838) | - | (845,106) | | (2,059,944) |
| Total accumulated depreciation/amortization | (244,451,891) | - | (18,783,787) | 1,001,660 | (262,234,018) |
| **Total depreciable/amortizable capital assets, net** | 92,723,145 | 15,244,921 | (8,002,972) | - | 99,965,094 |
| **Total capital assets, net** | $ 124,916,199 | $ - | $ (6,025,722) | $ - | $ 118,890,477 |

# Notes to Financial Statements (continued)

## (8) Capital Assets (continued)

| | Balance at June 30, 2022 | Adjustments/ Transfers | Increases | Decreases | Balance at June 30, 2023 |
|---|---|---|---|---|---|
| **Non-depreciable/amortizable capital assets:** | | | | | |
| Land | $ 14,275,000 | $ - | $ - | $ - | $ 14,275,000 |
| Construction in progress | 6,933,810 | (3,766,515) | 14,750,759 | - | 17,918,054 |
| Total non-depreciable/ amortizable capital assets | 21,208,810 | (3,766,515) | 14,750,759 | - | 32,193,054 |
| **Depreciable/amortizable capital assets:** | | | | | |
| Buildings and improvements | 78,257,551 | 1,352,887 | 1,551,602 | - | 81,162,040 |
| Fleet | 179,746,128 | 2,043,625 | 8,151,180 | (6,717,638) | 183,223,295 |
| Communications systems | 7,462,121 | - | - | (1,054) | 7,461,067 |
| Fare collection system | 9,340,489 | - | - | - | 9,340,489 |
| Office, shop and garage equipment | 24,298,158 | 370,002 | 428,613 | (49,517) | 25,047,256 |
| Customer amenities | 17,709,080 | - | 672,674 | - | 18,381,754 |
| Intangible assets: | | | | | |
| Right-to-use lease assets | 9,145,511 | 100,590 | - | - | 9,246,101 |
| Right-to-use subscription assets | - | 2,715,711 | 597,323 | - | 3,313,034 |
| Total depreciable/ amortizable capital assets | 325,959,038 | 6,582,815 | 11,401,392 | (6,768,209) | 337,175,036 |
| **Less accumulated depreciation/ amortization:** | | | | | |
| Buildings and improvements | (51,145,583) | - | (2,487,526) | - | (53,633,109) |
| Fleet | (126,976,822) | - | (11,923,790) | 6,717,638 | (132,182,974) |
| Communications systems | (7,461,129) | - | - | 1,054 | (7,460,075) |
| Fare collection system | (8,945,957) | - | (68,357) | - | (9,014,314) |
| Office, shop and garage equipment | (21,701,121) | - | (1,485,139) | 49,517 | (23,136,743) |
| Customer amenities | (16,443,819) | - | (829,556) | - | (17,273,375) |
| Intangible assets: | | | | | |
| Right-to-use lease assets | (328,300) | (18,823) | (189,340) | - | (536,463) |
| Right-to-use subscription assets | - | (419,508) | (795,330) | - | (1,214,838) |
| Total accumulated depreciation/amortization | (233,002,731) | (438,331) | (17,779,038) | 6,768,209 | (244,451,891) |
| **Total depreciable/amortizable capital assets, net** | 92,956,307 | 6,144,484 | (6,377,646) | - | 92,723,145 |
| **Total capital assets, net** | $ 114,165,117 | $ 2,377,969 | $ 8,373,113 | $ - | $ 124,916,199 |

## (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 funding 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, 2024 and 2023, the Agency had remaining Prop A subsidy funding of $32,176,688 and $32,301,688, respectively, to be utilized in future fiscal years.

The Agency had Measure M funds of $19,374,019 and $6,268,260 as of June 30, 2024 and 2023, respectively. These funds are to be used to fund operations in future fiscal years.

# Notes to Financial Statements (continued)

**(10) Commitments and Contingencies**

Legal

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

Purchase Contracts

The Agency had the following significant purchase commitments outstanding at June 30, 2024. These purchase orders are for future goods and services the Agency is committed to by contract but has yet to receive. The balances listed include some contingency balances; therefore, actual costs may be lower than shown.

| Vendor | Project | Amount | Expected Completion |
|---|---|---|---|
| PDA Consulting Group, Inc. | Consulting services for PDA | $ 174,785 | December 2024 |
| Commune Communication | Advertising, Media | $ 387,360 | December 2024 |
| BYD Motors, Inc. | 5 BEB Commuter Buses | $ 6,759,885 | December 2024 |
| The Goodyear Tire & Rubber Co. | Tire Lease Contract | $ 2,141,201 | January 2025 |
| Quartic Solutions | GIS On-Call Service with Quartic Solution | $ 200,000 | April 2025 |
| CDW-G, LLC. | Microsoft License | $ 152,711 | June 2025 |
| SC Fuels | Diesel Fuel | $ 207,657 | June 2025 |
| RE Chaffee Construction, Inc. | Guard House Replace Project LBT1 & LBT2 | $ 214,213 | June 2025 |
| Universal Protection Service, LP. | Additional Transit Ambassadors | $ 219,547 | June 2025 |
| Generation IX, Inc. | GenIX-Remote Helpdesk 2024-2025 | $ 229,960 | June 2025 |
| Carl Warren & Co. | Liability and Subrogation Third Party | $ 509,059 | June 2025 |
| J. Kim Electric, Inc. | Lighting Improvements LBT1 & LBT2 | $ 723,378 | June 2025 |
| Merrimac Energy Group | Fuel contract | $ 7,945,955 | June 2025 |
| Empyrean Benefit Solution | Employee Benefits | $ 150,000 | September 2025 |
| United Health Care | Employee Benefits | $ 160,000 | September 2025 |
| United Health Care | Employee Benefits | $ 180,000 | September 2025 |
| Mission Linen Supply | Uniform Base Contract Years 1-3 | $ 233,089 | September 2025 |
| United Health Care | Employee Benefits | $ 600,000 | September 2025 |
| United Health Care | Employee Benefits | $ 11,425,000 | September 2025 |
| Universal Protection Service, LP. | Security Guard Services - Three years | $ 3,992,153 | October 2025 |
| Delta Motor, Inc. | Hybrid Reconditioning Project Base | $ 448,067 | December 2025 |
| Complete Coach Works | Artic Rehab Project for 2015s | $ 4,114,795 | December 2025 |

# Notes to Financial Statements (continued)

| | | | |
|---|---|---|---|
| New Flyer of America | 30 BEBs | $ 43,878,763 | December 2025 |
| Dell Computer Corporation | Microsoft Enterprise Agreement | $ 622,836 | December 2025 |
| Giro, Inc. | Hastus Software Maintenance and Support | $ 361,675 | January 2026 |
| Global Paratransit, Inc. | DAL Services | $ 6,884,581 | February 2026 |
| Britemoon Detailing, LLC. | Bus detailing services and window service | $ 1,444,762 | March 2026 |
| Innovative Pest Solutions | Pest Control | $ 154,680 | May 2026 |
| 8x8, Inc. | Hosted service for telephone | $ 297,769 | June 2026 |
| Intueor Consulting, Inc. | ERP/EAM Consultant | $ 882,500 | December 2026 |
| Athens Administrators | WC Third-Party Administrator | $ 1,333,921 | January 2027 |
| ETC Institute | Customer, Community and Operator Survey | $ 354,870 | June 2027 |
| Nth Generation Computing, Inc. | Nth Generation-Darktrace 2024-2027 Renew | $ 497,546 | June 2027 |
| Catalina Express | Aqualink and Aquabus Service Aug 2023 - July 2028 | $ 7,196,000 | July 2028 |
| Clean Energy | LBT 2 CNG Station Maintenance | $ 1,989,516 | June 2030 |
| | **Total** | $ 107,068,234 | |

Leases as Lessee

In FY 2021, LBT purchased new corporate administrative offices. As part of the purchase, the Agency was assigned to an existing ground lease with the City of Long Beach. The ground lease is set to expire on June 30, 2069, and calls for monthly payments in the amount of $22,949. Effective July 1, 2022, and every five years thereafter, the monthly payment amount will be adjusted by the Consumer Price Index of the preceding five-year period. The maximum increase in any given year will be eight percent. The total lease costs were $322,474 and $280,447 for years ended June 30, 2024 and 2023, respectively.

In estimating the present value of the lease liabilities, LBT estimated the discount rate based on the Consumer Price Index pursuant to the terms of the lease agreement. The interest rate used for the calculation was 2.26% for year ended June 30, 2023.

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

| Year Ending June 30, | Principal | Interest |
|---|---|---|
| 2025 | $ 82,359 | $ 201,296 |
| 2026 | 84,240 | 199,416 |
| 2027 | 86,164 | 197,492 |
| 2028 | 96,730 | 195,436 |
| 2029 | 98,938 | 193,227 |
| 2030-2034 | 547,547 | 930,809 |
| 2035-2039 | 659,874 | 862,833 |
| 2040-2044 | 787,032 | 781,356 |
| 2045-2049 | 930,836 | 684,604 |
| 2050-2054 | 1,093,319 | 570,584 |
| Thereafter | 4,477,472 | 819,773 |
| | $ 8,944,511 | $ 5,636,826 |

# Notes to Financial Statements (continued)

**(10) Commitments and Contingencies (continued)**

Changes in net lease assets and lease liabilities for LBT as a lessee were as follows:

| Right-to-use lease Assets | Balance 6/30/2023 | Additions | Modifications & Remeasurements | Subtractions | Balance 6/30/2024 | Amounts Due Within One Year |
|---|---|---|---|---|---|---|
| Ground Lease | $ 9,246,101 | - | - | - | $ 9,246,101 | |
| | 9,246,101 | - | - | - | 9,246,101 | |
| **Less: Accumulated Amortization** | | | | | | |
| Ground Lease | (536,463) | (189,340) | - | - | (725,803) | |
| | (536,463) | (189,340) | - | - | (725,803) | |
| **Total Right-to-use lease assets, net** | 8,709,638 | (189,340) | - | - | 8,520,298 | |
| **Lease Liabilities** | $ 9,025,032 | - | - | $ (80,521) | $ 8,944,511 | $ 82,359 |

Total amount of lease expenses are as follows:

| **Lease expense** | Year Ending June 30, 2024 |
|---|---|
| Amortization expense by class of underlying asset | |
| Ground Lease | $ 189,340 |
| Total amortization expense | 189,340 |
| Interest on lease liabilities | 202,983 |
| Variable lease expense | - |
| **Total** | $ 392,323 |

Leases as Lessor

The new corporate administrative office is comprised of a multi-tenant commercial building. LBT continues to actively seek tenants to occupy its available spaces based on terms of the adopted lease guidelines which requires a minimum lease term of five years and minimum annual escalator ranging with a minimum of two percent. The total lease revenue was $755,494 and $614,223 for years ended June 30, 2024 and 2023, respectively.

In estimating the present value of the lease assets, LBT estimated the discount rate based on the risk-free interest rate pursuant to the terms of the lease agreements. The interest rate used for the calculation was 3.39% for year ended June 30, 2023.

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

| Year Ending June 30, | Principal | Interest |
|---|---|---|
| 2025 | $ (700,876) | $ (77,283) |
| 2026 | (748,718) | (52,786) |
| 2027 | (798,918) | (26,631) |
| 2028 | (348,899) | (2,980) |
| 2029 | - | - |
| | $ (2,597,411) | $ (159,680) |

# Notes to Financial Statements (continued)

**(10) Commitments and Contingencies (continued)**

Total amount of lease revenues are as follows:

| **Lease-related Revenue** | Year Ending June 30, 2024 |
|---|---|
| Lease Revenue | |
| Building | $ (719,554) |
| Total Lease Revenue | (719,554) |
| Interest Revenue | (98,348) |
| **Total** | $ (817,902) |

Subscription-Based Information Technology Arrangements (SBITA)

During the regular course of business, LBT enters into certain subscription-based information technology arrangements that convey control of the right-to-use another entity's nonfinancial assets for a period of time in an exchange or exchange-like transaction. These are generally enterprise-scale software as a service contracts. The total SBITA costs were $884,885 and $861,676 for years ended June 30, 2024 and 2023, respectively.

Capitalized SBITAs consisted of multiple arrangements with various terms and payment structures. In estimating the present value of the liabilities, LBT estimated the discount rates based on the risk-free interest rate pursuant to the terms of the arrangements. The interest rates used for the calculation ranged from 2.61% to 4.25% for year ended June 30, 2023.

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

| Year Ending June 30, | Principal | Interest |
|---|---|---|
| 2025 | $ 646,133 | $ 36,908 |
| 2026 | 289,034 | 11,956 |
| 2027 | - | - |
| 2028 | - | - |
| 2029 | - | - |
| | $ 935,167 | $ 48,864 |

Changes in subscription assets and liabilities were as follows:

| **Right-to-use subscription assets** | Balance 6/30/2023 | Additions | Modifications & Remeasurements | Subtractions | Balance 6/30/2024 | Amounts Due Within One Year |
|---|---|---|---|---|---|---|
| SBITA - GASB 96 | $ 3,313,034 | $ - | $ - | $ - | $ 3,313,034 | |
| | 3,313,034 | - | - | - | 3,313,034 | |
| **Less: Accumulated Amortization** | | | | | | |
| SBITA - GASB 96 | (1,214,838) | (845,106) | - | - | (2,059,944) | |
| | (1,214,838) | (845,106) | - | - | (2,059,944) | |
| **Total Subscription Assets, net** | 2,098,196 | (845,106) | - | - | 1,253,090 | |
| **Subscription Liabilities** | $ 1,754,074 | $ - | $ - | $ (818,906) | $ 935,168 | $ 646,133 |

# Notes to Financial Statements (continued)

**(10) Commitments and Contingencies (continued)**

Total amount of subscription expenses were as follows:

| | Year Ending June 30, 2024 |
|---|---|
| **Subscription expense** | |
| Amortization expense by class of underlying asset | |
| SBITA - GASB 96 | $ 845,106 |
| Total amortization expense | 845,106 |
| Interest on subscription liabilities | 48,272 |
| **Total** | $ 893,378 |

Service Obligations

LBT records 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 $646,677 and $646,210 for the years ended June 30, 2024 and 2023, 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, 2024 and 2023, accrued unpaid vacation for all Agency employees amounted to $3,792,776 and $3,613,807 respectively.

| Balance 6/30/23 | Additions | Deletions | Balance 6/30/24 | Due Within One Year |
|---|---|---|---|---|
| $ 3,613,807 | $ 3,792,776 | $(3,613,807) | $ 3,792,776 | $ 3,792,776 |

| Balance 6/30/22 | Additions | Deletions | Balance 6/30/23 | Due Within One Year |
|---|---|---|---|---|
| $ 3,391,167 | $ 3,613,807 | $(3,391,167) | $ 3,613,807 | $ 3,613,807 |

Once a year, the Agency allows employees to sell back a portion of their earned vacation in lieu of taking the time off. The Agency has agreed to buy back vacation time in excess of 10 days earned during the calendar year. Vacation days carried over from the previous year are not eligible for this program. The Agency paid $243,469 and $262,223 under this program during 2024 and 2023, respectively.

Sick Leave Benefit

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

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

There were 146 and 147 retirees with unused sick leave converted cash accounts at June 30, 2024 and 2023, respectively. The cash value equivalent of the remaining unused sick leave for the current retirees totaled $2,141,126 and $2,003,102 respectively. Total reimbursements paid by the Agency during the fiscal years ended June 30, 2024 and 2023, were $271,699 and $326,886, respectively.

The Agency has established a liability related to unused sick leave for both current and future payments. The estimated liability at June 30, 2024 and 2023, was $6,992,155 and $6,169,520, respectively.

| Balance 6/30/23 | Additions | Deletions | Balance 6/30/24 | Due Within One Year |
|---|---|---|---|---|
| $ 6,169,520 | $ 1,194,108 | $(371,473) | $ 6,992,155 | $ 200,883 |

| Balance 6/30/22 | Additions | Deletions | Balance 6/30/23 | Due Within One Year |
|---|---|---|---|---|
| $ 5,457,575 | $ 1,038,831 | $(326,886) | $ 6,169,520 | $ 222,453 |

# Notes to Financial Statements (continued)

## (12) Labor Agreements

Union Labor Agreements

LBT has ongoing labor agreements with Amalgamated Transit Union (ATU), Local 1277 and American Federation of State, County, and Municipal Employees (AFSCME) District Council 36. The agreements provide the parties with specific procedures governing the duration and renewal of the agreements. Both agreements were effective through FY 2024 and expire on June 30, 2026 and June 30, 2027 respectively.

On June 28, 2024, ATU Local 1277 ratified a new three-year Labor Agreement with Long Beach Transit. The contract is effective from July 1, 2023 to June 30, 2026.

A new agreement was reached with AFSCME District Council 36 Supervisory Unit, to ratify a three-year Labor Agreement with Long Beach Transit. The contract is effective from July 1, 2023 to June 30, 2027. As of the issuance of this report, the contract has not yet been officially ratified.

## (13) Pension Benefits

Plan Descriptions

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

The Agency's payroll for employees covered by each pension plan for the years ended June 30, 2024 and 2023 was $35,879,344 and $33,739,794 for the Contract Plan, respectively, and $4,086,524 and $4,133,179 for the Salaried Plan, respectively. Total Agency payroll for 2024 and 2023 was $57,930,784 and $51,832,422, respectively.

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

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

Pension Plan Benefits

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

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

1. 1.23% of the first $500 of adjusted monthly earnings multiplied by the years of credited service (maximum credit of 40 years).

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

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

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

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

Death and Disability Benefits

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

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

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

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

Termination

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

Funding Policy and Annual Pension Contributions

The Agency is required to contribute to the Plans at an actuarially determined rate. Salaried Plan members are required to contribute 5% of their annual salaries toward the Plan. Contract Plan members contribute a percentage of their annual salary toward the Plan as decided by the Board of Arbitration on June 15, 2012 whereas the Agency pays the first 10% of the amount the actuary states, Contract employees pay the next 5% and the Agency and the employees equally split any funding amounts over 15%. The contribution rates for 2024 were 21.01% and 32.00% for the Contract and Salaried Plans, respectively. For 2024, the Agency's annual contributions were $4,986,703 and $1,762,514 for the Contract and Salaried Plans, respectively. For 2023, the Agency's annual contributions were $4,148,988 and $1,372,885 for the Contract and Salaried Plans, respectively.

Net Pension Liability – Salaried Plan

The Salaried Plan's net pension liability was measured as of June 30, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Investment Rate of Return | 6.00% compounded annually |
| Salary Increases | 3.00% per year |
| Mortality | PRI-2012 White Collar Mortality Table Projected with Scale MP-2019; PRI-2012 Disabled Mortality Table Projected with Scale MP-2019 for disabled participants. |
| Employee Contribution Interest Credit | 5.00% compounded annually |
| Lump Sums | 4.50% interest; IRS applicable mortality |
| Administrative Expenses | $171,128 per year payable at the beginning of the year |

Termination Before Retirement:

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

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

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

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

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

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

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

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

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

| Asset Class | Strategic Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| U.S. Stocks | | |
| Large | 12% | 7.0% |
| Mid | 12 | 7.0 |
| Small | 12 | 7.5 |
| Real Estate Securities | 8 | 4.0 |
| International Equity | - | - |
| Developed | 9 | 6.5 |
| Emerging | 9 | 7.0 |
| Commodities | 4 | 1.0 |
| Gold | 4 | 1.0 |
| Fixed Income | 30 | 2.0 |

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

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

| | Increase (Decrease) | | |
|---|---|---|---|
| **Salaried Plan** | **Total Pension Liability** | **Plan Fiduciary Net Position** | **Net Pension Liability** |
| Balances at 6/30/2023 | $ 36,168,165 | $ 32,349,016 | $ 3,819,149 |
| Changes for the year: | | | |
| Service cost | 615,654 | - | 615,654 |
| Interest | 1,927,321 | - | 1,927,321 |
| Expected investment income | - | 1,907,504 | (1,907,504) |
| Difference between expected and actual experience | 1,653,821 | 1,032,254 | 621,567 |
| Contributions - employer | - | 1,762,514 | (1,762,514) |
| Contributions - employee | - | 286,220 | (286,220) |
| Benefit payments, including refunds | (3,008,643) | (3,008,643) | - |
| Administrative expense | - | (171,128) | 171,128 |
| Net changes | 1,188,153 | 1,808,721 | (620,568) |
| Balances at 6/30/2024 | $ 37,356,318 | $ 34,157,737 | $ 3,198,581 |

| | Increase (Decrease) | | |
|---|---|---|---|
| **Salaried Plan** | **Total Pension Liability** | **Plan Fiduciary Net Position** | **Net Pension Liability (Asset)** |
| Balances at 6/30/2022 | $ 35,619,512 | $ 32,041,203 | $ 3,578,309 |
| Changes for the year: | | | |
| Service Cost | 600,985 | - | 600,985 |
| Interest | 1,881,164 | - | 1,881,164 |
| Expected investment income | - | 1,862,160 | (1,862,160) |
| Difference between expected and actual experience | 1,584,288 | 485,761 | 1,098,527 |
| Contributions - employer | - | 1,372,885 | (1,372,885) |
| Contributions - employee | - | 279,383 | (279,383) |
| Benefit payments, including refunds | (3,517,784) | (3,517,784) | - |
| Administrative expense | - | (174,592) | 174,592 |
| Net Changes | 548,653 | 307,813 | 240,840 |
| Balances at 6/30/2023 | $ 36,168,165 | $ 32,349,016 | $ 3,819,149 |

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

Net Pension Liability – Contract Plan

The Contract Plan's net pension liability was measured as of June 30, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Investment Rate of Return | 6.50% compounded annually |
| Salary Increases | 3.00% per year |
| Mortality | PRI-2012 Blue Collar Mortality Table Projected with Scale MP-2019; PRI-2012 Disabled Mortality Table Projected with Scale MP-2019 for disabled participants |
| Employee Contribution Interest Credit | 5.00% compounded annually |
| Lump Sums | 4.50% interest; IRS applicable mortality |
| Administrative Expenses | $469,886 per year payable at the beginning of the year |

Termination Before Retirement:

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

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

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

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

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

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

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

| Asset Class | Strategic Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Global Equities | 55% | 4.4% |
| Fixed Income | 25 | 2.4 |
| Real Assets | 10 | 4.3 |
| Diversifying Alternatives | 10 | 1.8 |

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

| | Increase (Decrease) | | |
|---|---|---|---|
| **Contract Plan** | **Total Pension Liability** | **Plan Fiduciary Net Position** | **Net Pension Liability** |
| Balances at 6/30/2023 | $ 106,957,133 | $ 76,721,202 | $ 30,235,931 |
| Changes for the year: | | | |
| Service cost | 4,135,596 | - | 4,135,596 |
| Interest | 6,649,875 | - | 6,649,875 |
| Expected investment income | - | 5,062,681 | (5,062,681) |
| Difference between expected and actual experience | 1,448,762 | 3,844,246 | (2,395,484) |
| Contributions - employer | - | 4,986,703 | (4,986,703) |
| Contributions - employee | - | 3,266,356 | (3,266,356) |
| Benefit payments, including refunds | (5,413,472) | (5,413,472) | - |
| Administrative expense | - | (469,886) | 469,886 |
| Net changes | 6,820,761 | 11,276,628 | (4,455,867) |
| Balances at 6/30/2024 | $ 113,777,894 | $ 87,997,830 | $ 25,780,064 |

