

City of Long Beach California



Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2020

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Comprehensive Annual Financial Report

City of Long Beach, California

LONG BEACH

For the Fiscal Year Ended
September 30, 2020

Prepared by the Department of
Financial Management
John Gross, Director



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City of Long Beach, California
Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2020

Prepared by the Department of Financial Management

John Gross

Interim Director of Financial Management

Ruby Carrillo-Quincey

City Controller

Stefannie Kodrat
Assistant City Controller

Francine Wiegelman
Assistant City Controller

Glenda Pakingan
Accounting Operations Officer

Sarah Castillo-Wright
Grants Accounting Officer

Angie Tran
Senior Accountant

Michael Carrigg
Senior Accountant

Georgia Will
Senior Accountant

Kalpna Desai
Senior Accountant

Kim-Hang Nguyen
Accountant

Mai-Ly Nguyen
Accountant

Nazanin Hamidi
Accountant

Shelby Miller
Accountant

Alex Powers
Accountant

Toulip Torn
Accountant

Phuong Pam
Accountant

Doreen Sovolskis
Accounting Technician

Jennifer Mota
Accounting Technician

Jackie Pham
Accounting Technician

Elaine Harmon
Accounting Technician

Reuben Belleza
Accounting Technician

Joanne Medina
Accounting Technician

Marzieh Sepahifar
Accounting Clerk

Tiffany Pierce
Administrative Analyst

Elsa Castaneda
Administrative Analyst

Cassandra Tan
Assistant City Treasurer

Fidel Aguayo
Assistant City Treasurer

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Insert Photography by Liezl Estipona



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City of Long Beach
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020

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INTRODUCTORY SECTION

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March 29, 2021

Honorable Mayor and City Council
City of Long Beach

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Long Beach (City) for the fiscal year ended September 30, 2020. This report was prepared in accordance with all the appropriate rules and guidelines and audited by KPMG LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the City's financial statements are free of material misstatement. As anticipated, the independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion for this fiscal year. The independent auditors' report is presented as the first component of the financial section of this report.

This CAFR contains management's representations concerning the City's finances, is free of material misstatement, and management assumes full responsibility for the completeness and reliability of all the information presented. To provide a reasonable basis for making these representations, the City's management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for this report. As the cost of internal controls should not exceed the benefits derived from those controls, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditors report and provides a narrative overview and analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and the financial statements and should be read along with them.

Financial data for all funds of the City, as well as all of its blended component units are included within the CAFR report. Blended component units are, although legally separate entities, in substance, part of the City's operations. A discretely presented component unit, Long Beach Transit, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City and to differentiate its financial position and results of operations from that of the City.

A specialized audit of City financial transactions, called the Single Audit, is separately required due to the City's use of Federal funding. The unique standards governing Single Audit engagements require the independent auditor to report on the City's fair presentation of the financial statements, and the City's internal controls and compliance with legal requirements, with a special emphasis on those involving federal awards. The City's separately issued Single Audit report is available by contacting the City's Financial Management Department.



About the City and its Government

Long Beach is a Charter City, incorporated in 1897, in Southern California within the County of Los Angeles. Having an estimated 463,000 residents, it is the seventh most populous city in the state. The City has a Mayor, elected at-large, and a nine-member council, elected by district, all for four-year terms. The City Auditor, Prosecutor and Attorney are elected at large and serve four-year terms, as well. The City has a diverse economic base including international trade, oil, aerospace, aviation, healthcare, education, and tourism.

Many award-winning facilities and services were available to our citizens during 2020. These include public safety, parks, libraries, health service, public works, water, sewer and gas utilities, oil and gas production, a world class port, and a nationally recognized airport.

In 2020, the Long Beach Police Department continued to partner with the community to build positive relationships and prevent crime in the community. This resulted in a reduction in violent crime of 1.4% and the successful coordination of the Community Emergency Response Team, Human Dignity and Trafficking programs. The Long Beach Fire Department continues to serve the City responding to 76,000 calls, collocating facilities to improve response time, and securing \$1.1 million in clean air grant funding which was applied to twelve new fire trucks. The City's fleet operation ranked third in the "Leading Fleet Award" for excellence in fleet management by Government Fleet Magazine. The Water department received the President's Award from the Partnership for Safe water for the sixth consecutive year and Long Beach airport made the Top 10 Best Small Airports by USA today.

Long Beach is making continuous improvement in livability throughout the community with its investment in an award-winning Parks System, increased resources for streets and infrastructure, awards for technology, and more. Long Beach parks earned an Award of Excellence from the California Park & Recreation Society in 2020 and ranked 23rd Best Parks systems in the U.S.A. Long Beach remains one of the most bike friendly cities in the nation, adding 1.7 miles of new bikeways and 35 traffic calming elements to increase safety for riders and motorists. For the tenth consecutive year Long Beach was recognized as a Top 10 Digital City and received a Charles Benton Digital Equity Champion Award for advancing digital inclusion. The City issued bonds in 2019 to build a Public Safety parking structure to allow Police and Fire vehicles to be centrally located. The new parking structure is expected to be completed during 2021 and will allow more room for public and City staff in nearby parking facilities.

The City remains committed to providing support services and a healthy environment for Long Beach citizens. Thousands of housing units were built or rehabilitated to provide clean and safe housing opportunities for residents in all economic situations. Several City departments (e. g. Health, Police, Fire) provide outreach services to address the causes of homelessness and the effects on the community. Outreach events during 2020 have been educating and empowering Long Beach residents on how to live healthy lives and assisted 2,282 individuals with the obtaining or maintaining health insurance coverage. The City collected 208,006 tons of trash and swept almost 8,000 tons of debris from the streets which were in turn processed by the City's waste-to-energy plant. Other clean-up work was done, eliminating several homeless encampments from City and Private properties including 815 ally clean ups and 19 neighborhood events.



The Port of Long Beach is a world class green port, protecting the environment while helping Long Beach to grow and prosper. The Port also has one of the highest credit ratings for any US seaport allowing the Port to embrace growth opportunities at a modest cost.

Economic Outlook

Long Beach has drawn from the strength and adaptability of the local economy to maximize opportunities in today's global world economy. The blending of local, national, and international businesses keep Long Beach growing and adapting to meet the constantly changing needs of today's modern life. In 2020, the unemployment rate in Long Beach began at 3.6% but grew to an alarming 18% in May due to the COVID-19 pandemic. Thanks to the resilience of the Long Beach economy and the committed response of the community, it fell to 9.6% by the end of December. The City found opportunities in the television and film industry which selected Long Beach for the filming of many television shows like LA, 911, Lodge 49 and Seal Team. In 2020, 370 film permits were issued bringing 540 production days to the City. As the City's business community grows, the need for housing of all types also grows. To accommodate this need, thousands of diverse new residential projects have been approved for construction. In addition to the improvements that can be easily seen, but equally important to the safety of the citizens and visitors, were the 86 lane-miles of streets and 13 lane-miles of alleys rehabilitated and the 1.25 million square feet of graffiti abated by City staff and contractors.

The City is committed to protecting the environment and the City's resources. The Port continues to actively manage the pollution generated by the vessels stopping in Long Beach. In its efforts to reduce carbon emissions, the City has invested in new coprocessors and equipment to improve efficiency. The City, through Long Beach Transit, maintains a reliable, low polluting public transportation system, improving the mobility and livability of Long Beach's diverse communities. Converting the bus fleet to CNG, improving bus stops, updating cross walks, and coordinating the timing of traffic signals have provided a safer and more secure environment for bus riders, pedestrians, and motorists. Transitioning to renewable energy sources will allow these services to continue, but with a lower cost to the environment.

