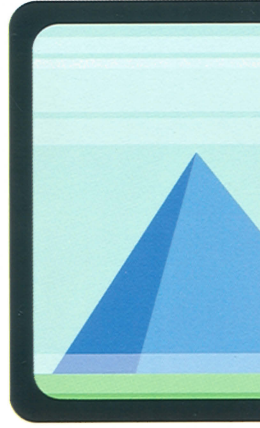
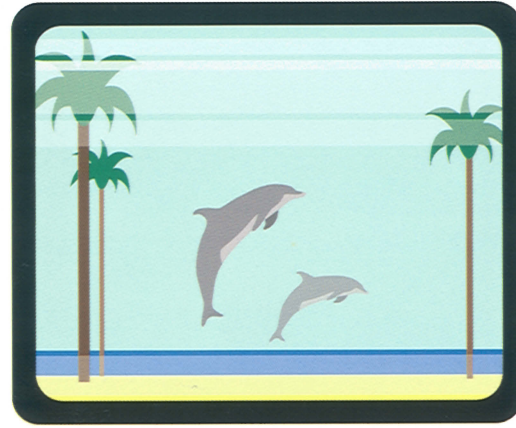
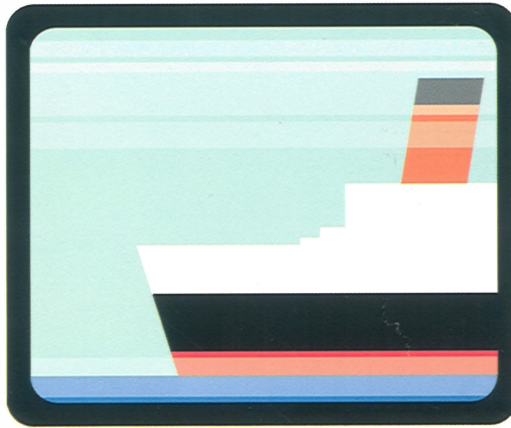


# Long Beach Transit

## Comprehensive Annual Financial Report



45th  
ANNIVERSARY



For the year ended June 30, 2008 Long Beach, CA  
A component unit of the City of Long Beach

2008

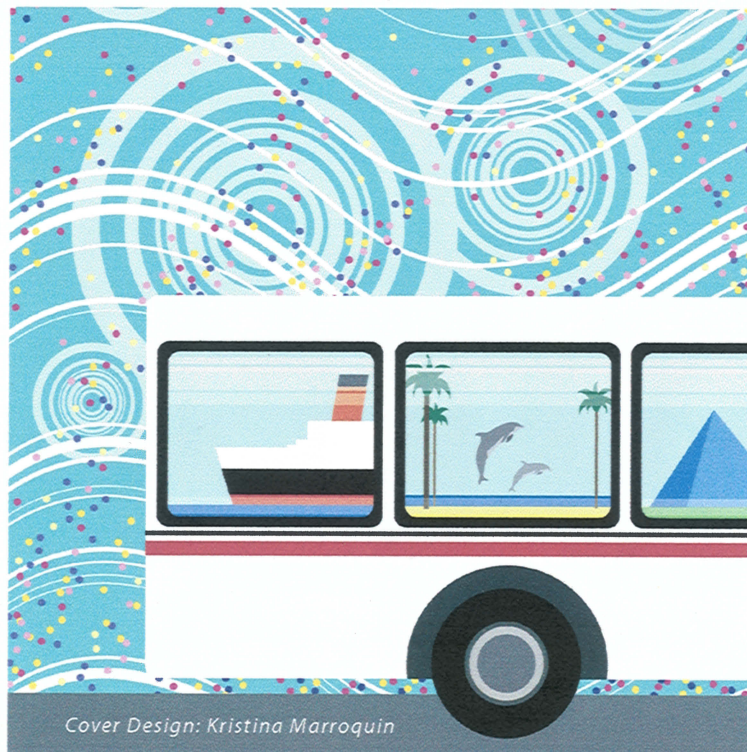




# 2008

comprehensive annual financial report

long beach transit



for the year ended june 30, 2008, long beach, CA  
a component unit of the city of long beach  
PREPARED BY THE FINANCE DEPARTMENT  
DEBORAH ELLIS, CHIEF FINANCIAL OFFICER





# Long Beach Public Transportation Company

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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LONG BEACH

T R A N S I T

P.O. Box 731

1963 E. Anaheim Street

Long Beach, CA 90801

Phone: (562) 592-8753

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October 30, 2008

To the Board of Directors of  
Long Beach Public Transportation Company:

We are pleased to submit for your information and consideration the Comprehensive Annual Financial Report (CAFR) of Long Beach Public Transportation Company (Long Beach Transit or the Company) for fiscal year July 1, 2007 to June 30, 2008.

The CAFR has become the standard format used in presenting the results of the Company's annual financial operations for the fiscal year. We believe this report is presented in a manner designed to fairly disclose the financial position and results of operations of the Company as measured by its financial activities. To the best of our 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 Company's management which bears the responsibility for their accuracy and completeness. Our Independent Auditors' Report, prepared by Windes & McClaughry Accountancy Corporation, is included along with other necessary disclosures to enable the reader to gain maximum understanding of the Company's financial activities.

The independent audit of the accompanying basic financial statements of Long Beach Transit 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 the Long Beach Public Transportation Company's separately issued Single Audit Report.

Governmental Accounting Standards Board (GASB) require 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 Company's MD&A can be found immediately following the report of the independent auditors.

**Laurence W. Jackson, President and CEO**

**Terry Fiskin, Chairman**

# Long Beach Public Transportation Company

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## **REPORTING ENTITY**

The Company is a nonprofit corporation, formed in 1963 with the purchase of the local transit system from a private carrier leaving the business.

Long Beach Transit is governed by a seven-member Board of Directors (Board) which provides broad policy and financial decisions, setting direction for management. The Mayor, with the approval of the Long Beach City Council, appoints residents of the community to the Board to serve overlapping four-year terms. In addition, two designees of the City Manager's Office may serve as ex officio members of the Board but do not have voting authority. The Board designates a Chief Executive Officer who is responsible for overseeing daily operations. Long Beach Transit's management is represented by the Chief Operating Officer, Chief Financial Officer and five Executive Directors heading Operations, Maintenance, Risk Management and Human Resources, Information Services, and Customer and Community Services. The Company's organizational chart is shown later in this introductory section.

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

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

## **SERVICES**

Long Beach Transit's mission is "to provide public transit services that enhance and improve the quality of life for the residents of our community." The corporate business plan provides a framework for accomplishing this mission. The business plan serves as a foundation for the preparation of annual action plans and budgets which detail specific objectives to be achieved and the financial resources that will be provided to achieve them. The plan is updated each year to ensure goals are consistent with current and anticipated operating and economic conditions.

Long Beach Transit is a full service public transit system, providing a wide range of transit services, including:

- Fixed route bus service
- Shuttle service (Passport)
- Demand responsive paratransit service (Dial-A-Lift)
- Water taxi service (AquaBus and AquaLink)
- Charter and community special service

# Long Beach Public Transportation Company

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## **Fixed Route Bus Service**

The Company provides fixed route bus service to a 98 square mile area, which includes the cities of Long Beach, Lakewood and Signal Hill; and portions of Bellflower, Carson, Cerritos, Hawaiian Gardens, Norwalk, Paramount and Seal Beach. This service covers 38 routes, requiring 229 buses, including the shuttle and cultural loop services discussed below. During fiscal 2008, Long Beach Transit carried 28.2 million customers.

The Transit Mall, located in downtown Long Beach, is the focal point of the fixed route system as well as Metro Blue Line rail service running between Long Beach and downtown Los Angeles. The Mall provides special features such as exclusive bus lanes and traffic control equipment, special bus stop improvements, passenger shelters equipped with graphic displays, electronic monitors displaying schedule information and a central customer service center. There is also a Bikestation located directly on the Transit Mall.

Of the 38 fixed routes operated by the Company, 32 radiate from the Transit Mall. This location is a major transfer point not only for the Company's routes but for the Metro Blue Line Light Rail System as well as other bus services provided by Torrance Transit, the Los Angeles Department of Transportation (LADOT), Los Angeles County Metropolitan Transportation Authority (LACMTA), and Orange County Transportation Authority (OCTA).

All of Long Beach Transit's fixed-route service vehicles are low-floor and wheelchair accessible. These coaches are maintained and dispatched from two facilities. Approximately 60% of the vehicles are stored at the central administrative, operating and maintenance facility located at 1963 Anaheim Street in Long Beach. The remaining coaches are assigned to a satellite maintenance facility at 6860 Cherry Street in North Long Beach. Besides the coaches, the Company owns a fleet of automobiles used for supervisory and administrative functions and various maintenance vehicles for emergency road services and bus stop support.

Long Beach Transit maintains neighborhood bus shelters, benches, and standard bus stops providing customer convenience and comfort. There are over 2000 stops throughout the system and each year the Company ensures the stops are well-maintained and meet cleanliness standards.

## **Shuttle Service (Passport)**

The Passport shuttles provide service via four routes throughout the growing downtown Long Beach area and east to California State University, Long Beach (CSULB). Service is free on Routes B and C which serve the downtown waterfront entertainment complex, the Aquarium of the Pacific, the Convention Center, Pine Ave. district's retail stores and restaurants, the East Village and the Latin Museum of Modern Art. Routes A and D run from Catalina Landing along Ocean Boulevard to Belmont Shore and CSULB. Service is provided by 30 low-floor minibuses. These vehicles are stored and maintained at the main administrative facility on Anaheim Street. During 2008, the Passport carried 2.4 million passengers.



# Long Beach Public Transportation Company

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

Long Beach Transit offers a paratransit service for persons with disabilities. This curb-to-curb service operates on a subscription or call-in basis and is provided by a private contractor. All vehicles are owned by the Company, but stored, maintained and dispatched by the contractor.

The Dial-A-Lift service is supplied by a local taxi company using a fleet of 17 mini-van taxis. The contractor supplements Dial-A-Lift rides with its ordinary taxi service on an as-needed basis eliminating the need for additional dedicated vans. This results in lower overall costs. There were 56,941 boardings on Dial-A-Lift in 2008.

## **Water Taxi Service (AquaBus and AquaLink)**

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

There are two AquaBus boats that provide links to the Queen Mary, Aquarium, and Shoreline Village. These boats, which carry up to 49 passengers, tie directly with the downtown shuttle buses and parking facilities, allowing visitors to see Long Beach's many attractions without having to get in their car. For passengers wanting to travel further down the coast, the AquaLink, a 75-seat catamaran, provides service from the Queen Mary area to Alamitos Bay Landing.

The service is provided by a private contractor. The vessels are owned by Long Beach Transit, but stored and maintained at the contractor's docking facilities. This service runs daily during the summer months and then reverts to weekend service for the remainder of the year.

## **Charter and Community Special Service**

Charter service is provided to various community groups upon request and vehicle availability. This service provides these groups with a cost-effective solution for transporting their members to programs and special events. Each year, the Company also supports the Toyota Grand Prix of Long Beach and other large, special events by providing supplemental service where needed.

Long Beach Transit provides a Museum Express bus service to major museum and garden attractions in Los Angeles and Orange Counties. Tickets can be purchased in advance for the service, which runs from June through September. The Museum Express offers residents who would not ordinarily ride the bus an opportunity to try transit and is particularly beneficial to our senior and transit dependent customers who can rely on the service to access attractions they could not travel to on their own.

# Long Beach Public Transportation Company

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## **ACCOMPLISHMENTS**

Long Beach Transit's mission is "to provide public transit services that enhance and improve the quality of life for the residents of our community". To accomplish this mission, the Company has undertaken a wide variety of initiatives to continue improving the overall quality, effectiveness, and efficiency of transit services.

### **Fleet Improvements**

The Company continued to focus on its goal of maintaining a modern, efficient transit fleet. In July and August 2007, Long Beach Transit received 15 new hybrid-electric coaches to replace vehicles that had reached their useful life. Over 30% of the Company's 40' fleet now consist of alternative fueled vehicles. Long Beach Transit has determined the hybrid-electric vehicle offers the most advantages, including emission levels lower than those of compressed natural gas engines (CNG). Long Beach Transit was the first transit system in the nation to use production model hybrid gasoline-electric buses in service. The Company exceeds all federal and state emission regulations and is a national leader in reducing fleet emissions.

In December 2008, Long Beach Transit will take delivery of 25 newly designed and modernized 40' hybrid coaches. The new look resembles a sleek, European style, and the bright red and orange façade color scheme is similar to the popular Passport Shuttles and Water Taxis. The coaches also have improvements in the interior designs and are expected to be well received by customers.

The Company is continuing the practice of mid-life cosmetic upgrading of buses at six years of age, with 39 coaches in the process of receiving new windows, upholstery replacement where needed, repainting and other improvements to make them look new. In addition, all windows received a new sealant to prevent spotting which can occur as a result of frequent washes.

Long Beach Transit has three vessels that provide water taxi service. Two of the smaller boats are ten years old while the larger catamaran is seven years old. The Company decided to refurbish all three boats by making both equipment and cosmetic upgrades. Besides engine, transmission, electronic and safety upgrades, the vessels will also be repainted and receive new seating and carpeting. The refurbishment of the Aqualink catamaran is complete, and the two smaller boats should be finished by June 2009.

### **Customer Amenities**

The Company's global satellite positioning system, TranSmart, allows continuous tracking of the exact location of every vehicle in our fleet. Besides generating critical data for operations, it also provides real-time bus arrival information for our customers. This technology has allowed the Company to deploy variable message signs at its busiest stops throughout the City. These solar-powered LED signs provide real-time schedule information with next bus arrival times. Various messages can also be displayed informing passengers of detours and delays. During 2008, variable message signs were installed at 15 locations, bringing this technology to 38 total stops with another seven stops under construction.

# Long Beach Public Transportation Company

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The Transmart system will also be able to provide callers 24-hour access to automated traveler information, including arrival times, hours of operation, fares, and service bulletins. This interactive voice response system will be implemented in two phases. The first phase will prompt callers to identify the bus stop and route numbers to receive scheduled arrival times. Information would be obtained via touch-tone telephones or automated speech recognition. Phase two will expand the options available to the customer by providing real-time, next bus arrival information.

The Company has dedicated over \$1.5 million to implement major improvements to bus stops throughout our service area. These improvements will not only provide added convenience to our customers, but will also provide a pleasing neighborhood environment. Close to 30 high volume stops have been identified and will receive shelters, information kiosks, public art work, solar lighting and landscaping. Work is estimated for completion in July 2009.

A new Transit and Visitors Information Center is currently under construction for the Downtown Transit Mall. This facility will be larger than the existing visitor center and located on a corner of the mall that is highly visible and easily accessed by pedestrian traffic. Route and schedule displays, transit pass sales, and facilities for coach operators and customers are some of the planned features of this new center. There will also be space for agencies such as the Long Beach Area Convention and Visitors Bureau to provide information about the region. Completion of the new center is expected in the Spring of 2009.

## Service Improvements

In August 2008, Long Beach Transit installed ticket issuing machines (TRIM) on all of its existing fareboxes. The TRIM system produces and accepts paper ticket cards that are magnetically encoded. It is currently used to issue day-passes and transfers and allows the Company the ability to track their usage. Other types of magnetic fare media, such as monthly or weekly passes, may also be magnetically encoded and accepted by the TRIM machines. The information generated by the TRIM enhances Long Beach Transit's ability to understand how customers are using the various fare products throughout the system.

The installation of the TRIM allowed the Company to implement a new partnership program with California State University, Long Beach (CSULB) where CSULB students, faculty and staff are able to use their university ID card for fare payment on all Long Beach Transit buses. Under the program, entitled U-Pass, CSULB reimburses the Company for rides incurred. A five-week pilot program was completed in September 2008 and resulted in an increase in CSULB related boardings of more than 100%. The program is now scheduled to run through the completion of the school year.

With on-going development in the downtown area, Long Beach Transit and local businesses continually assess ways to alleviate parking problems, attract more business, and create a seamless connection between both the shoreline attractions and the Pine Avenue business, restaurant and shopping areas. In support of these goals, the Company modified its Passport shuttle service in February 2008. These route changes allow customers to maximize the use of existing parking facilities and gain easier access to all downtown Long Beach attractions.

Long Beach Transit is participating in the Countywide Transit Signal Priority Project which will provide buses priority at designated intersections along one of the Company's busiest corridors, Anaheim Street. During the first phase of the project, upgrades were made to 23 signalized intersections and various bus stops were widened. In the second phase, the Company's TranSmart system will allow buses to communicate with traffic signals, enabling coaches along the corridor to move customers down the street more quickly and efficiently.