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

| Contract Plan | Increase (Decrease) Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
|---|---|---|---|
| Balances at 6/30/2022 | $ 98,511,679 | $ 69,897,651 | $ 28,614,028 |
| Changes for the year | | | |
| Service cost | 3,976,830 | - | 3,976,830 |
| Interest | 6,141,439 | - | 6,141,439 |
| Expected investment income | - | 4,561,754 | (4,561,754) |
| Difference between expected and actual experience | 4,087,891 | 1,686,387 | 2,401,504 |
| Contributions - employer | - | 4,148,988 | (4,148,988) |
| Contributions - employee | - | 2,540,648 | (2,540,648) |
| Benefit payments, including refunds | (5,760,706) | (5,760,706) | - |
| Administrative expense | - | (353,520) | 353,520 |
| Net changes | 8,445,454 | 6,823,551 | 1,621,903 |
| Balances at 6/30/2023 | $ 106,957,133 | $ 76,721,202 | $ 30,235,931 |

Net Pension Liability - Combined Plans

| Combined Plans | Increase (Decrease) Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
|---|---|---|---|
| Balances at 6/30/2023 | $ 143,125,298 | $ 109,070,218 | $ 34,055,080 |
| Changes for the year: | | | |
| Service cost | 4,751,250 | - | 4,751,250 |
| Interest | 8,577,196 | - | 8,577,196 |
| Expected investment income | - | 6,970,185 | (6,970,185) |
| Difference between expected and actual experience | 3,102,583 | 4,876,500 | (1,773,917) |
| Contributions - employer | - | 6,749,217 | (6,749,217) |
| Contributions - employee | - | 3,552,576 | (3,552,576) |
| Benefit payments, including refunds | (8,422,115) | (8,422,115) | - |
| Administrative expense | - | (641,014) | 641,014 |
| Net changes | 8,008,914 | 13,085,349 | (5,076,435) |
| Balances at 6/30/2024 | $ 151,134,212 | $ 122,155,567 | $ 28,978,645 |

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

| Combined Plans | Total Pension Liability | Increase (Decrease) Plan Fiduciary Net Position | Net Pension Liability |
|---|---|---|---|
| Balances at 6/30/2022 | $ 134,131,191 | $ 101,938,854 | $ 32,192,337 |
| Changes for the year | | | |
| Service cost | 4,577,815 | - | 4,577,815 |
| Interest | 8,022,603 | - | 8,022,603 |
| Expected investment income | - | 6,423,914 | (6,423,914) |
| Difference between expected and actual experience | 5,672,179 | 2,172,148 | 3,500,031 |
| Contributions - employer | - | 5,521,873 | (5,521,873) |
| Contributions - employee | - | 2,820,031 | (2,820,031) |
| Benefit payments, including refunds | (9,278,490) | (9,278,490) | - |
| Administrative expense | - | (528,112) | 528,112 |
| Net changes | 8,994,107 | 7,131,364 | 1,862,743 |
| Balances at 6/30/2023 | $ 143,125,298 | $ 109,070,218 | $ 34,055,080 |

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

The following presents the net pension liability of the Contract Plan as of June 30, 2024, calculated using the discount rate of 6.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (5.5%) or one-percentage point higher (7.5%) than the current rate. The Salaried Plan's net pension liability (asset) is calculated using a discount rate that is one-percentage point lower (5.0%) or one-percentage point higher (7.0%) than the current rate of 6.0%.

| | Contract Plan |
|---|---|
| 1% Decrease or 5.5% | $ 36,077,398 |
| 6.5% Current Discount Rate | $ 25,780,064 |
| 1% Increase or 7.5% | $ 16,935,805 |

| | Salaried Plan |
|---|---|
| 1% Decrease or 5.0% | $ 5,564,147 |
| 6.0% Current Discount Rate | $ 3,198,581 |
| 1% Increase or 7.0% | $ 1,129,468 |

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

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

For the year ended June 30, 2024, the Salaried Plan recognized pension expense of $2,550,162. At June 30, 2024, the Salaried Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Salaried Plan | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 2,521,380 | - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earning on plan investments | 395,152 | - |
| Total | $ 2,916,532 | $ - |

For the year ended June 30, 2023, the Salaried Plan recognized pension expense of $1,994,981. At June 30, 2023, the Salaried Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Salaried Plan | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 2,110,934 | - |
| Changes of assumptions | 123,831 | - |
| Net difference between projected and actual earning on plan investments | 2,000,846 | - |
| Total | $ 4,235,611 | $ - |

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 |
|---|---|
| 2025 | $ (1,556,410) |
| 2026 | (849,104) |
| 2027 | (1,021,072) |
| 2028 | 303,604 |
| 2029 | 206,450 |
| Thereafter | - |
| Total | $ (2,916,532) |

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

For the year ended June 30, 2024, the Contract Plan recognized pension expense of $5,570,390. At June 30, 2024, the Contract Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Contract Plan | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 1,757,394 | $ - |
| Changes of assumptions | 1,764,081 | - |
| Net difference between projected and actual earning on plan investments | - | 734,705 |
| Total | $ 3,521,475 | $ 734,705 |

For the year ended June 30, 2023, the Contract Plan recognized pension expense of $5,460,742. At June 30, 2023, the Contract Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Contract Plan | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 577,566 | $ - |
| Changes of assumptions | 2,725,782 | - |
| Net difference between projected and actual earning on plan investments | 4,376,357 | - |
| Total | $ 7,679,705 | $ - |

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

| Contract Plan – Year Ended June 30 | Amount to Be Recognized |
|---|---|
| 2025 | $ (1,202,045) |
| 2026 | 58,454 |
| 2027 | (1,837,701) |
| 2028 | 1,022,283 |
| 2029 | 481,306 |
| Thereafter | (1,309,067) |
| Total | $ (2,786,770) |

# Notes to Financial Statements (continued)

**(13) Pension Benefits (continued)**

For the year ended June 30, 2024, both plans recognized pension expense of $8,120,552. At June 30, 2024, both plans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Combined Plans | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 4,278,774 | $ - |
| Changes of assumptions | 1,764,081 | - |
| Net difference between projected and actual earning on plan investments | 395,152 | 734,705 |
| Total | $ 6,438,007 | $ 734,705 |

For the year ended June 30, 2023, both plans recognized pension expense of $7,455,723. At June 30, 2023, both plans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Combined Plans | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 2,688,500 | $ - |
| Changes of assumptions | 2,849,613 | - |
| Net difference between projected and actual earning on plan investments | 6,377,203 | - |
| Total | $ 11,915,316 | $ - |

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

| Combined Plans – Year Ended June 30 | Amount to Be Recognized |
|---|---|
| 2025 | $ (2,758,455) |
| 2026 | (790,650) |
| 2027 | (2,858,773) |
| 2028 | 1,325,887 |
| 2029 | 687,756 |
| Thereafter | (1,309,067) |
| Total | $ (5,703,302) |

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, 4801 Airport Plaza Drive. Long Beach, CA 90815.

Defined Contribution Plan 401(a)

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

# Notes to Financial Statements (continued)

**(14) Subsequent Events**

LBT entered into an office lease agreemnet as the lessor for the tenant use of a partial floor of LBT's corporsate office building. The lease whiich is effective August 1. 2024 through February 29, 2032, includes abatement of one half the tenant's obligation for monthly base rent during the first 14 full calendar months of the initial lease and annual 2.5% increase to the base rent.

The financial statements as of and for the year ended June 30, 2024 have not been impacted by the subsequent events as stated above.

## Required Supplementary Information

The following are Schedules of Changes in Net Pension Liability and Schedules of Contributions for the years ending June 30, 2014 through 2023 for the two Company-sponsored defined benefit pension plans: Long Beach Public Transportation Company Retirement Plan – Salaried Employees (Salaried Plan) and Long Beach Public Transportation Company Retirement Plan – Contract Employees (Contract Plan).

LONG BEACH TRANSIT
RETIREMENT PLAN - SALARIED EMPLOYEES

Schedule of Changes in Net Pension Liability (Asset)
and Related Ratios
For the Years Ended

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total pension liability | | | | | | | | | | |
| Service cost | $ 615,654 | $ 600,985 | $ 732,452 | $ 702,231 | $ 753,733 | $ 800,422 | $ 831,665 | $ 858,666 | $ 769,704 | $ 845,302 |
| Interest | 1,927,321 | 1,881,164 | 1,951,207 | 1,844,293 | 1,779,258 | 1,673,123 | 1,589,310 | 1,626,217 | 1,724,678 | 1,704,802 |
| Difference between expected and actual experience | 1,653,821 | 1,584,288 | (269,231) | 2,251,272 | (624,271) | 598,675 | 770,200 | 80,484 | 427,104 | (582,806) |
| Changes of assumptions | - | - | - | 387,300 | - | - | - | - | 2,816,346 | - |
| Benefit payments | (3,008,643) | (3,517,784) | (3,020,182) | (2,902,046) | (1,302,936) | (951,414) | (1,503,429) | (3,003,925) | (1,332,112) | (1,818,412) |
| Net change | 1,188,153 | 548,653 | (605,754) | 2,283,050 | 605,784 | 2,120,806 | 1,687,746 | (438,558) | 4,405,720 | 148,886 |
| Beginning total pension liability | 36,168,165 | 35,619,512 | 36,225,266 | 33,942,216 | 33,336,432 | 31,215,626 | 29,527,880 | 29,966,438 | 25,560,718 | 25,411,832 |
| Ending total pension liability | 37,356,318 | 36,168,165 | 35,619,512 | 36,225,266 | 33,942,216 | 33,336,432 | 31,215,626 | 29,527,880 | 29,966,438 | 25,560,718 |
| Plan fiduciary net position | | | | | | | | | | |
| Employer contributions | $ 1,762,514 | $ 1,372,885 | $ 1,026,804 | $ 1,826,321 | $ 1,596,044 | $ 3,111,520 | $ 2,602,155 | $ 2,790,134 | $ 4,270,185 | $ 4,758,243 |
| Employee contributions | 286,220 | 279,383 | 288,286 | 308,205 | 319,542 | 322,305 | 320,450 | 340,086 | 365,367 | 402,617 |
| Net transfer to/from Contract Plan | - | 428,919 | - | - | - | - | 37,663 | 255,041 | 17,501 | 288 |
| Investment income (loss) | 2,939,758 | 1,919,002 | (3,870,501) | 7,332,880 | 84,624 | 777,683 | 1,376,782 | 2,277,537 | (194,989) | (11,557) |
| Pension benefits | (3,008,643) | (3,517,784) | (3,020,182) | (2,902,046) | (1,302,936) | (951,414) | (1,503,429) | (3,003,925) | (1,332,112) | (1,818,412) |
| Administrative expenses | (171,128) | (174,592) | (174,009) | (213,196) | (197,584) | (187,683) | (199,961) | (203,559) | (167,603) | (167,173) |
| Net change | 1,808,721 | 307,813 | (5,749,602) | 6,352,164 | 499,690 | 3,072,411 | 2,633,660 | 2,455,314 | 2,958,349 | 3,164,006 |
| Beginning plan fiduciary net position | 32,349,016 | 32,041,203 | 37,790,805 | 31,438,641 | 30,938,951 | 27,866,540 | 25,232,880 | 22,777,566 | 19,819,217 | 16,655,211 |
| Ending plan fiduciary net position | 34,157,737 | 32,349,016 | 32,041,203 | 37,790,805 | 31,438,641 | 30,938,951 | 27,866,540 | 25,232,880 | 22,777,566 | 19,819,217 |
| Company's net pension liability (asset) | $ 3,198,581 | $ 3,819,149 | $ 3,578,309 | $ (1,565,539) | $ 2,503,575 | $ 2,397,481 | $ 3,349,086 | $ 4,295,000 | $ 7,188,872 | $ 5,741,501 |
| Plan fiduciary net position as a % of total pension liability | 91.44% | 89.44% | 89.95% | 104.32% | 92.62% | 92.81% | 89.27% | 85.45% | 76.01% | 77.54% |
| Covered payroll | $ 4,086,524 | $ 4,133,179 | $ 3,923,681 | $ 4,869,172 | $ 4,589,323 | $ 4,783,000 | $ 4,859,000 | $ 5,187,000 | $ 6,023,000 | $ 6,381,000 |
| Company's net pension liability (asset) as a % of covered payroll | 78.27% | 92.40% | 91.20% | -32.16% | 54.55% | 50.11% | 68.92% | 82.80% | 119.36% | 89.98% |

## Required Supplementary Information (continued)

LONG BEACH TRANSIT
RETIREMENT PLAN - CONTRACT EMPLOYEES

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

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total pension liability | | | | | | | | | | |
| Service cost | $ 4,135,596 | $ 3,976,830 | $ 3,811,387 | $ 3,955,144 | $ 3,749,883 | $ 3,862,139 | $ 3,750,722 | $ 3,352,311 | $ 2,713,135 | $ 2,893,596 |
| Interest | 6,649,875 | 6,141,439 | 6,014,362 | 6,020,256 | 5,661,960 | 5,458,336 | 5,173,663 | 4,970,642 | 4,575,251 | 4,462,912 |
| Difference between expected and actual experience | 1,448,762 | 4,087,891 | (15,874) | (5,289,301) | (820,357) | (1,182,989) | 1,915,331 | 849,980 | 3,062,106 | (1,252,537) |
| Changes of assumptions | - | - | - | 1,341,613 | - | - | 3,651,179 | 3,194,510 | - | - |
| Benefit payments | (5,413,472) | (5,760,706) | (8,536,535) | (4,763,085) | (3,912,892) | (3,859,763) | (5,626,291) | (4,615,902) | (3,182,794) | (4,881,029) |
| Net change | 6,820,761 | 8,445,454 | 1,273,340 | 1,264,627 | 4,678,594 | 4,277,723 | 8,864,604 | 7,751,541 | 7,167,698 | 1,222,942 |
| Beginning total pension liability | 106,957,133 | 98,511,679 | 97,238,339 | 95,973,712 | 91,295,118 | 87,017,395 | 78,152,791 | 70,401,250 | 63,233,552 | 62,010,610 |
| Ending total pension liability | 113,777,894 | 106,957,133 | 98,511,679 | 97,238,339 | 95,973,712 | 91,295,118 | 87,017,395 | 78,152,791 | 70,401,250 | 63,233,552 |
| Plan fiduciary net position | | | | | | | | | | |
| Employer contributions | $ 4,986,703 | $ 4,148,988 | $ 3,667,102 | $ 4,341,170 | $ 4,357,936 | $ 4,488,508 | $ 4,054,711 | $ 3,877,435 | $ 3,439,288 | $ 3,067,778 |
| Employee contributions | 3,266,356 | 2,540,648 | 2,204,920 | 2,716,208 | 2,810,418 | 2,677,045 | 2,461,892 | 2,141,425 | 1,754,192 | 1,643,452 |
| Net transfer to/from Contract Plan | - | (428,919) | - | - | - | - | (37,663) | (255,041) | (17,501) | (288) |
| Investment income (loss) | 8,906,927 | 6,677,060 | (8,899,439) | 16,154,417 | 207,350 | 1,715,995 | 2,807,077 | 4,919,899 | (407,799) | (569) |
| Pension benefits | (5,413,472) | (5,760,706) | (8,536,535) | (4,763,085) | (3,912,892) | (3,859,763) | (5,626,291) | (4,615,902) | (3,182,794) | (4,881,029) |
| Administrative expenses | (469,886) | (353,520) | (345,479) | (418,494) | (364,995) | (364,631) | (380,134) | (376,137) | (325,026) | (349,496) |
| Net change | 11,276,628 | 6,823,551 | (11,909,431) | 18,030,216 | 3,097,817 | 4,657,154 | 3,279,592 | 5,691,679 | 1,260,360 | (520,152) |
| Beginning plan fiduciary net position | 76,721,202 | 69,897,651 | 81,807,082 | 63,776,866 | 60,679,049 | 56,021,895 | 52,742,303 | 47,050,624 | 45,790,264 | 46,310,416 |
| Ending plan fiduciary net position | 87,997,830 | 76,721,202 | 69,897,651 | 81,807,082 | 63,776,866 | 60,679,049 | 56,021,895 | 52,742,303 | 47,050,624 | 45,790,264 |
| Company's net pension liability | $ 25,780,064 | $ 30,235,931 | $ 28,614,028 | $ 15,431,257 | $ 32,196,846 | $ 30,616,069 | $ 30,995,500 | $ 25,410,488 | $ 23,350,626 | $ 17,443,288 |
| Plan fiduciary net position as a % of total pension liability | 77.34% | 71.73% | 70.95% | 84.13% | 66.45% | 66.46% | 64.38% | 67.49% | 66.83% | 72.41% |
| Covered payroll | $ 35,879,344 | $ 33,739,794 | $ 32,022,263 | $ 30,014,658 | $ 31,946,238 | $ 30,624,000 | $ 31,094,000 | $ 30,448,000 | $ 29,787,000 | $ 25,321,000 |
| Company's net pension liability as a % of covered payroll | 71.85% | 89.62% | 89.36% | 51.41% | 100.78% | 99.97% | 99.68% | 83.46% | 78.39% | 68.89% |

## Required Supplementary Information (continued)

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

Schedule of Contributions
Salaried Plan
2015 - 2024

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 1,322,745 | $ 1,201,596 | $ 508,837 | $ 1,747,226 | $ 1,915,586 | $ 1,933,825 | $ 1,922,605 | $ 2,030,220 | $ 2,000,708 | $ 2,605,222 |
| Employer contributions | 1,762,514 | 1,372,885 | 1,026,804 | 1,826,321 | 1,596,044 | 3,111,520 | 2,602,155 | 2,790,134 | 4,270,185 | 4,758,243 |
| Employee contributions | 286,220 | 279,383 | 288,286 | 308,205 | 319,542 | 322,305 | 320,450 | 340,086 | 365,367 | 402,617 |
| Total contributions | 2,048,734 | 1,652,268 | 1,315,090 | 2,134,526 | 1,915,586 | 3,433,825 | 2,922,605 | 3,130,220 | 4,635,552 | 5,160,860 |
| Contribution deficiency (excess) | $ (725,989) | $ (450,672) | $ (806,253) | $ (387,300) | $ - | $ (1,500,000) | $ (1,000,000) | $ (1,100,000) | $ (2,634,844) | $ (2,555,638) |
| Covered payroll | $ 4,086,524 | $ 4,133,179 | $ 3,923,681 | $ 4,869,172 | $ 4,589,323 | $ 4,783,000 | $ 4,859,000 | $ 5,187,000 | $ 6,023,000 | $ 6,381,000 |
| Contributions as a percentage of covered payroll | 50.13% | 39.98% | 33.52% | 43.84% | 41.74% | 71.79% | 60.15% | 60.35% | 76.96% | 80.88% |

## Required Supplementary Information (continued)

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial cost method | Frozen Initial Liability |
| Amortization method | 10 years, closed period |
| Remaining amortization period | 2 years |
| Asset valuation method | Market value |
| Salary increases | 3.0% per annum |
| Investment rate of return | 6% compounded annually |
| Administrative expenses | '$171,128 |
| Employee contribution interest credit | 5.00% per year |

Termination before retirement

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

## Required Supplementary Information (continued)

Retirement age

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

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

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

Marital Status

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

Form of payment

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

Unknown data

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

Lump Sums

Interest: 4.50%; IRS Applicable Mortality

Mortality

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

## Required Supplementary Information (continued)

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

Schedule of Contributions
Contract Plan
2015 - 2024

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 8,253,059 | $ 6,689,636 | $ 5,872,022 | $ 7,057,378 | $ 7,168,354 | $ 7,165,553 | $ 6,516,603 | $ 6,018,860 | $ 5,193,480 | $ 4,711,230 |
| Employer contributions | 4,986,703 | 4,148,988 | 3,667,102 | 4,341,170 | 4,357,936 | 4,488,508 | 4,054,711 | 3,877,435 | 3,439,288 | 3,067,778 |
| Employee contributions | 3,266,356 | 2,540,648 | 2,204,920 | 2,716,208 | 2,810,418 | 2,677,045 | 2,461,892 | 2,141,425 | 1,754,192 | 1,643,452 |
| Total contributions | 8,253,059 | 6,689,636 | 5,872,022 | 7,057,378 | 7,168,354 | 7,165,553 | 6,516,603 | 6,018,860 | 5,193,480 | 4,711,230 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 35,879,344 | $ 33,739,794 | $ 32,022,263 | $ 30,014,658 | $ 31,946,238 | $ 30,624,000 | $ 31,094,000 | $ 30,448,000 | $ 29,787,000 | $ 25,321,000 |
| Contributions as a percentage of covered payroll | 23.00% | 19.83% | 18.34% | 23.51% | 22.44% | 23.40% | 20.96% | 19.77% | 17.44% | 18.61% |

## Required Supplementary Information (continued)

Notes to Schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial cost method | Frozen Initial Liability |
| Amortization method | 30 years, closed period |
| Remaining amortization period | 13 years |
| Asset valuation method | Market value |
| Salary increases | 3.0% per annum |
| Investment rate of return | 6.5% compounded annually |
| Administrative expenses | '$469,886 |
| Employee contribution interest credit | 5.00% per year |

Termination before retirement

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

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

## Required Supplementary Information (continued)

Combined Statements of Fiduciary Net Position
June 30, 2024 and 2023

| | Pension Trust Funds 2024 | | |
|---|---|---|---|
| | Salaried Plan | Contract Plan | Combined Plans |
| **Assets** | | | |
| Cash | $ 1,501,230 | $ 1,110,376 | $ 2,611,606 |
| Accounts Receivable: | | | |
| Transfer receivable from Contract Plan | 56,154 | - | 56,154 |
| Investments, at fair value | | | |
| Equity mutual funds | 22,815,801 | 3,269,405 | 26,085,206 |
| Bond mutual funds | 9,784,552 | 8,892,470 | 18,677,022 |
| Private equity | - | 74,725,579 | 74,725,579 |
| Total investments | 32,600,353 | 86,887,454 | 119,487,807 |
| Total assets | $ 34,157,737 | $ 87,997,830 | $ 122,155,567 |
| **Net position restricted for pensions** | $ 34,157,737 | $ 87,997,830 | $ 122,155,567 |

## Required Supplementary Information (continued)

Combined Statements of Fiduciary Net Position, Continued
June 30, 2024 and 2023

| | Pension Trust Funds 2023 | | |
|---|---|---|---|
| | Salaried Plan | Contract Plan | Combined Plans |
| **Assets** | | | |
| Cash | $ 1,265,608 | $ 1,278,324 | $ 2,543,932 |
| Accounts Receivable: | | | |
| Transfer receivable from Contract Plan | 428,919 | - | 428,919 |
| Investments, at fair value | | | |
| Equity mutual funds | 22,124,033 | 8,269,709 | 30,393,742 |
| Bond mutual funds | 8,530,456 | 7,573,720 | 16,104,176 |
| Private equity | - | 60,028,368 | 60,028,368 |
| Total investments | 30,654,489 | 75,871,797 | 106,526,286 |
| Total assets | $ 32,349,016 | $ 77,150,121 | $ 109,499,137 |
| **Liabilities** | | | |
| Payable due to Salaried Plan | $ - | $ 428,919 | $ 428,919 |
| Total liabilities | $ - | $ 428,919 | $ 428,919 |
| **Net position restricted for pensions** | $ 32,349,016 | $ 76,721,202 | $ 109,070,218 |