The City continues to use innovation to maintain and improve services needed by the citizens. The 2020 budget included innovative changes throughout the City's organization. Some of these improvements included, outreach focused on meeting the specialized needs of the homeless, deployment of body worn cameras, renewed commitment to community meetings, the wildly successful openings of new Billie Jean King Main Library and 'Visions' wing on the Aquarium of the Pacific, and achieving an 98% save rate at Long Beach Animal Care Services. The Long Beach Airport continued with Phase II of the Terminal Improvements allowing both residents and visitors to feel safe and comfortable during their aviation journey to Long Beach. This includes the first PPE (Personal Protective Equipment) vending machine in the City.

The City continues to leverage improvements in technology to deliver service to the citizens. As LBCOAST continues to be phased in, City staff have become expert users, adapting the systems to improve information and service delivery. A Digital Inclusion Roadmap has been developed to assure that City residents may access and make use of the information and services available to them on-line.



The 2020 year included many improvements to the services and facilities available in Long Beach. The City has adopted a citywide Inclusionary Housing Policy that requires 11% of all new residential rental units be set aside for very low income residents, received a \$4.9 million CalHome award from HUD for mortgage assistance, and developed small dwellings units for low income residents. Houghton Park Community Center will be expanded and will have a Sound Garden, and the Parks department will continue to provide a healthy meal to children through the Summer Youth Program. Outreach and Education events from all departments will continue to bring life improvements to Long Beach citizens.

The Challenge of and Response to the COVID-19 Pandemic

There have been and will always be challenges that the City must address. The COVID-19 pandemic (pandemic) was a significant challenge and the City has been a state and national leader in addressing it and minimizing the impact on the city and its residents and businesses. On March 11, 2020, the World Health Organization declared a global pandemic due to the outbreak of the coronavirus respiratory disease (COVID-19). The City took many actions including issuing health orders (the City is one of the few in California with its own health department) to restrict social gatherings, require face coverings when in a business or within six feet of another person, deferring payment of business taxes and fees for those businesses impacted by the pandemic, deferring most lease payments to the city if a tenant was impacted, a series of grants and other actions (often supported by federal grants) to assist businesses, a moratorium on evictions to provide relief to residential tenants facing hardships and different forms of parking relief.

Additionally, City employees whose positions enabled them to work remotely were encouraged to telecommute in an effort to support social distancing efforts and the City improved its technology and equipment to better support telecommuting. The City continued to maintain most throughout the pandemic while reducing or eliminating those as needed to comply with health orders.

On March 27, 2020, the federal government passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act) to provide emergency assistance and health care response for individuals, families and businesses affected by the COVID-19 pandemic, which appropriated \$150 billion to states and certain local governments. While the City did not receive a direct allocation from the federal government as it was just under the required population threshold, Governor Newsom and the State Legislature allocated \$40.3 million in CARES Act funds to the City through the State budget for State year FY 21-22. The City Council allocated \$21.2 million of these funds for a variety of COVID-19 response projects to impacted sectors of the community, with the balance of \$19.1 million covering direct City costs associated with serving the public during the pandemic.

There have been significant impacts from COVID-19 to various City funds. General Fund impacts from COVID-19 include significant declines in sales tax and transient occupancy tax revenues. The City will continue to monitor and address General Fund revenue shortfalls as well as other impacted funds for fiscal year 2021.



help Long Beach's creative business minds build opportunities and careers for the City and its residents in 2020 and beyond.

The 2020 budget includes many improvements to the services and facilities available in Long Beach. The City has been awarded \$3.26 million in HUD grants to support the improvements to low and very low-income housing. El Dorado Park will see improvements at the Duck Pond, at Houghton Park Community Center, and the Parks department will continue to provide a healthy meal to children through the Summer Youth Program. The Long Beach Police will have an improved parking facility to keep the vehicles close by, secure and allow more spaces in other City facilities for public parking. Outreach and Education events will continue to bring life improvements to Long Beach citizens.

There will always be challenges which will require current and future commitment of the City to actively address. Long Beach will continue to meet these challenges by building on the City's diversity and strong sense of community. We are "many unique neighborhoods, one great city."

Acknowledgments and Certificate of Achievement for Financial Reporting

We wish to acknowledge the participation and professional contribution of the Financial Management Department and other City departments' staff in the preparation of this document. The CAFR requires a much effort and time, above that of normal daily job duties. The continued dedication of all staff involved in the development of this CAFR is most appreciated.

For the twelfth year in a row, the Government Finance Officers Association (GFOA) of the United States and Canada has awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2018. To be awarded a Certificate of Achievement, a government must publish an easy to read and efficiently organized CAFR. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Respectfully submitted,



THOMAS B. MODICA
Acting City Manager



JOHN GROSS
Director of Financial Management



Directory of City Officials
As of September 30, 2020

Dr. Robert Garcia
Mayor

Rex Richardson
Vice-Mayor
9th District

Mary Zendejas
Councilmember
1st District

Suzie Price
Councilmember
3rd District

Stacy Mungo
Councilmember
5th District

Roberto Uranga
Councilmember
7th District

Cindy Allen
Councilmember
2nd District

Daryl Supernaw
Councilmember
4th District

Suely Saro
Councilmember
6th District

Al Austin
Councilmember
8th District

Elected Department Heads

City Attorney
City Auditor
City Prosecutor

Charles Parkin
Laura L. Doud
Douglas P. Haubert

Appointed by Council or Commission

City Clerk
Executive Director - Civil Service
Executive Director - Harbor
General Manager - Water

