

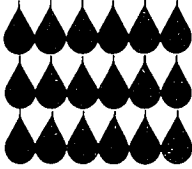
CITY OF LONG BEACH, CALIFORNIA

QUARTERLY ANALYSIS OF

CASH AND INVESTMENTS

AS OF

JUNE 30, 2006



Charles Z. Fedak, CPA, MBA
Paul J. Kaymark, CPA

Charles Z. Fedak & Company

Certified Public Accountants

An Accountancy Corporation

6081 Orange Avenue
Cypress, California 90630
(714) 527-1818
(562) 598-6565
FAX (714) 527-9154
EMAIL czfco@czfcpa.com

March 23, 2007

Honorable Mayor and City Council Members
Citizens of Long Beach, California

Re: Quarterly Analysis of Cash and Investments as of June 30, 2006

We have performed specific analysis procedures to the cash and investment balances of the City of Long Beach as of June 30, 2006, as required by Section 803 of the City Charter. The objectives of our analysis were to agree the cash and investments as recorded on the City's books and records with outside depositories, both as to amount and description, and to evaluate the City's compliance with provisions of the California Government Code and the City's Investment Policy. This report covers our analysis for the quarter ended June 30, 2006.

Our analysis included the following procedures:

- We obtained written confirmations of all cash accounts held by banks and investments held by the City Treasurer's safekeeping agent and other custodians as of June 30, 2006 and agreed them to the City's general ledger.
- We analyzed bank account and investment reconciliations as of June 30, 2006 and agreed them to the City's general ledger.
- We traced the balance of total investments listed on the City Treasurer's Investment Holdings Report as of June 30, 2006 to the City's general ledger.
- We compared investments listed on the City Treasurer's Investment Activity Portfolio Statistics Report at June 30, 2006 to the types of investments authorized for the City in accordance with the City's Investment Policy and California Government Code §53601.
- We compared the portfolio mix, based on amortized cost, of investment types listed in the City Treasurer's Investment Activity Portfolio Statistics Report as of June 30, 2006 to the portfolio mix limitations imposed by the City's Investment Policy and California Government Code §53601 for specified investment types.
- On a sample basis, we recomputed and reviewed supporting documentation relevant to the purchase, sale and maturity of individual investments to determine compliance with the following provisions of California Government Code §53601, the City's Investment Policy and certain City Treasurer internal controls:
 - a. Purchased investments meet minimum rating requirements and maximum allowable maturity periods.
 - b. All sections of the investment transaction record are properly completed and authorized by the City Treasurer.
 - c. Transactions are supported by documentation from third-party sources (individual broker confirmations, safekeeping statements, custodian statements, etc.).
 - d. Accrued interest and gain or loss on disposition of investment transactions are supported by third party documentation.

Quarterly Analysis of Cash and Investments as of June 30, 2006
March 23, 2007

Based on the procedures performed, we noted that the City's cash and investment balances were free from material misstatements for the period April 1, 2006 through June 30, 2006. Also, we found the City to be in general compliance with the California Government Code and the City's Investment Policy.

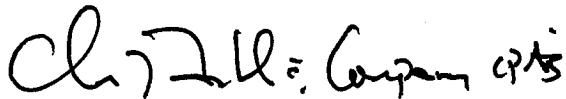
The City's cash and investment balances as of June 30, 2006 are summarized as follows:

Pooled Cash and Investments	\$	1,399,627,015
Non-Pooled Cash and Investments		<u>314,284,157</u>
Total	\$	<u><u>1,713,911,172</u></u>

Attached are the following schedules:

- Comparative Schedule of Pooled and Non-Pooled Cash and Investment Balances by Fund
- Schedule of Cash and Investments by Security Type

Respectfully submitted,



Charles Z. Fedak & Company, CPAs
An Accountancy Corporation

City of Long Beach
Comparative Schedule of Pooled and Non-Pooled Cash and Investment Balances by Fund
At June 30, 2006 with Comparative Totals for June 30, 2005