## Required Supplementary Information (continued)

Combined Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2024 and 2023

| | Pension Trust Funds 2024 | | |
|---|---|---|---|
| | Salaried Plan | Contract Plan | Combined Plan |
| **Additions:** | | | |
| Contributions: | | | |
| Employer contributions | $ 1,762,514 | $ 4,986,703 | $ 6,749,217 |
| Employee contributions | 286,220 | 3,266,356 | 3,552,576 |
| Total contributions | 2,048,734 | 8,253,059 | 10,301,793 |
| Investment gain (loss): | | | |
| Interest | 37,969 | 30,580 | 68,549 |
| Dividends and capital gains | 800,525 | 726,903 | 1,527,428 |
| Net unrealized gain (loss) on investments | 2,039,214 | 10,228,683 | 12,267,897 |
| Net realized gain on investments | 62,049 | (2,079,239) | (2,017,190) |
| Total investment gain (loss), net | 2,939,757 | 8,906,927 | 11,846,684 |
| **Deductions:** | | | |
| Expenditures: | | | |
| Pension benefits | 3,008,642 | 5,413,472 | 8,422,114 |
| Direct administrative costs | 15,648 | 48,567 | 64,215 |
| Other administrative costs | 155,480 | 421,319 | 576,799 |
| Total expenditures | 3,179,770 | 5,883,358 | 9,063,128 |
| Net increase (decrease) in plan net position | 1,808,721 | 11,276,628 | 13,085,349 |
| Net position restricted for pension, beginning of year | 32,349,016 | 76,721,202 | 109,070,218 |
| Net position restricted for pension, end of year | $ 34,157,737 | $ 87,997,830 | $ 122,155,567 |

## Required Supplementary Information (continued)

Combined Statements of Changes in Fiduciary Net Position, Continued
Years Ended June 30, 2024 and 2023

| | Pension Trust Funds 2023 | | |
|---|---|---|---|
| | Salaried Plan | Contract Plan | Combined Plan |
| **Additions:** | | | |
| Contributions: | | | |
| Employer contributions | $ 1,372,885 | $ 4,148,988 | $ 5,521,873 |
| Employee contributions | 279,383 | 2,540,648 | 2,820,031 |
| Total contributions | 1,652,268 | 6,689,636 | 8,341,904 |
| Investment gain (loss): | | | |
| Interest | 31,938 | 3,306 | 35,244 |
| Dividends and capital gains | 784,366 | 568,990 | 1,353,356 |
| Net unrealized gain (loss) on investments | 1,230,303 | 6,340,808 | 7,571,111 |
| Net realized gain on investments | (127,606) | (236,044) | (363,650) |
| Total investment gain (loss), net | 1,919,001 | 6,677,060 | 8,596,061 |
| Other additions: | | | |
| Benefit transfers from Contract Plan | 428,919 | - | 428,919 |
| Total other additions | 428,919 | - | 428,919 |
| **Deductions:** | | | |
| Expenditures: | | | |
| Pension benefits | 3,517,783 | 5,760,706 | 9,278,489 |
| Direct administrative costs | 15,412 | 39,895 | 55,307 |
| Other administrative costs | 159,180 | 313,625 | 472,805 |
| Total expenditures | 3,692,375 | 6,114,226 | 9,806,601 |
| Other deductions: | | | |
| Benefit transfers to salaried plan | - | 428,919 | 428,919 |
| Total other deductions | - | 428,919 | 428,919 |
| Net increase (decrease) in plan net position | 307,813 | 6,823,551 | 7,131,364 |
| Net position restricted for pension, beginning of year | 32,041,203 | 69,897,651 | 101,938,854 |
| Net position restricted for pension, end of year | $ 32,349,016 | $ 76,721,202 | $ 109,070,218 |



# Statistics

# STATISTICAL SECTION

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


| Contents | Page |
|---|---|
| Financial Trends<br>*These schedules contain trend information to assess how the Agency's financial performance and well-being have changed over time.* | 69 |
| Revenue Capacity<br>*These schedules contain information on the Agency's revenue sources and their fluctuations over time.* | 72 |
| Demographic and Economic Information<br>*These schedules offer demographic and economic indicators regarding the environment within which the Agency's financial activities take place.* | 74 |
| Operating Information<br>*These schedules contain information about services the Agency provides and the activities it performs.* | 76 |
| Pension Information<br>*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.* | 85 |
| Grant Information<br>*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.* | 87 |


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

## Financial Trends — Exhibit 1
## Net Position by Component
## 2015 - 2024

| | Invested in Capital Assets | Restricted | Unrestricted | Total (1) |
|---|---|---|---|---|
| 2015 | 91,276,393 | 144,080 | (17,551,860) | 73,868,613 |
| 2016 | 83,154,750 | 52,306 | (13,189,109) | 70,017,947 |
| 2017 | 89,067,558 | 73,776 | (13,707,283) | 75,434,051 |
| 2018 | 102,951,120 | 87,193 | (14,193,881) | 88,844,432 |
| 2019 | 91,068,904 | 87,193 | (14,027,877) | 77,128,220 |
| 2020 | 83,144,218 | 526,717 | (16,664,805) | 67,006,130 |
| 2021 | 91,604,336 | 303,855 | (18,657,598) | 73,250,593 |
| 2022 | 102,135,121 | 300,492 | (16,689,414) | 85,746,199 |
| 2023 | 110,464,392 | 290,978 | (15,185,820) | 95,569,550 |
| 2024 | 109,117,095 | 226,204 | (19,900,599) | 89,442,700 |

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

## Financial Trends — Exhibit 2
## Operating Expenses by Type
## 2015 – 2024

| | Personnel Wages & Benefits | Fuel & Lubricants | Supplies & Materials | Services | Casualty & Liability | Purchased Transportation | Depreciation | Total |
|---|---|---|---|---|---|---|---|---|
| 2015 | 57,228,802 | 5,487,215 | 2,414,826 | 8,483,128 | 3,606,383 | 1,642,825 | 18,343,403 | 97,206,582 |
| 2016 | 57,929,446 | 4,133,479 | 2,480,321 | 8,599,766 | 1,700,504 | 1,530,061 | 18,355,286 | 94,728,863 |
| 2017 | 64,426,881 | 4,035,132 | 2,501,985 | 9,111,699 | 2,171,419 | 1,334,269 | 17,554,892 | 101,136,277 |
| 2018 | 65,960,366 | 4,748,476 | 3,389,418 | 10,342,384 | 2,600,478 | 1,459,241 | 16,178,310 | 104,678,673 |
| 2019 | 70,161,457 | 5,166,101 | 4,087,981 | 11,565,340 | 1,432,513 | 1,747,051 | 16,340,080 | 110,500,523 |
| 2020 | 73,865,703 | 4,099,536 | 4,189,586 | 12,847,179 | 3,419,739 | 1,705,444 | 15,739,478 | 115,866,665 |
| 2021 | 70,838,886 | 3,201,240 | 4,075,103 | 14,029,903 | 3,229,011 | 1,103,400 | 14,278,928 | 110,756,471 |
| 2022 | 69,644,142 | 5,449,432 | 5,039,366 | 15,825,051 | 3,236,628 | 1,643,257 | 14,782,360 | 115,620,236 |
| 2023 | 79,325,288 | 6,536,260 | 6,229,320 | 17,461,465 | 4,375,323 | 2,135,465 | 16,794,369 | 132,857,490 |
| 2024 | 88,944,134 | 5,707,250 | 7,033,332 | 18,794,718 | 3,329,310 | 2,122,364 | 17,749,336 | 143,680,444 |

# Financial Trends

**Exhibit 3**

## Changes in Net Position

## 2015 - 2024

| Expenses | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Transportation | $ 39,488,966 | $ 40,639,813 | $ 44,148,976 | $ 45,458,610 | $ 47,848,764 | $ 54,678,389 | $ 50,691,529 | $ 50,067,770 | $ 57,167,700 | $ 63,063,572 |
| Maintenance | 20,479,627 | 19,355,457 | 20,379,891 | 22,186,665 | 23,854,682 | 24,288,404 | 25,714,741 | 29,986,862 | 34,517,574 | 36,655,042 |
| Risk Management | 8,795,766 | 5,891,767 | 7,638,605 | 9,124,849 | 8,856,141 | 5,605,293 | 5,361,897 | 4,472,587 | 5,405,751 | 4,752,681 |
| Marketing & Customer Service | 1,948,218 | 1,950,613 | 2,119,166 | 1,849,042 | 2,339,313 | 2,393,953 | 2,138,173 | 2,676,176 | 2,941,604 | 2,963,523 |
| General Administration | 8,150,602 | 8,535,927 | 9,294,747 | 9,881,197 | 11,261,543 | 13,161,148 | 12,571,203 | 13,634,481 | 16,030,492 | 18,496,291 |
| Depreciation | 18,343,403 | 18,355,286 | 17,554,892 | 16,178,310 | 16,340,080 | 15,739,478 | 14,278,928 | 14,782,360 | 16,794,369 | 17,749,336 |
| **Total Expenses** | **$ 97,206,582** | **$ 94,728,863** | **$ 101,136,277** | **$ 104,678,673** | **$ 110,500,523** | **$ 115,866,665** | **$ 110,756,471** | **$ 115,620,236** | **$ 132,857,490** | **$ 143,680,445** |
| **Revenues** | | | | | | | | | | |
| Passenger Fares | $ 17,516,839 | $ 16,945,561 | $ 15,630,301 | $ 14,562,861 | $ 14,167,351 | $ 10,452,194 | $ 154,380 | $ 7,077,072 | $ 9,106,371 | $ 9,924,934 |
| Special Events | 18,754 | 63,143 | 54,598 | 505,138 | 292,292 | 240,512 | 750 | 61,000 | 47,625 | 100,247 |
| Advertising | 603,029 | 743,132 | 618,750 | 801,753 | 1,069,805 | 978,484 | 649,678 | 843,340 | 717,456 | 740,683 |
| Subtotal Operating | 18,138,622 | 17,751,836 | 16,303,649 | 15,869,752 | 15,529,448 | 11,671,190 | 804,808 | 7,981,412 | 9,871,452 | 10,765,864 |
| Noncapital Subsidies | 64,700,470 | 61,703,522 | 65,351,654 | 70,611,297 | 76,153,983 | 82,029,003 | 91,986,813 | 94,483,188 | 100,325,363 | 108,987,379 |
| Interest & Other | 293,115 | 1,189,184 | 1,429,378 | 1,546,133 | 2,643,016 | 4,229,590 | 1,470,268 | 459,790 | 3,609,673 | 5,042,288 |
| **Total Revenues** | **$ 83,132,207** | **$ 80,644,542** | **$ 83,084,681** | **$ 88,027,182** | **$ 94,326,447** | **$ 97,929,783** | **$ 94,261,889** | **$ 102,924,390** | **$ 113,806,488** | **$ 124,795,531** |
| Net Expense | $ (14,074,375) | $ (14,084,321) | $ (18,051,596) | $ (16,651,491) | $ (16,174,076) | $ (17,936,882) | $ (16,494,582) | $ (12,695,846) | $ (19,051,002) | $ (18,884,914) |
| Capital Grants | 24,761,575 | 10,233,655 | 23,467,700 | 30,061,872 | 4,457,864 | 7,814,792 | 22,739,045 | 25,309,346 | 28,767,615 | 12,758,064 |
| **Change in Net Position** | **$ 10,687,200** | **$ (3,850,666)** | **$ 5,416,104** | **$ 13,410,381** | **$ (11,716,212)** | **$ (10,122,090)** | **$ 6,244,463** | **$ 12,613,500** | **$ 9,716,613** | **$ (6,126,850)** |

# Financial Trends
# Capital Expenditures by Type
# 2015 - 2024

**Exhibit 4**

| Fiscal Year | Facilities | Fleet | Customer Amenities | AVL, Farebox & Radio Equipment | Furniture & IT Equipment | Shop & Garage Equipment | Total |
|---|---|---|---|---|---|---|---|
| 2015 | 790,850 | 21,682,852 | 1,121,151 | 154,802 | 964,131 | 47,789 | 24,761,575 |
| 2016 | 428,727 | 6,722,168 | 961,882 | 177,299 | 1,739,603 | 203,976 | 10,233,655 |
| 2017 | 1,562,076 | 10,528,848 | 1,039,431 | 146,183 | 1,406,411 | 34,751 | 14,717,700 |
| 2018 | 283,004 | 26,615,064 | 1,401,501 | 680,162 | 982,787 | 99,354 | 30,061,872 |
| 2019 | 803,460 | 1,345,520 | 537,589 | 57,250 | 1,467,834 | 246,211 | 4,457,864 |
| 2020 | 938,428 | 5,299,359 | 118,921 | 67,675 | 1,216,180 | 174,229 | 7,814,792 |
| 2021 | 17,633,745 | 3,119,591 | 466,358 | 14,739 | 1,483,243 | 21,369 | 22,739,045 |
| 2022 | 4,599,349 | 18,913,838 | 223,786 | - | 1,571,573 | 800 | 25,309,346 |
| 2023 | 12,290,833 | 12,136,577 | 674,815 | - | 3,130,584 | 534,806 | 28,767,615 |
| 2024 | 2,761,659 | 7,763,510 | - | 40,360 | 2,192,535 | - | 12,758,064 |

## Revenue Capacity
## Operating Subsidy Sources
## 2015 - 2024

**Exhibit 5**

| | Prop A Funds City of Long Beach | Prop A Discretionary Funds L.A. County | Prop C Measure M & R Funds L.A. County | State Assistance | Federal Preventive Maintenance Program | Federal COVID-19 Assistance | Other Sources | Total |
|---|---|---|---|---|---|---|---|---|
| 2015 | 5,190,603 | 12,767,792 | 14,269,674 | 24,826,792 | 5,929,059 | - | 1,716,550 | 64,700,470 |
| 2016 | 5,190,603 | 12,680,667 | 11,628,614 | 24,914,119 | 5,325,398 | - | 1,964,121 | 61,703,522 |
| 2017 | 5,572,292 | 14,174,567 | 15,572,050 | 24,402,408 | 4,327,990 | - | 1,302,347 | 65,351,654 |
| 2018 | 5,924,407 | 12,648,905 | 19,954,759 | 23,689,180 | 7,846,063 | - | 547,983 | 70,611,297 |
| 2019 | 6,170,100 | 10,944,646 | 25,081,880 | 29,795,924 | 3,158,764 | - | 1,002,669 | 76,153,983 |
| 2020 | 6,008,758 | 12,598,998 | 25,909,558 | 33,950,870 | 2,757,676 | - | 803,143 | 82,029,003 |
| 2021 | 6,190,887 | 10,148,508 | 19,555,074 | 25,747,982 | 500,000 | 29,203,837 | 640,525 | 91,986,813 |
| 2022 | 6,610,018 | 15,623,473 | 26,595,235 | 29,367,503 | - | 14,159,497 | 2,127,462 | 94,483,188 |
| 2023 | 6,515,894 | 16,493,649 | 34,954,742 | 32,452,380 | 100,000 | 7,050,002 | 2,758,696 | 100,325,363 |
| 2024 | 6,474,278 | 17,547,201 | 26,937,546 | 34,146,304 | 400,000 | 20,659,795 | 2,822,256 | 108,987,380 |

## Revenue Capacity
## Fare Recovery Percentage
## 2015 - 2024

**Exhibit 6**

| Year | Percentage |
|---|---|
| 2015 | 21.1 |
| 2016 | 21.1 |
| 2017 | 18.9 |
| 2018 | 17.1 |
| 2019 | 15.3 |
| 2020 | 10.9 |
| 2021 | 0.2 |
| 2022 | 6.9 |
| 2023 | 8.1 |
| 2024 | 8.0 |

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

Note: As part of LBT's COVID-19 response, LBT did not enforce fare collection from March 25, 2020 until September 19, 2021. This resulted in a lower fare recovery percentage.

# Revenue Capacity
# Fare History
# 2015 - 2024

**Exhibit 7**

| | | |
|---|---|---|
| Fixed Route Service: | | |
| Cash Fares: | | |
| Regular | $ | 1.25 |
| Student | | 1.25 |
| Senior and Disabled | | 0.60 |
| Interagency transfer | | 0.50 |
| UCLA Commuter Express | | 4.00 |
| UCLA Commuter Express Senior & Disabled | | 2.00 |
| Day Pass: | | |
| Regular | $ | 4.00 |
| Senior and Disabled | | 2.50 |
| UCLA Commuter Express | | 7.00 |
| UCLA Commuter Express Senior & Disabled | | 3.50 |
| 5 - Day Pass: | | |
| Regular | $ | 18.00 |
| Senior and Disabled | | 9.00 |
| Monthly Pass: | | |
| Regular | $ | 65.00 |
| Student | | 40.00 |
| Senior and Disabled | | 24.00 |
| UCLA Commuter Express | | 120.00 |
| CSULB Pass: | | |
| Go Beach! 150-day pass | $ | 100.00 |
| Go Beach! 30-day pass | | 40.00 |
| Dial-A-Lift Service: | | |
| Cash Fare | $ | 2.00 |
| Water Taxi: | | |
| AquaBus | $ | 1.00 |
| AquaLink | | 5.00 |

# Demographic and Economic Information

**Exhibit 8**

## City of Long Beach
## Demographic Statistics
## 2015 - 2024

| Fiscal Year Ended June 30 | Estimated Population (A) | Public School Enrollment (B) | Unemployment Rate (C) |
|---|---|---|---|
| 2015 | 473,577 | 79,709 | 6.8 |
| 2016 | 474,140 | 77,812 | 5.7 |
| 2017 | 480,173 | 76,428 | 5.3 |
| 2018 | 478,561 | 74,681 | 5.1 |
| 2019 | 475,984 | 73,221 | 4.6 |
| 2020 | 472,802 | 72,002 | 19.6 |
| 2021 | 467,730 | 69,708 | 9.4 |
| 2022 | 460,682 | 67,573 | 4.7 |
| 2023 | 458,222 | 65,826 | 4.6 |
| 2024 | 458,813 | 64,267 | 6.0 |

Sources:

(A) California Department of Finance.

(B) California Department of Education Educational Demographic Unit. Annual school census from Long Beach Unified School District for preschool, grades kindergarten through 12.

(C) Average annual rate reported by Bureau of Labor Statistics.

* Personal Income and Per Capita Personal Income have been removed due to data not being available since 2018.

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

| Employer | 2023 Number of Employees | Percentage of Total City Employment | 2014 Number of Employees | Percentage of Total City Employment |
|---|---|---|---|---|
| Long Beach Unified School District | 11,337 | 4.80% | 12,143 | 5.01% |
| City of Long Beach | 5,594 | 2.37% | 5,074 | 2.09% |
| Long Beach Memorial Medical Center | 5,477 | 2.32% | 5,146 | 2.12% |
| Veteran Affairs Medical Center | 3,612 | 1.53% | 2,480 | 1.02% |
| California State University, Long Beach (CSULB) | 3,585 | 1.52% | 2,881 | 1.19% |
| Long Beach City College | 2,179 | 0.92% | 2,456 | 1.01% |
| St. Mary Medical Center | 1,609 | 0.68% | 1,420 | 0.59% |
| CSULB Research Foundation | 1,526 | 0.65% | 1,420 | 0.59% |
| The Boeing Company | 1,328 | 0.56% | 4,203 | 1.73% |
| Molina Healthcare Inc. | 591 | 0.25% | 861 | 0.35% |

Source: (1) Department of Financial Management Accounting and Business License via City of Long Beach
(2) State of California Employment Development Department Labor Market Info for 2014 and 2023 via City of Long Beach.

# Operating Information — Exhibit 10
## Key Performance Indicators
## 2015 – 2024

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Fixed Route** | | | | | | | | | | |
| Operating Cost Per Vehicle Service Hour | $ 115.40 | $ 112.67 | $ 114.57 | $ 120.98 | $ 127.44 | $ 153.72 | $ 186.40 | $ 171.20 | $ 173.66 | $ 181.79 |
| Operating Cost Per Passenger | $ 2.85 | $ 2.94 | $ 3.22 | $ 3.65 | $ 3.98 | $ 5.23 | $ 6.60 | $ 5.81 | $ 6.63 | $ 6.63 |
| Roadcalls | 2,163 | 1,912 | 1,897 | 2,367 | 2,021 | 1,552 | 1,423 | 1,398 | 1,514 | 1,750 |
| Mean Distance Between Failures | 3,572 | 4,040 | 4,222 | 3,409 | 4,071 | 4,577 | 3,988 | 4,794 | 4,813 | 4,345 |
| Total Accidents | 912 | 999 | 938 | 871 | 784 | 589 | 456 | 574 | 592 | 598 |
| Preventable Accidents | 126 | 103 | 99 | 94 | 101 | 73 | 51 | 82 | 97 | 83 |
| Preventable Accidents Per 100,000 Miles | 2.07 | 1.34 | 1.29 | 1.22 | 1.26 | 1.08 | 0.95 | 1.27 | 1.38 | 1.14 |
| Passengers per Vehicle Service Hour | 40 | 37 | 35 | 33 | 32 | 29 | 28 | 29 | 26 | 27 |
| On-Time Performance | 78.5% | 85.2% | 86.7% | 85.7% | 84.7% | 84.6% | 88.8% | 86.4% | 85.3% | 8280.0% |
| Number of Vehicles | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 |
| Number of Employees | 723 | 728 | 727 | 746 | 745 | 743 | 743 | 727 | 737 | 750 |
| **Special Services** | | | | | | | | | | |
| Dial-A-Lift Cost Per Passenger | $ 19.36 | $ 18.34 | $ 18.90 | $ 20.19 | $ 27.12 | $ 35.77 | $ 65.10 | $ 54.62 | $ 57.51 | $ 59.84 |
| Dial-A-Lift Passengers Per Service Hour | 5.7 | 4.8 | 2.1 | 1.8 | 1.6 | 1.6 | 1.4 | 1.5 | 1.5 | 1.5 |
| Number of Dial-A-Lift Vehicles | 15 | 12 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Water Taxi Cost Per Passenger[1] | $ 11.27 | $ 10.94 | $ 9.03 | $ 9.32 | $ 10.17 | $ 11.48 | $ 53.60 | $ 18.88 | $ 15.78 | $ 17.18 |
| Water Taxi Passengers Per Vehicle Service Hour[1] | 16.11 | 19.02 | 18.99 | 19.15 | 19.49 | 19.01 | 39.73 | 18.05 | 24.59 | 26.84 |
| Number of Water Taxi Vessels | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

[1] Results for FY 2021 were impacted by pandemic-related service suspension.