Monique De La Garza
Christina P. Winting
Mario Cordero
Christopher J. Garner

City Manager
Thomas Modica

Assistant City Manager
Linda F. Tatum

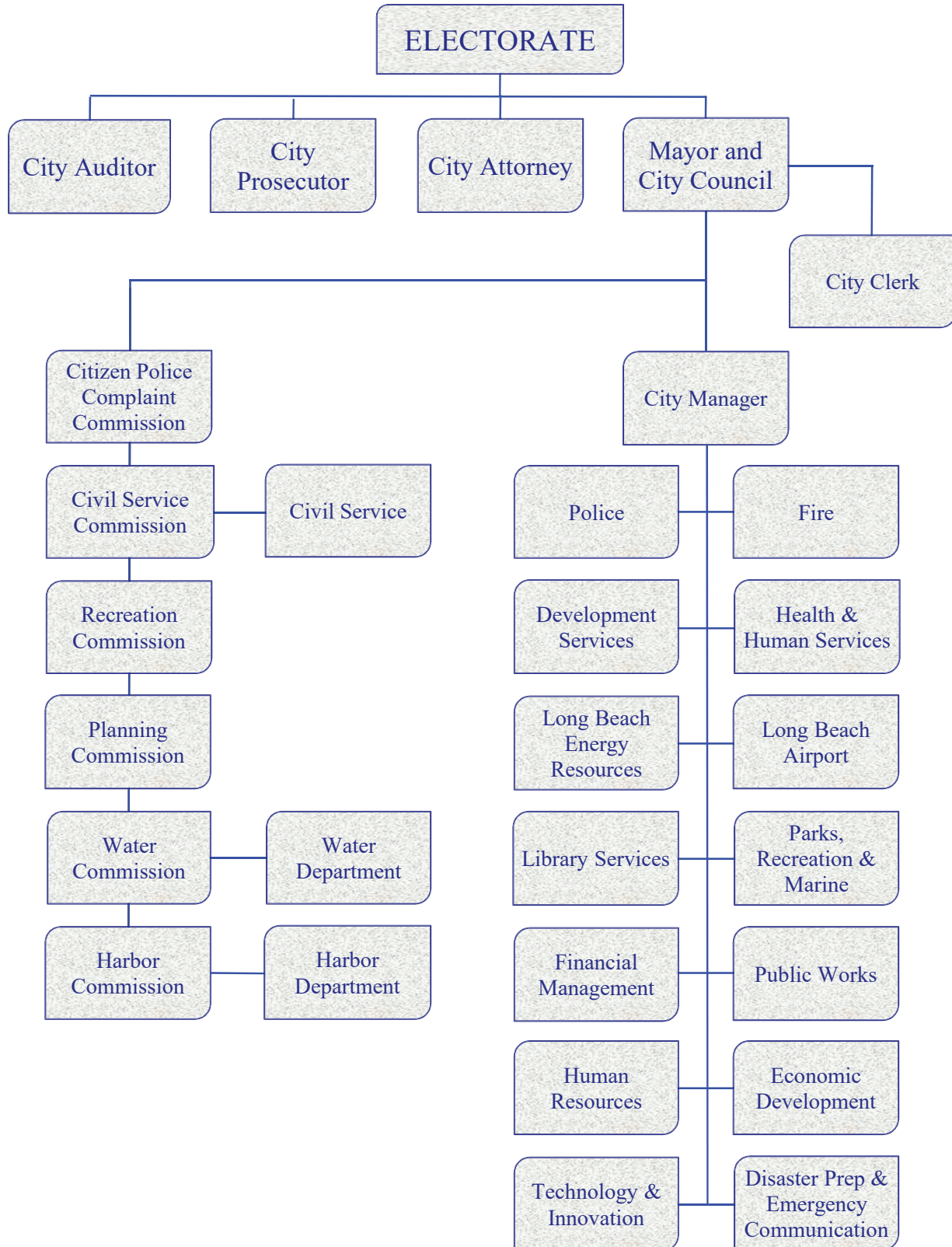
Deputy City Manager
Kevin J Jackson

Director of Financial Management
Director of Health and Human Services
Director of Development Services
Director of Economic and Property Development
Director of the Long Beach Airport
Acting Director of Human Resources
Director of Library Services
Director of Long Beach Gas and Oil
Director of Parks, Recreation, and Marine
Director of Public Works
Director of Technology and Innovation
Director of Disaster Preparedness and Emergency
Fire Chief
Chief of Police

John Gross
Kelly Colopy
Oscar Orci
John Keisler
Cynthia Guidry
Fred Verdugo
Glenda Williams
Bob Dowell
Brent Dennis
Eric Lopez
Lea Eriksen
Reginald Harrison
Xavier Espino
Robert G. Luna

ORGANIZATIONAL CHART LONG BEACH, CALIFORNIA

As of September 30, 2020





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Long Beach
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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KPMG LLP
Suite 1500
550 South Hope Street
Los Angeles, CA 90071-2629

Independent Auditors' Report

The Honorable Mayor and City Council
City of Long Beach, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Long Beach, California (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Long Beach Public Transportation Company (the Company), which is the City's only discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Company, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Long Beach, California as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, general capital projects fund, and the housing assistance fund for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Long Beach's basic financial statements. The accompanying supplementary information identified in the table of contents as the introductory section, additional financial information section, other supplementary information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional financial and other supplementary information sections, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional financial and other supplementary information sections are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 do not express an opinion or provide any assurance on it.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021 on our consideration of the City of Long Beach's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Long Beach's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Long Beach's internal control over financial reporting and compliance.

KPMG LLP

Los Angeles, California
March 29, 2021



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MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2020

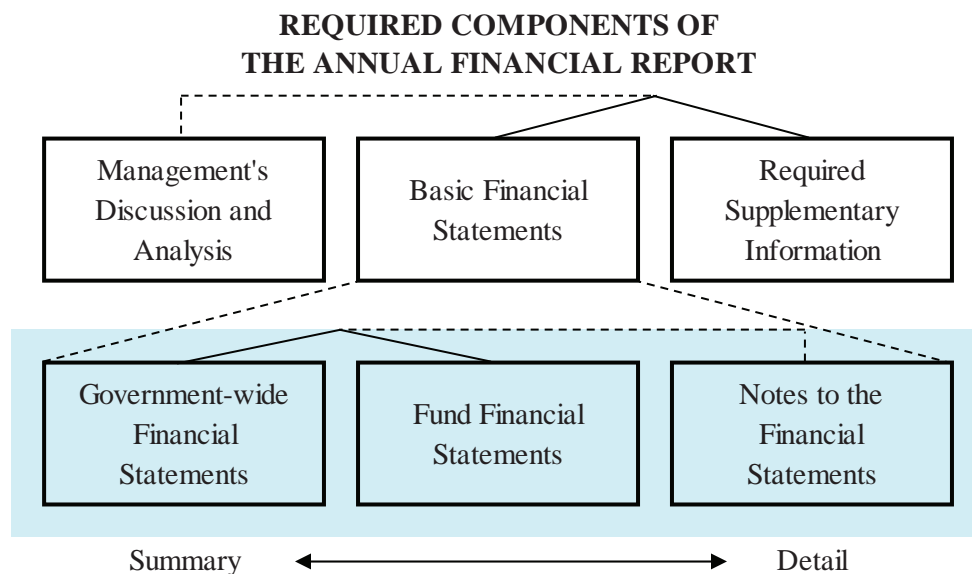
As the management team for the City of Long Beach (the City), we present to the readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider this information in conjunction with the information found in the letter of transmittal.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$5.4 billion. Of this amount, \$5.1 billion represents net investment in capital assets, and \$755.0 million represents resources that are subject to restrictions on how they may be used (*restricted net position*). The City reports a deficit unrestricted net position of \$513.5 million.
- At the close of the fiscal year, the City's governmental funds reported combined fund balances of \$407.3 million, an increase of \$19.8 million or 5.1 percent, from the prior fiscal year end. Of these balances, \$3.9 million are nonspendable, \$207.6 million are restricted, \$52.1 million are committed, \$141.6 million are assigned, and \$2.1 million is unassigned.
- The fund balance of the General Fund was \$135.9 million. This represents an increase of \$9.4 million or 7.4 percent from the prior fiscal year. Of this balance, \$1.5 million is nonspendable, \$5.9 million is restricted, \$50.7 million is committed, \$75.8 million is assigned, and \$2.0 million is unassigned.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: The *Government-wide Financial Statements*, the *Fund Financial Statements*, and the *Notes to the Basic Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements, including non-major fund financial statements and a statistical section.



City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2020

Basic Financial Statements

The Basic Financial Statements contain the Government-wide Financial Statements, the Fund Financial Statements and the Notes to the Basic Financial Statements. This report also includes supplementary information intended to furnish additional detail to support the Basic Financial Statements.

Government-wide financial statements: The Government-wide Financial Statements provide a longer-term view of the City's activities as a whole. They include the Statement of Net Position and the Statement of Activities.

The *statement of net position* includes the City's capital assets and long-term liabilities on a full accrual basis of accounting similar to that used by private sector companies. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* provides information about the City's revenues and expenses on a full accrual basis, with an emphasis on measuring net revenues or expenses for each of the City's programs. The Statement of Activities explains in detail the change in net position for the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The amounts in the statement of net position and the statement of activities are separated into Governmental and Business-type Activities in order to provide a summary of each type of activity.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues, such as grant revenue (*governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Governmental activities of the City include legislative and legal, general government, public safety, public health, community and cultural, public works, and City oil operations. Business-type activities include those related to gas, water and sewer utilities, airport and solid waste management operations, towing, Tidelands, Marina area operations, as well as Tidelands oil revenue operations and the Port of Long Beach (the Harbor).

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Long Beach Transit (LBT) for which the City is the sole stakeholder and, therefore, has authority to affect the company. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

Fund financial statements: The *fund financial statements* focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The funds of the City can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*. The focus of governmental and proprietary fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth in Government Accounting Standards Board (GASB). Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term *inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial resources.

City of Long Beach
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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided for both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances, to facilitate a comparison between *governmental funds* and *governmental activities*.

The City maintains numerous individual governmental funds. Information is presented separately for the General Fund and the aggregate of all non-major governmental funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements*, located in the Additional Financial Information Section of this report.