# Long Beach Public Transportation Company

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## **KEY PERFORMANCE RESULTS**

### Performance Statistics

One of the several methods used to monitor performance is through key indicators that track service quality, efficiency, and productivity. The results for fiscal year 2008 are on page 41. The cost per vehicle service hour (CVSH) increased 10% to \$96.17. This was mainly attributed to fuel expenditures rising 28% or \$1.6 million from 2007. In the past five years, fuel has risen almost 200%. During 2008, the Company also made a concerted effort to close older, more expensive workers' compensation claims and, therefore, reserves were increased. While the CVSH rose 10%, the actual cost per passenger only increased 6%. With the higher fuel prices, ridership grew over 6% during the last year. The Company's current passengers per vehicle service hour is at the top end of productivity compared to systems of similar size.

The Company's fixed route service delivery rate continued to improve for the sixth consecutive year. Use of the TranSmart system allows the Company to consistently improve route scheduling by monitoring actual arrival and departure times and adapting headway intervals. Customers have also noticed the service improvements, rating the Company's service reliability 6% higher than the previous year.

Mechanical issues with the hybrid coaches and aging Passport vehicles required the Maintenance Department to perform 17% more roadcalls than in 2007. Maintenance is procuring new components and exploring new technology to resolve the problems with the hybrid buses and all engines are scheduled for replacement over the next year. Performance during the final quarter of 2008 improved with miles between roadcalls exceeding 6,700.

### Community Evaluation

Long Beach Transit also tracks the degree of customer satisfaction with the quality of services provided. An independent research firm is engaged to randomly sample customers and non-riders and measure perceptions of service quality. Results for 2008 and prior years are shown on page 42.

Overall, 96% of riders continue to view Long Beach Transit service as good or excellent. The latest customer survey had improved ratings in many categories, particularly with bus cleanliness and system safety.

The information provided by this survey is a key source for the development of the Company's annual business plan. Ratings and customer comments are analyzed in detail to ensure Long Beach Transit is responsive to customer and community concerns and ideas.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### Local Economy

High fuel prices continue to have a significant affect on Long Beach Transit's budget and operations. Fuel expenditures increased 28% or \$1.6 million during 2008. In the past five years, fuel has risen almost 200%. In 2003, fuel comprised just 3.8% of the Company's total operating budget, but in 2008 that figure exceeded 10%. For 2009, Long Beach Transit's fuel budget has been increased by another \$1.2 million.

# Long Beach Public Transportation Company

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The rise in fuel costs combined with financial credit problems from subprime lending and a weak dollar will continue to have a ripple effect throughout the economy. Sales volume has slowed over the last year with many retailers announcing store closings. When assessing the County of Los Angeles's economic future, the Los Angeles Economic Development Corporation is not expecting any growth in sales tax revenue for next year. The majority of Long Beach Transit's subsidy revenue is sales tax based, so changes in retail sales affect subsidy levels.

The Company will closely monitor the economy and fuel prices and will adjust service levels as needed to remain within its operating budget.

## **Financial Policies**

The Company procures the majority of all capital assets through annual grants awarded through the Federal Transit Administration. The Federal grants are allocated by region under Section 5307 and 5309 of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) of 2005. The Company is eligible to receive funds based on a formula allocation and discretionary money for specific projects, such as buses.

During 2006, a state-wide bond initiative was passed that provides Los Angeles County with additional capital funds for buses and security-related projects. These funds are distributed based on the existing County formula allocation. Any remaining capital needs not funded by Federal or bond monies are financed through state and local grants.

The Company currently has no long-term debt and has historically only used available grant funds to procure capital acquisitions. The Company has no immediate plans to issue debt and will continue to fund future capital needs through formula and discretionary grants.

Construction is underway for a new Transit and Visitors Information Center to replace an outdated facility. The new Center is larger and will provide public restroom facilities. Operating costs are expected to increase slightly when the Center is completed in the Spring of 2009.

Daily operations are financed by fare revenue, annual sales tax subsidies received from State and County programs, and miscellaneous other revenue such as income from advertising on Company vehicles and investment income. The amount of sales tax subsidies received each year is based on a regional formula comprised of fares, revenue miles, and passengers.

## **Accounting System**

### **Internal Control Structure**

In evaluating and developing the accounting system, Federal Transit Administration (FTA) and GAAP accounting methods are applied to achieve an adequate system of internal accounting controls which ensures assets are protected against loss from unauthorized use or disposition and the data used to prepare financial statements are timely and reliable. These controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance is to ensure the cost of the control does not exceed the benefit received. It also recognizes the evaluation of costs and benefits require estimates and judgments by management. We believe the Company's internal accounting controls adequately safeguard assets and provide reasonable assurance financial transactions are properly recorded.

# Long Beach Public Transportation Company

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## Basis of Accounting

Long Beach Transit is a single enterprise proprietary fund using the accrual method of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred.

Government grants for operating assistance and the acquisition of capital assets are not formally recognized in the accounts until the grant becomes a valid receivable as a result of the Company complying with appropriate grant requirements. Operating assistance grants are included in non-operating revenues in the year in which the grant is applicable and the related reimbursable expenditure is incurred. It is the Company's policy to record capital grants as an addition to capital assets and net assets as the related expenditures are incurred.

## Cash Management

Idle cash during the year was invested with the State Treasurer's Local Agency Investment Fund (LAIF) and overnight repurchase agreements. All investments are governed by an investment policy adopted by the Board of Directors. The policy is in accordance with the California Government Code and all other applicable federal, state and local laws, as well as using prudent money management. Other than LAIF, the Company is authorized to participate in obligations of the federal government and its agencies, commercial paper, bankers' acceptances, repurchase agreements, certificates of deposit, and mutual funds issued by diversified management companies.

All deposits are covered by federal insurance or collateralized under the California Government Code requiring the financial institution to pledge government securities as collateral with a market value of at least 110% of deposits.

## Risk Management

Long Beach Transit is self-insured for each occurrence of workers' compensation and public liability and property damage claimed up to \$1.5 million and \$1 million, respectively. Claims in excess of \$1.5 million for workers' compensation and \$1 million for public liability and property damage are covered under policies in force with an independent insurer up to \$25 million for workers' compensation and \$10 million for public liability and property damage. Risk retention levels for public liability and property damage did not change during fiscal year 2008. However, the risk retention limit for workers' compensation declined to \$1.5 million from the \$3 million maintained during fiscal year 2007. The amount of settlements for both programs has not exceeded the insurance coverage limits for the last three fiscal years.

An independent claims manager estimates losses and recommends reserve levels with losses recognized on an accrual basis. Cash and investments are maintained to fully fund the estimated liabilities. Additional information on Long Beach Transit's risk management activity can be found on page 22 in note (6) of the notes to the accompanying basic financial statements.

## Pension Benefits

The Company sponsors two single employer defined benefit pension plans, one for contract employees and the other for salaried employees. Each year, an independent actuary calculates the amount of annual contribution that Long Beach Transit must make to the pension plans to ensure the plans will be able to fully meet its obligations to retired employees on a timely basis.



# Long Beach Public Transportation Company

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As a matter of policy, Long Beach Transit fully funds each year's annual required contribution to the pension plans as determined by the actuary. When taking into consideration future projected benefits, the funding status is 74% and 63% for the Contract Plan and Salaried Plan, respectively. The remaining unfunded future liability is being systematically funded over 29 years as part of the annual required contribution calculated by the actuary.

The financial statements for the Contract and Salaried Plans are available under separate cover. There is also additional information regarding the pension plans in this CAFR which can be found on page 28 in note (13) of the notes to the accompanying basic financial statements.

## **INNOVATION AND RECOGNITION**

For the 17th straight year, the GFOA of the United States and Canada awarded a Certificate of Achievement for excellence in Financial Reporting to Long Beach Transit for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007.

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 Comprehensive Annual 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.

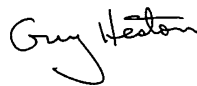
In March 2008, The United States Department of Homeland Security designated Long Beach Transit as a "Carrier of Distinction Committed to Security" for superior performance in security program development, planning, and execution.

## **ACKNOWLEDGMENTS**

We wish to acknowledge the participation and professional contribution of the accountancy firm of Windes & McLaughry in providing technical assistance when needed. In addition, we wish to recognize those Finance and Administrative staff members who contributed their time and efforts in preparing this document. Special thanks to Jacqueline Dricker, Office Administrator.



President and  
Chief Executive Officer



Executive Vice President and  
Chief Operating Officer



Senior Vice President and  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Long Beach Public  
Transportation Company  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



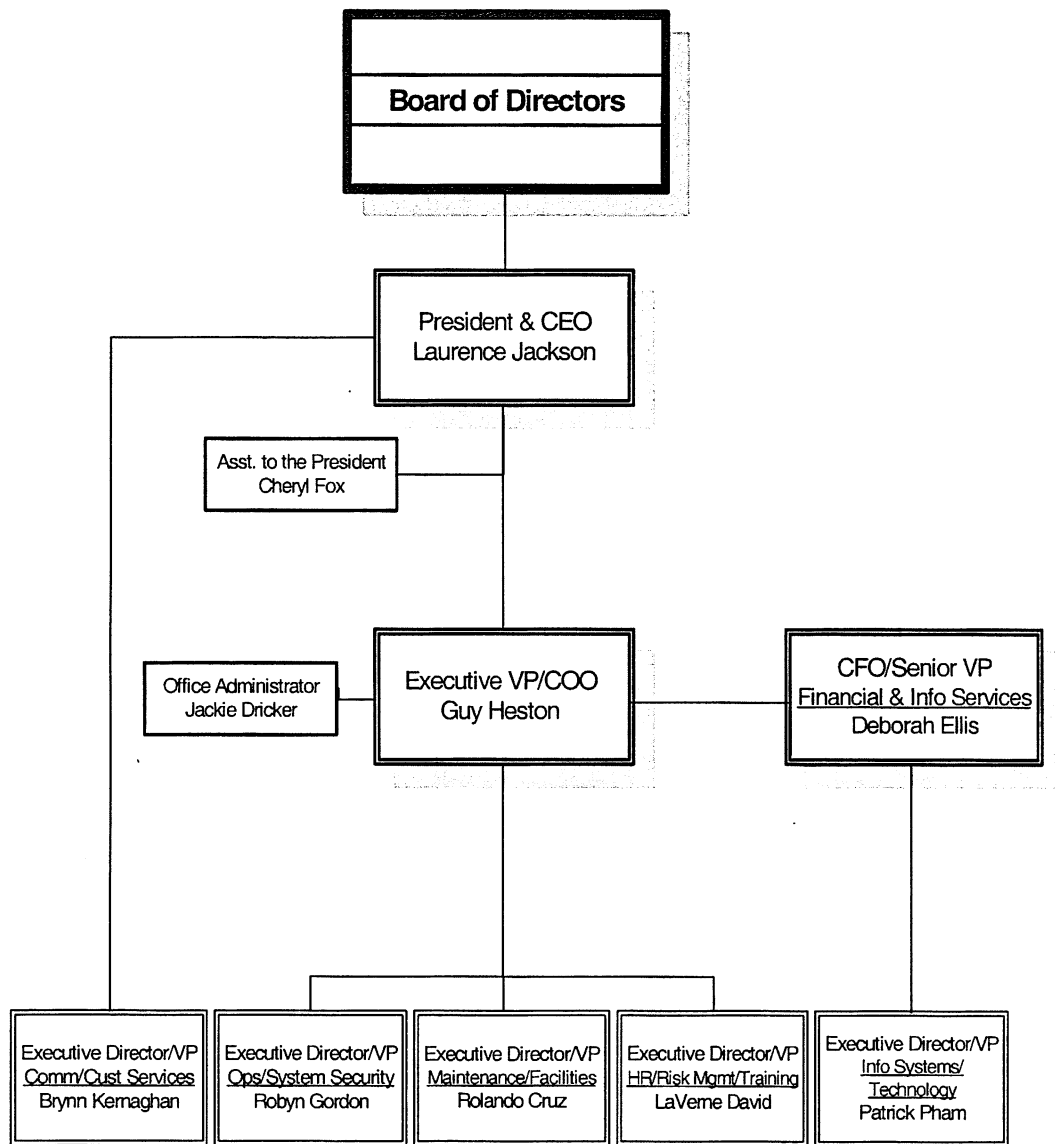
*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

## ORGANIZATION CHART



# Long Beach Public Transportation Company

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## Board of Directors

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Terry Fiskin	Chairman of the Board
Renee B. Simon	Vice Chair
Mark Curtis	Secretary – Treasurer
Dr. James P. Norman, Jr.	Assistant Secretary – Treasurer
Robert W. Parkin	Director
Freda Hinsche Otto	Director
Barbara Sullivan	Director
Michael Conway	Ex Officio Member, City of Long Beach
David Roseman	Ex Officio Member, City of Long Beach

## Management

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Laurence W. Jackson	President & Chief Executive Officer
Guy Heston	Executive Vice President & Chief Operating Officer
Deborah Ellis	Senior Vice President & Chief Financial Officer Financial & Information Systems
Robyn Gordon	Executive Director, VP Operations & System Security
Rolando Cruz	Executive Director, VP Maintenance & Facilities
LaVerne David	Executive Director, VP Risk Management, Training & Human Resources
Patrick Pham	Executive Director, VP Information Systems & Technology
Brynn Kernaghan	Executive Director, VP Community & Customer Services

# Long Beach Public Transportation Company

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**WINDES & MCCLAUGHRY**  
**ACCOUNTANCY CORPORATION**

*Certified Public Accountants  
& Consultants*

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[www.windes.com](http://www.windes.com)

*Other Offices:*  
*Irvine*  
*Torrance*

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Long Beach Public Transportation Company

We have audited the accompanying financial statements of the Long Beach Public Transportation Company (Company), a component unit of the City of Long Beach, California, as of and for the year ended June 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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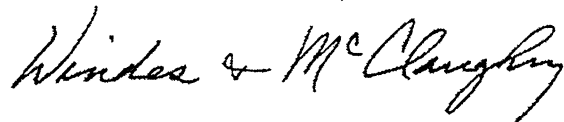
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Long Beach, California  
October 30, 2008



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**INDEPENDENT AUDITORS' REPORT**

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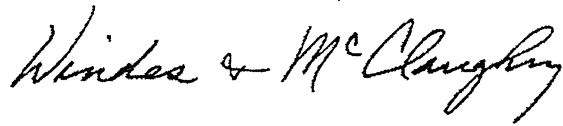
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Long Beach, California  
October 30, 2008



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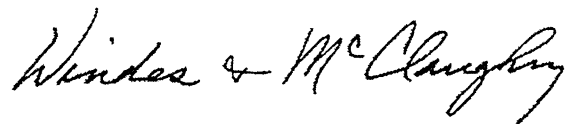
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Long Beach, California  
October 30, 2008





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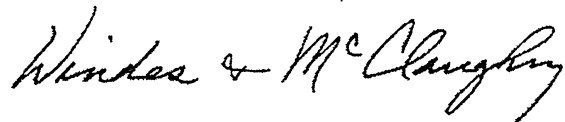
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The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and the required supplementary information on page 31, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Long Beach Public Transportation Company's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script, reading "Windes & McCaughy".

Long Beach, California  
October 30, 2008



**WINDES & MCCLAUGHRY  
ACCOUNTANCY CORPORATION**

*Certified Public Accountants  
& Consultants*

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111 West Ocean Boulevard  
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*Other Offices:  
Irvine  
Torrance*

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Long Beach Public Transportation Company

We have audited the accompanying financial statements of the Long Beach Public Transportation Company (Company), a component unit of the City of Long Beach, California, as of and for the year ended June 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

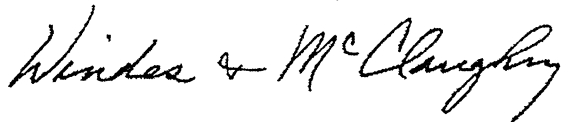
As described more fully in note 1, the financial statements referred to above include only the financial activities of the Long Beach Public Transportation Company and are not intended to present fairly the financial position and results of operations of the City of Long Beach, California in conformity with accounting principles generally accepted in the United States of America.

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A handwritten signature in cursive script, reading "Windes & McCaughey".

Long Beach, California  
October 30, 2008



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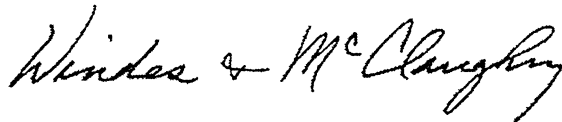
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A handwritten signature in cursive script, reading "Windes & McCaughey".

Long Beach, California  
October 30, 2008





# Long Beach Public Transportation Company

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## MANAGEMENT'S DISCUSSION and ANALYSIS

As management of Long Beach Public Transportation Company (Long Beach Transit or the Company), we offer readers of Long Beach Transit's financial statements this narrative overview and analysis of the financial activities of the Company for the fiscal years ended June 30, 2008, 2007 and 2006. 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-x of this report.