# Operating Information — Exhibit 11
## Customer Satisfaction Trends
## 2014 - 2024

| Service Element | % of Customers Rating Favorably | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2022 | 2023 | 2024 |
| LBT Overall | 97 | 90 | 96 | 93 | 98 | 98 | 97 | 95 | 95 | * |
| LBT Compared to Others | 91 | ** | ** | ** | ** | ** | ** | ** | ** | * |
| Operator Appearance | 98 | 92 | 98 | 98 | 99 | 98 | 94 | 94 | 94 | * |
| Fares | 92 | 90 | 94 | 93 | 90 | 95 | 88 | 91 | 92 | * |
| Operator Courtesy | 91 | 91 | 95 | 95 | 99 | 96 | 93 | 95 | 93 | * |
| Operator Safety | 92 | 90 | 98 | 97 | 99 | 99 | 95 | 95 | 95 | * |
| On Board Safety | 95 | 86 | 90 | ** | ** | ** | ** | ** | ** | * |
| Route Convenience | 95 | 90 | 95 | 94 | 94 | 96 | 91 | 89 | 91 | * |
| Information Available | 92 | 86 | 92 | 91 | 89 | 90 | 87 | 90 | 88 | * |
| Telephone Information | 86 | 83 | 91 | 88 | 93 | 91 | 82 | 88 | 89 | * |
| Bus Stop Safety | 92 | 84 | 78 | ** | ** | ** | ** | ** | ** | * |
| Bus Stop Convenience | 97 | 89 | 95 | 94 | 95 | 94 | 88 | 91 | 87 | * |
| Schedule Reliability | 84 | 83 | 89 | 88 | 93 | 90 | 83 | 86 | 85 | * |
| Bus Cleanliness | 95 | 85 | 88 | 91 | 90 | 91 | 88 | 89 | 84 | * |
| Bus Stop Cleanliness | 92 | 87 | 86 | 88 | 88 | 82 | 81 | 84 | 78 | * |

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

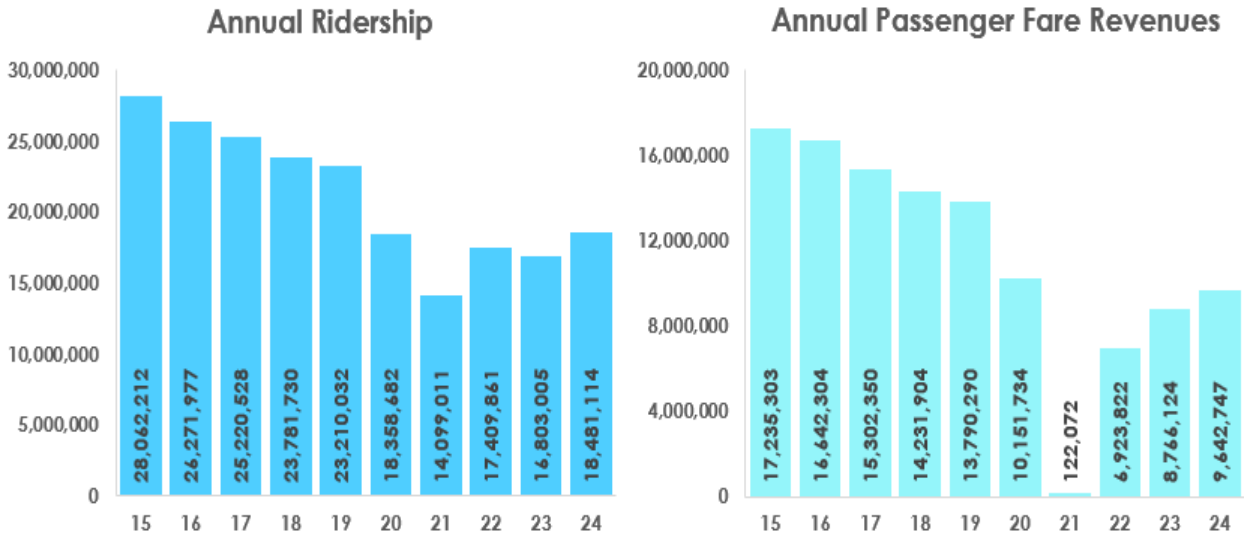
Source: Annual customer survey.

* In FY 2024, LBT did not conduct a customer or community survey as the agency was in the process of procuring a vendor to perform the survey. These surveys will resume in FY 2025.

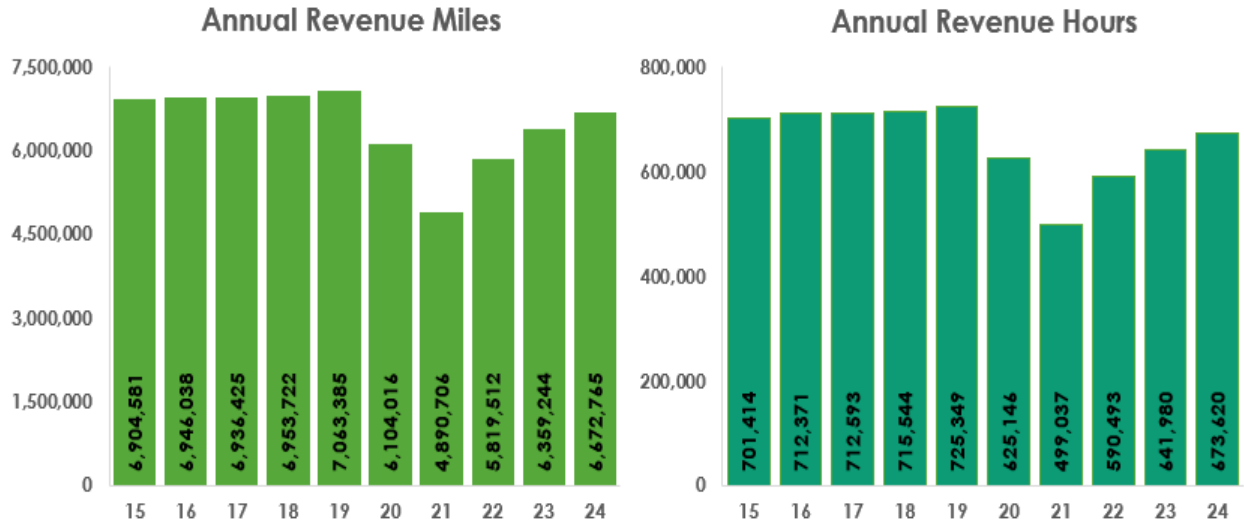
** Not surveyed

## Operating Information
## Fixed Route Statistics
## 2015 - 2024

**Exhibit 12**



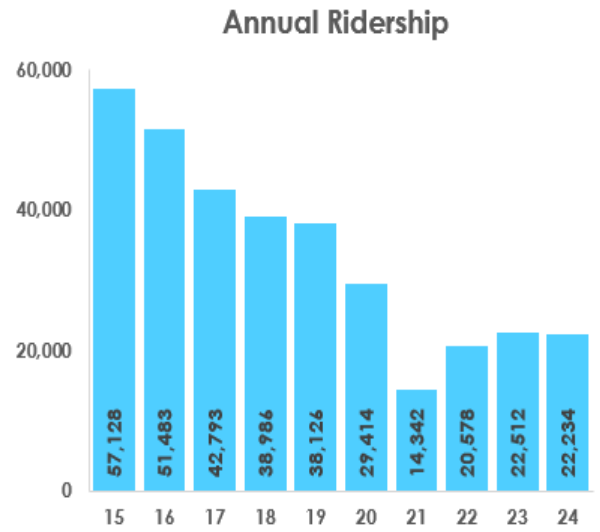

LBT saw an increase in ridership from FY 2023 to FY 2024, with boardings rising from 16.8 million to 18.5 million, marking a 10.1% increase. This growth is largely attributed to programs like GoPass and the Low-Income Fare (LIFE) Program, which provide free rides to eligible customers. Fare revenue also rose, from $8.8 million in FY 2023 to $9.6 million in FY 2024, driven by GoPass, LIFE, and the CSULB 150-Day Pass.

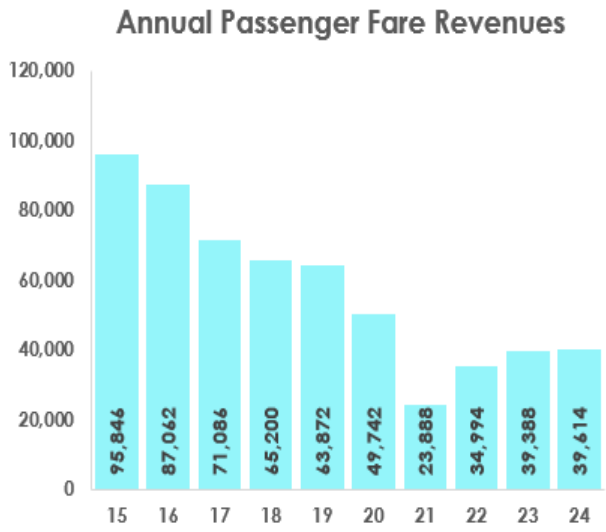



Source: Long Beach Transit's Annual National Transit Database Report

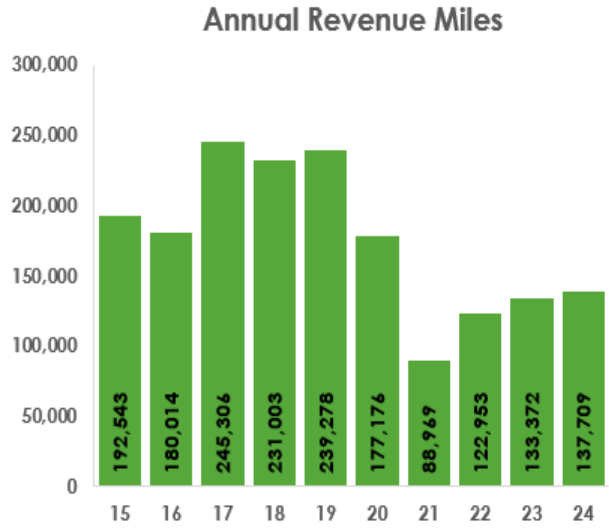
## Operating Information
## Dial-A-Lift Statistics
## 2015 - 2024

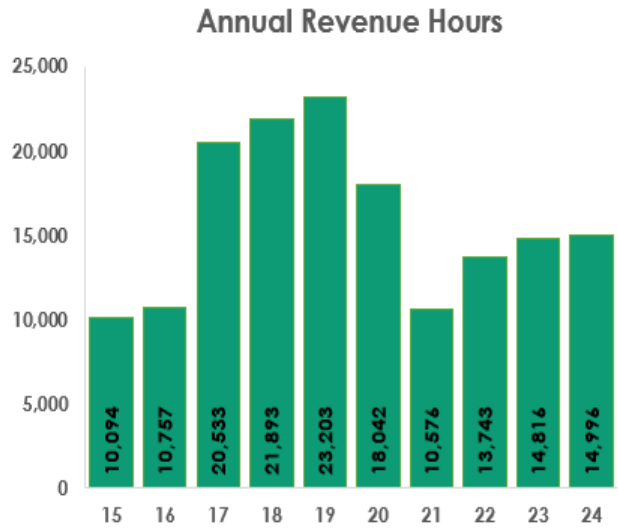
**Exhibit 13**




Dial-A-Lift ridership and revenue remained stable between FY 2024 and FY 2023. The Dial-A-Lift service is operated by a private contractor who provides Dial-A-Life vehicle trips.

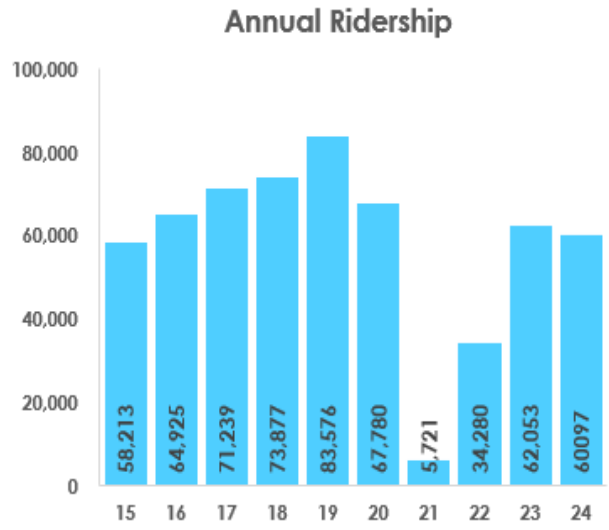


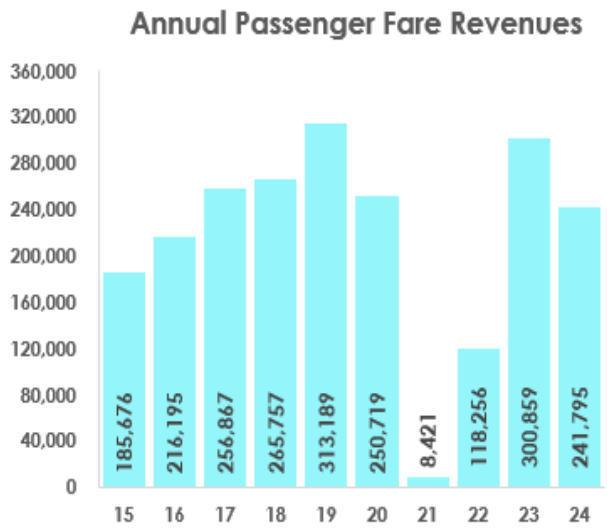




Source: Long Beach Transit's Annual National Transit Database Report

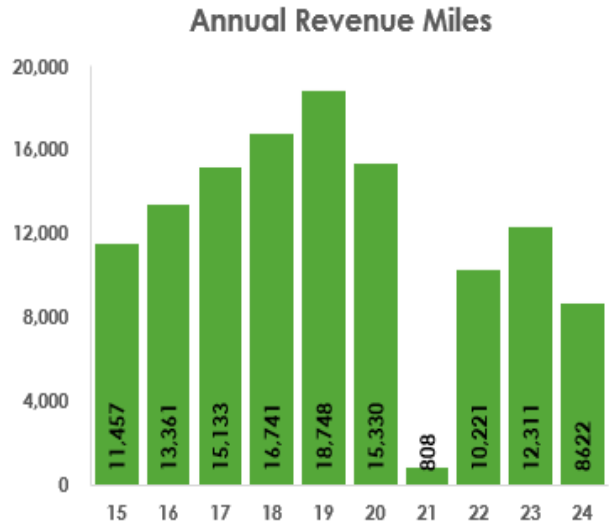
## Operating Information
## Water Taxi Statistics
## 2015 - 2024

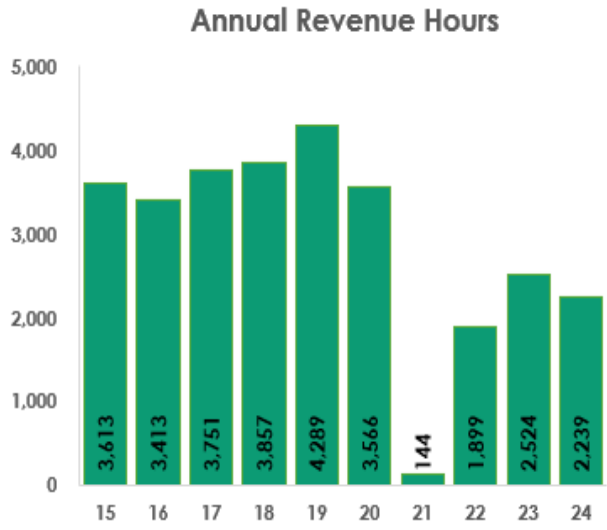
**Exhibit 14**




Water Taxi ridership decreased 3.2% and revenues decreased 41.6% from FY 2023 to FY2024. The decrease was largely because the aqua taxi service did not operate year-round in FY 2024 as it did in FY 2023. In addition to the Aqua Links running service, the Aqua Boats returned to revenue service.




Source: State Controller's Report

# Operating Information — Exhibit 15
## Schedule of Insurance in Force
### June 30, 2024

| Program Expiration | Term | Agency | Amount/Limit |
|---|---|---|---|
| **LIABILITY** | | | |
| A. Public Entity Liability | | | |
| 07/1/25 | 1 yr | Princeton Excess & Surplus Lines Insurance Co. | $5,000,000 excess of $3,000,000 SIR |
| B. Public Entity Management Liability | | | |
| 02/11/25 | 1 yr | Ironshore Specialty Insurance Co. | $3,000,000 - Each Claim and in the Aggregate<br>$50,000 - Retention for Each Claim<br>$250,000 - Management Liability/Public Liability for Each Claim |
| C. UST Insurance - Storage Tank Liability | | | |
| 04/1/25 | 1 yr | Liberty Surplus Insurance Corp. | $2,000,000 - Per Pollution Incident<br>$3,000,000 - Aggregate Limit<br>$2,000,000 - Aggregate Claims Expense Limit<br>Per Schedule on File - Deductible Per Claim |
| D. Excess Liability | | | |
| 07/1/25 | 1 yr | Allied World National Assurance Co. | $5,000,000 excess of $5,000,000 excess of $3,000,000 SIR |
| **COMMERCIAL PROPERTY** | | | |
| 04/1/25 | 1 yr | Travelers Property & Casualty Co. | $85,320,260 - Buildings<br>$45,279,000 - Business Personal Property (includes $20,000,000 Buses in yard)<br>$1,230,180 - Extra Expense<br>$5,000,000 - Earthquake Sprinkler Leakage<br>$25,000 - Deductible per occurrence<br>$50,000 - Deductible for Buses<br>$50,000 - Deductible per Earthquake Sprinkler Leakage<br>$5,000 - Deductible Personal Property in Transit |

**WORKERS' COMPENSATION**

| | | | |
|---|---|---|---|
| 07/1/25 | 1 yr | Safety National Casualty Corp. | $1,500,000 - SIR<br>WC limit each accident: Statutory<br>$2,000,000 - Employer's Liability<br>per occurrence |

**CRIME POLICY**

| | | | |
|---|---|---|---|
| 11/1/24 | 1 yr | The Hartford Fire Insurance Co. | $1,000,000 - Employee Theft<br>$1,000,000 - Inside the Premises<br>(Money, Securities and Other Property)<br>$1,000,000 - Computer and Funds<br>$50,000 - Money Orders & Counterfeit Currency<br><br>$20,000 Deductible (Employee Theft)<br><br>$5,000 - Deductible For All Other Claims |

**FELONIOUS ASSAULT POLICY**

| | | | |
|---|---|---|---|
| 07/1/26 | 3 yr | Federal Insurance Co. | $100,000 – Life Insurance Policy Covering Death as a Result of an Assault on the Job, Article 31, LBT/ATU 1277 CBA |

**FIDUCIARY LIABILITY**

| | | | |
|---|---|---|---|
| 11/1/24 | 1 yr | Federal Insurance Co. | $ 3,000,000 - Each Loss<br>$ 3,000,000 - Each Policy Period<br>$ 10,000 - Deductible |

**CYBER LIABILITY**

| | | | |
|---|---|---|---|
| 07/1/25 | 1 yr | AIG Specialty Ins. Co. | $5,000,000 - Aggregate Limit of Liability<br>$100,000 - Retention Per Claim |

**ENVIRONMENTAL LEGAL LIABILITY**

| | | | |
|---|---|---|---|
| 06/21/26 | 2 yr | Aspen Specialty Insurance Co. | $5,000,000 - Pollution Incident Limit<br>$5,000,000 - Aggregate Limit of Liability<br>$25,000 - Per Incident Deductible |

Source: Long Beach Transit's Risk Management Department

**Operating Information** **Exhibit 16**

## Fixed-Route Bus Service
## Summary of Service Frequency and Hours of Operation

| | FREQUENCY OF SERVICE | | | | | | DAILY HOURS OF OPERATION | | |
|---|---|---|---|---|---|---|---|---|---|
| | Peak/Base (5am - 6pm) | | | Evening/Night (after 6pm) | | | | | |
| Route | Weekday | Saturday | Sunday | Weekday | Saturday | Sunday | Weekday | Saturday | Sunday |
| 1 | 40 min | 40/60 min | 40/60 min | 40 min | 60 min | 60 min | 520A - 750P | 730A - 820P | 730A - 820P |
| 2* | 40 min | 40 min | 40 min | 40 min | -- | -- | 503A - 730P | 1018A - 600P | 1018A - 600P |
| 4* | 40 min | 40 min | 40 min | 40 min | -- | -- | 515A - 743P | 1038A - 541P | 1038A - 541P |
| 8* | 40 min | 40 min | 40 min | 40 min | -- | -- | 510A - 747P | 1027A - 544P | 1027A - 544P |
| 21/22/23 | 15 min | 20 min | 20 min | 30 min | 20/30 min | 20/30 min | 500A - 1142P | 505A - 1131P | 505A - 1131P |
| 37 Passport** | 30 min | 30 min | 30 min | 30 min | 30 min | 30 min | 608AM - 1056P | 610A - 1055P | 610A - 1055P |
| 41/45/46*** | 10/12 min | 15 min | 15 min | 20/30 min | 20/30 min | 20/30 min | 455A - 1145P | 505A - 1144P | 505A - 1144P |
| 51 | 15 min | 20 min | 20 min | 30 min | 20/30 min | 20/30 min | 500A - 1114P | 500A - 1116P | 500A - 1116P |
| 61 | 15 min | 20 min | 20 min | 30 min | 30 min | 30 min | 500A - 1140P | 505A - 1139P | 505A - 1139P |
| 71 | 40 min | 45 min | 45 min | 45/60 min | 45 min | 45 min | 554A - 814P | 619A - 808P | 619A - 808P |
| 91/92/93/94*** | 10/15 min | 20 min | 20 min | 15/30 min | 20/30 min | 20/30 min | 500AM - 1127PM | 505AM - 1136PM | 505AM - 1136PM |
| 101/103 | 20 min | 30 min | 30 min | 30 min | 40 min | 40 min | 458A - 1045P | 550A - 805P | 550A - 805P |
| 102/104*** | 30 min | 60 min | 60 min | 50 min | -- | -- | 454A - 856P | 649A - 725P | 649A - 725P |
| 111/112 | 30 min | 30 min | 30 min | 30 min | 30/60 min | 30/60 min | 505A - 1056P | 505A - 1057P | 505A - 1057P |
| 121 | 20 min | 30 min | 30 min | 20/30 min | 30 min | 30 min | 502A - 1150P | 502A - 1150P | 502A - 1150P |
| 131 | 30 min | 40 min | 40 min | 30 min | 40 min | 40 min | 535A - 855P | 700A - 845P | 700A - 845P |
| 141 | 30 min | 60 min | 60 min | 30 min | 60 min | 60 min | 440A - 1102P | 453A - 1033P | 453A - 1033P |
| 151 | 40 min | 40 min | 40 min | 40 min | 40 min | 40 min | 552A - 853P | 552A - 844P | 552A - 844P |
| 171/175*** | 20 min | 45 min | 45 min | 20/30 min | 60 min | 60 min | 510A - 1109P | 658A - 1108P | 658A - 1108P |
| 172/173/174 | 15 min | 15/30 min | 15/30 min | 20/30 min | 30 min | 30 min | 500AM - 1129P | 503A - 1131P | 503A - 1131P |
| 181 | 60 min | 60 min | 60 min | 60 min | 60 min | 60 min | 602A - 855P | 604A - 855P | 604A - 855P |
| 182 | 60 min | 60 min | 60 min | 60 min | 60 min | 60 min | 605A - 825P | 605A - 823P | 605A - 823P |
| 191/192 | 15 min | 20 min | 20 min | 20/30 min | 20/30 min | 20/30 min | 500A - 1145P | 505A - 1150P | 505A - 1150P |
| 405 UCLA *** | 6 trips: 3 AM Outbound & 3 PM Inbound | | | No weekend service | | | -- | -- | -- |

Source: Long Beach Transit's Service Planning Department

* Routes 2, 4 and 8 operate Monday - Saturday only

** Route 37 operates Friday, Saturday and Sunday

*** Routes 45, 92, 93, 102, 175 and 405 operate on weekdays only

## Operating Information — Exhibit 17

# Ratio of Outstanding Debt by Type
# 2015 – 2024

| Fiscal Year Ended June 30, | Note Payable | Lease Liabilities | Total | Per Capital | Percentage of Personal Income |
|---|---|---|---|---|---|
| 2015 | $ - | $ - | $ - | $ - | -% |
| 2016 | - | - | - | - | -% |
| 2017 | - | - | - | - | -% |
| 2018 | - | - | - | - | -% |
| 2019 | - | - | - | - | -% |
| 2020 | - | - | - | - | -% |
| 2021 | 4,752,379 | - | 4,752,379 | 10.16 | 0.02% |
| 2022 | 3,212,786 | 9,053,484 | 12,266,270 | 26.63 | 0.06% |
| 2023 | - | 9,025,033 | 9,025,033 | 19.70 | 0.04% |
| 2024 | - | 8,944,511 | 8,944,511 | 19.49 | 0.04% |

# Pension Information
# Employer and Employee Pension Contributions
# 2015 – 2024

**Exhibit 18**

| Fiscal Year Ended June 30 | Employer Contribution* | Employee Contribution | Covered Payroll | Contribution as a Percentage of Payroll |
|---|---|---|---|---|
| **Contract Plan** | | | | |
| 2015 | 3,067,778 | 1,643,452 | 25,321,405 | 18.61 |
| 2016 | 3,439,288 | 1,754,192 | 29,787,114 | 17.44 |
| 2017 | 3,877,435 | 2,141,425 | 30,447,872 | 19.77 |
| 2018 | 4,054,711 | 2,461,892 | 31,093,861 | 20.96 |
| 2019 | 4,488,508 | 2,677,045 | 30,624,368 | 23.40 |
| 2020 | 4,357,936 | 2,810,418 | 31,946,238 | 22.44 |
| 2021 | 4,341,170 | 2,716,208 | 30,014,658 | 23.51 |
| 2022 | 3,667,102 | 2,204,920 | 32,022,263 | 18.34 |
| 2023 | 4,148,988 | 2,540,648 | 33,739,794 | 19.83 |
| 2024 | 4,986,703 | 3,266,356 | 35,879,344 | 23.00 |
| **Salaried Plan** | | | | |
| 2015 | 4,758,243 | 402,617 | 6,380,468 | 80.89 |
| 2016 | 4,270,185 | 365,367 | 6,023,124 | 76.96 |
| 2017 | 2,790,134 | 340,086 | 5,186,888 | 60.35 |
| 2018 | 2,602,155 | 320,450 | 4,858,664 | 60.15 |
| 2019 | 3,111,520 | 322,305 | 4,782,843 | 71.79 |
| 2020 | 1,596,044 | 319,542 | 4,589,323 | 41.74 |
| 2021 | 1,826,321 | 308,205 | 4,869,172 | 43.84 |
| 2022 | 1,026,804 | 288,286 | 3,923,681 | 33.52 |
| 2023 | 1,372,885 | 279,383 | 4,133,179 | 39.98 |
| 2024 | 1,762,514 | 286,220 | 4,086,524 | 50.13 |

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

Source: Contract and Salaried pension plan financial statements for the year ended June 30, 2024.
These financial statements are prepared under separate cover and contain additional trend information.