The City adopts an annual appropriated budget for its funds. A budgetary comparison is provided for each of the City's governmental funds to demonstrate budgetary compliance. The budgetary comparison statements for the General Fund is located in the basic financial statements.

Proprietary funds: *Proprietary funds* are generally used to account for operations that provide services to the general public on a continuing basis or to internal City departments. Enterprise and Internal Service Fund Financial Statements are prepared on the full accrual basis of accounting, similar to that used by private sector companies. These statements include all of their assets, deferred outflows and inflows of resources and liabilities, both current and long-term.

Since the City's Internal Service Funds provide goods and services exclusively to the City's governmental and business-type activities, their activities are only reported in total at the fund level. Internal Service Funds cannot be considered major funds because their revenues are derived from other City funds. Revenues between funds are eliminated in the Government-wide Financial Statements, and any related profits or losses in Internal Service Funds are returned to the activities in which they were created, along with any residual net assets of the Internal Service Funds.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds include *Private Purpose Trust Funds* such as the Miller Library Fund and the Mayor's Fund for the Homeless, and *Custodial Funds* such as special parking and business assessment districts. The City's fiduciary activities are reported in the separate Statement of Fiduciary Net Position and the supplemental Custodial and Private Purpose Trust fund combining statements. These activities are excluded from the City's other financial statements because the City cannot utilize these assets to finance its own operations. The fiduciary fund financial statements can be found in the Basic Financial Statements section of this report.

The Notes to the Basic Financial Statements: The *Notes to the Basic Financial Statements* provide additional information and narrative disclosures that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and post-employment healthcare benefits to its employees. The combining statements referred to above in connection with non-major governmental funds and internal service funds are presented in the Required Supplementary Information along with information regarding capital assets. The table of the following page provides a summary of the significant features of the financial statements as well as insight into how the information is compiled for statement presentation:

City of Long Beach
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For the Fiscal Year Ended September 30, 2020

	Government-wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire Entity (except fiduciary funds)	The day-to-day operating activities of the City for basic governmental services.	The day-to-day operating activities of the City for business-type enterprises	Instances in which the City administers resources on behalf of other entities or groups.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Current assets and liabilities that come due during the year or soon thereafter. Excludes capital assets and long-term debt.	All assets and liabilities, both financial and capital, short and long-term.	All assets held in trustee or custodial capacity for others.
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during the year or soon thereafter; expenditures when goods and services have been received and the related liability is due and payable.	All revenues and expenses during year regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

Government-Wide Financial Analysis - Analysis of Net Position

As noted earlier, *net position* may serve over time as a useful indicator of a government's financial position. As of September 30, 2020, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$5.4 billion, an increase of \$137.8 million, or 2.6 percent, from the prior fiscal year.

Net investment in capital assets accounted for \$5.1 billion, or 95.5 percent, of the City's total net position. This component of net position consists of capital assets (land, structures and improvements, equipment, infrastructure, and construction-in-progress) net of accumulated depreciation, reduced by outstanding debt attributable to the acquisition, construction, or improvement of the assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets increased by \$117.3 million, or 2.3 percent, from the prior fiscal year. The increase of \$13.9 million in governmental activities is most attributable to payment of related debt. The \$103.4 million increase in business-type activities is mostly due to increases in net investment in capital assets in the Harbor fund for \$51.6 million resulting from investments in the projects Gerald Desmond Bridge Replacement and Middle Harbor Redevelopment, and the Airport fund for \$29.6 million related to improvements to Taxiway C.

Restricted net position amounted to \$755.0 million, representing 14.0 percent of total net position. This component of net position represents resources that are subject to external restrictions imposed by creditors and grantors, laws and regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

City of Long Beach
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The remaining deficit balance of \$513.5 million is the net of the \$833.9 million governmental activities deficit unrestricted net position (mostly related to pension liabilities) and the \$320.4 million business-type activities unrestricted net position balance.

Net Position
September 30, 2020 and 2019
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and Other Assets	\$1,172,847	\$1,011,966	\$ 2,546,851	\$ 2,520,122	\$ 3,719,698	\$ 3,532,088
Capital Assets	1,050,381	1,051,729	6,298,649	6,152,291	7,349,030	7,204,020
Total Assets	2,223,228	2,063,695	8,845,500	8,672,413	11,068,728	10,736,108
Deferred Outflows of Resources	81,213	127,144	49,180	57,275	130,393	184,419
Total Assets and Deferred Outflows	2,304,441	2,190,839	8,894,680	8,729,688	11,199,121	10,920,527
Liabilities:						
Current Liabilities	294,201	225,296	779,224	306,355	1,073,425	531,651
Noncurrent Liabilities, Net	1,801,685	1,768,103	2,143,488	2,574,791	3,945,173	4,342,894
Total Liabilities	2,095,886	1,993,399	2,922,712	2,881,146	5,018,598	4,874,545
Deferred Inflows of Resources	167,468	194,829	631,880	607,824	799,348	802,653
Total Liabilities and Deferred Inflows	2,263,354	2,188,228	3,554,592	3,488,970	5,817,946	5,677,198
Net Position:						
Net Investment in Capital Assets	432,090	418,191	4,707,630	4,604,194	5,139,720	5,022,385
Restricted	442,908	428,903	312,076	297,552	754,984	726,455
Unrestricted	(833,911)	(844,483)	320,382	338,972	(513,529)	(505,511)
Total Net Position	\$ 41,087	\$ 2,611	\$ 5,340,088	\$ 5,240,718	\$ 5,381,175	\$ 5,243,329

Key Changes in the Statement of Net Position:

The City's current and other assets increased \$187.6 million when compared to the prior fiscal year. Governmental activities increased \$160.9 million, primarily due to increased cash received from property tax, cannabis taxes and fees, and grant revenues. Business-type activities increased \$26.7 million mostly due to increased cash received from gas utility revenues and airport grant revenues.

Citywide, capital assets increased \$145.0 million or 2.0 percent. Governmental activities had a small decrease of \$1.3 million and is mostly attributable to depreciation of capital assets. Business-type activities increased \$146.4 million, or 2.4 percent. The change in business-type activities resulted from continued work on the Gerald Desmond Bridge project and Middle Harbor Redevelopment, and improvements at the Airport on Taxiway C.

Deferred outflows of resources decreased \$54.0 million. Governmental activities deferred outflows decreased \$45.9 million and business-type activities decreased \$8.1 million. The decrease is mostly attributable to a reduction in the CalPERS pension contributions made after the measurement date, as the City selected not to make the annual prepayment of the CalPERS unfunded liability as had been the case in previous years, but rather selected to make monthly payments.

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The City's current liabilities increased \$541.8 million, or 101.9 percent. Governmental activities increased \$68.9 million, or 30.6 percent, and business-type activities increased \$472.9 million or 154.4 percent. The increase in governmental activities resulted from increased accounts payable and liabilities related to accrued employee benefits at fiscal year-end, as well as the receipt of grant funds in advance of program expenses. The increase in business-type activity is due to the Harbor fund reclassifying the 2018A Notes and the 2020C Notes from long-term to short-term for a total of \$472.1 million due their maturity dates being in FY 2021.

Overall, noncurrent liabilities decreased \$397.7 million or 9.2 percent City-wide. Governmental activities increased \$33.6 million, or 1.9 percent primarily due to increases in the net pension liability, and business-type activities decreased \$431.3 million or 16.8 percent. As explained above, the Harbor Department reclassified debt obligations from long-term to short-term due to the maturity dates of the 2018A Notes and the 2020C Notes, which caused the majority of the decrease in the long-term liability.