### FINANCIAL HIGHLIGHTS

- Long Beach Transit's assets exceeded its liabilities at June 30, 2008 by \$76.1 million (net assets). Of this amount, \$3.3 million (unrestricted net assets) may be used to meet the Company's ongoing obligations arising from providing transportation service to the community.
- The Company was awarded \$3.7 million of new State 1B Bond capital funds during fiscal year 2008. These funds will be used to procure buses.
- Operating expenses before depreciation rose 13% with the majority of the increase related to fuel, casualty and workers' compensation claims, wages, and health coverage.
- Net assets decreased \$2.2 million, or 3%, as annual depreciation expenses were greater than the amount of capital asset acquisitions during the year. All capital procurements are funded by federal, state, and local grants and are debt free.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

The statements of net assets present information on all of Long Beach Transit's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Long Beach Transit is improving or deteriorating.

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

The statements of cash flows present information on the Company'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 Company's financial statements can be found on pages 10-14 of this report.

# Long Beach Public Transportation Company

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## Management's Discussion and Analysis, continued

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 15-32 of this report.

### FINANCIAL STATEMENT ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Company's financial position. In the case of Long Beach Transit, assets exceeded liabilities by \$76.1 million at the close of fiscal year 2008.

#### Long Beach Public Transportation Company's Condensed Summary of Net Assets

	Year - Ended		
	2008	2007	2006
Current assets	\$ 32,465,510	\$ 30,023,743	\$ 27,081,859
Other noncurrent assets	22,447,751	18,248,769	14,054,152
Capital assets, net	<u>72,514,620</u>	<u>74,761,808</u>	<u>83,588,365</u>
Total assets	<u>127,427,881</u>	<u>123,034,320</u>	<u>124,724,376</u>
Current liabilities	30,019,746	25,952,804	24,886,650
Noncurrent liabilities	<u>21,288,736</u>	<u>18,714,929</u>	<u>12,644,581</u>
Total liabilities	<u>51,308,482</u>	<u>44,667,733</u>	<u>37,531,231</u>
Net assets:			
Invested in capital assets	72,514,620	74,761,808	83,588,365
Restricted	259,954	84,674	113,048
Unrestricted	<u>3,344,825</u>	<u>3,520,105</u>	<u>3,491,732</u>
Total net assets	<u>\$ 76,119,399</u>	<u>\$ 78,366,587</u>	<u>\$ 87,193,145</u>

Almost all of Long Beach Transit's net assets (95%) reflect its investment in capital assets (e.g., fleet, buildings, passenger facilities, shop equipment). The Company uses these capital assets to provide transportation service to the community; consequently, these assets are not available for future spending. All of Long Beach Transit's capital assets were procured with federal, state, and local grant funds. The remaining balance of unrestricted net assets (\$3.3 million in 2008 and \$3.5 million in 2007 and 2006) may be used to meet the Company's ongoing obligations arising from providing transportation service to the community.

In fiscal year 2008, Long Beach Transit's net assets decreased by \$2.2 million. This is due to the annual depreciation expense exceeding capital purchases by \$2.2 million. Long Beach Transit spent \$15.2 million for capital assets which included procurement of coaches and Dial-A-Lift vehicles, ground-breaking for a new customer service center, upgrades to passenger facilities, and routine replacement of bus tires, shop, office and EDP equipment.

For fiscal year 2007, the Company's net assets decreased by \$8.8 million due to the annual depreciation expense exceeding capital purchases by \$8.8 million. Long Beach Transit spent \$7.9 million for capital assets which included upgrades to key administrative and website software, installation of new fuel tanks, six Dial-A-Lift vehicles, and routine replacement of bus tires, and shop, office and EDP equipment.

# Long Beach Public Transportation Company

## Management's Discussion and Analysis, continued

### Long Beach Public Transportation Company's Condensed Summary of Changes in Net Assets

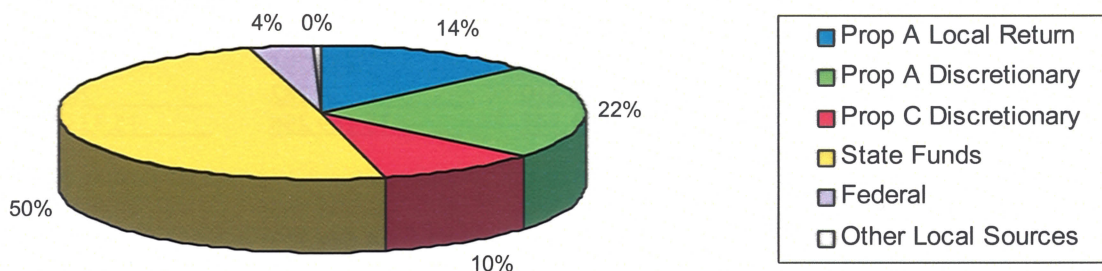
	Year - Ended		
	2008	2007	2006
<b>Operating revenues:</b>			
Passenger fares and special events	\$ 14,893,788	\$ 14,291,818	\$ 14,580,725
Advertising	857,449	847,296	724,158
Other	20,610	30,182	28,316
Total operating revenues	<u>15,771,847</u>	<u>15,169,296</u>	<u>15,333,199</u>
<b>Non-operating revenues:</b>			
Subsidies	52,151,341	44,495,763	42,078,890
Interest	<u>1,561,541</u>	<u>1,686,759</u>	<u>1,107,116</u>
Total non-operating revenues	<u>53,712,882</u>	<u>46,182,522</u>	<u>43,186,006</u>
Total revenues	<u>69,484,729</u>	<u>61,351,818</u>	<u>58,519,205</u>
<b>Expenses:</b>			
Transportation	32,376,023	30,454,056	29,156,285
Maintenance	19,612,265	17,251,960	16,800,999
Administration	17,496,441	13,645,802	12,561,921
Depreciation	<u>17,441,700</u>	<u>16,712,820</u>	<u>16,316,882</u>
Total expenses	<u>86,926,429</u>	<u>78,064,638</u>	<u>74,836,087</u>
<b>Change before capital grants</b>	(17,441,700)	(16,712,820)	(16,316,882)
<b>Capital grants</b>	<u>15,194,512</u>	<u>7,886,262</u>	<u>11,970,977</u>
<b>Change in net assets</b>	<u>\$ (2,247,188)</u>	<u>\$ (8,826,558)</u>	<u>\$ (4,345,905)</u>

**Operating revenues.** Fare revenue in 2008 increased \$600,000 or 4% due to increased ridership as rising fuel prices resulted in people electing to use more public transportation. In addition, the Los Angeles County Metropolitan Transportation Authority (LACMTA) raised the price of the regional county EZ Pass resulting in riders choosing alternative fare media such as Long Beach Transit monthly or day passes. This is exactly the opposite of what occurred in 2007 where passengers preferred the regional pass. The decline in 2007 fare revenue occurred because revenue from the sale of EZ Passes is shared amongst all participating county transit agencies resulting in reduced revenue to the Company on a per boarding basis. Since fare revenue comprises 94% of operating revenues, total operating revenues for 2008 also increased by 4%. Advertising sales rebounded in 2007 after two years of weaker returns and remained stable during fiscal year 2008.

## Management's Discussion and Analysis, continued

**Non-operating revenues.** Subsidies, which comprise 76% of total revenues, both operating and non-operating, increased \$7.7 million, or 17%, in 2008. To match the 13% increase in expenditures, the Company used a portion of Proposition A Local Return reserves and Federal preventative maintenance monies. In addition, increased sales tax on fuel produced slightly higher State revenues. During 2007, the Company did receive a one-time award of \$1.2 million from LACMTA to subsidize fuel costs. These monies were combined with increases in State funding to meet a 5% increase in expenditures over fiscal year 2006.

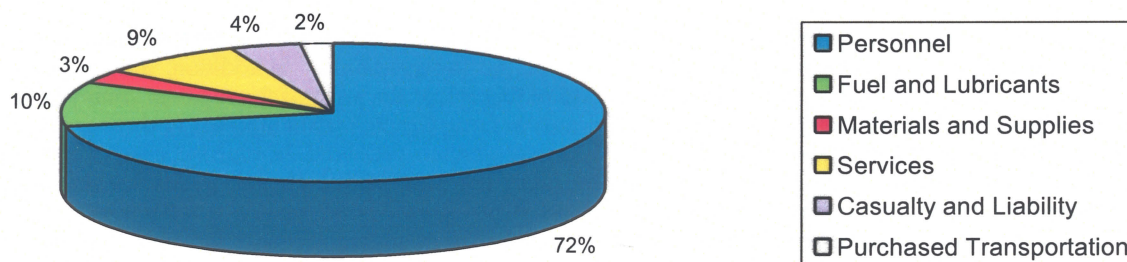
**2008 Subsidy Revenue by Source**



**Expenses.** Operating expenses, before depreciation, increased 13%. The largest increases were in fuel, insurance claims, health care and wages. Fuel expenditures increased 28% or \$1.6 million from 2007. In the past five years, fuel has risen almost 200%. In 2003, fuel comprised just 3.8% of the Company's total operating budget. In 2008, that figure rose to 10.3%. During 2008, the Company made a concerted effort to close older, more expensive workers' compensation claims and, therefore, reserves were increased. Wages were up 7% over 2007 as the Company completed its recruitment efforts to restore manpower levels that were frozen during previous labor negotiations and also to provide additional service hours on the most heavily used bus routes.

In 2007, operating expenses, before depreciation, rose 5% over 2006, mainly due to increases in wages, pension contributions and health care costs. The settlement of the labor agreement during fiscal year 2006 awarded union personnel a 3% wage increase (which was also given to salaried employees) in 2007.

**2008 Operating Expenses (before depreciation)**



Depreciation expense increased 4% for 2008. The Company did take receipt of 15 buses during the year, but depreciation expense exceeded capital acquisitions by \$2.2 million. In 2007, depreciation expense increased 2% and exceeded capital acquisitions by \$8.8 million. Depreciation receives no direct capital or operating funding.

# Long Beach Public Transportation Company

## Management's Discussion and Analysis, continued

### CAPITAL ASSETS

Long Beach Transit's investment in capital assets as of June 30, 2008, amounted to \$72.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, fleet, communication and farebox systems, machinery and equipment, and passenger facilities. All assets have been purchased with federal, state or local grants awarded to the Company, and Long Beach Transit has never issued any debt to fund the procurement of capital assets.

The total net decrease in the Company's investment in capital assets for the current fiscal year was 4%. Long Beach Transit had \$15.2 million in new capital contributions during the year, an increase of \$7.3 million when compared to 2007. The Company took delivery of 15 new hybrid coaches in 2008. Besides buses, the Company broke ground on a new customer service center. Other asset acquisitions during the fiscal year were mainly from on-going programs and upgrades and replacements of existing assets. As noted above, all assets are purchased with grants, the majority coming from federal funding. Total grant awards will vary each year as Long Beach Transit is eligible for a formula percentage of the County's federal funding, plus one-time grants available for specific projects, such as bus replacement. Grant requirements allow, on average, three years to expend these funds. As of June 30, 2008, the Company had \$61.6 million in grant funds designated for capital procurements. This is a \$10.3 million increase from the available balance at the end of fiscal year 2007.

Significant capital asset acquisitions during 2008 included the following:

- The Company took receipt of 15 buses during the year at a cost of \$6.7 million.
- The Company broke ground on a new Transit Visitor and Information Center in downtown Long Beach. Architectural and construction costs during 2008 were \$500,000 and project completion is expected for February 2009.
- Routine replacement of engines, transmissions, tires, and shop and office equipment at a cost of \$1.5 million.
- Almost \$700,000 was spent on upgrades to passenger facilities with the installation of new shelters and variable message signs displaying real-time schedule information
- Procurement of six new Dial-A-Lift vehicles totaling \$252,000.

### Long Beach Public Transportation Company's Capital Assets (net of depreciation)

	Year - Ended		
	2008	2007	2006
Land	\$ 5,525,000	\$ 5,525,000	\$ 5,525,000
Buildings and improvements	13,821,510	15,162,954	14,413,089
Fleet	43,950,608	43,278,055	50,460,451
Communications systems	300,057	818,635	2,460,954
Fare collection system	3,315,097	3,869,506	4,205,666
Office, shop and garage equipment	1,954,336	1,742,507	1,985,529
Passenger facilities	988,563	1,999,601	3,095,423
Construction in progress	<u>2,659,449</u>	<u>2,365,550</u>	<u>1,442,253</u>
Total assets, net of depreciation	<u>\$ 72,514,620</u>	<u>\$ 74,761,808</u>	<u>\$ 83,588,365</u>

# Long Beach Public Transportation Company

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## **Management's Discussion and Analysis, continued**

Long Beach Transit's investment in capital assets as of June 30, 2007, amounted to \$74.8 million (net of accumulated depreciation). The Company had \$7.9 million in new capital contributions during the year, a decrease of \$4.1 million when compared to 2006. Asset acquisitions during the fiscal year were mainly from on-going programs and upgrades and replacements of existing assets. As of June 30, 2007, the Company had \$51.2 million in grant funds designated for capital procurements. This is a \$15.1 million increase from the available balance at the end of fiscal year 2006.

Significant capital asset acquisitions during 2007 included the following:

- The procurement of new bus engines at a cost of \$1.5 million.
- Installation of a new fuel tank farm to provide adequate space to accommodate our hybrid electric/gasoline coach requirements. Costs during 2007 were \$1.3 million.
- Routine replacement of engines, transmissions, tires, and shop and office equipment at a cost of \$2.6 million.
- Upgrades to the Company's main administrative and maintenance software and also adding real-time scheduling information on Long Beach Transit's website. These projects totaled \$365,000.
- Procurement of six new Dial-A-Lift vehicles totaling \$252,000.

Additional information on Long Beach Transit's capital assets can be found in note (8) in the notes to the accompanying financial statements beginning on page 24 of this report.

## **ECONOMIC FACTORS and NEXT YEAR'S FINANCIAL PLAN**

The economic environment in which Long Beach Transit operates continues to present management with major challenges in sustaining the level and quality of transit services. The existing state and federal funding environment is not expected to result in significant additional operating funds for transit in the foreseeable future. Subsidy revenues which account for more than 70% of operating funds are forecasted to actually decline slightly in 2009 due in part to a weakening economy and changes in the County's formula allocation of regional revenue.

Fuel prices continue to be of primary concern. Long Beach Transit has experienced a 72% increase in fuel costs over the last three years. The effect of rising fuel prices is causing significant financial concerns for transit systems all across the nation, and in particular California where prices are even higher because of stringent air quality regulations. The projected fuel costs of over \$8 million for fiscal year 2009 will now comprise 11% of the total operating budget. Given the continuing price instability of the oil market, we will need to monitor this carefully throughout the year.

Higher fuel prices and fare increases by the County's largest operator, LACMTA, resulted in a 6% increase in ridership during 2008. In preparing Long Beach Transit's financial plan for 2009, management forecast a 6% rise in expenses over the prior year. The plan allows the Company to continue existing service levels for all Long Beach Transit routes. The labor contract requires a 3.2% wage increase effective in October 2008 along with a projected 8% increase in employee health care costs to continue to provide the same health coverage.

## **Management's Discussion and Analysis, continued**

Long Beach Transit has consistently made a concerted effort to operate with a comparatively small support staff so that we may concentrate as much of our resources as possible on daily operations that serve our customers. The financial plan does, however, include the addition of one full-time and two part-time customer service employees effective with the opening of the new Transit Visitor and Information Center, which is expected to be completed by February 2009.

The final financial plan approved in May 2008 for fiscal year 2009 totals \$72.4 million. The proposed plan requires \$4.5 million in carryover subsidy revenues. In addition, the State continues to grapple with its own budget deficit and the Governor and State Legislature are considering the possibility of some 2009 state transit funding being diverted to the State General Fund, which has been done in recent years. However, Long Beach Transit's conservative financial practices allow us to meet these funding challenges for the upcoming year. Management will be closely monitoring these issues along with fuel prices to ascertain whether future service reductions or fare increases may be required.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Long Beach Public Transportation Company's finances for all those with an interest in the Company's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Long Beach Transit, P.O. Box 731, Long Beach, California, 90801.