# Pension Information

**Exhibit 19**

## Pension Revenues by Source and Expenses by Type
## 2015 – 2024

| 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 |
| **Contract Plan** | | | | | | | | |
| 2015 | 4,711,230 | 29,872 | (569) | 4,740,533 | 349,496 | 4,881,029 | 30,160 | 5,260,685 |
| 2016 | 5,193,480 | - | (407,799) | 4,785,681 | 325,026 | 3,182,794 | 17,501 | 3,525,321 |
| 2017 | 6,018,860 | - | 4,919,899 | 10,938,759 | 376,137 | 4,615,902 | 255,041 | 5,247,080 |
| 2018 | 6,516,603 | - | 2,807,077 | 9,323,680 | 380,134 | 5,626,291 | 37,663 | 6,044,088 |
| 2019 | 7,165,553 | - | 1,715,995 | 8,881,548 | 364,631 | 3,859,763 | - | 4,224,394 |
| 2020 | 7,168,354 | - | 207,350 | 7,375,704 | 364,995 | 3,912,892 | - | 4,277,887 |
| 2021 | 7,057,378 | - | 16,154,417 | 23,211,795 | 418,494 | 4,763,085 | - | 5,181,579 |
| 2022 | 5,872,022 | - | (8,899,439) | (3,027,417) | 345,479 | 8,536,535 | - | 8,882,014 |
| 2023 | 6,689,636 | - | 6,677,060 | 13,366,696 | 353,520 | 5,760,706 | 428,919 | 6,543,145 |
| 2024 | 8,253,059 | - | 8,906,927 | 17,159,986 | 469,886 | 5,413,472 | - | 5,883,358 |
| **Salaried Plan** | | | | | | | | |
| 2015 | 5,160,860 | 30,160 | (11,557) | 5,179,463 | 167,173 | 1,818,412 | 29,872 | 2,015,457 |
| 2016 | 4,635,552 | 17,501 | (194,989) | 4,458,064 | 167,603 | 1,332,112 | - | 1,499,715 |
| 2017 | 3,130,220 | 255,041 | 2,277,537 | 5,662,798 | 203,559 | 3,003,925 | - | 3,207,484 |
| 2018 | 2,922,605 | 37,663 | 1,376,782 | 4,337,050 | 199,961 | 1,503,429 | - | 1,703,390 |
| 2019 | 3,433,825 | - | 777,683 | 4,211,508 | 187,683 | 951,414 | - | 1,139,097 |
| 2020 | 1,915,586 | - | 84,624 | 2,000,210 | 197,584 | 1,302,936 | - | 1,500,520 |
| 2021 | 2,134,526 | - | 7,332,880 | 9,467,406 | 213,196 | 2,902,046 | - | 3,115,242 |
| 2022 | 1,315,090 | - | (3,870,501) | (2,555,411) | 174,009 | 3,020,182 | - | 3,194,191 |
| 2023 | 1,652,268 | 428,919 | 1,919,001 | 4,000,188 | 174,592 | 3,517,783 | - | 3,692,375 |
| 2024 | 2,048,734 | - | 2,939,758 | 4,988,492 | 171,128 | 3,008,643 | - | 3,179,771 |

Source: Contract and Salaried pension plan financial statements for the year ended June 30, 2023.
These financial statements are prepared under separate cover and contain additional trend information.

# Grant Information
# Capital Grant History
# Federal Grants 2015 - 2024

**Exhibit 20**

| FTA Grants | Authorized Amount | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| CA-90-Y652 | 13,051,167 | 175,263 | 41,956 | | | | | | | | |
| CA-90-Y731 | 14,960,635 | 5,361 | | | | | | | | | |
| CA-04-0134 | 1,783,466 | 41,184 | | | | | | | | | |
| CA-90-Y798 | 13,994,380 | 829,421 | 11,026 | 2,344 | | | 37,584 | 15,744 | 2,551,689 | | |
| CA-90-Y880 | 15,774,862 | 86,464 | 40,244 | 33,223 | 1,935,227 | 21,716 | 6,425 | | 3,179,570 | | |
| CA-04-0184 | 2,863,280 | 330,469 | 5,296 | 70,224 | | | | | | | |
| CA-88-0004 | 6,700,000 | 88,283 | 237,053 | 4,213,586 | 1,677,736 | 66,432 | | | | | |
| CA-90-Y957 | 16,248,527 | 5,748,917 | 46,226 | 112,598 | 6,552,428 | 127,859 | 6,259 | | | | |
| CA-90-Z053 | 17,391,081 | 3,102,621 | 6,504,828 | 44,927 | 455,784 | 96,488 | 144,629 | 228,552 | 480,576 | 5,082,555 | 341,358 |
| CA-90-Z120 | 20,701,104 | 10,518,828 | 1,438,564 | 1,254,135 | 1,812,501 | 868,012 | 961,781 | 120,704 | 673,711 | 1,138,737 | 656,358 |
| CA-58-0015 | 2,000,000 | 2,000,000 | | | | | | | | | |
| CA-90-Z232 | 14,113,447 | | 1,622,069 | 5,264,836 | 4,829,286 | 302,859 | 313,058 | 331,970 | 171,349 | 783,501 | 141,872 |
| CA-2016-049 | 20,731,551 | | | 1,314,496 | 9,911,532 | 498,404 | 723,164 | 1,009,748 | 398,298 | 3,570,878 | 5,317,285 |
| CA-2017-150 | 17,837,931 | | | | 2,069,639 | 3,258,119 | 824,468 | 141,674 | 849,925 | 1,386,139 | 2,904,455 |
| CA-37-X100 | 437,730 | | | | 426,335 | 11,395 | | | | | |
| CA-2018-127 | 1,172,867 | | | | | 17,326 | | 33,673 | | | 16,558 |
| CA-2019-085 | 277,760 | | | | | | | 77,686 | 15,861 | 48,749 | 55,488 |
| CA-2019-088 | 17,095,459 | | | | | | 1,925,532 | 278,827 | | 100,000 | 400,000 |
| CA-2020-053 | 30,004,904 | | | | | | | | 17,009 | 154,797 | 61,776 |
| CA-2020-171 | 1,206,518 | | | | | | | | 6,950 | 10,668 | |
| CA-2020-179 | 29,203,837 | | | | | | | 29,203,837 | | | |
| CA-2021-142 | 11,500,835 | | | | | | | | | 141,245 | 88,367 |
| CA-2021-240 | 26,671,160 | | | | | | | | 14,702,076 | 7,052,856 | 4,916,228 |
| CA-2023-061 | 42,864,434 | | | | | | | | | | 15,743,567 |
| CA-2024-127 | 2,111,201 | | | | | | | | | | |
| CA-2024-128 | 1,000,000 | | | | | | | | | | |
| CA-2024-132 | 7,040,397 | | | | | | | | | | |
| **TOTAL** | | $ 22,926,811 | $ 9,947,262 | $ 12,310,369 | $ 29,670,468 | $ 5,268,610 | $ 4,942,900 | $ 31,442,415 | $ 23,047,014 | $ 19,470,125 | $ 30,643,312 |

# Grant Information
# Capital Grant History
# State Grants 2015 - 2024

**Exhibit 21**

| State Grants | Authorized Amount | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1B PTMISEA | 22,170,051 | 1,990,351 | 299,786 | 1,780,966 | 1,883,455 | 508,411 | 93,396 | 9,734,680 | | | |
| 1B SEC | 3,952,019 | 274,793 | 644,369 | 84,411 | 22,254 | 204,910 | 401,085 | 314,689 | 130,893 | 84,253 | 7,808 |
| LCTOP 16 | 533,759 | | | | | 483,236 | 26,081 | 24,442 | | | |
| LCTOP 21 | 436,239 | | | | | | | | | | |
| SB1-SGR18 | 925,973 | | | | | | | | 925,020 | | 73 |
| SB1-SGR19 | 1,031,783 | | | | | | | | 995,359 | (266,891) | 216,330 |
| SB1-SGR20 | 1,074,836 | | | | | | | | 552,713 | | 35,436 |
| SB1-SGR21 | 1,024,004 | | | | | | | | | 895,468 | 128,536 |
| SB1-SGR22 | 898,084 | | | | | | | | | | |
| SB1-SGR24 | 768,086 | | | | | | | | | | 68,821 |
| TDA-23 | 8,644,881 | | | | | | | | | 1,356,576 | 508,331 |
| TIRCP 18 | 3,951,167 | | | | | | | | 3,224,087 | | 88,601 |
| TIRCP 20 | 6,451,000 | | | | | | | | | | |
| **TOTAL** | | $ 2,265,144 | $ 944,155 | $ 1,865,377 | $ 1,905,709 | $ 1,196,557 | $ 520,562 | $ 10,073,811 | $ 5,828,072 | $ 2,069,406 | $ 1,053,936 |

# Grant Information
# Capital Grant History
# Local Grants 2015 - 2024

**Exhibit 22**

| Local Grants | Authorized Amount | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Prop C FY 10 | 351,120 | | | | 229,189 | 11,757 | 173 | | | | |
| Prop C FY 11 | 3,825,903 | 341,032 | 339,043 | 105,434 | | | 9,567 | 9,567 | | | |
| Prop C FY 12 | 2,818,242 | 324,026 | 303,876 | 104,107 | 54,336 | | | 114,642 | 78,212 | | |
| Prop C FY 13 | 3,242,178 | 1,747,453 | 551,216 | 357,117 | 28,235 | 29,979 | 68,930 | 24,447 | | | |
| Prop C FY 14 | 2,693,659 | 499,668 | 429,482 | 708,945 | 624,427 | 17,104 | 51,684 | 203,671 | 97,592 | | |
| Prop C FY 15 | 4,017,167 | 658,270 | 1,117,119 | 990,459 | 185,851 | 242,819 | 336,250 | 165,644 | 130,897 | 191,849 | |
| Prop C FY 16 | 4,173,683 | | 92,683 | 610,084 | 121,131 | 283,782 | 386,182 | 2,622,919 | 11,509 | 45,382 | |
| Prop C FY 17 | 4,340,125 | | | | 14,715 | 82,412 | 216,264 | 718,289 | 1,109,905 | 1,892,967 | 174,030 |
| Prop C FY 18 | 4,492,599 | | | | 551,683 | 427,283 | 665,083 | 243,289 | 721,694 | 1,138,721 | 253,060 |
| Prop C FY 19 | 4,434,755 | | | | | 112,288 | 2,921,888 | 452,668 | 372,276 | 242,829 | 61,285 |
| Prop C FY 20 | 4,700,414 | | | | | | | 971,452 | 1,224,749 | 2,413,700 | 86,939 |
| Prop C FY 21 | 2,143,750 | | | | | | | 930,227 | 854,966 | 301,907 | 348 |
| Prop C FY 22 | 4,199,859 | | | | | | | | 2,869,514 | 471,064 | 458,144 |
| Prop C FY 23 | 4,533,366 | | | | | | | | | 3,750,899 | 358,828 |
| Prop C FY 24 | 5,005,645 | | | | | | | | | | 642,840 |
| | | | | | | | | | | | |
| Prop C-CA-04-134 | 312,540 | 10,297 | | | | | | | | | |
| Prop C-CA-04-184 | 860,720 | 109,267 | 1,324 | 17,254 | | | | | | | |
| Prop C-CA-37-X100 | 109,433 | | | | 106,583 | 2,850 | | | | | |
| Prop C-CA-88-0004 | 876,429 | 35,027 | 85,464 | 443,083 | 132,474 | 24,361 | | | | | |
| Prop C-CA-90-798 | 2,762,272 | 107,922 | 2,693 | 586 | | | 9,396 | 3,936 | | | |
| Prop C-CA-90-Y652 | 2,030,062 | 43,821 | 9,366 | | | | | | | | |
| Prop C-CA-90-Y731 | 3,604,442 | 2,837 | | | | | | | | | |
| Prop C-CA-90-Y880 | 2,252 | 1,325 | | | | | | | | | |
| Prop C-CA-90-Y957 | 2,864 | 265 | 841 | 177 | | | | | | | |
| Prop C-CA-90-Z053 | 942,340 | 3,305 | 5,799 | 706 | 71,351 | 7,638 | | -1,639 | 20,245 | 752,994 | 79,886 |
| Prop C-CA-90-Z120 | 1,204,244 | 890,691 | 150,106 | 86,122 | 2,098 | 934 | -934 | 23,058 | 40,518 | | |
| Prop C-CA-90-Z232 | 90,824 | | | 36,827 | 46,848 | 5,203 | | | | 1,824 | |
| Prop C-CA-2016-049 | 2,031,274 | | | | 608,052 | | | 52 | | 785,925 | 637,208 |
| Prop C-CA-2017-150 | 9,421 | | | | | | | 1,260 | 425 | 367 | |
| Prop C-CA-2018-127 | 6,600 | | | | | | | | | | 1,840 |
| Prop C-CA-2019-085 | 51,824 | | | | | | | 19,421 | 3,965 | 12,187 | |
| Prop C-CA-2020-053 | 223,825 | | | | | | | | 4,027 | 1,719 | |
| Prop C-CA-2021-142 | 285,500 | | | | | | | | | | |
| Prop C-CA-2024-132 | 360,842 | | | | | | | | | | |
| | | | | | | | | | | | |
| Prop C-TIRCP-18 | 26,250 | | | | | | | | 26,250 | | |
| **TOTAL** | | $ 4,775,206 | $ 3,089,012 | $ 3,460,901 | $ 2,776,973 | $ 1,248,410 | $ 4,664,483 | $ 6,502,903 | $ 7,566,744 | $ 12,004,334 | $ 2,754,408 |

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LONG BEACH
TRANSIT

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# Board Agenda Item No. 11
# January 23, 2025

## INFORMATION ITEM

Fiscal Year 2024 Retirement Plan Financial Statements for Contract and Salaried Employees

## STAFF REPRESENTATIVE

Terry Coon, Manager, Finance

## BACKGROUND

Long Beach Transit (LBT) presents the accompanying financial statements of the retirement plans for contract and salaried employees. The statements are comprised of the Statements of Fiduciary Net Position, Statements of Changes in Fiduciary Net Position and notes to the financial statements as of June 30, 2024.

The Statements of Fiduciary Net Position are snapshots of account balances at fiscal year-end and indicate the assets available for future payments to retirees and any current liabilities.

The Statements of Changes in Fiduciary Net Position provide a view of current year additions to and deductions from the Plans.

The notes to the financial statements provide additional information that is essential to the full understanding of the statements.

The financial statements are prepared by staff using the accrual basis of accounting and in compliance with the generally accepted accounting principles (GAAP) in the United States of America and by the Government Accounting Standards Board (GASB).

The statements are audited by LBT's third-party independent auditor, Windes, Inc., who conducts the audits in accordance with auditing standards generally accepted in the United States of America.

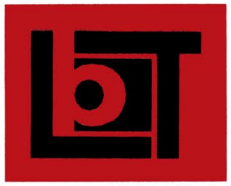
Contained within the reports are Independent Auditors' statements expressing the auditors' opinion that the enclosed financial statements are fairly stated in all material respects and are free from material misstatements.

## STAFF RECOMMENDATION

Not applicable. Information only item.

Kenneth A. McDonald
President and Chief Executive Officer

Attachments



LONG BEACH

TRANSIT

# Long Beach Public Transportation Company Retirement Plan - Contract Employees

## Financial Statements
## for the Years Ended June 30, 2024 and 2023

# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

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# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

## Principal Officials

### Board of Directors

| | |
|---|---|
| David Sutton | Chair |
| Abigail Mejia | Vice Chair |
| Raul Añorve | Secretary/Treasurer |
| Eduardo Angeles | Director |
| Carl Kemp | Director |
| Randy Rawlings | Director |
| Tunua Thrash-Ntuk | Director |
| Joshua Hickman | City Representative, City of Long Beach |
| Christopher Koontz | City Representative, City of Long Beach |

### Pension Committee Members

Long Beach Public Transportation Company:

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

Amalgamated Transit Union Local 1277:

| | |
|---|---|
| Jeff Shaffer | President |
| Errol Frazier | Vice President |
| Mauro Varela | Treasurer |

**INDEPENDENT AUDITORS' REPORT**

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

## Opinion

We have audited the accompanying financial statements of the Long Beach Public Transportation Company Retirement Plan – Contract Employees, which comprise the statements of fiduciary net position as of June 30, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the fiduciary activities of the Long Beach Public Transportation Company Retirement Plan – Contract Employees (the Plan) as of June 30, 2024 and 2023, and the changes in its financial net position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

## Responsibilities of Management for the Financial Statements

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) on pages 5-8 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

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



Long Beach, California
December 20, 2024

# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

## Management's Discussion and Analysis (Unaudited)

As management of Long Beach Public Transportation Company (Long Beach Transit or the Company), we offer readers this narrative overview and analysis of the financial activities of the Long Beach Public Transportation Company Retirement Plan – Contract Employees (the Plan) for the fiscal years ended June 30, 2024, 2023, and 2022.

## FINANCIAL HIGHLIGHTS

- The net position of the Plan at the close of the fiscal year 2024 is $87.9 million. All of the assets are available to meet the Plan's ongoing obligations to plan participants and their beneficiaries.
- The Plan's total net position increased by $11.3 million, or 14.7%, primarily due to the increase in investment market value.
- The Plan's contributions increased by approximately $1.6 million, or 23.4%, primarily due to an increase in contribution rates.
- Pension benefit distributions decreased by approximately $347 thousand, or 6.0%, for the year due to a decrease in distributions.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The Plan's financial statements can be found beginning on page 9 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 11 of this report.

## FINANCIAL STATEMENT ANALYSIS

As noted earlier, increases and decreases in net position may serve over time as a useful indicator of the Plan's financial position. The assets of the Plan exceeded its liabilities at the close of fiscal years 2024, 2023, and 2022.

**Condensed Summary of the Plan's Net Position**

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Cash | $ 1,110,376 | $ 1,278,324 | $ 294,097 |
| Investments | 86,887,454 | 75,871,797 | 69,603,554 |
| Total assets | 87,997,830 | 77,150,121 | 69,897,651 |
| Payable due to Salaried Plan | - | 428,919 | - |
| Total liabilities | - | 428,919 | - |
| Net position | $ 87,997,830 | $ 76,721,202 | $ 69,897,651 |

As of June 30, 2024, $87.9 million in total assets is held in a trust for pension benefits. All of the assets are available to meet the Plan's ongoing obligation to plan participants and their beneficiaries. There was a $11.3 million, or 14.7%, increase in total net position over the prior year. There was a positive investment rate of return of 11.7% due to a favorable investment market. The actuarial assumption rate for investment return was 6.5% as of June 30, 2024.

As of June 30, 2023, $76.7 million in total assets is held in a trust for pension benefits. All of the assets are available to meet the Plan's ongoing obligation to plan participants and their beneficiaries. There was a $6.8 million, or 9.8%, increase in total net position over the prior year. There was a positive investment rate of return of 9.6% due to an favorable investment market. The actuarial assumption rate for investment return was 6.5% as of June 30, 2023.

**Condensed Summary of Changes in the Plan's Net Position**

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Employer contributions | $ 4,986,703 | $ 4,148,988 | $ 3,667,102 |
| Employee contributions | 3,266,356 | 2,540,648 | 2,204,920 |
| Investment income (loss) | 8,906,927 | 6,677,060 | (8,899,439) |
| Total additions | 17,159,986 | 13,366,696 | (3,027,417) |
| Pension benefits | 5,413,472 | 5,760,706 | 8,536,535 |
| Benefit transfers to Salaried Plan | - | 428,919 | - |
| Administrative costs | 469,886 | 353,520 | 345,479 |
| Total deductions | 5,883,358 | 6,543,145 | 8,882,014 |
| Net increase (decrease) in plan net position | $ 11,276,628 | $ 6,823,551 | $ (11,909,431) |

**Additions to the Plan's Net Position**

The assets needed to pay retirement benefits are accumulated through the collection of employer and employee contributions, and through earnings on investments. Under California's Public Employees' Pension Reform Act, which is referred to as PEPRA, participants whose professional service start date is on or after January 1, 2013 contribute a slightly higher percentage than non-PEPRA participants.

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Employer PEPRA contribution rate | 12.26% | 12.40% | 10.18% |
| Employer non-PEPRA contribution rate | 13.00% | 12.95% | 10.59% |

The Company met contribution requirements for all three fiscal years. Effective July 1, 2011, all full-time contract employees began contributing a percentage of their annual wages toward the Plan.

The actuarial assumption for investment income was 6.5% for fiscal years 2024, 2023, and 2022. In fiscal year 2024, the Plan exceeded the actuarial assumption rate, producing a positive return of 11.7%. In fiscal year 2023, the Plan exceeded the actuarial assumption rate, producing a positive return of 9.6%. In fiscal year 2022, the Plan did not exceed the actuarial assumption rate, producing a negative return of (11.1%).

**Deductions from the Plan's Net Position**

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

Total expenditures for the fiscal year ended June 30, 2024 decreased by approximately $659 thousand, or 10.1%, over fiscal year 2023. In 2024, pension benefit distributions decreased by approximately $347 thousand due to a decrease in benefit distribution amounts. Administrative expenses incurred from the management of plan assets increased by approximately $116 thousand, or 32.9%, when compared to 2023.