In total, deferred inflows of resources decreased a slight \$3.3 million or 0.4 percent. The change is due to a decrease in Governmental activities of \$27.4 million mostly due to changes in assumptions in actuarial valuations by CalPERS for the City's pension plans, offset by an increase of \$24.1 million in business-type activities resulting mostly from the increase in the gas commodity swap.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2020

Analysis of Changes in Net Position

The following table presents condensed information from the statement of activities for the fiscal years 2020 and 2019. As previously stated, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Changes in Net Position						
September 30, 2020 and 2019						
(In Thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 157,229	\$ 171,558	\$ 917,276	\$ 1,020,040	\$ 1,074,505	\$ 1,191,598
Operating Grants and Contributions	200,489	167,793	3,394	932	203,883	168,725
Capital Grants and Contributions	65,232	67,976	80,020	96,660	145,252	164,636
General Revenues:						
Taxes:						
Property	220,665	211,007	-	-	220,665	211,007
Sales	129,095	138,598	-	-	129,095	138,598
Utility Users	33,767	34,898	-	-	33,767	34,898
Other	39,449	51,066	-	-	39,449	51,066
Franchise Taxes	16,481	18,126	-	-	16,481	18,126
Unrestricted Investment Earnings	11,426	14,172	34,336	43,503	45,762	57,675
Total Revenues	873,833	875,194	1,035,026	1,161,135	1,908,859	2,036,329
Expenses:						
Legislative and Legal	13,155	15,245	-	-	13,155	15,245
General Government	40,408	43,637	-	-	40,408	43,637
Public Safety	389,489	430,512	-	-	389,489	430,512
Public Health	71,880	57,729	-	-	71,880	57,729
Community and Cultural	190,370	183,825	-	-	190,370	183,825
Public Works	136,067	171,927	-	-	136,067	171,927
Oil Operations	1,775	3,777	-	-	1,775	3,777
Interest on Long-Term Debt	19,055	17,473	-	-	19,055	17,473
Loss on Sale of Capital Assets	2	-	-	-	2	-
Gas Utility	-	-	94,835	110,991	94,835	110,991
Water Utility	-	-	111,219	95,970	111,219	95,970
Tidelands Operating	-	-	143,249	124,283	143,249	124,283
Harbor	-	-	327,081	309,722	327,081	309,722
Non-major Enterprise Funds	-	-	232,428	295,578	232,428	295,578
Total Expenses	862,201	924,125	908,812	936,544	1,771,013	1,860,669
Increase (Decrease) in Net Position before Transfers	11,632	(48,931)	126,214	224,591	137,846	175,660
Capital Assets Transfers	(37)	-	37	-	-	-
Transfers	26,881	32,704	(26,881)	(32,704)	-	-
Total Change in Net Position	38,476	(16,227)	99,370	191,887	137,846	175,660
Net Position, Beginning of Year	2,611	18,838	5,240,718	5,048,831	5,243,329	5,067,669
Net Position, End of Year	\$ 41,087	\$ 2,611	\$ 5,340,088	\$ 5,240,718	\$ 5,381,175	\$ 5,243,329

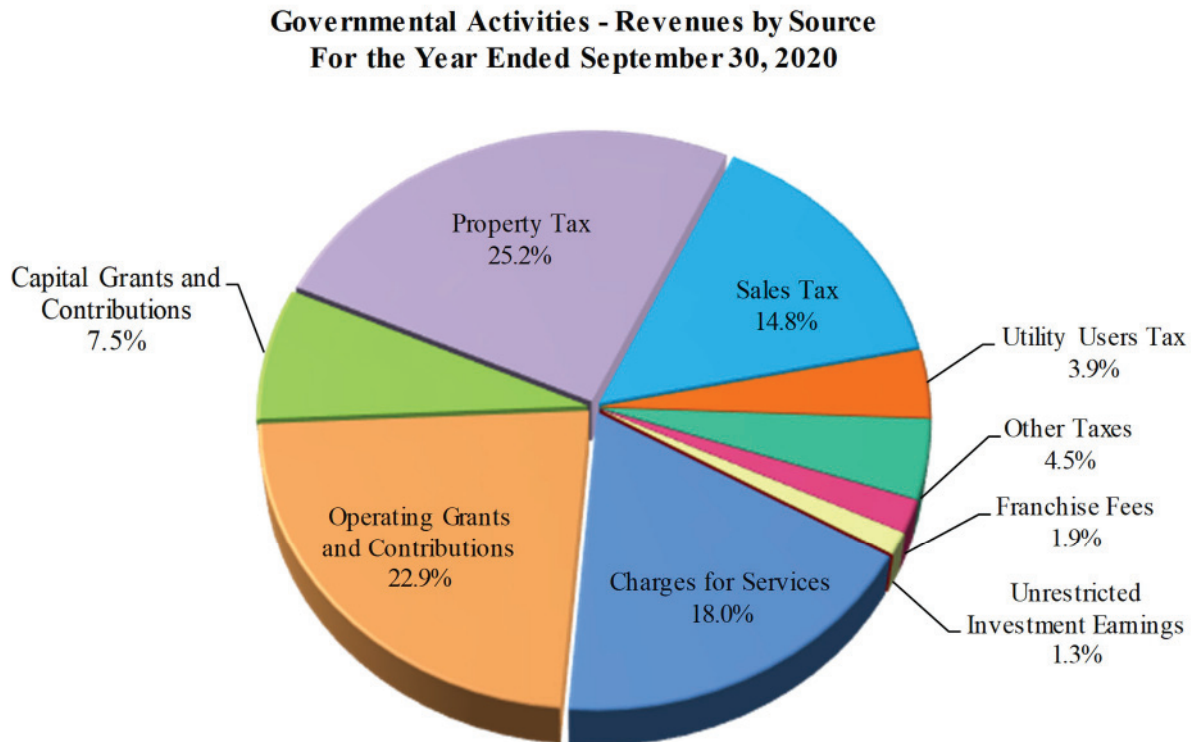
City of Long Beach
Management's Discussion and Analysis (Unaudited)
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Governmental activities

Governmental activities net position increased \$38.5 million when compared to the fiscal year 2019 financial report.

Total revenues for governmental activities (excluding transfers) decreased a slight \$1.3 million, or 0.2 percent. Contributing to this decrease was a decline in general revenues, such as sales and transient occupancy taxes. Total governmental program expenses decreased \$61.9 million, or 6.7 percent. These changes are further discussed in the paragraphs that follow.

The following chart illustrates governmental activities revenues by source.