# Long Beach Public Transportation Company

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# Long Beach Public Transportation Company

## Statements of Net Assets June 30, 2008 and 2007

Assets		
	2008	2007
Current assets:		
Cash and investments (note 2)	\$ 14,182,398	\$ 15,385,254
Accounts receivable (note 4)	4,547,388	1,862,477
Materials and supplies inventory	837,849	722,133
Prepaid expenses	390,054	262,855
Restricted and designated assets:		
Cash and investments (notes 2 and 5)	341,378	459,391
Accounts receivable (note 5)	5,375,688	7,665,337
Cash and investments designated for insurance claims (notes 2, 5 and 6)	6,790,755	3,666,296
Total current assets	32,465,510	30,023,743
Noncurrent assets:		
Cash and investments - contingency reserve (notes 2 and 5)	2,000,000	2,000,000
Restricted assets:		
Cash and investments (notes 2 and 5)	20,447,751	16,248,769
Capital assets (note 8):		
Land	5,525,000	5,525,000
Buildings and improvements	34,845,322	34,286,581
Fleet	100,603,056	95,180,251
Communications systems	6,584,559	6,582,545
Fare collection system	5,353,035	5,304,535
Office, shop and garage equipment	14,716,110	13,906,166
Passenger facilities	5,303,616	6,011,286
Construction-in-progress	2,659,449	2,365,550
Less accumulated depreciation	(103,075,527)	(94,400,106)
Total net capital assets	72,514,620	74,761,808
Total noncurrent assets	94,962,371	93,010,577
Total assets	\$ 127,427,881	\$ 123,034,320

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

# Long Beach Public Transportation Company

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## Statements of Net Assets, Continued June 30, 2008 and 2007

### Liabilities and Net Assets

	2008	2007
Current liabilities:		
Accounts payable	\$ 2,807,890	\$ 1,302,862
Accrued payroll expenses	679,800	479,157
Compensated absences payable (note 11)	2,189,350	2,044,881
Retiree health care benefits (note 11)	74,451	94,837
Subsidy deferral (note 9)	12,778,110	12,038,045
Current liabilities payable from restricted or designated assets:		
Deferred revenue (note 5)	4,699,390	6,326,726
Estimated liability for insurance claims (note 6)	6,790,755	3,666,296
Total current liabilities	30,019,746	25,952,804
Noncurrent liabilities:		
Liabilities payable from restricted or designated assets:		
Deferred revenue (note 5)	20,379,302	17,946,148
Retiree health care benefits (note 11)	909,434	768,781
Total noncurrent liabilities	21,288,736	18,714,929
Total liabilities	51,308,482	44,667,733
Net Assets:		
Invested in capital assets	72,514,620	74,761,808
Restricted for capital procurement	259,954	84,674
Unrestricted	3,344,825	3,520,105
Total net assets	\$ 76,119,399	\$ 78,366,587

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

# Long Beach Public Transportation Company

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## Statements of Revenues, Expenses and Changes in Net Assets Years Ended June 30, 2008 and 2007

	2008	2007
Operating revenues:		
Passenger fares	\$ 14,789,817	\$ 14,239,543
Special events	103,971	52,275
Advertising	857,449	847,296
Other revenue	20,610	30,182
Total operating revenues	<u>15,771,847</u>	<u>15,169,296</u>
Operating expenses:		
Transportation	32,376,023	30,454,056
Maintenance	19,612,265	17,251,960
Administration	17,496,441	13,645,802
Depreciation (note 8)	17,441,700	16,712,820
Total operating expenses	<u>86,926,429</u>	<u>78,064,638</u>
Operating loss	<u>(71,154,582)</u>	<u>(62,895,342)</u>
Nonoperating income:		
Subsidies (note 3)	52,151,341	44,495,763
Interest income	1,561,541	1,686,759
Total nonoperating income	<u>53,712,882</u>	<u>46,182,522</u>
Change in net assets before capital grants	\$ (17,441,700)	\$ (16,712,820)
Capital grants	<u>15,194,512</u>	<u>7,886,262</u>
Change in net assets	(2,247,188)	(8,826,558)
Total net assets, July 1	<u>78,366,587</u>	<u>87,193,145</u>
Total net assets, June 30	<u>\$ 76,119,399</u>	<u>\$ 78,366,587</u>

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

# Long Beach Public Transportation Company

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## Statements of Cash Flows Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Cash received from customers	\$ 15,766,373	\$ 14,998,624
Cash paid to employees for services	(33,120,357)	(30,861,169)
Cash paid to other suppliers of goods or services	<u>(31,819,678)</u>	<u>(30,018,280)</u>
Net cash used in operating activities	<u>(49,173,662)</u>	<u>(45,880,825)</u>
Cash flows provided by noncapital financing activities:		
Operating subsidies received	<u>50,274,346</u>	<u>42,984,847</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	434,142	58,140
Purchase of capital assets	(15,194,512)	(7,886,262)
Capital grant contributions received	<u>17,918,572</u>	<u>13,396,166</u>
Net cash provided by capital and related financing activities	<u>3,158,202</u>	<u>5,568,044</u>
Cash flows provided by investing activities - interest received on cash and investments	<u>1,743,686</u>	<u>1,573,797</u>
Net increase in cash and cash equivalents	6,002,572	4,245,863
Cash and cash equivalents, July 1	<u>37,759,710</u>	<u>33,513,847</u>
Cash and cash equivalents, June 30 (note 2)	<u><u>\$ 43,762,282</u></u>	<u><u>\$ 37,759,710</u></u>

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

# Long Beach Public Transportation Company

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## Statements of Cash Flows, Continued Years Ended June 30, 2008 and 2007

<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>	<b>2008</b>	<b>2007</b>
Operating loss	\$ (71,154,582)	\$ (62,895,342)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	17,441,700	16,712,820
Increase in accounts receivable from operations	(312,731)	(101,886)
Decrease (increase) in materials and supplies inventory	(115,716)	219,405
Increase in prepaid expenses	(127,199)	(83,069)
Increase (decrease) in accounts payable	1,505,028	(349,298)
Increase in accrued payroll expenses and compensated absences payable	465,379	227,073
Increase in estimated liability for insurance claims	3,124,459	375,189
Increase in other deferred revenue	---	14,283
Total adjustments	21,980,920	17,014,517
Net cash used in operating activities	<u>\$ (49,173,662)</u>	<u>\$ (45,880,825)</u>

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

# Long Beach Public Transportation Company

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## Notes to Financial Statements June 30, 2008 and 2007

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

#### Reporting Entity

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

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

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

In accordance with Government Accounting Standards Board (GASB) Statement No. 20, the Company applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board (APB) opinions, or Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures.

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



# Long Beach Public Transportation Company

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## Notes to Financial Statements, Continued

### Material and Supplies Inventories

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

### Capital Assets

Capital assets, which include property, plant and equipment, are defined by the Company as assets with initial project values exceeding \$5,000, with individual federally funded items costing more than \$500 and having an estimated useful life of more than one year. The Federal Transit Administration (FTA) excludes the bus tire lease from this requirement as it is depreciated over a twelve-month period. 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 recorded at estimated fair market at the date of donation. The Company did not receive any donated capital assets during fiscal years 2008 and 2007.

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

Buildings and improvements	25 years
Buses and vessels	12 years
Fare boxes	10 years
Smaller coaches	7 years
Furniture, equipment and passenger facilities	5 years
Service trucks	4 years
EDP equipment	3 years
Bus components	3 years
Service autos	3 years
Bus tires	1 year

### Financial Plan

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

### Government Grants

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

Operating assistance grants are included in non-operating revenues in the year in which a related reimbursable expenditure is incurred or in deferred revenue for use in the subsequent fiscal year.

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

# Long Beach Public Transportation Company

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## Notes to Financial Statements, Continued

The City allocates a portion of its Proposition A local share funding to the Company in accordance with an agreement between the Company, the City and the Los Angeles County Metropolitan Transportation Authority (LACMTA) (see notes 3 and 5). The Company records such Proposition A funds received and due from the City as deferred revenue until used for operating assistance and/or capital expenditures. Those Proposition A funds used for operating assistance are included in non-operating subsidies income and those funds used for capital expenditures are included in net assets.

### Statements of Cash Flows

For purposes of the statements of cash flows, the Company considers all of its cash deposits and investments, including restricted and designated cash and investments, to be cash and cash equivalents. Monies invested with the State Treasurer's Local Agency Investment Fund may have maturities longer than 90 days; however, the Fund functions as a demand deposit account. Therefore, the Company considers such investments to be cash equivalents. There were no significant noncash capital and related financing activities in 2008 and 2007.

### (2) Cash and Investments

Cash and investments are classified in the accompanying financial statements as follows as of June 30:

	<u>2008</u>	<u>2007</u>
Current unrestricted cash and investments	\$ 14,182,398	\$ 15,385,254
Current restricted and designated cash and investments	341,378	459,391
Current cash and investments designated for insurance claims	6,790,755	3,666,296
Noncurrent restricted cash and investments	<u>22,447,751</u>	<u>18,248,769</u>
Total cash and investments	<u>\$ 43,762,282</u>	<u>\$ 37,759,710</u>

Cash and investments consist of the following as of June 30:

	<u>2008</u>	<u>2007</u>
Cash on hand	\$ 44,072	\$ 71,514
Deposits with financial institutions	3,222,071	580,743
Investments	<u>40,496,139</u>	<u>37,107,453</u>
Total cash and cash deposits	<u>\$ 43,762,282</u>	<u>\$ 37,759,710</u>

# Long Beach Public Transportation Company

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## Notes to Financial Statements, Continued

### Investments Authorized by the California Government Code and Long Beach Public Transportation Company's Investment Policy

The table below identifies the investment types that are authorized for Long Beach Transit by the Company's investment policy. The table also identifies certain provisions of the Company's investment policy that address interest rate risk, credit risk, and concentration of credit risk. Although the Company is authorized to participate in the investments listed below, at June 30, 2008, the Company elected to have all but \$500,000 of its investments with the Local Agency Investment Fund (LAIF). The remaining \$500,000 was in an overnight repurchase agreement.

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

### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The State Investment Pool (LAIF) manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and timing cash flows from maturities so a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needs of its participants. As of year-end, the weighted average maturity of investments contained in the LAIF investment pool is approximately 212 days.

# Long Beach Public Transportation Company

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## Notes to Financial Statements, Continued

Information about the sensitivity of fair values of the Company's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment at June 30, 2008 and 2007, respectively.

	<u>2008</u>	<u>Maturity Date</u>
State Investment Pool (LAIF)	\$ 39,996,139	212 days average maturity
Repurchase Agreement		
(Overnight Sweep Account)	<u>500,000</u>	July 1, 2008
Total	<u>\$ 40,496,139</u>	
	<u>2007</u>	<u>Maturity Date</u>
State Investment Pool (LAIF)	\$ 36,607,453	176 days average maturity
Repurchase Agreement		
(Overnight Sweep Account)	<u>500,000</u>	July 2, 2007
Total	<u>\$ 37,107,453</u>	

### 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.

### Concentration of Credit Risk

The investment policy of the Company contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represents 5% or more of total Company investments.

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

# Long Beach Public Transportation Company

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## Notes to Financial Statements, Continued

With respect to investments, custodial credit risk generally applies only 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, such as LAIF.

### (3) Operating Subsidies

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

	<u>2008</u>	<u>2007</u>
Proposition A, County of Los Angeles	\$ 11,679,125	\$ 11,840,403
TDA and STA, State of California	25,777,123	21,864,340
Proposition C, County of Los Angeles	5,224,479	5,507,340
Proposition A Allocation, City of Long Beach	7,087,958	4,656,775
Preventative Maintenance, Federal/State	2,126,915	---
Other local sources	<u>255,741</u>	<u>626,905</u>
Total	<u>\$ 52,151,341</u>	<u>\$ 44,495,763</u>

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

Additionally, each city in Los Angeles 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 Company in accordance with an agreement between the Company, the City and LACMTA. The portion of the local Proposition A funds used for operating assistance is included above.

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

In accordance with the Federal Transit Administration (FTA) regulations, the Company is allowed to use federal grant monies for operating preventative maintenance expenditures. These funds are shown as subsidy income in the Company's accompanying financial statements. The FTA funds 80% of the costs with the remaining 20% matched by Proposition C funds.

Other local monies are reimbursement for service hours supplied to seven surrounding cities.

# Long Beach Public Transportation Company

## Notes to Financial Statements, Continued

### (4) Accounts Receivable

Unrestricted accounts receivable were comprised of the following at June 30:

	<u>2008</u>	<u>2007</u>
Subsidies	\$ 3,480,581	\$ 926,256
Insurance Reimbursements	434,456	---
Interest	301,173	483,318
Trade	331,178	452,903
Total	<u>\$ 4,547,388</u>	<u>\$ 1,862,477</u>

Accounts are written off when determined to be uncollectible. In the opinion of management, all significant accounts receivable at June 30, 2008 and 2007 are fully collectible.

### (5) Restricted and Designated Assets and Deferred Revenue

At June 30, 2008 and 2007, the balance of restricted and designated assets and deferred revenue accounts were as follows:

#### Restricted and Designated Assets

	<u>2008</u>	<u>2007</u>
Current cash and investments:		
Proposition A funds, City of Long Beach	\$ 341,378	\$ 459,391
Cash and investments designated for Insurance claims	6,790,755	3,666,296
Total current cash and investments	<u>7,132,133</u>	<u>4,125,687</u>
Noncurrent cash and investments:		
Board mandated contingency reserve	2,000,000	2,000,000
Capital grant funds	20,447,751	16,248,769
Total noncurrent cash and investments	<u>22,447,751</u>	<u>18,248,769</u>
Total restricted and designated cash and investments:	<u>\$ 29,579,884</u>	<u>\$ 22,374,456</u>
Accounts receivable:		
Proposition A funds due from City	\$ 4,358,012	\$ 5,922,613
Capital grants receivable	1,017,676	1,742,724
Total restricted and designated accounts receivable	<u>\$ 5,375,688</u>	<u>\$ 7,665,337</u>

# Long Beach Public Transportation Company

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## Notes to Financial Statements, Continued

	<u>Deferred Revenue</u>	
	<u>2008</u>	<u>2007</u>
Current deferred revenue:		
Proposition A funds, City of Long Beach	\$ 4,699,390	6,306,731
Other	---	19,995
Total current deferred revenue	<u>4,699,390</u>	<u>6,326,726</u>
Noncurrent deferred revenue:		
Capital grant funds	19,467,377	17,202,430
Revenue financing	911,925	743,718
Total noncurrent deferred revenue	<u>20,379,302</u>	<u>17,946,148</u>
Total deferred revenue	<u>\$ 25,078,692</u>	<u>24,272,874</u>

The Company maintains a \$2 million contingency reserve mandated by the Board of Directors to meet unexpected cash shortfalls.

Proposition A funds from the City are local share Proposition A funds received by the City from LACMTA and are allocated to the Company in accordance with the agreements described in note 3 in the notes to the accompanying financial statements. Such monies are for the Company's use as operating assistance and/or to finance capital expenditures. The unused portion of Proposition A funds received from and due from the City is included in deferred revenue.

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 restricted and designated cash and investments and deferred revenue are funds the Company has received in advance for capital asset acquisition or construction but which have not been expended at the date of the statements of net assets.

Revenue financing funds are proceeds from the sale of assets originally purchased with capital grant contributions which will be used for future asset acquisitions. Other deferred revenue for 2007 represents July 2007 pass revenue recognized in 2008.

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

Under its insurance programs, the Company retains the risk for each occurrence of workers' compensation and public liability and property damage claimed up to \$1.5 million and \$1 million, respectively. Claims in excess of \$1.5 million for workers' compensation and \$1 million for public liability and property damage are covered under policies in force with an independent insurer up to \$25 million for workers' compensation and \$10 million for public liability and property damage. Individual claim settlements for both workers' compensation and public liability and property damage did not reach insurance coverage minimums in fiscal years 2008 and 2007.

The level of risk retention is dictated by the insurance market and the rates available to the Company. The Company weighs the increased premium costs against the risk level attempting to minimize overall program expenses. Risk retention levels for public liability and property damage did not change during fiscal year 2008. However, the risk retention limit for workers' compensation declined to \$1.5 million for claims incurred in 2008 from the \$3 million retention limit maintained during fiscal year 2007.

# Long Beach Public Transportation Company

## Notes to Financial Statements, Continued

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

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

	Public Liability and Property Damage	Workers' Compensation	Total
Estimated liabilities at July 1, 2006	\$ 995,056	\$ 2,296,051	\$ 3,291,107
Reserves:			
New claims	561,072	444,605	1,005,677
Adjustments to existing claims	420,733	2,141,283	2,562,016
Payouts	<u>(850,999)</u>	<u>(2,341,505)</u>	<u>(3,192,504)</u>
Estimated liabilities at June 30, 2007	1,125,862	2,540,434	3,666,296
Reserves:			
New claims	1,310,169	515,270	1,825,439
Adjustments to existing claims	1,019,695	3,595,805	4,615,500
Payouts	<u>(1,691,493)</u>	<u>(1,624,987)</u>	<u>(3,316,480)</u>
Estimated liabilities at June 30, 2008	<u>\$ 1,764,233</u>	<u>\$ 5,026,522</u>	<u>\$ 6,790,755</u>

An actuarial and claim review for open workers' compensation cases was performed during 2008, and it was determined that reserves for older claims were likely insufficient to meet projected future medical costs. The Company increased reserves to levels recommended by the third party administrator.