Fund No.	Fund Name	Pooled	Non-Pooled	Total at	Total at
		Amount June 30, 2006	Amount June 30, 2006	June 30, 2006	June 30, 2005
100	General Fund, General	\$ 29,315,623	\$ 4,227,400	\$ 33,543,023	\$ 74,105,476
103	General Fund, Library	2,252,092	19,880	2,271,972	1,110,258
105	General Fund, Parks and Recreation	7,566,694	1,782,177	9,348,871	20,463,427
120	Special Revenue, General Grants	4,287,870	-	4,287,870	721,393
130	Special Revenue, Health	899,889	4,043	903,932	257,184
131	Special Revenue, CUPA	516,165	-	516,165	555,724
132	Special Revenue, Parking & Business	490,645	-	490,645	585,592
133	Special Advertising & Promotion	271,066	281	271,347	1,004,616
134	Special Revenue, Upland Oil	4,099,993	-	4,099,993	3,445,791
135	Special Revenue, Housing Development	28,391,825	2,503,977	30,895,802	25,726,815
136	SR-Belmont Shore Parking Meter	570,925	18,986	589,911	519,471
149	Special Revenue, Business Assistance	439,428	-	439,428	1,168,344
150	Community Development Grants	4,860,603	12,956	4,873,559	3,992,791
151	Special Revenue, Housing Authority	10,230,149	107,399	10,337,548	4,801,734
180	Special Revenue, Park Development	647,720	-	647,720	332,222
181	Gas Tax Street Improvement	6,628,012	-	6,628,012	6,300,891
182	Special Revenue, Transportation	27,879,518	-	27,879,518	26,815,682
201	Capital Projects	23,062,186	1,110,311	24,172,497	22,833,471
202	Assessment District-Capital Projects	2,475,319	59,413	2,534,732	2,411,186
220	RDA - LB Bond Finance Authority	-	189,828	189,828	24,784
221	RDA-Poly High	895,730	2,708,658	3,604,388	3,672,651
222	RDA-West Beach	971,994	1,548,139	2,520,133	2,707,316
223	RDA-West Long Beach	16,399,799	3,136,147	19,535,946	16,207,849
224	RDA-Downtown	6,715,998	9,571,090	16,287,088	16,361,262
225	RDA-Project Income	4,573,957	-	4,573,957	3,192,450
227	RDA-Los Altos	443,686	407,837	851,523	779,188
228	RDA-Central	7,579,138	30,357,556	37,936,694	53,956,619
230	RDA-North	17,673,867	91,132,684	108,806,551	109,377,801
232	RDA-Housing	10,990	55,707,251	55,718,241	54,046,123
301	Gas Revenue	21,549,645	769,233	22,318,878	15,254,297
310	Water	5,577,515	3,619,050	9,196,565	10,551,394
311	Sewer	10,052,083	-	10,052,083	8,298,715
320	Airport	15,769,667	1,042,223	16,811,890	10,755,341
330	Refuse/Recycling	20,681,777	3,000	20,684,777	16,162,691
331	SERRF	29,392,970	-	29,392,970	27,514,033
339	SERRF JPA	650,221	11,712,119	12,362,340	12,750,723
340	Towing Operations	3,257,010	3,700	3,260,710	2,581,298
380	Civic Center	12,835,195	9,523,462	22,358,657	21,447,042
385	General Services	3,971,182	3,997	3,975,179	3,041,647
386	Fleet Services Fund	15,863,477	2,556,319	18,419,796	19,263,385
390	Insurance	28,217,944	61	28,218,005	25,373,535
391	Employee Benefits	58,261,305	-	58,261,305	65,711,107
401	Tidelands Operations	19,848,682	13,195,107	33,043,789	25,359,618
403	Tidelands - Marina	5,404,756	15,600	5,420,356	1,751,865
410	Tidelands - Queen Mary	841,042	-	841,042	642,121
411	Tidelands Queensway Bay	3,918,627	4,700,320	8,618,947	7,594,035
413	Parking Authority - Queensway Bay	20,101	-	20,101	743,414
420	Tidelands Oil Revenue	33,629,341	3,000	33,632,341	120,566,858
421	Tidelands Reserve - Subsidence	145,107,450	3,204,735	148,312,185	147,070,073
430	Harbor Operations	471,031,326	35,000	471,066,326	401,095,737
431	Harbor Capital	(54,749,932)	-	(54,749,932)	(51,185,145)
432	Harbor Debt Service	335,869,509	53,903,633	389,773,142	279,688,487
440	Expendable Trusts	1,031,697	-	1,031,697	1,015,709
451	ICTF JPA	5,937,956	-	5,937,956	2,753,355
452	Earthquake Assessment	1,489,091	-	1,489,091	1,946,702
453	AG, Other Special Assessment	2,208,941	-	2,208,941	2,333,964
455	Other Agency	2,275,304	1,500	2,276,804	2,126,378
460	Los Cerritos Wetlands Authority	-	19,875	19,875	-
470	Agency Special Assessment CFD #5	75,788	1,278,344	1,354,132	1,332,270
471	Agency Special Assessment LBBFA	-	813,425	813,425	790,217
472	Agency Special Assessment Pike	148,974	3,274,441	3,423,415	3,321,926
999	Accrued Interest Receivable	(10,692,510)	-	(10,692,510)	(9,641,977)
TOTAL CASH AND INVESTMENTS		\$ 1,399,627,015	\$ 314,284,157	\$ 1,713,911,172	\$ 1,635,488,926