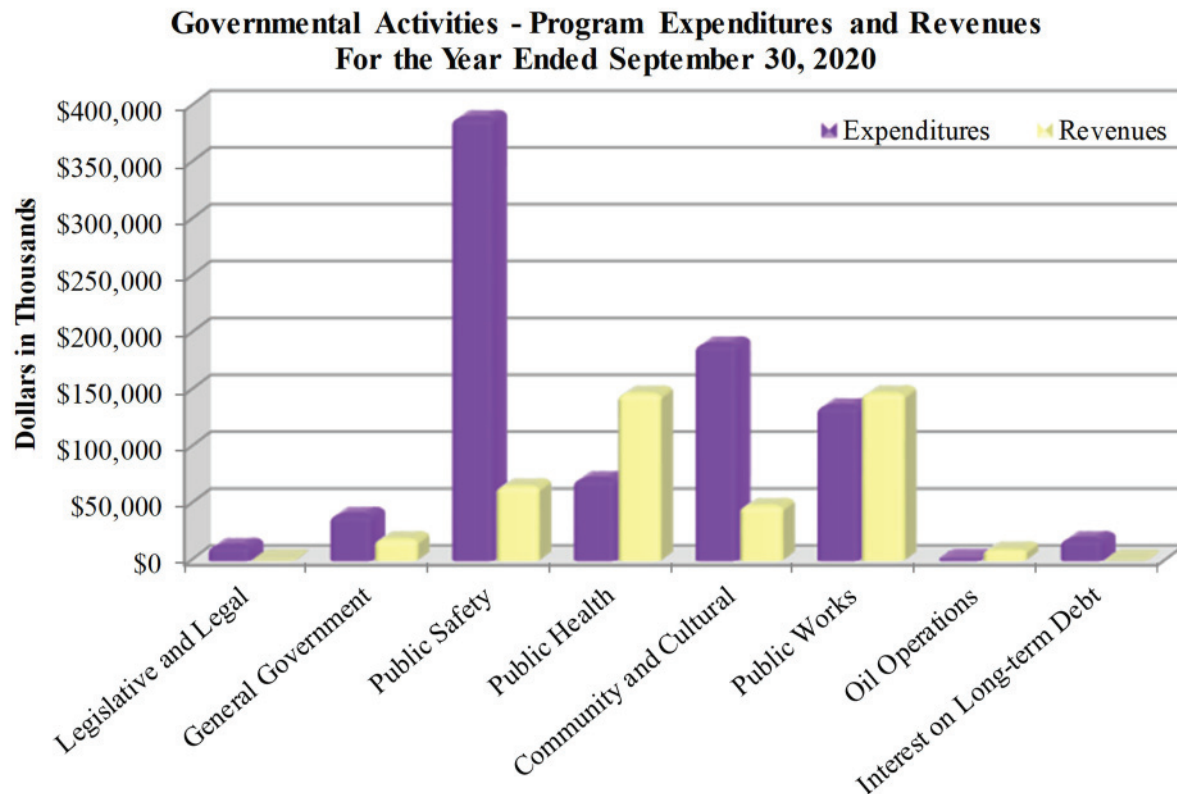
- The three largest revenue sources for governmental activities are property taxes, operating grants and contributions, and charges for services. Excluding transfers, these sources accounted for 66.1 percent of revenues. Together, these primary sources of governmental revenues increased \$28.0 million, or 5.1 percent, from the previous year. Property tax revenues increased \$9.6 million primarily due to higher assessed values on taxable property. Operating grants and contributions increased by \$32.7 million due to the State legislature allocating \$40.3 million in CARES Act funds to the City. Charges for services decreased \$14.3 million primarily related to decreased fees in parks and recreation programs and in oil operations.

City of Long Beach
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Governmental activities expenses, excluding transfers, decreased \$61.9 million or 6.7 percent. The most significant changes were as follows:

- Public Health expenses increased \$14.2 million related to expanded services to the community in response to the COVID-19 pandemic.
- Public safety expenses reported the largest decrease of \$41.0 million, or 9.5 percent. The change is attributable to decreases in pension costs as a result of the City not prepaying the CalPERS unfunded liability.
- Public works expenses decreased \$35.9 million or 20.9 percent. The change is attributable to activity in the prior year related to land acquisition and increased project spending funded by Measure A revenue that did not reoccur at the same levels in FY 2020.

The following chart illustrates governmental activities program expenses and revenues by function.

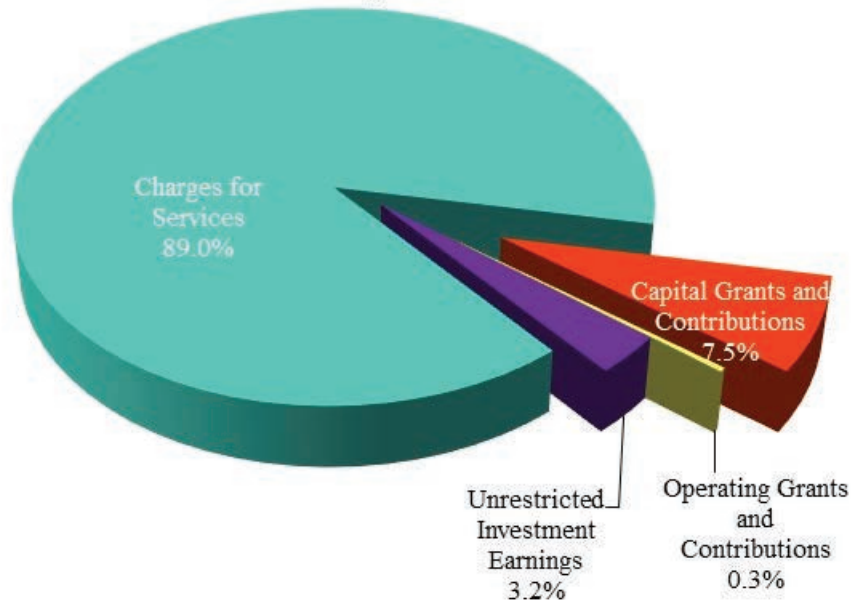


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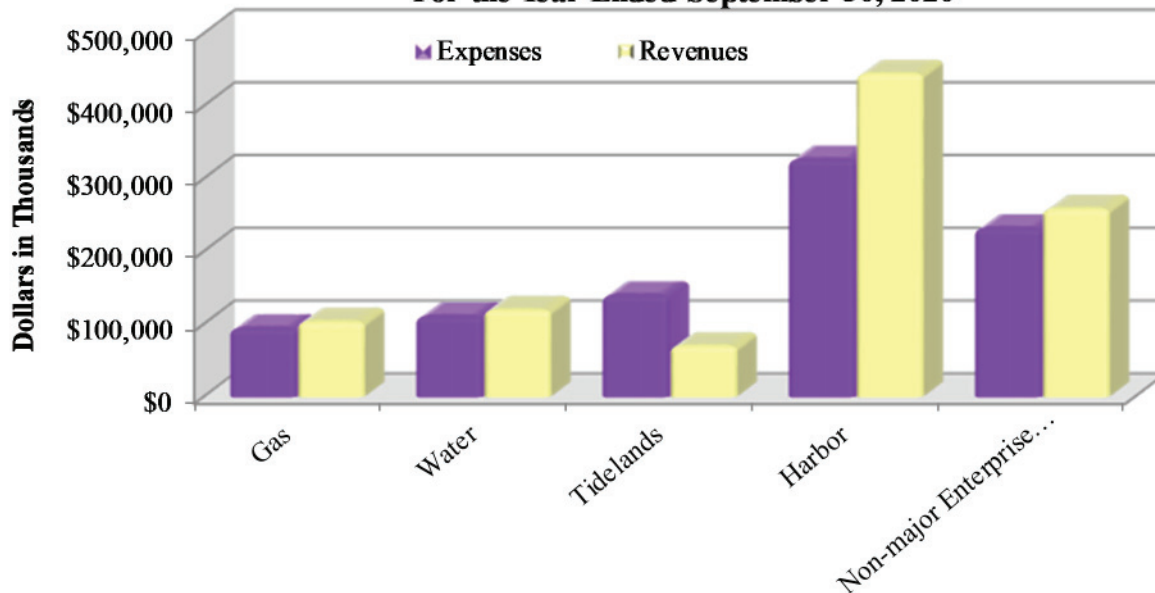
Business-type activities

The City's major enterprise funds include Gas Utility, Water Utility, Tidelands Operating, and Harbor. The non-major enterprise funds ("other proprietary funds") comprise Tideland Oil Revenue, Sewer, Airport, Solid Waste Management, Towing, Subsidence, and Development Services.