### **(7) Deferred Compensation**

The Company offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by an independent contractor. The Plan is available to all Company employees and permits them to defer a portion of their salary until future years. Plan assets consist of money market and mutual funds and are purchased based on elections made by the Company'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 Company and are not subject to the claims of the Company's general creditors nor can they be used by the Company 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 Company's Statements of Net Assets.



# Long Beach Public Transportation Company

## Notes to Financial Statements, Continued

### (8) Capital Assets

Capital asset activity for the years ended June 30, 2008 and 2007 was as follows:

	Balance at June 30, 2007	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2008
<b>Capital assets not being depreciated:</b>					
Land	\$ 5,525,000	\$ ---	\$ ---	\$ ---	\$ 5,525,000
Construction in progress	<u>2,365,550</u>	<u>(2,021,382)</u>	<u>2,315,281</u>	<u>---</u>	<u>2,659,449</u>
Total capital assets not being depreciated	<u>7,890,550</u>	<u>(2,021,382)</u>	<u>2,315,281</u>	<u>---</u>	<u>8,184,449</u>
<b>Capital assets being depreciated:</b>					
Buildings & improvements	34,286,581	(61,843)	675,175	(54,591)	34,845,322
Fleet	95,180,251	1,647,091	11,092,182	(7,316,468)	100,603,056
Communications systems	6,582,545	---	2,317	(303)	6,584,559
Fare collection system	5,304,535	3,889	44,611	---	5,353,035
Office, shop & garage equipment	13,906,166	389,638	818,091	(397,785)	14,716,110
Passenger facilities	<u>6,011,286</u>	<u>42,607</u>	<u>246,855</u>	<u>(997,132)</u>	<u>5,303,616</u>
Total capital assets being depreciated	<u>161,271,364</u>	<u>2,021,382</u>	<u>12,879,231</u>	<u>(8,766,279)</u>	<u>167,405,698</u>
<b>Less accumulated depreciation:</b>					
Buildings & improvements	(19,123,627)	3,046	(1,957,821)	54,591	(21,023,811)
Fleet	(51,902,196)	---	(12,066,721)	7,316,468	(56,652,449)
Communications systems	(5,763,910)	---	(520,895)	303	(6,284,502)
Fare collection system	(1,435,029)	---	(602,909)	---	(2,037,938)
Office, shop & garage equipment	(12,163,659)	---	(995,900)	397,785	(12,761,774)
Passenger facilities	<u>(4,011,685)</u>	<u>(3,046)</u>	<u>(1,297,454)</u>	<u>997,132</u>	<u>(4,315,053)</u>
Total accumulated depreciation	<u>(94,400,106)</u>	<u>---</u>	<u>(17,441,700)</u>	<u>8,766,279</u>	<u>(103,075,527)</u>
<b>Total capital assets, being depreciated, net</b>	<u>66,871,258</u>	<u>2,021,382</u>	<u>(4,562,469)</u>	<u>---</u>	<u>64,330,171</u>
<b>Total capital assets, net</b>	<u>\$ 74,761,808</u>	<u>\$ ---</u>	<u>\$ (2,247,188)</u>	<u>\$ ---</u>	<u>\$ 72,514,620</u>

# Long Beach Public Transportation Company

## Notes to Financial Statements, Continued

	Balance at June 30, 2006	Adjustments/ Transfers	Increases	Decreases	Balance at June 30, 2007
<b>Capital assets not being depreciated:</b>					
Land	\$ 5,525,000	\$ ---	\$ ---	\$ ---	\$ 5,525,000
Construction in progress	<u>1,442,253</u>	<u>(1,210,514)</u>	<u>2,133,811</u>	<u>---</u>	<u>2,365,550</u>
Total capital assets not being depreciated	<u>6,967,253</u>	<u>(1,210,514)</u>	<u>2,133,811</u>	<u>---</u>	<u>7,890,550</u>
<b>Capital assets being depreciated:</b>					
Buildings & improvements	31,870,886	484,923	1,934,366	(3,594)	34,286,581
Fleet	95,180,179	105,008	3,192,325	(3,297,261)	95,180,251
Communications systems	6,578,076	---	4,469	---	6,582,545
Fare collection system	5,054,251	7,390	254,418	(11,524)	5,304,535
Office, shop & garage equipment	15,383,525	590,158	177,747	(2,245,264)	13,906,166
Passenger facilities	<u>6,268,397</u>	<u>12,565</u>	<u>189,126</u>	<u>(458,802)</u>	<u>6,011,286</u>
Total capital assets being depreciated	<u>160,335,314</u>	<u>1,200,044</u>	<u>5,752,451</u>	<u>(6,016,445)</u>	<u>161,271,364</u>
<b>Less accumulated depreciation:</b>					
Buildings & improvements	(17,457,797)	3,040	(1,672,464)	3,594	(19,123,627)
Fleet	(44,719,728)	284	(10,480,013)	3,297,261	(51,902,196)
Communications systems	(4,117,122)	---	(1,646,788)	---	(5,763,910)
Fare collection system	(848,585)	(1,000)	(596,968)	11,524	(1,435,029)
Office, shop & garage equipment	(13,397,996)	8,147	(1,019,074)	2,245,264	(12,163,659)
Passenger facilities	<u>(3,172,974)</u>	<u>---</u>	<u>(1,297,513)</u>	<u>458,802</u>	<u>(4,011,685)</u>
Total accumulated depreciation	<u>(83,714,202)</u>	<u>10,471</u>	<u>(16,712,820)</u>	<u>6,016,445</u>	<u>(94,400,106)</u>
<b>Total capital assets, being depreciated, net</b>	<u>76,621,112</u>	<u>1,210,515</u>	<u>(10,960,369)</u>	<u>---</u>	<u>66,871,258</u>
<b>Total capital assets, net</b>	<u>\$ 83,588,365</u>	<u>\$ 1</u>	<u>\$ (8,826,558)</u>	<u>\$ ---</u>	<u>\$ 74,761,808</u>

The Company operates from two locations within the City of Long Beach. The principal maintenance facility is located in the central portion of the City and the satellite facility is in North Long Beach. Land included on the Company's books includes a parcel adjacent to the principal maintenance facility and the North Long Beach site. Land occupied by the Company's principal facility has been deeded to the City of Long Beach and is recorded in the accounts of the City.

# Long Beach Public Transportation Company

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## Notes to Financial Statements, Continued

### **(9) Subsidy Deferral**

The amount of subsidies received each year is based upon estimated funding marks prepared by LACMTA. These estimates are used for budget preparation, with final marks received after final budgets are approved. Subsidies received in excess of expenditures are carried over for use in the next year. Subsidy deferrals of \$12,778,110 and \$12,038,045, for 2008 and 2007, respectively, have been included in the accompanying financial statements.

### **(10) Commitments and Contingencies**

The Company is subject to claims and lawsuits arising in the normal course of business. Such claims are routinely evaluated by the Company'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 accompanying 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 Company's financial statements.

#### **Purchase Contracts**

The Company had the following significant purchase commitments outstanding at June 30, 2008. These purchase orders are for future goods and services the Company has yet to receive and can be cancelled prior to delivery by either party subject to the provisions of each individual contract. The balances listed represent some contingency balances, therefore, actual costs may be lower than shown.

<b><u>Vendor</u></b>	<b><u>Project</u></b>	<b><u>Amount</u></b>	<b><u>Expected Completion</u></b>
New Flyer of America	Bus Replacement	\$ 13,661,275	January 2009
	Construction New		
AWI Builders	Facility	2,214,120	February 2009
McCray's Enterprises	Bus Rehab Services	2,092,358	May 2009
GFI Genfare	Farebox Equipment	1,887,168	August 2008
	Variable Message		
Continental Automotive Systems	Signs	322,288	October 2008
Catalina Express	Boat Rehab Services	310,410	August 2008
HD Industries	Engines	276,983	November 2010
	Transit Priority		
Continental Automotive Systems	Signaling	227,454	February 2009
Goodyear Tire & Rubber Co.	Tires	217,690	January 2009
	Bus Stop		
Excel Paving Company	Improvements	210,545	September 2008
Taxi Systems, Inc	Dial-A-Lift Services	193,343	October 2008

# Long Beach Public Transportation Company

## Notes to Financial Statements, Continued

<u>Vendor</u>	<u>Project</u>	<u>Amount</u>	<u>Expected Completion</u>
HD Industries	Engine Repower	\$ 170,629	August 2008
Windes & McClaughry	Audit Services	150,000	November 2008
Nabi, Inc	Bus Parts	123,835	December 2008
	Bus Detailing		
Long Beach Auto Repair Center	Services	111,152	October 2008
United Transmission Exchange	Transmissions	106,774	December 2008

### Lease Obligations

The Company's tire lease is eligible for capitalization and is depreciated over a twelve (12) month period. Under the terms of the lease, the vendor supplies the tires and invoices the Company based on monthly mileage. There are no minimum guarantee payments required in the contracts. Total lease costs were \$493,533 and \$492,346 for the years ended June 30, 2008 and 2007, respectively.

## **(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 carry-over 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, 2008 and 2007, accrued unpaid vacation for all Company employees amounted to \$2,189,350 and \$2,044,881, respectively.

<u>Balance 6/30/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/08</u>	<u>Due Within One Year</u>
\$ 2,044,881	\$ 2,189,350	(\$ 2,044,881)	\$ 2,189,350	\$ 2,189,350

<u>Balance 6/30/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/07</u>	<u>Due Within One Year</u>
\$ 1,864,041	\$ 2,044,881	(\$ 1,864,041)	\$ 2,044,881	\$ 2,044,881

Once a year the Company allows employees to sell back a portion of their earned vacation in lieu of taking the time off. The Company has agreed to buy back vacation time in excess of ten (10) days earned during the calendar year. Vacation days carried over from the previous year are not eligible for this program. The Company paid \$177,688 and \$145,478 under this program during 2008 and 2007, respectively.

### Post-Retirement Health Care Benefits

Full-time Company employees are entitled to receive up to 96 hours of sick leave per year. Contract employees can accrue a maximum of 1,200 unused sick hours. Unused sick leave may be accumulated until retirement with the cash value, or a percentage thereof for Contract retirees, used to pay health and dental insurance premiums under the Company's Retired Employees Health Insurance Program (REHIP). Once the cash value of the retiring employee's unused sick leave is exhausted, the retiree is required to pay all health and dental premiums.

# Long Beach Public Transportation Company

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## Notes to Financial Statements, Continued

There were 61 and 65 participants in the Company's REHIP at June 30, 2008 and 2007, respectively, and the cash value equivalent of the remaining unused sick leave for the current retirees totaled \$324,741 and \$345,483, respectively. Total premiums paid by the Company under the REHIP during the fiscal year ended June 30, 2008 and 2007, were \$118,970 and \$118,740, respectively.

The Company has established a liability related to unused sick leave which it estimates will be used by retirees to cover premiums under the REHIP. The estimated costs of the REHIP for both current and expected future payments is \$983,885 and \$863,618 at June 30, 2008 and 2007, respectively.

<u>Balance 6/30/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/08</u>	<u>Due Within One Year</u>
\$ 863,618	\$ 239,237	(\$ 118,970)	\$ 983,885	\$ 74,451
<u>Balance 6/30/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/07</u>	<u>Due Within One Year</u>
\$ 807,993	\$ 174,365	(\$ 118,740)	\$ 863,618	\$ 94,837

### (12) Subsequent Events

#### Union Petition

The current labor agreement between the Company and Amalgamated Transit Union, Local 1589 (ATU) defines when coach operators will be paid travel time. The labor agreement expires on September 30, 2009. The ATU filed a petition for writ of mandate in the Superior Court of Los Angeles to require the Company pay travel time in a manner different than what was negotiated in the labor agreement. This issue was heard in court on November 16, 2007, and the ATU's petition was denied. The ATU filed an appeal on January 28, 2008, and the appeal is in progress. If the court's decision is overturned on appeal, the Company may be ordered by the Court to pay current and former coach operators additional pay dating back three years, including penalties and legal fees. It is the Company's position that the claim is without merit and that state regulations do not entitle LBT coach operators to travel time pay beyond that specified in the collective bargaining agreement.

### (13) Pension Benefits

#### Plan Descriptions

The Company 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 salaried employees, the Long Beach Public Transportation Company Retirement Plan - Salaried Employees (Salaried Plan).

The Company's payroll for employees covered by each plan for the years ended June 30, 2008 and 2007 was \$23,643,084 and \$21,866,049 for the Contract Plan, respectively, and \$9,125,649 and \$8,486,732 for the Salaried Plan, respectively. Total Company payroll for 2008 and 2007 was \$33,120,357 and \$30,861,169, respectively.

## Notes to Financial Statements, Continued

The Contract and the Salaried Plans are noncontributory single employer defined benefit pension plans sponsored by the Company. All full-time employees in a job classification covered by a collective bargaining agreement between the Company and the Union participate in the Contract Plan as of their date of employment. All full-time employees not covered by a collective bargaining agreement participate in the Salaried Plan as of their date of employment. Participants in both the Contract and Salaried Plans are eligible for annual benefit payments at the normal retirement age of 64 and completion of ten years of credited service and become 100% vested after five credited years of service. Employees covered under the Salaried Plan can retire prior to 64 with a normal retirement benefit if the combination of the employee's age and service equals 80 or more.

### Plan Benefits

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

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

1. 1.23% of the first \$500 of adjusted monthly earnings multiplied by the years of credited service (maximum credit of 40 years).
2. 1.7% of adjusted final monthly earnings greater than \$500 multiplied by the years of credited service (maximum credit of 40 years).

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

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

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

### Death and Disability Benefits

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

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

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

# Long Beach Public Transportation Company

## Notes to Financial Statements, 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 Cost

Plan members are not required or allowed to make contributions to the Plans. The Company is required to contribute to the Plans at an actuarially determined rate. The contribution rates for 2008 were 11.35% and 13.43% for the Contract and Salaried Plans, respectively. For 2008, the Company's annual pension costs were \$2,661,268 and \$1,202,609 for the Contract and Salaried Plans, respectively. The required contributions were determined as part of the July 1, 2007 actuarial valuation using the entry age normal cost frozen initial liability cost method. For fiscal year 2008, the actuarial assumptions were changed to ensure the long-term stability of the Plans. The actuarial assumptions for fiscal year 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
• Remaining amortization period	30 years	5 years
• Asset valuation method	Market value	Market Value
• Mortality Table	RP-2000 Combined	1983 50/50 Combined
• Investment rate of return	7.5%	8.0%
• Projected salary increases*	4.0%	4.0%
*includes inflation at 1.5%		
• Cost-of-living adjustments	None	None

### Funding Progress

The status of funding progress for both Plans is based on the actuarial valuations performed as of July 1, 2008 and 2007. The actuarial accrued liability is calculated using the entry-age method.

#### Salaried Plan

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
2008	\$ 9,631	\$ 15,259	\$ 5,628	63.12%	\$ 9,127	61.67%
2007	12,384	16,456	4,072	75.26	8,487	47.98

#### Contract Plan

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
2008	\$ 28,444	\$ 38,557	\$ 10,113	73.77%	\$ 23,643	42.77%
2007	27,699	36,056	8,357	76.82	21,866	38.22

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

# Long Beach Public Transportation Company

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## Notes to Financial Statements, Continued

### Three-Year Trend Information

#### Contract Plan

<u>Year ended June 30</u>	<u>Annual required contribution</u>	<u>Percentage contributed</u>	<u>Net Pension Obligation</u>
2008	\$2,661,268	100%	\$ 0
2007	2,777,353	100	0
2006	2,055,584	100	0

#### Salaried Plan

<u>Year ended June 30</u>	<u>Annual required contribution</u>	<u>Percentage contributed</u>	<u>Net Pension Obligation</u>
2008	\$1,202,609	100%	\$ 0
2007	1,006,587	100	0
2006	1,060,300	100	0

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: CFO, P.O. Box 731, Long Beach, CA. 90801.



# Long Beach Public Transportation Company

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## Required Supplementary Information

The following tables (which are unaudited) summarize the status of funding progress for the two Company sponsored defined benefit pension plans – Long Beach Public Transportation Company Retirement Plan – Contract Employees (Contract Plan) and Long Beach Public Transportation Company Retirement Plan – Salaried Employees (Salaried Plan). These tables are based on the actuarial valuations performed as the dates indicated.

