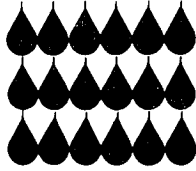


CITY OF LONG BEACH, CALIFORNIA

**QUARTERLY ANALYSIS OF
CASH AND INVESTMENTS**

AS OF

MARCH 31, 2006



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March 23, 2007

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

Re: Quarterly Analysis of Cash and Investments as of March 31, 2006

We have performed specific analysis procedures to the cash and investment balances of the City of Long Beach as of March 31, 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 March 31, 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 March 31, 2006 and agreed them to the City's general ledger.
- We analyzed bank account and investment reconciliations as of March 31, 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 March 31, 2006 to the City's general ledger.
- We compared investments listed on the City Treasurer's Investment Activity Portfolio Statistics Report at March 31, 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 March 31, 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 March 31, 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 January 1, 2006 through March 31, 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 March 31, 2006 are summarized as follows:

Pooled Cash and Investments	\$	1,356,522,388
Non-Pooled Cash and Investments		<u>332,906,432</u>
Total	\$	<u><u>1,689,428,820</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*

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 March 31, 2006 with Comparative Totals for March 31, 2005

Fund No.	Fund Name	Pooled	Non-Pooled	Total at	Total at
		Amount March 31, 2006	Amount March 31, 2006	March 31, 2006	March 31, 2005
100	General Fund, General	\$ 13,609,715	\$ 4,501,723	\$ 18,111,438	\$ 56,418,488
103	General Fund, Library	413,902	19,880	433,782	1,785,826
105	General Fund, Parks and Recreation	22,629,163	1,631,407	24,260,570	19,124,889
120	Special Revenue, General Grants	3,237,109	-	3,237,109	2,188,242
130	Special Revenue, Health	1,841,904	4,815	1,846,719	1,407,409
131	Special Revenue, CUPA	779,771	-	779,771	764,036
132	Special Revenue, Parking & Business	918,934	-	918,934	501,074
133	Special Advertising & Promotion	1,591,627	281	1,591,908	798,907
134	Special Revenue, Upland Oil	3,859,438	-	3,859,438	3,784,659
135	Special Revenue, Housing Development	25,852,854	2,479,414	28,332,268	76,332,925
136	SR-Belmont Shore Parking Meter	671,088	15,831	686,919	606,621
149	Special Revenue, Business Assistance	(23,348)	-	(23,348)	705,057
150	Community Development Grants	5,109,924	12,956	5,122,880	4,718,439
151	Special Revenue, Housing Authority	8,229,562	199,159	8,428,721	3,851,595
180	Special Revenue, Park Development	1,518,741	-	1,518,741	284,235
181	Gas Tax Street Improvement	6,544,105	-	6,544,105	3,419,949
182	Special Revenue, Transportation	25,888,246	-	25,888,246	25,807,156
201	Capital Projects	23,552,669	1,181,143	24,733,812	23,968,271
202	Assessment District-Capital Projects	2,466,128	31,346	2,497,474	2,411,446
220	RDA - LB Bond Finance Authority	-	187,439	187,439	650,030
221	RDA-Poly High	997,508	2,651,153	3,648,661	3,595,669
222	RDA-West Beach	874,731	1,514,066	2,388,797	2,465,654
223	RDA-West Long Beach	17,709,827	3,149,600	20,859,427	13,036,920
224	RDA-Downtown	7,363,372	9,540,004	16,903,376	16,300,437
225	RDA-Project Income	3,062,234	-	3,062,234	3,117,223
227	RDA-Los Altos	435,499	407,818	843,317	4,770,778
228	RDA-Central	4,458,712	34,444,583	38,903,295	58,174,045
230	RDA-North	5,648,668	106,461,440	112,110,108	112,723,669
232	RDA-Housing	10,888	54,045,096	54,055,984	-
301	Gas Revenue	17,606,236	769,233	18,375,469	18,895,815
310	Water	10,195,212	3,619,050	13,814,262	13,361,426
311	Sewer	10,263,419	-	10,263,419	8,163,386
320	Airport	14,163,120	1,032,427	15,195,547	11,589,981
330	Refuse/Recycling	20,361,237	3,000	20,364,237	16,756,946
331	SERRF	32,382,556	-	32,382,556	29,775,415
339	SERRF JPA	707,947	12,005,615	12,713,562	13,056,977
340	Towing Operations	2,552,989	3,700	2,556,689	1,708,690
380	Civic Center	11,038,219	9,526,130	20,564,349	21,029,505
385	General Services	5,264,041	3,997	5,268,038	8,959,344
386	Fleet Services Fund	15,640,503	2,549,220	18,189,723	17,275,551
390	Insurance	26,979,188	61	26,979,249	25,714,697
391	Employee Benefits	49,709,288	-	49,709,288	57,041,655
401	Tidelands Operations	18,821,523	11,593,213	30,414,736	27,448,240
403	Tidelands - Marina	4,072,548	15,600	4,088,148	4,254,757
410	Tidelands - Queen Mary	825,417	-	825,417	525,392
411	Tidelands Queensway Bay	6,087,926	4,153,873	10,241,799	8,189,891
413	Parking Authority - Queensway Bay	393,151	431,623	824,774	797,343
420	Tidelands Oil Revenue	26,681,455	3,000	26,684,455	101,199,082
421	Tidelands Reserve - Subsidence	143,465,769	3,431,759	146,897,528	146,409,616
430	Harbor Operations	418,926,099	35,000	418,961,099	364,182,884
431	Harbor Capital	(37,117,934)	-	(37,117,934)	(34,555,812)
432	Harbor Debt Service	368,573,557	54,670,143	423,243,700	615,111,054
440	Expendable Trusts	1,021,557	-	1,021,557	1,007,567
451	ICTF JPA	2,820,141	-	2,820,141	7,702,582
452	Earthquake Assessment	1,211,629	-	1,211,629	1,398,556
453	AG, Other Special Assessment	2,049,147	-	2,049,147	2,037,356
455	Other Agency	2,358,214	1,500	2,359,714	2,119,544
460	Los Cerritos Wetlands Authority	-	-	-	-
470	Agency Special Assessment CFD #5	515,198	1,278,873	1,794,071	2,584,183
471	Agency Special Assessment LBBFA	-	805,904	805,904	784,427
472	Agency Special Assessment Pike	1,572	4,494,357	4,495,929	4,515,893
999	Accrued Interest Receivable	(10,301,507)	-	(10,301,507)	(9,238,068)
TOTAL CASH AND INVESTMENTS		\$ 1,356,522,388	\$ 332,906,432	\$ 1,689,428,820	\$ 1,933,517,524