Business-type Activities - Revenues by Source
For the Year Ended September 30, 2020



Business-type Activities - Program Expenditures and Revenues
For the Year Ended September 30, 2020



City of Long Beach
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For the Fiscal Year Ended September 30, 2020

Business-type activities increased net position \$99.4 million or 1.9 percent. Key elements in the current year's change in net position for various funds include:

- Gas Utility net position at fiscal year-end was deficit \$24.8 million, a \$3.3 million decrease from the prior fiscal year. The decrease was mostly due to a lower operating income due to higher personnel costs related to pension expenses.
- Water Utility net position at fiscal year-end was \$293.7 million, a \$2.4 million decrease from the prior fiscal year. Although the Water Utility realized higher charges for service revenues than in the prior year, it also recognized higher personnel costs related to pension expense.
- Tidelands Operating Fund net position decreased \$31.3 million, totaling \$274.2 million at fiscal year-end. Net loss before contributions and transfers amounted to \$65.2 million. Revenues were significantly impacted by the pandemic with substantial reduction in oil revenues. The fund also incurred unexpected costs for the temporary closing of the Convention Center, and debt service on Tidelands bonds on the Queen Mary. Tidelands transfers in from Tidelands Oil and Harbor amounted to \$34.2 million. Of this amount Harbor transferred \$19.9 million, consistent with City Charter mandated revenue sharing; and Tidelands Oil transferred \$14.3 million to fund tidelands operations and capital improvements.
- Harbor's net position increased \$107.9 million, totaling \$4.4 billion at fiscal year-end. The increase primarily resulted from operating income of \$84.0 million along with the receipt of \$44.9 million in capital grants.
- Total net position for non-major business-type activities increased \$18.4 million, to \$463.0 million at fiscal year-end primarily due to a reduction of \$16.0 million in the oil field abandonment liability in Tidelands Oil.

Governmental Funds Financial Analysis

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *restricted, committed, assigned, and unassigned* fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2020, the City's governmental funds reported combined fund balances of \$407.3 million, an increase of \$19.8 million from the prior year. Further information can be found in *Note 16 – Governmental Fund Balances and Fund Deficits*.

Governmental fund assets increased \$101.0 million, or 12.6 percent, from the prior fiscal year. Pooled and non-pooled Cash and Investments increased \$27.8 million and receivables, including Noncurrent Receivables, increased \$70.1 million. The increases were mostly due to increased federal and state grant revenues as a result of the pandemic, including the allocation of \$40.3 million from the CARES Act.

Governmental fund liabilities increased \$68.2 million, or 63.2 percent. Unearned revenues increased \$21.9 million mostly due to advance grant funding to be used in the subsequent fiscal period. Amounts Due to Other Funds increased \$31.8 million, with \$23.6 million of this amount due from the General Grants Fund to the General Fund, to provide funding for a variety of COVID-19 response projects to impacted sectors of the community and to cover direct City costs associated with serving the public during the pandemic.

Of the \$407.3 million total fund balances, \$207.6 million or 51.0 percent have some form of external limitation on their use. Significant restrictions of fund balance at the close of the fiscal year include:

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Restricted for Debt Service

Amounts restricted for debt service totaled \$42.3 million. Of this, \$21.5 is restricted for payment of Agency related debt and \$5.0 million is unspent bond proceeds needed for the construction of the public safety parking structure and the balance for various debt issuances of other governmental funds.

Restricted for Public Safety

Amounts restricted for public safety totaled \$6.2 million. Restrictions include:

- Asset seizure funds from federal and state court forfeitures are restricted to support the Police Department. These funds amounted to \$2.9 million at the end of the fiscal year.
- Proposition H (Prop H), the Police and Fire Public Safety Oil Production Tax proceeds may be used only for police officers, fire fighters, and related costs, including but not limited to equipment, facilities, and training in order to ensure timely responses to public needs. As of September 30, 2020, Prop H funds for police and fire amounted to \$202 thousand.
- Impact fees restricted for public safety amounted to \$4.1 million.

Restricted for Public Health

Fund balance restricted for public health amounted to \$2.6 million.

Restricted for Community and Cultural

Amounts restricted for community and cultural activities totaled \$63.7 million. Restrictions include the following:

- Fund balance restricted within the Housing Development fund for the provision of low-and-moderate-income housing amounted to \$30.2 million. Of this, \$3.8 million offsets advances to other funds.
- Fund balance restricted within the Housing Assistance fund for programs to assist very low-income families, the elderly, and the disabled amounted to \$16.3 million.
- Agency capital projects fund balance restricted for the purposes of winding down the activities of the former Redevelopment Agency amounted to \$7.8 million.
- The Belmont Shore Parking Meter fund has restricted \$180 thousand as the first pledge of revenue for special assessment debt that benefited the Belmont Shore area of Long Beach.
- Grant funding in the amount of \$733 thousand is restricted in the General Grants fund.
- Fund balance restricted within the Community Development Grant fund amounted to \$12.3 million.
- Fund balance restricted within the Other Special Revenue fund for economic development totaled \$8.1 million at the close of the fiscal year.
- Development Impact Fees restricted for parks development amounted to \$4.1 million.

Restricted for Public Works

As of September 30, 2020, fund balance restricted for public works amounted to \$71.0 million. Restrictions include:

- \$12.5 million is restricted pursuant to the provisions of Proposition A. Proposition A funds are to be used exclusively to benefit public transit and may be traded with other jurisdiction in exchange for general or other funds.
- \$20.9 million pursuant to the provisions of Proposition C. Proposition C also benefits public transit but has a wider range of uses including congestion management programs, bikeways and bike lanes, street improvement supporting public transit, and pavement management projects.
- \$901 thousand pursuant to Air Quality Management District AB2766 requirements. AB2766 funding is used to assist the City in meeting federal and state Clean Air Acts.
- \$2.6 million pursuant to Measure M. Measure M is a half-cent sales tax approved by Los Angeles County voters and is restricted for transportation purposes.

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- \$1.6 million is restricted for Measure R, a one-half cent sales tax approved by Los Angeles County voters and is restricted for transportation purposes, including bus and highway corridor projects, streets and roads, and traffic control management.
- \$13.4 million is restricted related to State gas tax funding. Gas tax funding is restricted for the purpose of constructing and maintenance of streets and sidewalks.

The General Capital Projects Fund reported a year-end fund balance of \$129.4 million, which represented an increase of \$8.4 million in fund balance compared to the previous year increase of \$28.7 million. The change in fund balance was primarily due to higher revenues reported than infrastructure expenses for the current year, with the most significant variance in the Road Maintenance and Rehabilitation Account (RMRA).

The Housing Assistance Special Revenue Fund reported a year-end fund balance of \$16.3 million, which represented an increase of \$3.3 million in fund balance compared to the previous year increase of \$1.8 million. The change in fund balance was primarily attributed to higher grant reimbursement revenues for the Section 8 Housing Choice Vouchers program.

General Fund Revenues and Other Financing Sources

The table below illustrates general fund revenues and other financing sources for the current and prior fiscal years:

General Fund Revenues and Other Financing Sources
September 30, 2020 and 2019
(In Thousands)