Total expenditures for the fiscal year ended June 30, 2023 decreased by approximately $2.3 million, or 26.3%, over fiscal year 2022. In 2023, pension benefit distributions decreased by approximately $2.8 million due to a decrease in benefit distribution amounts. Administrative expenses incurred from the management of plan assets increased by approximately $8 thousand, or 2.3%, when compared to 2022.

## Management's Discussion and Analysis, continued (Unaudited)

### ECONOMIC FACTORS AND RATES AFFECTING NEXT YEAR

The Plan completed a new actuarial valuation dated July 1, 2024. The contribution rate specified in the report decreased to 19.14% for fiscal year 2024 from the 2023 rate of 21.0%. The Plan's actuarial assumption rate of investment remains at 6.5% for fiscal year 2023.

Effective July 1, 2011, all full-time contract employees began contributing a percentage of their annual salary toward the Plan. On June 15, 2012, a decision by the Board of Arbitration specified that the Company shall pay the first 10% of the amount the actuary states is necessary for Plan funding and the Amalgamated Transit Union Local 1277 (ATU) employees will pay the next 5% necessary to fund the Plan. The Company and ATU employees will equally split any funding amounts over 15%. In addition, for union employees hired on or after July 1, 2012, the lump-sum option in the Plan is eliminated. The current contract is effective from July 1, 2023 through June 30, 2026.

ATU employees who were hired on or after January 1, 2013 are subject to the California PEPRA. PEPRA employees contribute a percentage of their annual salary to the Plan equal to half of the actuarially determined normal cost and the Company contributes the remainder.

During the year ended June 30, 2024, non-PEPRA employees contributed 8.00% and PEPRA employees contributed 8.75% of their annual salary toward the Plan. The Company contributed the remainder of the actuarially determined rate. Administrative costs of the Plan are a component of the actuarially determined rate.

### REQUESTS FOR INFORMATION

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

# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

## Statements of Fiduciary Net Position
## June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Cash (note 4) | $ 1,110,376 | $ 1,278,324 |
| Investments, at fair value (notes 4 and 5): | | |
| Equity mutual funds | 3,269,405 | 8,269,709 |
| Bond mutual funds | 8,892,470 | 7,573,720 |
| Private equity | 74,725,579 | 60,028,368 |
| Total investments | 86,887,454 | 75,871,797 |
| Total assets | $ 87,997,830 | $ 77,150,121 |
| **Liabilities** | | |
| Payable due to Salaried Plan | $ - | $ 428,919 |
| **Net position restricted for pension** | $ 87,997,830 | $ 76,721,202 |

# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

## Statements of Changes in Fiduciary Net Position
## For the Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| Additions: | | |
| Contributions: | | |
| Employer contributions | $ 4,986,703 | $ 4,148,988 |
| Employee contributions | 3,266,356 | 2,540,648 |
| Total contributions | 8,253,059 | 6,689,636 |
| Investment gain: | | |
| Interest | 30,580 | 3,306 |
| Dividends and capital gains | 726,903 | 568,990 |
| Net unrealized gain on investments | 10,228,683 | 6,340,808 |
| Net realized loss on investments | (2,079,239) | (236,044) |
| Total investment gain, net | 8,906,927 | 6,677,060 |
| Total additions | 17,159,986 | 13,366,696 |
| Deductions: | | |
| Expenditures: | | |
| Pension benefits | 5,413,472 | 5,760,706 |
| Direct administrative costs | 48,567 | 39,895 |
| Other administrative costs | 421,319 | 313,625 |
| Total expenditures | 5,883,358 | 6,114,226 |
| Other deductions: | | |
| Benefit transfers to salaried plan (note 5) | - | 428,919 |
| Total other deductions | - | 428,919 |
| Total deductions | 5,883,358 | 6,543,145 |
| Net increase in plan's net position | 11,276,628 | 6,823,551 |
| Net position restricted for pensions, beginning of year | 76,721,202 | 69,897,651 |
| Net position restricted for pensions, end of year | $ 87,997,830 | $ 76,721,202 |

## (1) Description of Plan

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

### Plan Origination

The Long Beach Public Transportation Company (Long Beach Transit or the Company) is a nonprofit corporation, formed in 1963, with the purchase of the local transit system from a private carrier leaving the business. At that time, the labor agreement between the Company and the Amalgamated Transit Union (ATU), dictated what, if any, benefits were to be awarded to a retiree. Those pension benefits were paid from the Company's annual operating funds. On June 30, 1979, the Company's Board of Directors approved the formation of the Plan. Any changes to the Plan agreement negotiated are adopted by the Board of Directors and issued as an amendment to the original Plan.

### Pension Benefits

The Plan is a defined benefit pension plan sponsored by Long Beach Transit. All full-time employees in a job classification covered by a collective bargaining agreement between the Company and the ATU are eligible under the Plan as of their date of employment. At June 30, 2024 and 2023, membership consisted of:

| | 2024 | 2023 |
|---|---|---|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving such benefits | 170 | 158 |
| Current employees: | | |
| Vested | 378 | 385 |
| Nonvested | 178 | 173 |
| Total membership | 726 | 716 |

Participants are eligible for annual benefit payments at the normal retirement age of 64 or at completion of ten years of credited service, whichever is later. Monthly benefit payments are currently determined by the sum of the following:

1. 1.23% of the first $500 of average monthly final earnings multiplied by the years of credited service (maximum credit of 40 years).

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

Contract employees that 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%.

Average final monthly earnings are the employee's highest average monthly wage for 60 consecutive months of earnings during the last ten calendar years of employment, prior to normal retirement date, which provide the highest value. Participants are 100% vested after five years of service.

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

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

Death and Disability Benefits

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

If a participant with ten or more years of credited service is totally and permanently disabled, the participant is entitled to receive the full normal retirement benefit earned at 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 ten or more years of credited service.

Termination

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

Contributions

Members who were hired on or after January 1, 2013 are subject to the California PEPRA. PEPRA members contribute a percentage of their annual salary to the Plan equal to half of the actuarially determined normal cost and the Company contributes the remainder.

During the year ended June 30, 2024, non-PEPRA members contributed 8.00% and PEPRA members contributed 8.75% of their annual salary toward the Plan. The Company contributed the remainder of the actuarially determined rate. Administrative costs of the Plan are a component of the actuarially determined rate.

## (2) Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Basis of Presentation

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

Method Used to Value Investments

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

Securities traded on a national or international exchange are valued at the last reported sales price at current market value rates.

Trust Fund Managed by the Trustee Bank

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

Investment Management

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

Use of Estimates

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

Subsequent Events

The Plan has evaluated subsequent events through December 20, 2024, the date the financial statements were available to be issued.

## (3) Federal Income Taxes

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

## (4) Cash and Investments

At June 30, 2024 and 2023, cash and investments consisted of the following:

| | 2024 | 2023 |
|---|---|---|
| Cash | $ 1,110,376 | $ 1,278,324 |
| Investments | 86,887,454 | 75,871,797 |
| Total | $ 87,997,830 | $ 77,150,121 |

**Concentration of Credit Risk – Investment Plan Authorized by the Company's Board of Directors**

Plan assets shall be invested to provide safety through diversification in a portfolio of pooled common stocks, bonds, cash equivalents, and other investments which may reflect varying rates of return. The asset allocation for the Plan for the year ended June 30, 2024 is as follows:

| | Lower | Strategic Allocation | Upper |
|---|---|---|---|
| Global Equity | 40% | 55% | 70% |
| Fixed Income | 15% | 25% | 40% |
| Real Estate Assets | 0% | 10% | 20% |
| Diversifying Alternatives | 0% | 10% | 20% |
| Cash Equivalent | 0% | 0% | 10% |

Investments in any one issuer or fund that represent 5% or more of the Plan's total net position have been summarized in note 6. Investments shall also be diversified within asset classes.

**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. Information about the sensitivity of fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the portfolio percentage and maturity, where applicable, for each asset class at June 30, 2024 and 2023.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| Type of Investment | Portfolio Percentage | Market Value | Maturity | Portfolio Percentage | Market Value | Maturity |
| Global Equities | 56% | $48,727,676 | N/A | 56% | $42,655,076 | N/A |
| Fixed Income | 25% | 22,185,141 | 7.89 years | 25% | 18,942,450 | 8.1 years |
| Real Assets | 9% | 7,451,345 | N/A | 10% | 7,196,053 | N/A |
| Diversifying Alternatives | 10% | 8,523,292 | N/A | 9% | 7,078,218 | N/A |
| Total | | $86,887,454 | | | $75,871,797 | |

N/A – not applicable

**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. As of June 30, 2024, global equities comprise 56% of the Plan's asset portfolio and are not rated. 10% of the Plan's asset portfolio comprise of diversifying alternatives and are not rated. Real estate assets comprise 9% of the Plan's asset portfolio and are not rated. The remaining 25% of the Plan's assets are in fixed income assets.

Credit ratings for the Plan's fixed income investments subject to credit risk as of June 30, 2024 and 2023 are as follows:

| Investment Type | S&P Rating | 2024 Fair Value | 2023 Fair Value |
|---|---|---|---|
| Bond Mutual Funds | AA | $ 8,892,470 | $ 7,573,720 |
| | | 8,892,470 | 7,573,720 |
| Fixed Income | AA | 8,905,304 | 7,457,727 |
| | BBB | 1,657,697 | 1,442,426 |
| | B | 2,729,670 | 2,468,577 |
| | | 13,292,671 | 11,368,730 |
| | | $ 22,185,141 | $ 18,942,450 |

**Custodial Credit Risk**

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

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

**Risks and Uncertainties**

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

## (5) Plan Transfer Payable

When contract employees accept salaried positions and become eligible to participate in the Company's Salaried Employees Retirement Plan, the service years earned while in their union positions are recognized under the Plan. Benefit calculations for these employees have been prepared by the Company's actuary using each affected employees' service years and age at the time of transfer to their new position. There were $0 and $428,919 in benefits transferred in the fiscal years ended June 30, 2024 and 2023, respectively.

## (6) Investments and Fair Value Measurements

The following investments accounted for 5% or more of the total net position (at fair value) at June 30, 2024 and 2023:

| Description of Investments | Cost | Fair Value |
|---|---|---|
| 2024: | | |
| Northern Trust Collective Funds | $ 27,956,416 | $ 35,221,679 |
| JPMCB Core Bond Fund | 8,912,988 | 8,905,304 |
| Baird Aggregate Bond Fund | 9,614,132 | 8,892,470 |
| Magnitude Institutional, Ltd. | 6,595,530 | 8,523,292 |
| Causeway Collective Investment Trust | 3,743,837 | 5,103,160 |
| NCS Group Trust International Fund | 4,600,000 | 4,599,792 |
| | 61,422,903 | 71,245,697 |
| Remaining investments not exceeding 5% of total net position | 16,557,114 | 15,641,757 |
| Total | $ 77,980,017 | $ 86,887,454 |

| Description of Investments | Cost | Fair Value |
|---|---|---|
| 2023: | | |
| Northern Trust Collective Funds | $ 21,920,905 | $ 23,001,883 |
| Baird Aggregate Bond Fund | 8,482,979 | 7,573,720 |
| JPMCB Core Bond Fund | 7,871,696 | 7,457,727 |
| Magnitude Institutional, Ltd. | 5,995,530 | 7,078,218 |
| Causeway Collective Investment Trust | 4,822,579 | 5,976,376 |
| Baillie Gifford The Eafe Pure Fund | 7,508,045 | 5,705,397 |
| Emerging World Investors LP | 4,572,081 | 4,572,081 |
| | 61,173,815 | 61,365,402 |
| Remaining investments not exceeding 5% of total net position | 14,879,723 | 14,506,395 |
| Total | $ 76,053,538 | $ 75,871,797 |

**Fair Value Measurements**

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

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

The remaining investments not categorized under the fair value hierarchy are shown at net asset value (NAV). NAV is used as a practical expedient to estimate the fair value of the Plan's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2024, the Plan had no specific plans or intentions to sell investments at amounts different from NAV.

The Plan has the following fair value measurements as of June 30, 2024:

| Investments by Fair Value | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Equity mutual funds | $ 3,269,405 | $ - | $ 3,269,405 | $ - |
| Bond mutual funds | 8,892,470 | - | 8,892,470 | - |
| | $ 12,161,875 | $ - | $ 12,161,875 | $ - |
| **Investments Measured at NAV** | | | | |
| Private equity | $ 74,725,579 | | | |
| Investments at fair value | $ 86,887,454 | $ - | $ 12,161,875 | $ - |

The Plan has the following fair value measurements as of June 30, 2023:

| Investments by Fair Value | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Equity mutual funds | $ 8,269,709 | $ - | $ 8,269,709 | $ - |
| Bond mutual funds | 7,573,720 | - | 7,573,720 | - |
| | $ 15,843,429 | $ - | $ 15,843,429 | $ - |
| **Investments Measured at NAV** | | | | |
| Private equity | $ 60,028,368 | | | |
| Investments at fair value | $ 75,871,797 | $ - | $ 15,843,429 | $ - |

**Investments Measured Using the Net Asset Value per Share Practical Expedient**

The following tables summarize investments measured at fair value based on NAV per share as of June 30, 2024 and 2023.

| June 30, 2024 | Fair Value | Redemption Frequency | Redemption Notice Period | Unfunded Commitment |
|---|---|---|---|---|
| Northern Trust Collective Funds | $ 35,221,679 | Daily | N/A | N/A |
| JPMCB Core Bond Fund | 8,905,304 | Daily | N/A | N/A |
| Magnitude Institutional, Ltd. | 8,523,292 | Quarterly | 65 days | N/A |
| Causeway Collective Trust | 5,103,160 | Daily | N/A | N/A |
| NCS Group Trust International Fund | 4,599,792 | Weekly | 3 days | N/A |
| Invesco Core Real Estate | 2,769,831 | Quarterly | 45 days | N/A |
| Oaktree High Yield Bond, LP | 2,729,670 | Monthly | 10 days | N/A |
| Emerging World Investors LP | 2,525,724 | Monthly | 30 days | N/A |
| Ninety One Em Blended Debt | 1,657,697 | Daily | 1 day | N/A |
| Harrison Street Core Prop Fund | 1,396,849 | Quarterly | 45 days | N/A |
| Sector Global Emrg Market Fund | 1,292,581 | Monthly | 1 day | N/A |
| Total | $ 74,725,579 | | | |

| June 30, 2023 | Fair Value | Redemption Frequency | Redemption Notice Period | Unfunded Commitment |
|---|---|---|---|---|
| Northern Trust Collective Funds | $ 23,001,883 | Daily | N/A | N/A |
| JPMCB Core Bond Fund | 7,457,727 | Daily | N/A | N/A |
| Magnitude Institutional, Ltd. | 7,078,218 | Quarterly | 65 days | N/A |
| Causeway Collective Trust | 5,976,376 | Daily | N/A | N/A |
| Emerging World Investors LP | 4,572,081 | Monthly | 30 days | N/A |
| Invesco Core Real Estate | 3,127,506 | Quarterly | 45 days | N/A |
| Oaktree High Yield Bond, LP | 2,468,577 | Monthly | 10 days | N/A |
| GW&K Small Cap Core Equity | 1,928,229 | Daily | N/A | N/A |
| Harrison Street Core Prop Fund | 1,504,234 | Quarterly | 45 days | N/A |
| Sector Global Emrg Market Fund | 1,471,110 | Monthly | 1 day | N/A |
| Ninety One Em Blended Debt | 1,442,427 | Daily | 1 day | N/A |
| Total | $ 60,028,368 | | | |

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

- *Equity Mutual Funds*: assets of each fund are valued daily at close of market and pricing is transmitted to fund custodians. Fund pricing is completed after the close of each market day and the underlying securities are valued based on their closing trading values each day.
- *Bond Mutual Funds*: assets of each fund are valued daily at close of market and pricing is transmitted to fund custodians. Fund pricing is completed after the close of each market day and the underlying securities are valued based on their closing trading values each day.
- *Private Equity*: includes commingled fund/pooled investment vehicles and real estate investments. Commingled fund/pooled investment vehicles are funds with capital pooled from multiple investors that is deployed to a mutually agreed upon strategy. The fair value of commingled funds/pooled investment vehicles is measured at NAV, where fair value is measured by multiplying the pool's share price by the number of shares held. Typically, there are no redemption constraints for the commingled funds. Real estate investments are held either in separate accounts, as a limited partner, or in a joint venture or commingled fund. These investments are illiquid and resold at varying rates, with distributions received over the life of the investments. They are typically not redeemed, nor do they have set redemption schedules.

## (7) Annual Pension Cost and Net Pension Obligation

As of June 30, 2024, the Company contributed the first 10% of the actuarially determined rate, Plan members contributed the next 5%, and the rate in excess of 15% is equally split between the Company and Plan members for contribution toward the Plan. The Company's annual pension cost and net pension obligation at June 30, 2024 and 2023 are as follows:

| Year Ended June 30, | Actuarially Determined Amount | Actual Contribution | Net Pension Obligation |
|---|---|---|---|
| 2024 | $ 4,986,703 | $ 4,986,703 | $ - |
| 2023 | $ 4,148,988 | $ 4,148,988 | $ - |
| 2022 | $ 3,667,102 | $ 3,667,102 | $ - |
| 2021 | $ 4,341,170 | $ 4,341,170 | $ - |

## (8) Funded Status and Funding Progress

The status of funding progress is based on the actuarial valuations performed as of July 1, 2024 and 2023. The actuarial accrued liability is calculated using the entry-age method.

(dollar amounts in thousands)

| Actuarial valuation date (July 1) | (a) Actuarial value of assets | (b) Actuarial accrued liability (AAL)- entry age | (b-a) Unfunded AAL (UAAL) | (a/b) Funded ratio | (c) Covered payroll | ((b-a)/c) UAAL as a percentage of covered payroll |
|---|---|---|---|---|---|---|
| 2024 | $ 87,997 | $ 113,777 | $ 25,780 | 77.34% | $ 35,879 | 71.85% |
| 2023 | $ 76,721 | $ 106,957 | $ 30,236 | 71.73% | $ 33,739 | 89.62% |

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

Schedule 1

# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

## Schedule of Assets Held for Investment Purposes
## June 30, 2024 and 2023

| Description of Investments | Number of Shares/Units | Cost | Fair Value |
|---|---|---|---|
| June 30, 2024: | | | |
| Equity mutual funds: | | | |
| Cohen & Steers Instl Realty Shares | 71,416 | $ 3,475,046 | $ 3,269,405 |
| Total equity mutual funds | | 3,475,046 | 3,269,405 |
| Bond mutual funds: | | | |
| Baird Aggregate Bond Fund | 920,546 | 9,614,132 | 8,892,470 |
| Total bond mutual funds | | 9,614,132 | 8,892,470 |
| Private equity: | | | |
| Northern Trust Collective Funds | 1,682 | 27,956,416 | 35,221,679 |
| JPMCB Core Bond Fund | 429,585 | 8,912,988 | 8,905,304 |
| Magnitude Institutional, Ltd. | 2,089 | 6,595,530 | 8,523,292 |
| Causeway Collective Trust | 333,322 | 3,743,837 | 5,103,160 |
| NCS Group Trust International Fund | 84,619 | 4,600,000 | 4,599,792 |
| Invesco Core Real Estate | 15 | 3,161,686 | 2,769,831 |
| Oaktree High Yield Bond, LP | 44,310 | 2,983,400 | 2,729,670 |
| Emerging World Investors LP | 2,525,724 | 2,525,724 | 2,525,724 |
| Harrison Street Core Prop Fund | 12,937 | 1,628,623 | 1,657,697 |
| Sector Global Emrg Market Fund | 971 | 1,569,238 | 1,396,849 |
| Ninety One Em Blended Debt | 12,170 | 1,213,397 | 1,292,581 |
| Total private equity | | 64,890,839 | 74,725,579 |
| Total investments | | $ 77,980,017 | $ 86,887,454 |

# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

## Schedule of Assets Held for Investment Purposes, continued
## June 30, 2024 and 2023

| Description of Investments | Number of Shares/Units | Cost | Fair Value |
|---|---|---|---|
| June 30, 2023: | | | |
| Equity mutual funds: | | | |
| Baillie Gifford EAFE Pure Fund | 442,279 | $ 7,508,045 | $ 5,705,396 |
| Cohen & Steers Instl Realty Shares | 57,951 | 2,955,976 | 2,564,313 |
| Total equity mutual funds | | 10,464,021 | 8,269,709 |
| Bond mutual funds: | | | |
| Baird Aggregate Bond Fund | 782,409 | 8,482,979 | 7,573,720 |
| Total bond mutual funds | | 8,482,979 | 7,573,720 |
| Private equity: | | | |
| Northern Trust Collective Funds | 1,368 | 21,920,905 | 23,001,883 |
| JPMCB Core Bond Fund | 373,260 | 7,871,696 | 7,457,727 |
| Magnitude Institutional, Ltd. | 1,927 | 5,995,530 | 7,078,218 |
| Causeway Collective Trust | 430,265 | 4,822,579 | 5,976,376 |
| Emerging World Investors LP | 4,572,081 | 4,572,081 | 4,572,081 |
| Invesco Core Real Estate | 15 | 3,100,140 | 3,127,506 |
| Oaktree High Yield Bond, LP | 41,461 | 2,809,320 | 2,468,577 |
| GW&K Small Cap Core Equity | 138,467 | 2,150,000 | 1,928,229 |
| Harrison Street Core Prop Fund | 943 | 1,527,429 | 1,504,234 |
| Sector Global Emrg Market Fund | 16,050 | 1,605,000 | 1,471,110 |
| Ninety One Em Blended Debt | 12,016 | 731,858 | 1,442,427 |
| Total private equity | | 57,106,538 | 60,028,368 |
| Total investments | | $ 76,053,538 | $ 75,871,797 |

# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

## Schedule of Funding Progress, Schedule of Contributions, and Schedule of Changes in Net Pension Liability and Related Ratios
## June 30, 2024 and 2023

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

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

| Actuarial valuation date (July 1) | (a) Actuarial value of assets | (b) Actuarial accrued liability (AAL)- entry age | (b-a) Unfunded AAL (UAAL) | (a/b) Funded ratio | (c) Covered payroll | ((b-a)/c) UAAL as a percentage of covered payroll |
|---|---|---|---|---|---|---|
| 2024 | $ 87,997 | $ 113,777 | $ 25,780 | 77.34% | $ 35,879 | 71.85% |
| 2023 | $ 76,721 | $ 106,957 | $ 30,236 | 71.73% | $ 33,739 | 89.62% |
| 2022 | $ 69,897 | $ 98,511 | $ 28,614 | 70.95% | $ 32,022 | 89.36% |
| 2021 | $ 81,807 | $ 97,238 | $ 15,431 | 84.13% | $ 30,015 | 51.41% |
| 2020 | $ 63,777 | $ 95,974 | $ 32,197 | 66.45% | $ 31,946 | 100.79% |
| 2019 | $ 60,679 | $ 91,295 | $ 30,616 | 66.46% | $ 30,624 | 99.97% |
| 2018 | $ 56,022 | $ 87,017 | $ 30,995 | 64.38% | $ 31,094 | 99.68% |
| 2017 | $ 52,742 | $ 81,804 | $ 29,062 | 64.47% | $ 30,448 | 95.45% |
| 2016 | $ 47,051 | $ 73,596 | $ 26,545 | 63.93% | $ 29,787 | 89.12% |
| 2015 | $ 45,790 | $ 63,234 | $ 17,444 | 72.41% | $ 25,321 | 68.89% |