### Contract Plan

Actuarial valuation date (July 1)	(a) Actuarial value of assets	(b) Actuarial Accrued liability (AAL) – entry age	(b-a) Unfunded (Funding Excess) (AAL)	(a/b) Funded ratio	(c) Covered payroll	((b-a)/c) UAAL as a percentage of covered payroll
2008	\$ 28,444	\$ 38,557	\$ 10,113	73.77%	\$ 23,643	42.77%
2007	27,699	36,056	8,357	76.82	21,866	38.22
2006	24,874	32,099	7,225	77.49	21,629	33.40

### Salaried Plan

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
2008	\$ 9,631	\$ 15,259	\$ 5,628	63.12%	\$ 9,127	61.67%
2007	12,384	16,456	4,072	75.26	8,487	47.98
2006	11,553	14,118	2,565	81.83	7,955	32.24

# Long Beach Public Transportation Company

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## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to assess how the Company's financial performance and well-being have changed over time.</i>	34
Revenue Capacity <i>These schedules contain information on the Company's revenue sources and their fluctuations over time.</i>	37
Demographic and Economic Information <i>These schedules offer demographic and economic indicators regarding the environment within which the Company's financial activities take place.</i>	39
Operating Information <i>These schedules contain information about services the Company provides and the activities it performs.</i>	41
Pension Information <i>The Company's Pension Plans' financial statements are issued under separate cover. The schedules contained in this section include general financial and actuarial information providing data concerning the Plans' funding status and general activity.</i>	48
Grant Information <i>The Company's grant programs are issued under separate cover in the Single Audit. The schedules contained in this section provide a summary of capital grant activity for Federal, State and Local sources.</i>	50

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

# Long Beach Public Transportation Company

## Financial Trends Net Assets by Component 1999 - 2008

Exhibit 1

	Invested in Capital Assets	(2)	Restricted	Unrestricted	Total
1999	\$ 59,840,227		\$ 38,935	\$ 5,656,787	\$ 65,535,949
2000	55,593,183		31,951	5,663,771	61,288,905
2001	63,709,904		249,821	3,534,257 (1)	67,493,982
2002	65,847,844		31,951	3,574,975	69,454,770
2003	77,966,453		---	3,606,926	81,573,379
2004	72,060,726		166,914	3,437,866	75,665,506
2005	87,934,270		166,914	3,437,866	91,539,050
2006	83,588,365		113,048	3,491,732	87,193,145
2007	74,761,808		84,674	3,520,105	78,366,587
2008	72,514,620		259,954	3,344,825	76,119,399

- (1) The Company adopted GASB Statement No. 34 which required reclassification of certain balances, including the presentation of net assets formerly labeled retained earnings and contributed capital.
- (2) Fluctuations in balances reflect the Company's procurement of capital assets in each year. Significant changes occur in years which included the receipt of new buses.

## Financial Trends Operating Expenses By Type 1999 - 2008

Exhibit 2

	Personnel Wages & Benefits	Fuel & Lubricants	Supplies & Materials	Services	Casualty & Liability	Purchased Transportation	Depreciation	Total
1999	\$ 31,223,850	\$ 1,347,280	\$ 1,923,345	\$ 3,390,118	\$ 783,770	\$ 1,017,816	\$ 7,103,500	\$46,789,679
2000	32,588,090	2,076,369	2,057,487	3,547,541	1,052,707	998,216	8,629,876	50,950,286
2001	35,647,176	2,584,996	2,306,176	3,863,431	1,297,859	1,101,174	9,835,476	56,636,288
2002	36,871,022	2,086,874	2,341,896	3,767,081	1,438,326	1,372,084	11,564,783	59,442,066
2003	38,769,171	2,448,437	2,103,616	4,238,861	1,740,925	1,272,669	13,608,074	64,181,753
2004	41,828,220	3,165,438	2,146,233	4,205,815	1,973,444	1,365,827	13,673,096	68,358,073
2005	41,013,333	4,254,173	2,327,356	4,403,307	1,398,575	1,304,570	15,209,043	69,910,357
2006	43,174,005	5,748,498	1,999,984	4,769,648	1,506,641	1,320,429	16,316,882	74,836,087
2007	45,273,578	5,580,884	2,041,326	5,670,338	1,454,319	1,331,373	16,712,820	78,064,638
2008	49,895,725	7,146,145	2,198,443	6,023,734	2,812,729	1,407,953	17,441,700	86,926,429

# Long Beach Public Transportation Company

## Financial Trends Changes in Net Assets 1999 - 2008

Exhibit 3

Expenses	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Transportation	\$ 22,568,339	\$ 24,168,785	\$ 22,952,978	\$ 23,511,227	\$ 25,385,931	\$ 27,723,568	\$ 27,366,019	\$ 29,156,285	\$ 30,454,056	\$ 32,376,023
Maintenance	8,110,895	8,964,777	12,555,495	12,736,587	13,400,059	14,154,855	15,781,778	16,800,999	17,251,960	19,612,265
Risk Management	3,292,778	3,286,958	5,414,268	5,681,131	5,026,416	6,076,869	4,223,185	5,068,951	5,191,201	8,119,926
Marketing &										
Customer Service	1,376,805	1,412,759	1,362,181	1,144,752	1,567,140	1,263,387	1,296,256	1,286,531	1,397,475	1,631,278
General										
Administration	4,337,362	4,487,131	4,515,890	4,803,586	5,194,133	5,466,298	6,034,076	6,206,439	7,057,126	7,745,237
Depreciation	7,103,500	8,629,876	9,835,476	11,564,783	13,608,074	13,673,096	15,209,043	16,316,882	16,712,820	17,441,700
<b>Total Expenses</b>	<b>\$ 46,789,679</b>	<b>\$ 50,950,286</b>	<b>\$ 56,636,288</b>	<b>\$ 59,442,066</b>	<b>\$ 64,181,753</b>	<b>\$ 68,358,073</b>	<b>\$ 69,910,357</b>	<b>\$ 74,836,087</b>	<b>\$ 78,064,638</b>	<b>\$ 86,926,429</b>
<b>Revenues</b>										
Passenger Fares	\$ 12,569,177	\$ 12,665,927	\$ 12,601,278	\$ 12,571,238	\$ 12,382,726	\$ 12,676,716	\$ 12,814,406	\$ 14,542,379	\$ 14,239,543	\$ 14,789,817
Special Events	64,598	64,738	120,365	26,150	85,589	91,467	85,671	38,346	52,275	103,971
Advertising	514,248	640,000	962,666	937,932	787,856	906,250	743,750	724,158	847,296	857,449
Subtotal Operating	13,148,023	13,370,665	13,684,309	13,535,320	13,256,171	13,674,433	13,643,827	15,304,883	15,139,114	15,751,237
Subsidies	25,197,099	27,596,166	31,983,169	33,627,182	36,932,476	40,615,870	40,444,529	42,078,890	44,495,763	52,151,341
Interest & Other	1,341,057	1,353,579	1,133,334	536,630	385,032	394,674	612,958	1,135,432	1,716,941	1,582,151
Subtotal Non-Op	26,538,156	28,949,745	33,116,503	34,163,812	37,317,508	41,010,544	41,057,487	43,214,322	46,212,704	53,733,492
<b>Total Revenues</b>	<b>\$ 39,686,179</b>	<b>\$ 42,320,410</b>	<b>\$ 46,800,812</b>	<b>\$ 47,699,132</b>	<b>\$ 50,573,679</b>	<b>\$ 54,684,977</b>	<b>\$ 54,701,314</b>	<b>\$ 58,519,205</b>	<b>\$ 61,351,818</b>	<b>\$ 69,484,729</b>
Net Expense	\$ (7,103,500)	\$ (8,629,876)	\$ (9,835,476)	\$ (11,742,934)	\$ (13,608,074)	\$ (13,673,096)	\$ (15,209,043)	\$ (16,316,882)	\$ (16,712,820)	\$ (17,441,700)
Capital Grants	11,053,302	8,888,298	11,576,408	13,703,722	25,726,683	7,765,223	31,082,587	11,970,977	7,886,262	15,194,512
<b>Change in Net Assets</b>	<b>\$ 3,949,802</b>	<b>\$ 258,422</b>	<b>\$ 1,740,932</b>	<b>\$ 1,960,788</b>	<b>\$ 12,118,609</b>	<b>\$ (5,907,873)</b>	<b>\$ 15,873,544</b>	<b>\$ (4,345,905)</b>	<b>\$ (8,826,558)</b>	<b>\$ (2,247,188)</b>

## Financial Trends Capital Expenditures By Type 1999 - 2008

Exhibit 4

Fiscal Year	Facilities	Fleet	Passenger Facilities	AVL, Farebox & Radio Equipment	Furniture & EDP Equipment	Shop & Garage Equipment	Total
1999	\$ 2,832,711	\$ 4,058,636	\$ 536,174	\$ 364,081	\$ 1,167,934	\$ 237,934	\$ 9,197,470
2000	632,924	2,559,119	266,307	174,392	475,347	274,743	4,382,832
2001	350,339	14,117,206	327,718	78,434	961,265	208,457	16,043,419
2002	953,180	6,940,199	801,494	1,424,775	3,388,494	195,580	13,703,722
2003	563,536	20,082,479	702,691	3,301,673	785,846	290,458	25,726,683
2004	469,413	3,503,160	2,302,210	818,230	358,811	313,399	7,765,223
2005	761,993	27,650,227	719,055	728,378	1,032,081	190,853	31,082,587
2006	903,110	4,311,805	991,917	4,219,234	728,595	816,316	11,970,977
2007	2,013,508	4,839,412	257,740	267,526	193,018	315,058	7,886,262
2008	1,427,166	11,386,235	1,142,643	337,773	744,408	156,287	15,194,512

# Long Beach Public Transportation Company

## Revenue Capacity Operating Subsidy Sources 1999 - 2008

Exhibit 5

	Prop A Funds City of Long Beach	Prop A Funds L.A. County	Prop C Funds L.A. County	State Assistance	Federal Preventative Maintenance Program	Other Sources	Total
1999	\$ 489,011	\$ 9,676,231	\$ 3,871,281	\$ 9,925,488	\$ 600,000	\$ 635,088	\$ 25,197,099
2000	1,132,964	10,180,128	5,594,138	9,684,000	600,000	404,936	27,596,166
2001	2,730,907	13,391,456	3,797,283	10,972,272	660,000	431,251	31,983,169
2002	3,924,805	11,464,183	4,376,041	12,518,354	924,976	418,823	33,627,182
2003	5,421,163	8,714,058	5,328,950	14,231,214	2,928,720	308,371	36,932,476
2004	6,561,550	9,448,398	5,557,841	17,755,993	836,800	455,288	40,615,870
2005	5,740,953	7,956,295	5,296,405	18,236,348	2,533,066	681,462	40,444,529
2006	5,014,805	11,333,677	4,145,171	20,655,260	302,184	627,793	42,078,890
2007	4,656,775	11,840,403	5,507,340	21,864,340	---	626,905	44,495,763
2008	7,087,958	11,679,125	5,224,479	25,777,123	2,126,915	255,741	52,151,341

## Revenue Capacity Farebox Recovery Percentage 1999 - 2008

Exhibit 6

<u>Year</u>	<u>Percentage</u>
1999	32.5%
2000	30.7
2001	27.7
2002	27.3
2003	25.2
2004	23.8
2005	24.1
2006	25.8
2007	23.8
2008	21.9

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



# Long Beach Public Transportation Company

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## Revenue Capacity Fare History 1999 – 2008

Exhibit 7

	<u>1999-2002</u>	<u>2003-2005</u>	<u>2006-2008</u>
Fixed Route Service:			
<u>Cash Fares:</u>			
Regular	\$ .90	\$ .90	\$ .90
Student	.75	.75	.90
Senior & Disabled	.45	.45	.45
Local transfer	.10	.10	---
Interagency transfer	.35	.35	.50
<u>Day Pass:</u>			
Regular			\$ 2.50
Discounted			1.50
<u>Monthly Pass:</u>			
Regular	\$ 40.00	\$ 40.00	\$ 50.00
Student	23.00	23.00	31.00
Senior & Disabled	11.00	11.00	19.00
Dial-A-Lift Service:			
Cash Fares	\$ 1.00	\$ 1.00	\$ 1.50
Water Taxi:			
Cash Fares - AquaBus	\$ 1.00	\$ 1.00	\$ 1.00
Cash Fares - AquaLink		2.00	3.00

# Long Beach Public Transportation Company

## Demographic and Economic Information City of Long Beach Demographic Statistics 1998-2007\*

Exhibit 8

Fiscal Year Ended June 30	Estimated Population (A)	Personal Income (in millions) (B)	Per Capital Personal Income (B)	Public School Enrollment (C)	Unemployment Rate (D)
1998	446,227	\$ 8,278	\$ 18,552	85,908	6.2%
1999	452,905	8,651	19,160	89,214	5.6
2000	461,522	9,337	20,230	91,465	6.0
2001	467,072	9,787	20,954	93,694	6.3
2002	472,809	10,027	21,208	96,488	7.5
2003	480,200	10,463	21,788	97,212	7.7
2004	485,941	11,137	22,919	97,560	7.2
2005	488,591	11,370	23,266	96,319	5.9
2006	489,143	12,712	25,988	93,589	5.2
2007	490,193	N/A	N/A	90,663	5.5

### Sources:

- (A) California Department of Finance.
- (B) Bureau of Economic Analysis. Personal income and per capita personal income, with exception of 1999 and 2005, are based on percent change of per capita personal income for Los Angeles-Long Beach-Santa Ana, CA (Metropolitan Statistical Area). Personal income and per capita personal income are not available for 2007.
- (C) California Department of Education Educational Demographic Unit. Annual school census from Long Beach Unified School District for preschool, grades kindergarten through 12.
- (D) Average annual rate reported by California Employment Development Department (EDD).

N/A - not available.

\* Data not available for 2008.

# Long Beach Public Transportation Company

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

Exhibit 9

Employer	2007 Number of Employees	Percentage of Total City Employment	1998 Number of Employees	Percentage of Total City Employment
Long Beach Unified School District	13,044	5.61%	11,887	5.67%
Boeing, N.A. (Previously - McDonnell Douglas)	6,455	2.78	17,850	8.52
City of Long Beach	5,763	2.48	5,814	2.78
California State University, Long Beach	5,605	2.41	2,755	1.32
Long Beach Memorial Medical Center	5,000	2.15	3,928	1.88
Veterans Affairs Medical Center	2,000	.86	2,278	1.09
U.S. Postal Service	1,800	.77	910	.43
Long Beach City College	1,636	.70	1,518	.72
Verizon	1,500	.65	N/A	N/A
St. Mary Medical Center	1,480	.64	1,779	.85

Source: City of Long Beach, Department of Community Development, Long Beach Major Employer Directory and the US Census Bureau Labor Force as of 2005.

\* This is the latest information available.

N/A – data not available.

# Long Beach Public Transportation Company

## Operating Information Key Performance Indicators 1999 - 2008

Exhibit 10

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b><u>Fixed Route</u></b>										
Operating Cost Per Vehicle Service Hour	\$ 60.19	\$ 63.63	\$ 70.16	\$ 70.74	\$ 73.74	\$ 76.52	\$ 75.64	\$ 83.12	\$ 87.48	\$ 96.17
Operating Cost Per Passenger	\$ 1.40	\$ 1.55	\$ 1.74	\$ 1.79	\$ 1.89	\$ 1.96	\$ 1.95	\$ 2.08	\$ 2.22	\$ 2.36
Roadcalls	1,446	1,349	1,158	942	1,034	978	1,133	871	1,142	1,339
Miles Between Roadcalls	5,214	6,704	6,511	7,207	7,338	8,257	7,211	9,014	6,771	5,904
Total Accidents	829	745	902	837	819	854	754	883	937	923
Preventable Accidents	n/a	138	157	143	105	139	138	164	154	166
Preventable Accidents Per 100,000 Miles	n/a	1.96	2.23	2.01	1.34	1.72	1.69	2.09	1.99	2.10
Passengers per Vehicle Service Hour	43	44	45	45	43	41	41	40	42	43
Service Delivery Rate	n/a	n/a	99.95%	99.99%	99.75%	99.72%	99.73%	99.35%	99.45%	99.88%
Number of Vehicles	n/a	202	219	224	221	221	228	229	229	229
Number of Employees	604	612	616	672	711	715	691	680	737	739
<b><u>Special Services</u></b>										
Dial-A-Lift Cost Per Passenger	\$ 13.68	\$ 11.87	\$ 12.45	\$ 12.71	\$ 13.42	\$ 14.71	\$ 15.97	\$ 18.57	\$ 19.96	\$ 21.32
Dial-A-Lift Passengers Per Vehicle Service Hour	2.2	3.3	4.2	5.1	5.6	6.1	5.9	5.3	5.0	4.8
Number of Dial-A-Lift Vehicles	n/a	22	23	18	18	18	18	18	18	17
Water Taxi Cost Per Passenger	\$ 1.13	\$ 3.18	\$ 4.16	\$ 5.69	\$ 4.69	\$ 5.91	\$ 6.29	\$ 7.10	\$ 8.24	\$ 10.17
Water Taxi Passengers Per Vehicle Service Hour	31.9	13.1	10.6	12.9	18.1	15.6	18.56	14.03	13.50	14.54
Number of Water Taxi Vessels	2	2	2	3	3	3	3	3	3	3

n/a – information not readily available.