Percent Change of Pooled and Non-Pooled Cash and Investments from March 31, 2005 to March 31, 2006

(12.62%)

City of Long Beach
Schedule of Cash and Investments by Security Type
At March 31, 2006 with Comparative Totals for March 31, 2005

	<u>Pooled</u>	<u>Non-Pooled*</u>	<u>Total March 31, 2006</u>	<u>Total March 31, 2005</u>
CASH:				
Cash in Banks	\$ 8,564,567	\$ 855,433	\$ 9,420,000	\$ 6,678,824
Cash with Fiscal Agents	-	281,533,907	281,533,907	616,454,064
	<u>8,564,567</u>	<u>282,389,340</u>	<u>290,953,907</u>	<u>623,132,888</u>
INVESTMENTS:				
U.S. T - Bills	-	-	-	-
U.S. Treasury Notes	259,628,880	-	259,628,880	156,391,532
Federal Farm Credit Bank	168,782,000	-	168,782,000	144,632,855
Federal Home Loan Bank	184,631,182	-	184,631,182	233,165,128
Federal National Mortgage Association	252,197,756	-	252,197,756	285,773,113
Federal Home Loan Mortgage Corporation	245,866,349	-	245,866,349	223,990,481
Student Loan Marketing Association	-	-	-	-
Negotiable Certificates of Deposit	-	-	-	15,000,000
Medium Term Notes	64,615,707	-	64,615,707	97,527,084
Commercial Paper	143,404,432	-	143,404,432	4,984,682
L.A.I.F.	25,415,934	-	25,415,934	95,278,032
Money Market	33,985	-	33,985	33,608
Certificates of Deposit	-	10,000,000	10,000,000	10,000,000
Guaranteed Investment Contracts	-	37,085,332	37,085,332	36,951,754
Special Assessment Bonds	-	1,312,779	1,312,779	4,771,367
Municipal Bonds	-	2,118,981	2,118,981	1,885,000
Savers Loan	3,381,596	-	3,381,596	-
Total Investments	<u>1,347,957,821</u>	<u>50,517,092</u>	<u>1,398,474,913</u>	<u>1,310,384,636</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 1,356,522,388</u>	<u>\$ 332,906,432</u>	<u>\$ 1,689,428,820</u>	<u>\$ 1,933,517,524</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.