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

**Schedule of Contributions**

| Year ended June 30, | Actuarially determined amount | Annual required contribution as a percentage of covered payroll | Employer contribution | Employee contribution | Percentage contributed |
|---|---|---|---|---|---|
| 2024 | $ 8,253,059 | 21.00% | $ 4,986,703 | $ 3,266,356 | 100% |
| 2023 | 6,689,636 | 20.90% | 4,148,988 | 2,540,648 | 100% |
| 2022 | 5,872,022 | 16.18% | 3,667,102 | 2,204,920 | 100% |
| 2021 | 7,057,378 | 22.45% | 4,341,170 | 2,716,208 | 100% |
| 2020 | 7,168,354 | 21.87% | 4,357,936 | 2,810,418 | 100% |
| 2019 | 7,165,553 | 21.82% | 4,488,508 | 2,677,045 | 100% |
| 2018 | 6,516,603 | 21.07% | 4,054,711 | 2,461,892 | 100% |
| 2017 | 6,018,860 | 19.95% | 3,877,435 | 2,141,425 | 100% |
| 2016 | 5,193,480 | 17.58% | 3,439,288 | 1,754,192 | 100% |
| 2015 | 4,711,230 | 15.95% | 3,067,778 | 1,643,452 | 100% |

Schedule 2

# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

## Schedule of Funding Progress, Schedule of Contributions, and Schedule of Changes in Net Pension Liability and Related Ratios, continued
## June 30, 2024 and 2023

### Schedule of Changes in Net Pension Liability and Related Ratios

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total pension liability | | | | | | | | | | |
| Service cost | $ 4,135,596 | $ 3,976,830 | $ 3,811,388 | $ 3,955,142 | $ 3,749,884 | $ 3,862,139 | $ 3,750,722 | $ 3,352,311 | $ 2,713,135 | $ 2,893,596 |
| Interest | 6,649,875 | 6,141,439 | 6,014,362 | 6,020,256 | 5,661,960 | 5,458,336 | 5,173,663 | 4,970,642 | 4,575,251 | 4,462,912 |
| Differences between expected and actual experience | 1,448,762 | 4,087,891 | (15,874) | (5,289,301) | (820,357) | (1,182,989) | 1,915,331 | 849,980 | 3,062,106 | (1,252,537) |
| Changes of assumptions | - | - | - | 1,341,613 | - | - | 3,651,179 | 3,194,510 | - | - |
| Benefit payments | (5,413,472) | (5,760,706) | (8,536,535) | (4,763,085) | (3,912,892) | (3,859,763) | (5,626,291) | (4,615,902) | (3,182,794) | (4,881,029) |
| Net change | 6,820,761 | 8,445,454 | 1,273,341 | 1,264,625 | 4,678,595 | 4,277,723 | 8,864,604 | 7,751,541 | 7,167,698 | 1,222,942 |
| Beginning total pension liability | 106,957,133 | 98,511,679 | 97,238,338 | 95,973,713 | 91,295,118 | 87,017,395 | 78,152,791 | 70,401,250 | 63,233,552 | 62,010,610 |
| Ending total pension liability | $ 113,777,894 | $ 106,957,133 | $ 98,511,679 | $ 97,238,338 | $ 95,973,713 | $ 91,295,118 | $ 87,017,395 | $ 78,152,791 | $ 70,401,250 | $ 63,233,552 |
| Plan fiduciary net position | | | | | | | | | | |
| Employer contributions | $ 4,986,703 | $ 4,148,988 | $ 3,667,102 | $ 4,341,170 | $ 4,357,936 | $ 4,488,508 | $ 4,054,711 | $ 3,877,435 | $ 3,439,288 | $ 3,067,778 |
| Employee contributions | 3,266,356 | 2,540,648 | 2,204,920 | 2,716,208 | 2,810,418 | 2,677,045 | 2,461,892 | 2,141,425 | 1,754,192 | 1,643,452 |
| Net transfer to/from Salaried Plan | - | (428,919) | - | - | - | - | (37,663) | (255,041) | (17,501) | (288) |
| Investment income (loss) | 8,906,927 | 6,677,060 | (8,899,439) | 16,154,417 | 207,350 | 1,715,995 | 2,807,077 | 4,919,899 | (407,799) | (569) |
| Pension benefits | (5,413,472) | (5,760,706) | (8,536,535) | (4,763,085) | (3,912,892) | (3,859,763) | (5,626,291) | (4,615,902) | (3,182,794) | (4,881,029) |
| Administrative expenses | (469,886) | (353,520) | (345,479) | (418,494) | (364,995) | (364,631) | (380,134) | (376,137) | (325,026) | (349,496) |
| Net change | 11,276,628 | 6,823,551 | (11,909,431) | 18,030,216 | 3,097,817 | 4,657,154 | 3,279,592 | 5,691,679 | 1,260,360 | (520,152) |
| Beginning plan fiduciary net position | 76,721,202 | 69,897,651 | 81,807,082 | 63,776,866 | 60,679,049 | 56,021,895 | 52,742,303 | 47,050,624 | 45,790,264 | 46,310,416 |
| Ending plan fiduciary net position | $ 87,997,830 | $ 76,721,202 | $ 69,897,651 | $ 81,807,082 | $ 63,776,866 | $ 60,679,049 | $ 56,021,895 | $ 52,742,303 | $ 47,050,624 | $ 45,790,264 |
| Company's net pension liability | $ 25,780,064 | $ 30,235,931 | $ 28,614,028 | $ 15,431,256 | $ 32,196,847 | $ 30,616,069 | $ 30,995,500 | $ 25,410,488 | $ 23,350,626 | $ 17,443,288 |
| Plan fiduciary net position as a % of total pension liability | 77.34% | 71.73% | 70.95% | 84.13% | 66.45% | 66.46% | 64.38% | 67.49% | 66.83% | 72.41% |
| Covered payroll | $ 35,879,000 | $ 33,739,000 | $ 32,022,000 | $ 30,015,000 | $ 31,946,000 | $ 30,624,000 | $ 31,094,000 | $ 30,448,000 | $ 29,787,000 | $ 25,321,000 |
| Company's net pension liability as a % of covered payroll | 71.85% | 89.62% | 89.36% | 51.41% | 100.79% | 99.97% | 99.68% | 83.46% | 78.39% | 68.89% |

# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

## Schedule of Funding Progress, Schedule of Contributions, and Schedule of Changes in Net Pension Liability and Related Ratios, continued
## June 30, 2024 and 2023

### Contract Plan
### Schedule of Contributions
### Last 10 Fiscal Years

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 8,253,059 | $ 6,689,636 | $ 5,872,022 | $ 7,057,378 | $ 7,168,354 | $ 7,165,553 | $ 6,516,603 | $ 6,018,860 | $ 5,193,480 | $ 4,711,230 |
| Employer contributions | 4,986,703 | 4,148,988 | 3,667,102 | 4,341,170 | 4,357,936 | 4,488,508 | 4,054,711 | 3,877,435 | 3,439,288 | 3,067,778 |
| Employee contributions | 3,266,356 | 2,540,648 | 2,204,920 | 2,716,208 | 2,810,418 | 2,677,045 | 2,461,892 | 2,141,425 | 1,754,192 | 1,643,452 |
| Total contributions | 8,253,059 | 6,689,636 | 5,872,022 | 7,057,378 | 7,168,354 | 7,165,553 | 6,516,603 | 6,018,860 | 5,193,480 | 4,711,230 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | $ 35,879,000 | $ 33,739,000 | $ 32,022,000 | $ 30,015,000 | $ 31,946,000 | $ 30,624,000 | $ 31,094,000 | $ 30,448,000 | $ 29,787,000 | $ 25,321,000 |
| Contributions as a percentage of covered-employee payroll | 23.00% | 19.83% | 18.34% | 23.51% | 22.44% | 23.40% | 20.96% | 19.77% | 17.44% | 18.61% |

# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

## Schedule of Funding Progress, Schedule of Contributions, and Schedule of Changes in Net Pension Liability and Related Ratios, continued
## June 30, 2024 and 2023

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

| | |
|---|---|
| Valuation date | July 1, 2024 |
| Actuarial cost method | Entry age normal cost frozen initial liability |
| Amortization method | Level dollar closed |
| Remaining amortization period on initial liability | 13 years |
| Remaining amortization period on assumption changes | 19 years |
| Remaining amortization period on interest rate assumption | 22 years |
| Remaining amortization period on interest rate assumption | 23 years |
| Remaining amortization period on assumption changes | 26 years |
| Asset valuation method | Market value |
| Actuarial assumptions: | |
| Investment rate of return | 6.5% |
| Discount rate | 6.5% |
| Projected salary increases | 3.0% |
| Cost-of-living adjustments | None |

Mortality rates were based on the following:

Healthy: PRI-2012 Blue Collar Mortality Table Projected with Scale MP-2019.

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

The following presents the net pension liability calculated using the discount rate of 6.5%, 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 (dollar amounts in thousands):

| Discount Rate | Net Pension Liability |
|---|---|
| 5.5% | $ 36,077 |
| 6.5% | $ 25,780 |
| 7.5% | $ 16,935 |

Schedule 3

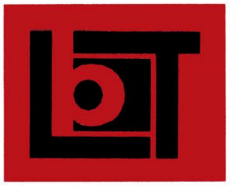
# LONG BEACH PUBLIC TRANSPORTATION COMPANY
# RETIREMENT PLAN - CONTRACT EMPLOYEES

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

| | Revenues by source | | | | |
|---|---|---|---|---|---|
| Fiscal year | Contributions* | Benefit transfers | Investment income (loss) | Rate of return | Total |
| 2024 | $ 8,253,059 | $ - | $ 8,906,927 | 11.74% | 17,159,986 |
| 2023 | 6,689,636 | - | 6,677,060 | 9.59% | 13,366,696 |
| 2022 | 5,872,022 | - | (8,899,439) | (11.14) % | (3,027,417) |
| 2021 | 7,057,378 | - | 16,154,417 | 26.56% | 23,211,795 |
| 2020 | 7,168,354 | - | 207,350 | 0.34% | 7,375,704 |
| 2019 | 7,165,553 | - | 1,715,995 | 3.10% | 8,881,548 |
| 2018 | 6,516,603 | - | 2,807,077 | 5.42% | 9,323,680 |
| 2017 | 6,018,860 | - | 4,919,899 | 10.66% | 10,938,759 |
| 2016 | 5,193,480 | - | (407,799) | (1.04)% | 4,785,681 |
| 2015 | 4,711,230 | 29,872 | (569) | (0.02) % | 4,740,533 |

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

| | Expenses by type | | | | |
|---|---|---|---|---|---|
| Fiscal year | Benefits | Direct administrative costs | Other administrative costs | Benefit transfers | Total |
| 2024 | $ 5,413,472 | $ 48,567 | $ 421,319 | $ - | $ 5,883,358 |
| 2023 | 5,760,706 | 39,895 | 313,625 | 428,919 | 6,543,145 |
| 2022 | 8,536,535 | 32,036 | 313,443 | - | 8,882,014 |
| 2021 | 4,763,085 | 182,650 | 235,844 | - | 5,181,579 |
| 2020 | 3,912,892 | 158,643 | 206,352 | - | 4,277,887 |
| 2019 | 3,859,763 | 145,775 | 218,856 | - | 4,224,394 |
| 2018 | 5,626,291 | 139,754 | 240,380 | 37,663 | 6,044,088 |
| 2017 | 4,615,902 | 126,930 | 249,207 | 255,041 | 5,247,080 |
| 2016 | 3,182,794 | 114,708 | 210,318 | 17,501 | 3,525,321 |
| 2015 | 4,881,029 | 118,069 | 231,427 | 30,160 | 5,260,685 |



LONG BEACH

TRANSIT

# Long Beach Public Transportation Company Retirement Plan - Salaried Employees

## Financial Statements
## for the Years Ended June 30, 2024 and 2023

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

## Principal Officials

### Board of Directors

| | |
|---|---|
| David Sutton | Chair |
| Abigail Mejia | Vice Chair |
| Raul Añorve | Secretary/Treasurer |
| Eduardo Angeles | Director |
| Carl Kemp | Director |
| Randy Rawlings | Director |
| Tunua Thrash-Ntuk | Director |
| Joshua Hickman | City Representative, City of Long Beach |
| Christopher Koontz | City Representative, City of Long Beach |

### Pension Committee Members

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

# INDEPENDENT AUDITORS' REPORT

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

## Opinion

We have audited the accompanying financial statements of the Long Beach Public Transportation Company Retirement Plan – Salaried Employees, which comprise the statements of fiduciary net position as of June 30, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the fiduciary activities of the Long Beach Public Transportation Company Retirement Plan – Salaried Employees (the Plan) as of June 30, 2024 and 2023, and the changes in its financial net position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

## Responsibilities of Management for the Financial Statements

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

**Required Supplementary Information**

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

**Supplementary Information**

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



Long Beach, California
December 20, 2024

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

## Management's Discussion and Analysis (Unaudited)

As management of Long Beach Public Transportation Company (Long Beach Transit or the Company), we offer readers this narrative overview and analysis of the financial activities of the Long Beach Public Transportation Company Retirement Plan – Salaried Employees (the Plan) for the fiscal years ended June 30, 2024, 2023, and 2022.

### FINANCIAL HIGHLIGHTS

- The net position of the Plan at the close of the fiscal year 2024 is $34.1 million. All of the assets are available to meet the Plan's ongoing obligations to plan participants and their beneficiaries.
- The Plan's total net position held in trust for pension benefits increased by $1.8 million, or 5.6%, due to an increase in investment market value.
- The Plan's pension contributions increased by approximately $400 thousand, or 24.0%, primarily due to an increase in required contributions.
- Pension benefit distributions decreased by approximately $509 thousand, or 14.5%, for the fiscal year primarily due to less long-term employees retiring and receiving lump-sum distributions.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

## FINANCIAL STATEMENT ANALYSIS

As noted earlier, increases and decreases in net position may serve over time as a useful indicator of the Plan's financial position. The assets of the Plan exceeded its liabilities at the close of fiscal years 2024, 2023, and 2022.

**Condensed Summary of the Plan's Net Position**

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Cash | $ 1,501,229 | $ 1,265,608 | $ 581,963 |
| Receivables | 56,154 | 428,919 | - |
| Investments | 32,600,354 | 30,654,489 | 31,459,240 |
| Total assets | 34,157,737 | 32,349,016 | 32,041,203 |
| Net position | $ 34,157,737 | $ 32,349,016 | $ 32,041,203 |

As of June 30, 2024, $34.1 million in total net position is held in a trust for pension benefits. All of the assets are available to meet the Plan's ongoing obligation to plan participants and their beneficiaries. There was a $1.8 million, or 5.6%, increase in total net position over the prior year primarily due to a favorable investment market. There was a positive investment rate of return of 9.6%. The actuarial assumption rate for investment return is 6.0% as of June 30, 2024.

As of June 30, 2023, $32.3 million in total net position is held in a trust for pension benefits. All of the assets are available to meet the Plan's ongoing obligation to plan participants and their beneficiaries. There was a $308 thousand, or 1.0%, increase in total net position over the prior year primarily due to a favorable investment market. There was a positive investment rate of return of 6.1%. The actuarial assumption rate for investment return is 6.0% as of June 30, 2023.

**Condensed Summary of Changes in Net Position**

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Employer contributions | $ 1,762,514 | $ 1,372,885 | $ 1,026,804 |
| Employee contributions | 286,220 | 279,383 | 288,286 |
| Benefit transfer from Contract Plan | - | 428,919 | - |
| Investment income (loss) | 2,939,757 | 1,919,001 | (3,870,501) |
| Total additions (loss) | 4,988,491 | 4,000,188 | (2,555,411) |
| Pension benefits | 3,008,642 | 3,517,783 | 3,020,182 |
| Administrative costs | 171,128 | 174,592 | 174,009 |
| Total deductions | 3,179,770 | 3,692,375 | 3,194,191 |
| Net increase (decrease) in plan net position | $ 1,808,721 | $ 307,813 | $ (5,749,602) |

**Additions to the Plan's Net Position**

The assets needed to pay retirement benefits are accumulated through the collection of employer and employee contributions, and through earnings on investments. The employer contribution rates for fiscal years 2024, 2023, and 2022 were 27.00%, 25.62%, and 3.78%, respectively. Effective July 1, 2011, all full-time salaried employees hired before April 1, 2011, began contributing 5% of their annual salary toward the Plan. The Plan met contribution requirements for all three fiscal years.

The actuarial assumption for investment income was 6% for fiscal years 2024, 2023, and 2022. In fiscal year 2024, the Plan exceeded the actuarial assumption rate, producing a positive return of 9.6%. In fiscal year 2023, the Plan achieved the actuarial assumption rate, producing a positive return of 6.10%. In fiscal year 2022, the Plan did not achieve the actuarial assumption rate, producing a negative return of (10.5%).

**Deductions from the Plan's Net Position**

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

Total expenditures for the fiscal year ended June 30, 2024 decreased by $512 thousand, or 13.8%, over fiscal year 2023. In 2024, pension benefit distributions decreased by $509 thousand due to a decrease in retirements of long-term employees. Administrative expenses incurred from the management of plan assets decreased by approximately $3 thousand, or 2.0%, when compared to 2023.

Total expenditures for the fiscal year ended June 30, 2023 increased by $498 thousand, or 15.6%, over fiscal year 2022. In 2023, pension benefit distributions increased by $498 thousand due to an increase in retirements of long-term employees. Administrative expenses incurred from the management of plan assets decreased by approximately $1 thousand, or 0.3%, when compared to 2022.

## ECONOMIC FACTORS AND RATES AFFECTING NEXT YEAR

The Plan completed a new actuarial valuation dated July 1, 2024. The contribution rate specified in the report decreased to 28.93% for fiscal year 2025 from the 2024 rate of 32.00%. The funding status of the Plan increased to 91.44% as compared to 89.44% in the prior fiscal year.

## REQUESTS FOR INFORMATION

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

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

## Statements of Fiduciary Net Position
## June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Cash (note 4) | $ 1,501,230 | $ 1,265,608 |
| Accounts receivable: | | |
| Contribution receivable | 56,154 | 428,919 |
| Investments, at fair value (notes 4 and 6): | | |
| Equity mutual funds | 22,815,801 | 22,124,033 |
| Bond mutual funds | 9,784,552 | 8,530,456 |
| Total investments | 32,600,353 | 30,654,489 |
| Total assets | $ 34,157,737 | $ 32,349,016 |
| **Net position restricted pension** | $ 34,157,737 | $ 32,349,016 |

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

## Statements of Changes in Fiduciary Net Position
## For the Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| Additions: | | |
| Contributions: | | |
| Employer contributions | $ 1,762,514 | $ 1,372,885 |
| Employee contributions | 286,220 | 279,383 |
| Total contributions | 2,048,734 | 1,652,268 |
| Investment gain: | | |
| Interest | 37,969 | 31,938 |
| Dividends and capital gains | 800,525 | 784,366 |
| Net unrealized gain on investments | 2,039,214 | 1,230,303 |
| Net realized gain (loss) on investments | 62,049 | (127,606) |
| Total investment gain, net | 2,939,757 | 1,919,001 |
| Other additions: | | |
| Benefit transfers from contract plan (note 5) | - | 428,919 |
| Total other additions | - | 428,919 |
| Total additions | 4,988,491 | 4,000,188 |
| Deductions: | | |
| Expenditures: | | |
| Pension benefits | 3,008,642 | 3,517,783 |
| Direct administrative costs | 15,648 | 15,412 |
| Other administrative costs | 155,480 | 159,180 |
| Total expenditures | 3,179,770 | 3,692,375 |
| Total deductions | 3,179,770 | 3,692,375 |
| Net increase in plan net position | 1,808,721 | 307,813 |
| Net position restricted for pension, beginning of year | 32,349,016 | 32,041,203 |
| Net position restricted for pension, end of year | $ 34,157,737 | $ 32,349,016 |

## (1) Description of Plan

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

Pension Benefits

The Plan is a defined benefit pension plan sponsored by Long Beach Public Transportation (Long Beach Transit or the Company). All full-time salaried employees hired before April 1, 2011 are eligible under the Plan. At June 30, 2024 and 2023, membership consisted of:

| | 2024 | 2023 |
|---|---|---|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving such benefits | 53 | 53 |
| Current vested employees | 56 | 60 |
| Total membership | 109 | 113 |

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

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

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

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

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

Death and Disability Benefits

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

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

Termination

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

Contributions

During the year ended June 30, 2024, Plan members contributed 5% of their annual salary toward the Plan. The Company contributed the remainder of the actuarially determined rate. Administrative costs of the Plan are a component of the actuarially determined rate.

## (2) Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Basis of Presentation

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

Method Used to Value Investments

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

Securities traded on a national or international exchange are valued at the last reported sales price at current market value rates.

Trust Fund Managed by the Trustee Bank

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

Investment Management

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

Use of Estimates

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

Subsequent Events

The Plan has evaluated subsequent events through December 20, 2024, the date the financial statements were available to be issued.

## (3) Federal Income Taxes

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

## (4) Cash and Investments

At June 30, 2024 and 2023, cash and investments consisted of the following:

| | 2024 | 2023 |
|---|---|---|
| Cash | $ 1,501,230 | $ 1,265,608 |
| Investments | 32,600,353 | 30,654,489 |
| Total | $ 34,101,583 | $ 31,920,097 |

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

Plan assets shall be invested to provide safety through diversification in a portfolio of pooled common stocks, bonds, cash equivalents, and other investments which may reflect varying rates of return. The asset allocation for the Plan for the year ended June 30, 2024 is as follows:

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

Investments in any one issuer or fund that represents 5% or more of the Plan's total net position have been summarized in note 6. Investments shall also be diversified within asset classes.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. Information about the sensitivity of fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the portfolio percentage and maturity, where applicable, for each asset class or fund at June 30, 2024 and 2023.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| Type of Investment | Portfolio Percentage | Market Value | Maturity | Portfolio Percentage | Market Value | Maturity |
| Equity Mutual Funds: | | | | | | |
| Domestic Securities | | | | | | |
| Large Capitalization | 12% | $ 3,939,065 | N/A | 13% | $ 3,977,108 | N/A |
| Mid Capitalization | 12% | 3,890,624 | N/A | 13% | 3,887,095 | N/A |
| Small Capitalization | 12% | 3,902,386 | N/A | 12% | 3,879,860 | N/A |
| Real Estate Securities | 8% | 2,636,108 | N/A | 8% | 2,600,240 | N/A |
| International Developed | 9% | 2,882,864 | N/A | 9% | 2,778,490 | N/A |
| International Emerging | 9% | 2,943,516 | N/A | 9% | 2,704,691 | N/A |
| Gold | 4% | 1,307,620 | N/A | 4% | 1,128,927 | N/A |
| Commodities | 4% | 1,313,618 | N/A | 4% | 1,167,622 | N/A |
| Bond Mutual Funds | 30% | 9,784,552 | 8.56 years | 28% | 8,530,456 | 7.4 years |
| Total | | $ 32,600,353 | | | $ 30,654,489 | |

N/A – not applicable

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2024, equity mutual funds comprise 70% of the Plan's asset portfolio and are not rated. The remaining 30% of the Plan's assets are in bond mutual funds.

Credit ratings for the Plan's bond mutual fund investments held at June 30, 2024 and 2023 are as follows:

| Investment Type | S&P Rating | 2024 Fair Value | 2023 Fair Value |
|---|---|---|---|
| Bond Mutual Funds | AAA | $ - | $ 8,530,456 |
| | A | 9,784,552 | - |
| | | $ 9,784,552 | $ 8,530,456 |

**Custodial Credit Risk**

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

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

**Risk and Uncertainties**

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

## (5) Plan Transfer Contribution

When contract employees accept salaried positions and become eligible to participate in the Company's Salaried Employees Retirement Plan, the service years earned while in their union positions are recognized under the Plan. Benefit calculations for these employees have been prepared by the Company's actuary using each affected employees' service years and age at the time of transfer to their new position. There were $0 and $428,919 in benefits transferred in the fiscal years ended June 30, 2024 and 2023, respectively.