# Long Beach Public Transportation Company

## Operating Information Customer Satisfaction Trends 1998-2008\*

Exhibit 11

<u>Service Element</u>	% of Customers Rating Favorably									
	1998	1999	2000	2001	2002	2003	2004	2006	2007	2008
LBT Overall	92	91	96	94	92	94	92	90	95	96
LBT Compared to Others	86	94	92	86	87	88	91	87	94	92
Driver Appearance	97	96	98	100	96	96	96	97	97	99
Fares	94	91	91	89	90	94	92	88	90	91
Driver Courtesy	92	89	92	89	86	89	86	90	91	88
Driver Safety	95	97	95	92	91	93	92	93	93	93
On Board Safety	95	94	92	93	90	91	88	91	90	93
Route Convenience	91	91	93	90	93	96	85	92	93	96
Information Available	89	92	92	90	91	89	89	88	88	93
Telephone Information	92	88	88	88	86	86	86	81	90	92
Bus Stop Safety	91	90	90	92	87	84	83	86	82	91
Bus Stop Convenience	93	93	94	95	96	94	---	94	95	97
Schedule Reliability	66	82	80	82	75	84	69	74	72	77
Bus Cleanliness	91	92	88	88	88	90	79	84	76	88
Bus Stop Cleanliness	76	88	85	84	82	74	80	81	75	89
Customer Satisfaction Index**	90	91	91	90	89	90	86	88	88	92

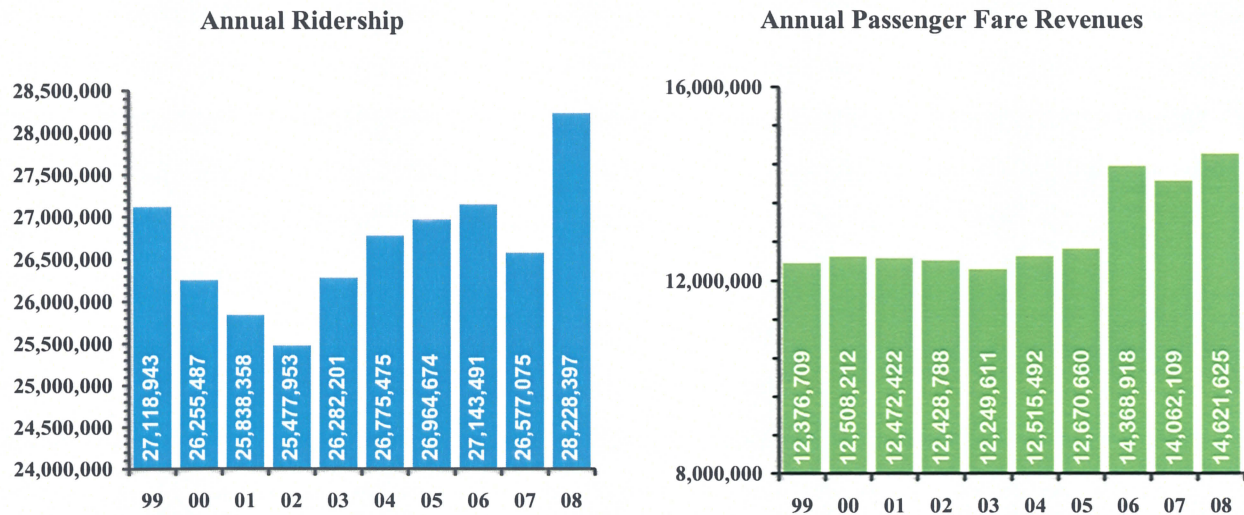
Source: Annual community survey.

\* Formal customer surveys were not performed for fiscal year 2005.

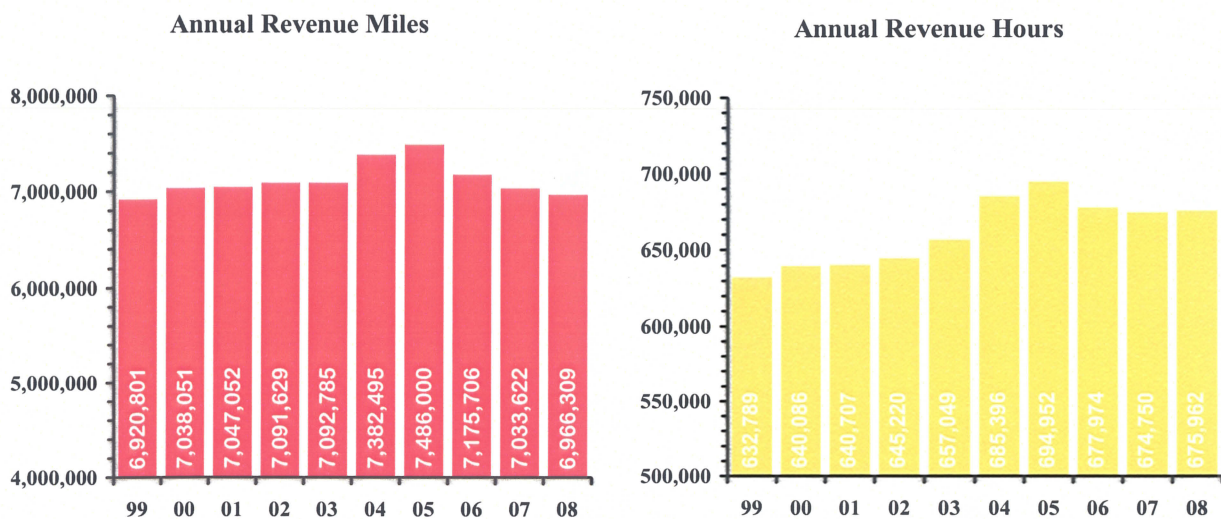
\*\* The customer satisfaction index is an average of the above ratings.

## Operating Information Fixed Route Statistics 1999 - 2008

Exhibit 12



Rising fuel prices throughout fiscal year 2008 resulted in more people turning to public transportation. There was a 6% increase in the number of passengers and a 4% increase in fare revenue for the fixed route service. Service levels remained virtually unchanged from 2007. Fuel expenditures increased 28% in 2008, limiting the amount of available operating dollars for new service.



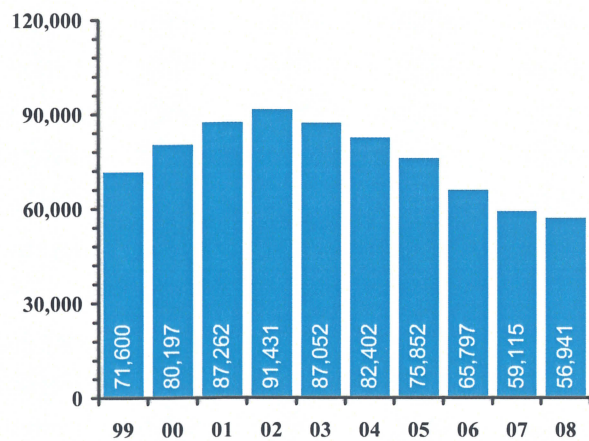
Source: Long Beach Transit's Annual National Transit Database Report



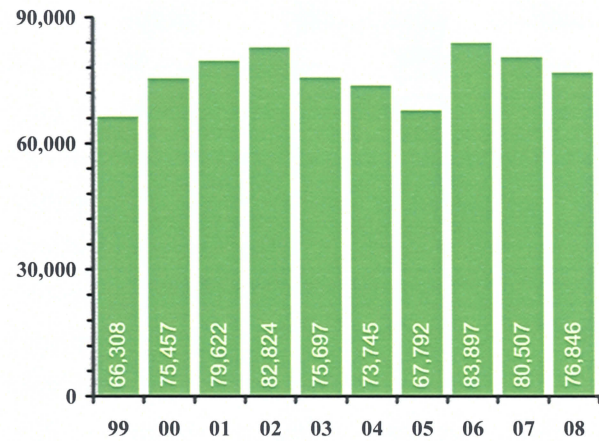
## Operating Information Dial-A-Lift Statistics 1999 - 2008

Exhibit 13

Annual Ridership

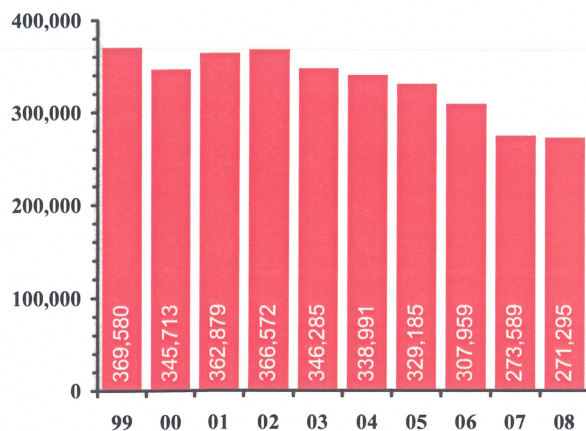


Annual Passenger Fare Revenues

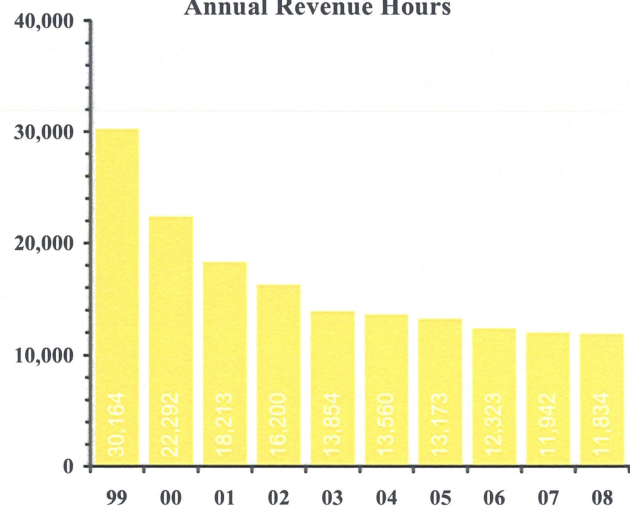


We continue to see a drop in Dial-A-Lift customers as they move to the fixed route bus system which is 100% wheelchair accessible. The Dial-A-Lift service is supplied by a local taxi company which supplements Dial-A-Lift rides with ordinary taxi service on an as-needed basis, eliminating the need for dedicated vans. Service hours are adjusted to meet customer demand.

Annual Revenue Miles



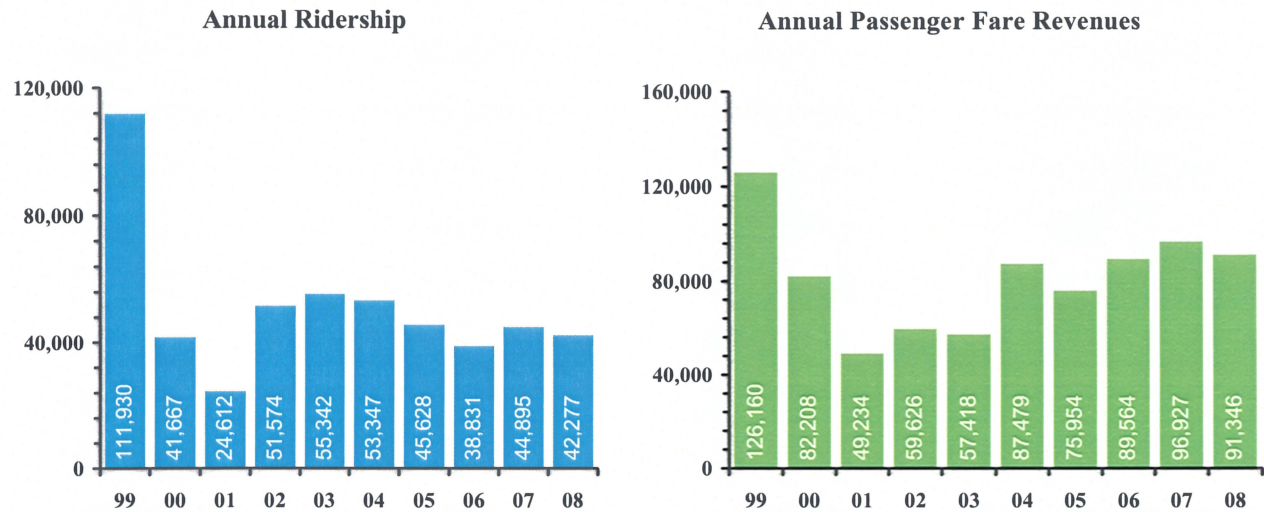
Annual Revenue Hours



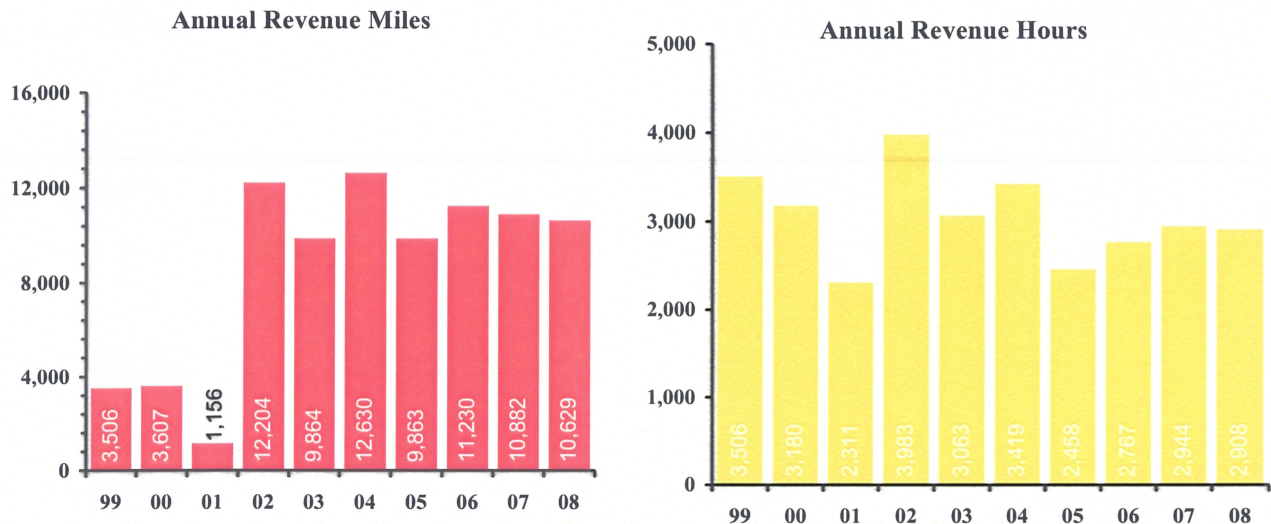
Source: Long Beach Transit's Annual National Transit Database Report

## Operating Information Water Taxi Statistics 1999-2008

Exhibit 14



There are two routes for the water taxi service. The Aquabus is assigned two smaller vessels and the Aqualink service is provided by a larger catamaran. Ridership did decline slightly during 2008 as the Aqualink vessel was removed from service for two months to complete engine and cosmetic upgrades.



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



# Long Beach Public Transportation Company

## Operating Information Schedule of Insurance in Force June 30, 2008

Exhibit 15

Program	Expiration Term	Company	Amount/Limit
---------	-----------------	---------	--------------

### LIABILITY

#### A. Excess General and Auto Liability

7/1/09	1 yr	Everest National Insurance Company	\$10,000,000 excess of \$1,000,000
--------	------	------------------------------------	---------------------------------------

#### B. Underground Storage Tank- Third-Party Liability

3/4/09	1 yr	Illinois Union Insurance Co.	\$1,000,000 - each incident \$2,000,000 - aggregate excess of \$10,000
--------	------	------------------------------	------------------------------------------------------------------------------

### PROPERTY & SPECIAL MULTI-FLEX

3/14/09	1 yr	Hartford Fire Insurance Company	\$ 17,000,000 Real Property
			\$ 30,836,000 Business Personal Property
			\$ 25,000 Deductible for buses in the open
			\$ 475,000 Extra Expense
			\$ 2,500 per occurrence; except \$25,000 for buses in the yard

### EXCESS WORKERS' COMPENSATION

7/1/09	1 yr	Midwest Employers Casualty Company	\$25,000,000 excess of \$1,500,000
--------	------	------------------------------------	---------------------------------------

### CRIME SHIELD POLICY

8/8/09	1 yr	Hartford Fire Insurance Co.	\$1,000,000 - employee theft; \$20,000 deductible
			\$1,000,000 - computer and funds transfer fraud; \$5,000 deductible
			\$100,000 - theft, disappearance and destruction; \$5,000 deductible

### FELONIOUS ASSAULT POLICY

7/1/11	3 yr	Chubb and Son, A Division of Federal Insurance Company	\$100,000 - life insurance policy
--------	------	-----------------------------------------------------------	-----------------------------------

Source: Long Beach Transit's Risk Management Department.