Percent Change of Pooled and Non-Pooled Cash and Investments from June 30, 2005 to June 30, 2006

4.80%

City of Long Beach
Schedule of Cash and Investments by Security Type
At June 30, 2006 with Comparative Totals for June 30, 2005

	<u>Pooled</u>	<u>Non-Pooled*</u>	<u>Total 06/30/2006</u>	<u>Total 06/30/2005</u>
CASH:				
Cash in Banks	\$ 12,341,949	\$ 762,851	\$ 13,104,800	\$ (8,597,083)
Cash with Fiscal Agents	-	263,723,035	263,723,035	296,633,115
	<u>12,341,949</u>	<u>264,485,886</u>	<u>276,827,835</u>	<u>288,036,032</u>
INVESTMENTS:				
U.S. T - Bills	-	-	-	-
U.S. Treasury Notes	239,882,253	-	239,882,253	268,981,907
Federal Farm Credit Bank	159,151,080	-	159,151,080	149,322,246
Federal Home Loan Bank	199,714,161	-	199,714,161	207,970,148
Federal National Mortgage Association	308,680,404	-	308,680,404	245,808,878
Federal Home Loan Mortgage Corporation	268,325,765	-	268,325,765	195,356,064
Student Loan Marketing Association	-	-	-	-
Negotiable Certificates of Deposit	-	-	-	15,000,000
Medium Term Notes	45,783,932	-	45,783,932	94,538,697
Commercial Paper	159,863,164	-	159,863,164	-
L.A.I.F.	2,537,483	-	2,537,483	114,096,479
Money Market	-	-	-	16,615
Certificates of Deposit	-	10,000,000	10,000,000	10,000,000
Guaranteed Investment Contracts	-	36,593,537	36,593,537	36,723,990
Special Assessment Bonds	-	1,335,755	1,335,755	4,440,254
Municipal Bonds	-	1,868,979	1,868,979	1,645,000
Savers Loan	3,346,824	-	3,346,824	3,552,616
	<u>1,387,285,066</u>	<u>49,798,271</u>	<u>1,437,083,337</u>	<u>1,347,452,894</u>
Total Investments				
TOTAL CASH AND INVESTMENTS	<u>\$ 1,399,627,015</u>	<u>\$ 314,284,157</u>	<u>\$ 1,713,911,172</u>	<u>\$ 1,635,488,926</u>

* Non-pooled cash and investments are generally pledged to the payment of specific project costs or security of certain outstanding bonds and are not available for operations.