**(6) Investments and Fair Value Measurements**

The following investments accounted for 5% or more of the total net position (at fair value) at June 30, 2024 and 2023:

| Description of Investments | Cost | Fair Value |
|---|---|---|
| 2024: | | |
| iShares 7-10 Year Treasury Bond ETF | $ 11,803,175 | $ 9,784,552 |
| SPDR S&P 500 ETF | 3,149,172 | 3,939,064 |
| iShares Russell 2000 ETF | 3,868,484 | 3,902,386 |
| iShares Russell Mid Cap ETF | 3,760,044 | 3,890,624 |
| Vanguard Emerging Markets Stock Index Fund | 3,336,307 | 2,943,516 |
| iShares MSCI EAFE ETF | 2,562,348 | 2,821,682 |
| SPDR Dow Jones REIT ETF | 2,786,131 | 2,479,812 |
| | 31,265,661 | 29,761,636 |
| Remaining investments not exceeding 5% of total net position | 2,847,729 | 2,838,718 |
| Total | $ 34,113,390 | $ 32,600,354 |

| Description of Investments | Cost | Fair Value |
|---|---|---|
| 2023: | | |
| iShares 7-10 Year Treasury Bond ETF | $ 10,314,388 | $ 8,530,456 |
| SPDR S&P 500 ETF | 3,903,615 | 3,977,108 |
| iShares Russell Mid Cap ETF | 4,166,672 | 3,887,095 |
| iShares Russell 2000 ETF | 4,163,737 | 3,879,860 |
| iShares MSCI EAFE ETF | 2,723,824 | 2,778,490 |
| Vanguard FTSE Emerging Markets ETF | 3,355,131 | 2,704,691 |
| SPDR Dow Jones REIT ETF | 3,007,361 | 2,600,241 |
| | 31,634,728 | 28,357,941 |
| Remaining investments not exceeding 5% of total net position | 2,570,923 | 2,296,548 |
| Total | $ 34,205,651 | $ 30,654,489 |

**Fair Value Measurements**

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

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

Any remaining investments not categorized under the fair value hierarchy are shown at net asset value (NAV). NAV is used as a practical expedient to estimate the fair value of the Plan's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2024 and 2023, the Plan did not hold any investments measured at NAV.

The Plan has the following fair value measurements as of June 30, 2024:

| Investments by Fair Value | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Equity mutual funds | $ 22,815,801 | $ 22,815,801 | $ - | $ - |
| Bond mutual funds | 9,784,552 | 9,784,552 | - | - |
| | $ 32,600,353 | $ 32,600,353 | $ - | $ - |

The Plan has the following fair value measurements as of June 30, 2023:

| Investments by Fair Value | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Equity mutual funds | $ 22,124,033 | $ 22,124,033 | $ - | $ - |
| Bond mutual funds | 8,530,456 | 8,530,456 | - | - |
| | $ 30,654,489 | $ 30,654,489 | $ - | $ - |

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

- *Equity Mutual Funds*: assets of each fund are valued daily at close of market and pricing is transmitted to fund custodians. Fund pricing is completed after the close of each market day and the underlying securities are valued based on their closing trading values each day.
- *Bond Mutual Funds*: assets of each fund are valued daily at close of market and pricing is transmitted to fund custodians. Fund pricing is completed after the close of each market day and the underlying securities are valued based on their closing trading values each day.

## (7) Annual Pension Cost and Net Pension Obligation

As of June 30, 2024, Plan members contributed 5% of their annual salary toward the Plan. The Company contributed the remainder of the actuarially determined rate. The Company's annual pension cost and net pension obligation at June 30, 2024 and 2023 are as follows:

| Year Ended June 30, | Actuarially Determined Amount | Actual Contribution | Net Pension Obligation |
|---|---|---|---|
| 2024 | $ 1,546,588 | $ 1,762,514 | $ - |
| 2023 | $ 912,257 | $ 1,372,885 | $ - |

## (8) Funded Status and Funding Progress

The status of funding progress is based on the actuarial valuations performed as of July 1, 2024 and 2023. The actuarial accrued liability is calculated using the entry-age method.

(dollar amounts in thousands)

| Actuarial valuation date (July 1) | (a) Actuarial value of assets | (b) Actuarial accrued liability (AAL)- entry age | (b-a) Unfunded AAL (UAAL) | (a/b) Funded ratio | (c) Covered payroll | ((b-a)/c) UAAL as a percentage of covered payroll |
|---|---|---|---|---|---|---|
| 2024 | $ 34,157 | $ 37,356 | $ 3,199 | 91.44% | $ 4,086 | 78.29% |
| 2023 | $ 32,349 | $ 36,168 | $ 3,819 | 89.44% | $ 4,133 | 92.40% |

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

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

## Schedule of Assets Held for Investment Purposes
## June 30, 2024 and 2023

| Description of Investments | Number of Shares/Units | Cost | Fair Value |
|---|---|---|---|
| June 30, 2024: | | | |
| Equity mutual funds: | | | |
| SPDR S&P 500 ETF | 7,238 | $ 3,149,172 | $ 3,939,064 |
| iShares Russell 2000 ETF | 19,234 | 3,868,484 | 3,902,386 |
| iShares Russell Mid Cap ETF | 47,985 | 3,760,044 | 3,890,624 |
| Vanguard FTSE Emerging Markets ETF | 67,265 | 3,336,307 | 2,943,516 |
| iShares MSCI EAFE ETF | 36,023 | 2,562,348 | 2,821,682 |
| SPDR Dow Jones REIT ETF | 26,636 | 2,786,131 | 2,479,812 |
| Invesco Optimum Yield ETF | 93,496 | 1,593,874 | 1,313,619 |
| iShares Gold Trust ETF | 29,766 | 1,035,589 | 1,307,620 |
| Vanguard Real Estate ETF | 1,866 | 155,081 | 156,296 |
| Vanguard FTSE Developed ETF | 1,238 | 63,184 | 61,182 |
| Total equity mutual funds | | 22,310,214 | 22,815,801 |
| Bond mutual funds: | | | |
| iShares 7-10 Year Treasury Bond ETF | 104,480 | 11,803,175 | 9,784,552 |
| Total bond mutual funds | | 11,803,175 | 9,784,552 |
| Total investments | | $ 34,113,389 | $ 32,600,353 |

| Description of Investments | Number of Shares/Units | Cost | Fair Value |
|---|---|---|---|
| June 30, 2023: | | | |
| Equity mutual funds: | | | |
| SPDR S&P 500 ETF | 8,972 | $ 3,903,615 | $ 3,977,108 |
| iShares Russell Mid Cap ETF | 53,226 | 4,166,672 | 3,887,095 |
| iShares Russell 2000 ETF | 20,718 | 4,163,737 | 3,879,860 |
| iShares MSCI EAFE ETF | 38,324 | 2,723,824 | 2,778,490 |
| Vanguard FTSE Emerging Markets ETF | 66,487 | 3,355,131 | 2,704,691 |
| SPDR Dow Jones REIT ETF | 28,751 | 3,007,361 | 2,600,240 |
| Invesco Optimum Yield ETF | 85,823 | 1,504,914 | 1,167,622 |
| iShares Gold Trust ETF | 31,023 | 1,066,009 | 1,128,927 |
| Total equity mutual funds | | 23,891,263 | 22,124,033 |
| Bond mutual funds: | | | |
| iShares 7-10 Year Treasury Bond ETF | 88,307 | 10,314,388 | 8,530,456 |
| Total bond mutual funds | | 10,314,388 | 8,530,456 |
| Total investments | | $ 34,205,651 | $ 30,654,489 |

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

## Schedule of Funding Progress and Contributions and Schedule of Changes in Net Pension Liability and Related Ratios
## June 30, 2024 and 2023

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

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

| Actuarial valuation date (July 1) | (a) Actuarial value of assets | (b) Actuarial accrued liability (AAL)- entry age | (b-a) Unfunded AAL (UAAL) | (a/b) Funded ratio | (c) Covered payroll | ((b-a)/c) UAAL as a percentage of covered payroll |
|---|---|---|---|---|---|---|
| 2024 | $ 34,157 | $ 37,356 | $ 3,199 | 91.44% | $ 4,086 | 78.29% |
| 2023 | $ 32,349 | $ 36,168 | $ 3,819 | 89.44% | $ 4,133 | 92.40% |
| 2022 | $ 31,608 | $ 35,619 | $ 4,011 | 88.74% | $ 3,923 | 102.24% |
| 2021 | $ 37,791 | $ 36,225 | $ (1,566) | 104.32% | $ 4,869 | (32.16%) |
| 2020 | $ 31,439 | $ 33,942 | $ 2,503 | 92.63% | $ 4,589 | 54.54% |
| 2019 | $ 30,939 | $ 33,336 | $ 2,397 | 92.81% | $ 4,783 | 50.11% |
| 2018 | $ 27,867 | $ 31,216 | $ 3,349 | 89.27% | $ 4,859 | 68.92% |
| 2017 | $ 25,233 | $ 29,528 | $ 4,295 | 85.45% | $ 5,187 | 82.80% |
| 2016 | $ 22,778 | $ 29,966 | $ 7,188 | 76.01% | $ 6,023 | 119.34% |
| 2015 | $ 19,819 | $ 25,561 | $ 5,742 | 77.54% | $ 6,381 | 89.99% |

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

**Schedule of Contributions**

| Year ended June 30 | Actuarially determined amount | Annual required contribution as a percentage of covered payroll | Employer contribution | Employee contribution |
|---|---|---|---|---|
| 2024 | $ 1,832,961 | 32.00% | $ 1,762,514 | $ 286,220 |
| 2023 | 1,191,640 | 30.62% | 1,372,885 | 279,383 |
| 2022 | 520,596 | 8.78% | 1,026,804 | 288,286 |
| 2021 | 1,747,226 | 24.73% | 1,826,321 | 308,205 |
| 2020 | 1,915,586 | 22.60% | 1,596,044 | 319,542 |
| 2019 | 1,933,825 | 25.89% | 3,111,520 | 322,305 |
| 2018 | 1,922,605 | 27.09% | 2,602,155 | 320,450 |
| 2017 | 2,030,220 | 29.85% | 2,790,134 | 340,086 |
| 2016 | 2,000,708 | 24.55% | 4,270,185 | 365,367 |
| 2015 | 2,605,222 | 27.52% | 4,758,243 | 402,617 |

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

## Schedule of Funding Progress and Contributions and
## Schedule of Changes in Net Pension Liability and Related Ratios, continued
## June 30, 2024 and 2023

### Schedule of Changes in Net Pension Liability and Related Ratios

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total pension liability | | | | | | | | | | |
| Service cost | $ 615,654 | $ 600,985 | $ 732,451 | $ 702,231 | $ 753,733 | $ 800,422 | $ 831,665 | $ 858,666 | $ 769,704 | $ 845,302 |
| Interest | 1,927,321 | 1,881,164 | 1,951,207 | 1,844,293 | 1,779,258 | 1,673,123 | 1,589,310 | 1,626,217 | 1,724,678 | 1,704,802 |
| Differences between expected and actual experience | 1,653,821 | 1,584,289 | (269,231) | 2,251,272 | (624,271) | 598,675 | 770,200 | 80,484 | 427,104 | (582,806) |
| Changes of assumptions | - | - | - | 387,300 | - | - | - | - | 2,816,346 | - |
| Benefit payments | (3,008,643) | (3,517,784) | (3,020,182) | (2,902,046) | (1,302,936) | (951,414) | (1,503,429) | (3,003,925) | (1,332,112) | (1,818,412) |
| Net change | 1,188,153 | 548,654 | (605,755) | 2,283,050 | 605,784 | 2,120,806 | 1,687,746 | (438,558) | 4,405,720 | 148,886 |
| Beginning total pension liability | 36,168,165 | 35,619,511 | 36,225,266 | 33,942,216 | 33,336,432 | 31,215,626 | 29,527,880 | 29,966,438 | 25,560,718 | 25,411,832 |
| Ending total pension liability | $ 37,356,318 | $ 36,168,165 | $ 35,619,511 | $ 36,225,266 | $ 33,942,216 | $ 33,336,432 | $ 31,215,626 | $ 29,527,880 | $ 29,966,438 | $ 25,560,718 |
| Plan fiduciary net position | | | | | | | | | | |
| Employer contributions | $ 1,762,514 | $ 1,372,885 | $ 1,026,804 | $ 1,826,321 | $ 1,596,044 | $ 3,111,520 | $ 2,602,155 | $ 2,790,134 | $ 4,270,185 | $ 4,758,243 |
| Employee contributions | 286,220 | 279,383 | 288,286 | 308,205 | 319,542 | 322,305 | 320,450 | 340,086 | 365,367 | 402,617 |
| Investment income (loss) | 2,939,757 | 1,919,001 | (3,870,501) | 7,332,880 | 84,624 | 777,683 | 1,376,782 | 2,277,537 | (194,989) | (11,557) |
| Pension benefits | (3,008,642) | (3,517,783) | (3,020,182) | (2,902,046) | (1,302,936) | (951,414) | (1,503,429) | (3,003,925) | (1,332,112) | (1,818,412) |
| Administrative expenses | (171,128) | (174,592) | (174,009) | (213,196) | (197,584) | (187,683) | (199,961) | (203,559) | (167,603) | (167,173) |
| Net transfer to/from Contract Plan | - | 428,919 | - | - | - | - | 37,663 | 255,041 | 17,501 | 288 |
| Net change | 1,808,721 | 307,813 | (5,749,602) | 6,352,164 | 499,690 | 3,072,411 | 2,633,660 | 2,455,314 | 2,958,349 | 3,164,006 |
| Beginning plan fiduciary net position | 32,349,016 | 32,041,203 | 37,790,805 | 31,438,641 | 30,938,951 | 27,866,540 | 25,232,880 | 22,777,566 | 19,819,217 | 16,655,211 |
| Ending plan fiduciary net position | $ 34,157,737 | $ 32,349,016 | $ 32,041,203 | $ 37,790,805 | $ 31,438,641 | $ 30,938,951 | $ 27,866,540 | $ 25,232,880 | $ 22,777,566 | $ 19,819,217 |
| Company's net pension liability (asset) | $ 3,198,581 | $ 3,819,149 | $ 3,578,308 | $ (1,565,539) | $ 2,503,575 | $ 2,397,481 | $ 3,349,086 | $ 4,295,000 | $ 7,188,872 | $ 5,741,501 |
| Plan fiduciary net position as a % of total pension liability | 91.44% | 89.44% | 89.95% | 104.32% | 91.58% | 92.81% | 89.27% | 85.45% | 76.01% | 77.54% |
| Covered payroll | $ 4,086,524 | $ 4,133,000 | $ 3,923,000 | $ 4,869,000 | $ 4,589,000 | $ 4,783,000 | $ 4,859,000 | $ 5,187,000 | $ 6,023,000 | $ 6,381,000 |
| Company's net pension liability as a % of covered payroll | 78.27% | 92.40% | 91.21% | (32.16%) | 63.00% | 50.11% | 68.92% | 82.80% | 119.36% | 89.99% |

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

## Schedule of Funding Progress and Contributions and
## Schedule of Changes in Net Pension Liability and Related Ratios, continued
## June 30, 2024 and 2023

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

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 1,832,961 | $ 1,191,640 | $ 508,837 | $ 1,747,226 | $ 1,915,586 | $ 1,933,825 | $ 1,922,605 | $ 2,030,220 | $ 2,000,708 | $ 2,605,222 |
| Employer contributions | 1,762,514 | 1,372,885 | 1,026,804 | 1,826,321 | 1,596,044 | 3,111,520 | 2,602,155 | 2,790,134 | 4,270,185 | 4,758,243 |
| Employee contributions | 286,220 | 279,383 | 288,286 | 308,205 | 319,542 | 322,305 | 320,450 | 340,086 | 365,367 | 402,617 |
| Total contributions | 2,048,734 | 1,652,268 | 1,315,090 | 2,134,526 | 1,915,586 | 3,433,825 | 2,922,605 | 3,130,220 | 4,635,552 | 5,160,860 |
| Contribution deficiency (excess) | $ (215,773) | $ (460,628) | $ (806,253) | $ (387,300) | $ - | $ (1,500,000) | $ (1,000,000) | $ (1,100,000) | $ (2,634,844) | $ (2,555,638) |
| Covered payroll | $ 4,086,000 | $ 4,133,000 | $ 3,923,000 | $ 4,869,000 | $ 4,589,000 | $ 4,783,000 | $ 4,859,000 | $ 5,187,000 | $ 6,023,000 | $ 6,381,000 |
| Contributions as a percentage of covered-employee payroll | 50.14% | 39.98% | 33.52% | 43.84% | 41.74% | 71.79% | 60.15% | 60.35% | 76.96% | 80.88% |

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

## Schedule of Funding Progress and Contributions and Schedule of Changes in Net Pension Liability and Related Ratios, continued
## June 30, 2024 and 2023

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

| | |
|---|---|
| Valuation date | July 1, 2024 |
| Actuarial cost method | Entry age normal cost frozen initial liability |
| Amortization method | Level dollar closed |
| Remaining amortization period assumption | 10 years |
| Asset valuation method | Market value |
| Actuarial assumptions: | |
| Investment rate of return | 6.0% |
| Discount rate | 6.0% |
| Projected salary increases | 3.0% |
| Cost-of-living adjustments | None |

Mortality rates were based on the following:

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

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

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

| Discount Rate | Net Pension Liability |
|---|---|
| 5.0% | $ 5,564 |
| 6.0% | $ 3,198 |
| 7.0% | $ 1,129 |

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

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

| | Revenues by source | | | | |
|---|---|---|---|---|---|
| Fiscal year | Contributions* | Benefit transfers | Investment income (loss) | Rate of return | Total |
| 2024 | $ 2,048,734 | $ - | $ 2,939,757 | 9.59% | $ 4,988,491 |
| 2023 | 1,652,268 | 428,919 | 1,919,001 | 6.10% | 4,000,188 |
| 2022 | 1,315,090 | - | (3,870,501) | (10.5)% | (2,555,411) |
| 2021 | 2,134,526 | - | 7,332,880 | 24.23% | 9,467,406 |
| 2020 | 1,915,586 | - | 84,624 | 0.27% | 2,000,210 |
| 2019 | 3,433,825 | - | 777,683 | 2.79% | 4,211,508 |
| 2018 | 2,922,605 | 37,663 | 1,376,782 | 5.46% | 4,337,050 |
| 2017 | 3,130,220 | 255,041 | 2,277,537 | 9.85% | 5,662,798 |
| 2016 | 4,635,552 | 17,501 | (194,989) | (1.07)% | 4,458,064 |
| 2015 | 5,160,860 | 30,160 | (11,557) | (0.08)% | 5,179,463 |

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

| | Expenses by type | | | | |
|---|---|---|---|---|---|
| Fiscal year | Benefits | Direct administrative costs | Other administrative costs | Benefit transfers | Total |
| 2024 | $ 3,008,642 | $ 15,648 | $ 155,480 | $ - | $ 3,179,770 |
| 2023 | 3,517,783 | 15,412 | 159,180 | - | 3,692,375 |
| 2022 | 3,020,182 | 16,868 | 157,141 | - | 3,194,191 |
| 2021 | 2,902,046 | 89,074 | 124,122 | - | 3,115,242 |
| 2020 | 1,302,936 | 80,942 | 116,642 | - | 1,500,520 |
| 2019 | 951,414 | 73,481 | 114,202 | - | 1,139,097 |
| 2018 | 1,503,429 | 69,491 | 130,470 | - | 1,703,390 |
| 2017 | 3,003,925 | 61,873 | 141,686 | - | 3,207,484 |
| 2016 | 1,332,112 | 51,850 | 115,753 | - | 1,499,715 |
| 2015 | 1,818,412 | 44,789 | 122,384 | 29,872 | 2,015,457 |

# Board Agenda Item No. 12
# January 23, 2025

## INFORMATION ITEM

Long Beach Transit's Retirement Plans and Benefits

## STAFF REPRESENTATIVE

Elizabeth Brown, Executive Director/VP, Organizational Development and Administration

## BACKGROUND

In June 1979, Long Beach Transit (LBT), approved the establishment of the Retirement Plan for Staff and Contract Employees, which are now commonly referred to as the Contract Plan and the Salaried Plan. In February 2011, the LBT Board approved the establishment of the Employee Defined Contribution Plan, 401(a), effective for newly hired non-ATU employees as of April 1, 2011.

In March 2014, the LBT Board approved the modification of the LBT Pension Committee membership to be assigned by position title instead of by name. The LBT Pension Committee consists of the following three members; President and Chief Executive Officer; Executive Director/VP, Finance and Budget and Executive Director/VP, Organizational Development and Administration. The Pension Committee provides oversight for LBT's retirement plans.

Long Beach Transit (LBT) utilizes multiple retirement channels for its contract employees and salaried staff through Defined Benefits Plans (Pension), Defined Contributions Plans, medical expense reimbursement, and a lifetime bus pass benefit.

Summaries of the Retirement Benefits are as follows:

<u>Defined Benefit Plan (Pension): Contract Plan</u>
**Eligibility to Participate**: ATU Contract Employees automatically participate in the plan upon meeting the collective bargaining agreement terms, starting on the eligibility date.
**Vesting**: Employees are 100% vested after 5 years of service; if less than 5 years, they are 0% vested.
**Contributions**:

- Employee contributions are required
- LBT contributes first 10%
- Employees contribute next 5%
- Anything above 15% is split equally between LBT and Employees

Defined Benefit Plan (Pension): Salaried Plan

**Eligibility to Participate**: Non-ATU employees hired before April 1, 2011, compensated on a salary-only basis and not participating in another LBT retirement plan, are eligible for the Defined Benefit Plan.

**Vesting**: Employees become 100% vested after 5 years of service; less than 5 years results in 0% vesting.

Contributions:

- Employee contributions are required
- Employees contribute 5% of their salary to the plan on a pre-tax basis
- LBT covers any additional contributions needed to fund the plan

Defined Contribution Plan 457(b)

**Eligibility to Participate**: All Employees, participation is optional

**Vesting**: Immediate 100% vested in employee contributions

Contributions:

- Employees can contribute up to $23,000 annually
- Age 50+ Catch-up allows for an additional $7,500 contribution
- Special Catch-up may be available in the 3 years prior to the year of attaining normal retirement age (Calculation required to determine eligibility.)
- Age 60 – 63 SECURE 2.0. optional catch-up

Defined Contribution Plan 401(a)

**Eligibility to Participate**: Non-ATU employees hired on or after April 1, 2011 are immediately eligible.

**Vesting**: Must be employed for at least three years (36 months) to vest in the LBT contributions.

Contributions:

- 5% non-elective, automatic LBT contribution
- If employee contributes to the 457(b), then LBT will contribute an up to 5% match into the 401(a)

Medical Expense Reimbursement:

Employees who retire with sick time balances may use their account to be reimbursed for qualifying medical expenses.

- Qualifying dependents (child under 19 years old, spouse, or registered domestic partner) may also use this benefit.

Lifetime Bus Pass Benefit:

Employees who retire are eligible to receive a Long Beach Transit Bus Pass which allows free rides on all Long Beach Transit buses.

- Qualifying dependents (child under 19 years old, spouse, or registered domestic partner) may also use this benefit

## STAFF RECOMMENDATION

Not applicable. Information only item.

Kenneth A. McDonald
President and Chief Executive Officer