# Long Beach Public Transportation Company

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

Exhibit 16

### DAILY HOURS OF OPERATION

### FREQUENCY OF SERVICE

Evening/Night  
(after 6pm)

Peak/Base  
(5am-6pm)

ROUTES	Peak/Base (5am-6pm)			Evening/Night (after 6pm)			DAILY HOURS OF OPERATION		
	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday
1	20/30	40	40	30/60	40	40	538A - 905P	515A - 1002P	515A - 1002P
7	20/30	40	40	30	40	40	517A - 830P	530A - 945P	530A - 945P
20	15	20	20	15/30/60	20/30/60	20/30/60	445A - 103X	513A - 1253X	513A - 1253X
40	6/10	12	15	12/30	15/30	15/30	436A - 1254X	504A - 1254X	504A - 1254X
50	12	15	20	20/30	20/30	25/30	445A - 1225X	520A - 1209X	500A - 1225X
60	12	15	15	30	30	30	440A - 110X	535A - 105X	535A - 105X
66 ZAP	12	--	--	--	--	--	630A - 1010A	----	----
80	30/60	--	--	--	--	--	119P - 517P	----	----
90	12	20	20	15/30	20/30	20/30	548A - 554P	----	----
96 ZAP	10	--	--	--	--	--	500A - 1256X	525A - 1255X	525A - 1255X
100	15/30	30/60	--	15/40	--	--	633A-909A	----	----
110	15/20	30/35	30/35	15/30/60	30/60	30/60	100P-514P	550A - 635P	----
130	30	60	60	30	60	60	445A - 1016P	536A - 1257X	536A - 1257X
170	15	20	20	15/30	20/30	20/30	501A - 113X	600A - 646P	600A - 646P
171	30	--	--	30	--	--	455A - 805P	517A - 1252X	517A - 1252X
180	20	20	20	20/60	20/40	20/40	456A - 1006P	----	----
190	15	20	20	15/30	20/30	20/30	436A - 1251X	511A - 1248X	511A - 1248X
Passport A/D	15	15	15	15/20	15/20	15/20	449A - 107X	557A - 107X	557A - 107X
Passport B	40	40	40	40	40	40	505A - 106X	520A - 1240X	520A - 1240X
Passport C	10	8	8	10/20 M-Thu 10 Fri	8/10	8/20	940A - 720P	940A - 720P	940A - 720P
							530A - 103X	530A - 103X	530A - 103X

Source: Long Beach Transit's Service Development Department

## Pension Information Employer Pension Contributions 1999 - 2008

Fiscal Year Ended June 30	Employer Contribution*	Payroll	Contribution as a Percentage of Payroll
<b><u>Contract Plan</u></b>			
1999	\$ 1,045,522	\$ 16,985,634	6.25%
2000	1,737,843	17,178,884	10.02
2001	1,299,915	18,640,591	7.00
2002	1,456,659	18,702,293	7.88
2003	1,908,129	19,213,438	9.94
2004	2,099,246	20,188,278	10.49
2005	1,910,696	20,859,915	9.11
2006	2,055,584	21,628,593	10.08
2007	2,777,353	21,866,049	12.32
2008	2,661,268	23,643,084	11.35
<b><u>Salaried Plan</u></b>			
1999	\$ 396,320	\$ 5,801,829	6.66%
2000	694,540	6,434,724	10.84
2001	697,882	6,413,045	11.46
2002	938,473	6,999,408	13.54
2003	1,241,173	7,516,706	16.54
2004	1,194,982	7,783,115	15.42
2005	1,052,894	7,849,876	13.35
2006	1,060,300	7,954,923	12.88
2007	1,006,587	8,486,732	12.30
2008	1,202,609	9,125,649	13.43

\* 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, 2008. These financial statements are prepared under separate cover and contain additional trend information.

# Long Beach Public Transportation Company

Exhibit 18

## Pension Information Pension Revenues by Source and Expenses by Type 1999 - 2008

Fiscal Year Ended June 30	Revenues by Source				Expenses by Type			
	Employer Contribution	Benefit transfer receivable	Investment Return	Total	Administrative Expenses	Benefit Payments	Benefit transfer payable	Total
<u>Contract</u>								
<u>Plan</u>								
1999	\$ 1,045,522	\$ ---	\$ 975,219	\$ 2,020,741	\$ 179,130	\$ 1,383,183	\$ ---	\$ 1,562,313
2000	1,735,515	---	844,726	2,580,241	197,609	2,008,148	---	2,205,757
2001	1,299,915	---	(1,242,132)	57,783	190,122	2,294,629	---	2,484,751
2002	1,456,659	---	(978,566)	478,093	168,646	2,842,807	---	3,011,453
2003	1,908,129	---	927,966	2,836,095	159,046	1,327,836	720,171	2,207,053
2004	2,099,246	---	2,752,163	4,851,409	203,377	1,835,296	22,853	2,061,526
2005	1,910,696	---	2,029,549	3,940,245	191,829	2,294,689	31,496	2,518,014
2006	2,055,584	---	2,599,457	4,655,041	226,499	3,095,306	160,267	3,482,072
2007	2,777,353	---	3,485,553	6,262,906	224,618	2,847,651	365,198	3,437,467
2008	2,661,268	---	571,633	3,232,901	242,097	2,238,944	6,800	2,487,841
<u>Salaried</u>								
<u>Plan</u>								
1999	\$ 396,320	\$ ---	\$ 462,215	\$ 858,535	\$ 88,488	\$ 1,424,295	\$ ---	\$ 1,512,783
2000	694,540	---	427,294	1,121,834	94,575	165,700	---	260,275
2001	697,882	---	(222,349)	475,533	80,988	743,032	---	824,020
2002	938,473	---	(239,242)	699,231	81,827	652,957	---	734,784
2003	1,241,173	720,171	423,704	2,385,048	89,856	380,953	---	470,809
2004	1,194,982	22,853	1,253,069	2,470,904	108,519	788,282	---	896,801
2005	1,052,894	31,496	976,622	2,061,012	107,490	1,202,742	---	1,310,232
2006	1,060,300	160,267	1,014,406	2,234,973	130,980	1,669,281	---	1,800,261
2007	1,006,587	365,198	1,687,859	3,059,644	134,999	2,092,796	---	2,227,795
2008	1,202,609	6,800	(184,115)	1,025,294	124,292	3,654,399	---	3,778,691

Source: Contract and Salaried pension plan financial statements for the year-ended June 30, 2008. These financial statements are prepared under separate cover and contain additional trend information.

# Long Beach Public Transportation Company

Exhibit 19

## Grant Information Capital Grant History Federal Grants 1999 – 2008

FTA Grants	Authorized Amount	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
CA-03-0368	\$13,875,000	\$ 501,936	\$ 3,311								
CA-90-X671	7,362,000	177,703	66,771	\$ 19,972							
CA-90-X717	3,397,000	47,608	244,493	11,122							
CA-03-0468	1,488,850					\$ 829,949					
CA-03-0474	992,500	316,977	11,857	72,358	\$ 189,578	508					
CA-90-X778	3,267,220	841,697	487,313	576,287	540,713						
CA-90-X841	3,793,248	1,280,780	1,326,193	924,112	254,938	11,406					
CA-03-0496	1,465,794		7,742	1,104,549	94,610	92,632	\$ 66,258				
FBD	1,200,000		61,451	1,138,548							
CA-90-X915	8,769,677		530,284	951,221	846,627	5,875,660	176,109	\$ 320,232	\$ (1,267)		
CA-90-X950	6,249,570			2,483,944	1,126,987	80,438	1,288,310	1,212,151	(21,161)		
CA-90-Y057	10,381,045	69,861	10,437	447,781	5,197,417	2,201,222	899,083	1,225,417	273,569	\$ 127,546	
CA-90-Y082	11,356,000				170,751	5,195,237	407,214	1,177,836	3,478,611	227,586	\$ 79,907
CA-90-Y117	7,751,180				1,577,124	4,024,566	591,854	529,645	104,451	104,124	582,745
CA-03-0596	1,980,630					60		1,966,039	23,702		
CA-90-X011	35,000					13,096	21,905				
CA-90-Y136	7,788,668					2,916,966	1,381	4,526,858	297,813	36,203	
CA-90-Y226	10,958,295					83,659	1,875,129	6,216,499	2,077,500	166,025	452,558
CA-90-Y271	9,982,170						35,834	5,154,206	1,574,121	1,168,787	754,104
CAL0301	204,000						131,611		(131,611)		
CA-03-0642	1,980,058							1,921,249	58,809		
CA-03-0664	2,074,022							1,668,386	53,052		
CA-90-Y391	13,354,479								454,548	1,974,135	5,457,189
CA-90-Y440	1,295,708									1,295,708	1,343,478
Subtotal		\$3,236,562	\$2,749,852	\$7,729,894	\$9,998,745	\$21,325,399	\$5,494,688	\$25,918,518	\$8,242,137	\$5,100,114	\$8,669,981

Continued

# Long Beach Public Transportation Company

## Exhibit 19

### Grant Information Capital Grant History (Con't) Federal Grants 1999 – 2008

FTA Grants	Authorized Amount	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Subtotal		\$3,236,562	\$2,749,852	\$7,729,894	\$9,998,745	\$21,325,399	\$5,494,688	\$25,918,518	\$8,242,137	\$5,100,114	\$8,669,981
CA-90-Y502	\$14,756,941										1,979,965
CA-90-Y652	13,051,166										5,821
CA-95-X040	447,000										18,538
CA-03-0714	970,874										970,874
CA-04-0061	1,915,492										3,651
TOTAL		\$3,236,562	\$2,749,852	\$7,729,894	\$9,998,745	\$21,325,399	\$5,494,688	\$25,918,518	\$8,242,137	\$5,100,114	\$11,648,830

# Long Beach Public Transportation Company

Exhibit 20

## Grant Information Capital Grant History State Grants 1999 – 2008

State Grants	Authorized Amount	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
CA-03-0368	\$ 4,625,000	\$ 167,213	\$ 47,164	\$ 669	\$ 699						
CA-90-X671	1,841,000	44,426	16,693	5,493							
CA-90-X717	849,250	11,902	61,121	3,078							
CA-03-0468	372,212					\$ 207,873					
CA-03-0474	250,000	79,244	2,964	18,090	47,394	127					
CA-90-X778	816,805	215,187	121,858	144,072	130,385						
CA-90-X841	947,812	320,195	332,822	231,028	63,738	10,362					
CA-90-X915	2,142,753	17,465	120,974	237,806	211,656	1,453,638	\$ 44,035	\$ 77,936	\$ 329		
CA-03-0496	366,448		1,935	276,138	23,652	20,809	41,566				
CA-90-X950	1,660,481		3,473	620,458	281,791	123,719	399,844	204,778	11,388		
CA-90-Y057	2,429,263			111,692	1,245,281	557,130	224,773	302,449	79,382	\$ 33,271	
CA-90-Y082	1,471,292				22,122	671,328	52,759	152,352	450,691	29,486	\$ 10,394
CA-90-Y117	1,937,795				392,840	1,035,009	147,967	132,350	26,111	26,047	145,681
MTAP6059	100,000				18,334	13,433	5,088				
CA-03-0596	495,158					15		491,442	3,701		
CA-90-Y136	1,404,025					378,326	323	968,205	51,248	4,689	
CA-90-Y226	2,739,574					18,730	468,790	1,331,200	440,036	39,728	111,941
CA-03-0642	405,554							438,604	(33,049)		
CA-95-X040	203,182										8,427
Subtotal		\$ 855,632	\$ 709,004	\$ 1,648,524	\$ 2,437,892	\$ 4,490,499	\$ 1,385,145	\$ 4,099,316	\$ 1,029,837	\$ 133,221	\$ 276,443

Continued

# Long Beach Public Transportation Company

Exhibit 20

## Grant Information Capital Grant History (continued) State Grants 1996 - 2005

State Grants	Authorized Amount	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Subtotal		\$ 855,632	\$ 709,004	\$1,648,524	\$2,437,892	\$4,490,499	\$1,385,145	\$4,099,316	\$1,029,837	\$ 133,221	\$ 276,443
TDA 96	\$4,072,000	2,392,335	417,032	55,480	27,975	33,548					
TDA 97	100,000	47,353									
TDA 99	792,000	721,159	70,840								
STA 99	231,234	136,371									
TDA 00	3,250,000		208,169	2,995,587							
TDA 01	468,185			333,185	133,860		1,130				
TDA 02	32,225				7,549		222,698				
TDA 03	655,624					384,298		41,010	(1,161)		
STA 00	1,012,135		82,417	5,500							
STA 01	990,696			638,201	272,786	235,864	41,609	6,257	557		7,280
STA 02	1,341,400				807,476	530,452	57,677	(25,150)	27,391	3,568	2,230
STA 03	838,329					440	631,646	153,430	19,189	30,568	3,698
STA 07	910,000										746,044
STA 08	3,528,162										102,135
AQMD 03	684,837					684,837					
MSRC 05	335,453							330,453			
MTA8320									65,624	65,624	
TOTAL		\$4,152,850	\$1,487,462	\$5,676,477	\$3,687,538	\$6,359,938	\$2,339,905	\$4,605,316	\$1,141,437	\$ 232,981	\$1,137,830



# Long Beach Public Transportation Company

## Grant Information Capital Grant History Local Grants 1999 - 2008

Exhibit 21

Local Grants	Authorized Amount	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Prop A FY 96	\$1,300,000	\$ 34,976	\$ 4,432								
Prop A FY 97	1,185,000	433,536	1,183								
Prop A FY 98	1,207,000	270,776	168,047								
Prop A FY 99	1,933,150	1,437,076	418,476								
Prop A - FBD	309,000		16,118								
Prop C Security FY00	245,000		9,774		\$ 22,484						
Prop A FY 00	3,243,000		34,587	\$2,746,887	323,983	\$ 15,606					
Prop A FY 01	40,000			35,854							
Prop C FY 01	2,100,000				559,705	1,535,061					
Prop C Security FY 01	152,000							\$ 12,882			
Prop A FY 02	40,000				44,000						
Prop C Security FY 02	65,000				1,700	49,204	\$ 11,051	4,745			
Prop C Security FY 03	349,154						193,599	24,817	\$ 60,772	\$ 40,346	\$ 23,888
Prop C Security FY 04	923,452						5,674	825,606	36,957	5,603	16,208
Prop C - CA-90-Y271	2,375,547						8,960	1,199,967	388,360	300,489	173,882
Prop C FY 02	1,041,853						331,967	395,502	242,904	60,541	3,004
Prop C FY 03	1,123,797						130,606	592,344	61,441	223,736	111,223
Prop C-CA-03-0664	352,584							341,786	10,798		
Prop C FY 04	923,452							203,569	164,860	5,018	98,592
Subtotal		\$2,176,364	\$ 652,617	\$2,782,741	\$ 951,872	\$1,599,871	\$ 681,857	\$3,601,218	\$ 966,092	\$ 635,733	\$ 426,797

Continued

# Long Beach Public Transportation Company

Exhibit 21

## Grant Information Capital Grant History (Continued) Local Grants 1999 - 2008

Local Grants	Authorized Amount	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Subtotal		\$2,176,364	\$ 652,617	\$2,782,741	\$ 951,872	\$1,599,871	\$ 681,857	\$3,601,218	\$ 966,092	\$ 635,733	\$ 426,797
Prop C Security FY 05	324,000							194,669	11,742		
Prop C FY 05	1,324,200								382,558	639,725	237,755
Prop C-CA-90-Y391	2,934,372								101,084	455,102	1,168,738
Prop C-CA-90-Y440	1,329,020									242,753	331,894
Prop C FY 06	1,398,323									12,717	1,364,204
Prop C FY 07	152,022									291	13,570
Prop C Security FY 07	24,000									4,731	18,279
Prop C Security-CA-Y440	138,600									81,202	3,943
Prop C FY 08	987,014										237,858
Prop C-CA-90-Y502	3,469,451										495,589
Prop C-CA-90-Y652	1,940,738										1,455
Prop C-CA-03-0714	198,854										198,854
Prop C-CA04-0061	392,330										748
MTA 8111	428,774										162,341
TOTAL		\$2,176,364	\$ 652,617	\$2,782,741	\$ 951,872	\$1,599,871	\$ 681,857	\$3,795,887	\$1,461,476	\$2,072,254	\$4,662,025

# Long Beach Public Transportation Company

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