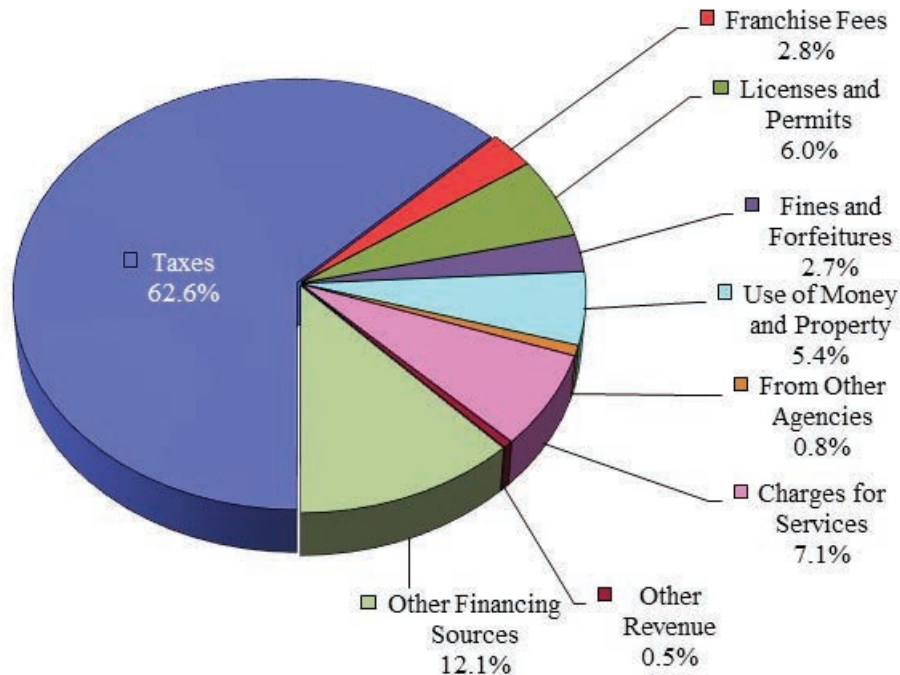
<i>Revenues and Other Financing Sources</i>	<i>Fiscal Year 2019-20</i>	<i>Percentage of Total</i>	<i>Fiscal Year 2018-19</i>	<i>Percentage of Total</i>
Taxes	\$ 371,350	62.6%	\$ 384,255	63.9%
Franchise Fees	16,481	2.8%	18,126	3.0%
Licenses and Permits	35,615	6.0%	27,869	4.6%
Fines and Forfeitures	16,354	2.8%	17,674	2.9%
Use of Money and Property	32,175	5.4%	39,489	6.6%
From Other Agencies	4,564	0.8%	6,493	1.1%
Charges for services	42,094	7.1%	43,156	7.2%
Other Revenue	3,098	0.5%	12,798	2.1%
Other Financing Sources	71,665	12.1%	51,148	8.5%
	<u>\$ 593,396</u>	<u>100%</u>	<u>\$ 601,008</u>	<u>100%</u>

General Fund revenues and other financing sources decreased \$7.6 million, or 1.3 percent, from the prior fiscal year. Significant year-over-year changes include:

- Taxes decreased \$12.9 million, or 3.4 percent primarily reflecting significant revenue decreases from the prior year in sales taxes of \$5.3 million, Measure A sales taxes of \$4.1 million, and transient occupancy taxes of \$3.8 million. Some of these decreases were offset by increased property tax revenues.
- Licenses and Permits increased \$7.7 million or 27.8 percent mostly due to a \$5.9 million increase of cannabis license tax and fee revenues due to a surge in cannabis sales following the pandemic.
- Use of money and property decreased \$7.3 million or 18.5 percent due to lower investment related accruals and earnings.
- Revenues derived from other financing sources increased \$20.5 million, or 40.1 percent from the prior year. Most of the increase is from the transfer out of General Grants to the General Fund to provide funding for COVID-19 response projects to impacted sectors of the community and to cover direct City costs associated with serving the public during the pandemic.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2020

**General Fund Revenues and Other Financing Sources
For the Year Ended September 30, 2020**



General Fund Expenditures

Expenditures and other financing uses for the General Fund, including comparative amounts from the preceding year, are shown in following table:

**General Fund Expenditures and Other Financing Uses
September 30, 2020 and 2019
(In Thousands)**

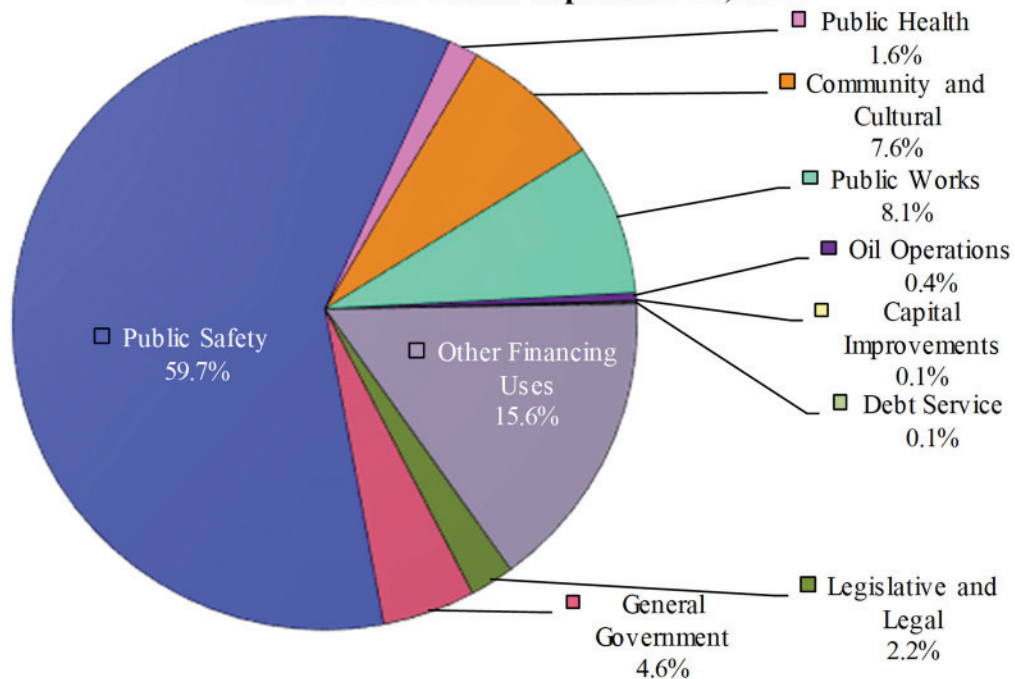
<i>Expenditures and Other Financing Uses</i>	<i>Fiscal Year 2020</i>	<i>Percent of Total</i>	<i>Fiscal Year 2019</i>	<i>Percent of Total</i>
Legislative and Legal	\$ 13,108	2.2%	\$ 13,458	2.1%
General Government	27,363	4.6%	37,135	6.1%
Public Safety	353,513	59.7%	365,572	59.8%
Public Health	9,612	1.6%	9,006	1.5%
Community and Cultural	45,052	7.6%	49,862	8.2%
Public Works	47,891	8.1%	49,797	8.2%
Oil Operations	2,572	0.4%	2,774	0.5%
Capital Improvements	347	0.1%	12,081	2.0%
Debt Service	487	0.1%	451	0.1%
Other Financing Uses	92,065	15.6%	70,723	11.6%
	<u>\$ 592,010</u>	<u>100%</u>	<u>\$ 610,859</u>	<u>100%</u>

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2020

Expenditures, including other financing uses, decreased \$18.8 million, or 3.1 percent, from fiscal year 2019. Significant changes include:

- A decrease in public safety of \$12.1 million, or 3.3 percent. Although there were unplanned overtime costs related to law enforcement efforts for activities related to the COVID-19 response and civil unrest events, these expenses were offset by a significant decrease in pension expenses that resulted from the City deciding not to make the annual prepayment to CalPERS for the unfunded liability, but instead making monthly payments, as well as changes in pension actuarial assumptions.
- General government reported a decrease of \$9.8 million and it was a result of prior year legal settlement payments that totaled \$10.2 million that did not reoccur in fiscal year 2020.
- A decrease of \$4.8 million, 9.6 percent, in Community and Cultural expenditures was mostly due from decreased pension costs.
- Capital improvements decreased by \$11.7 million and it was a result of prior year costs associated with the new civic center in the prior year that did not reoccur in fiscal year 2020.
- An increase of \$21.3 million, or 30.2 percent in other financing uses was mostly related to transfers from the General Fund to the Employee Benefit Fund to reimburse the fund for pension expenses.

**General Fund Expenditures and Other Financing Uses
For the Year Ended September 30, 2020**



Proprietary Funds Financial Analysis

Enterprise Funds: The combined net position of enterprise funds totaled \$5.4 billion at the close of the fiscal year. Total unrestricted net position amounted to \$349.3 million before the allocation of internal service fund activities. The total growth in net position was \$99.4 million after the internal service fund activities allocation to enterprise funds. Other factors affecting the finances of these funds are addressed in the discussion of the City's business-type activities.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2020

Tidelands Operating reported net position of \$274.2 million, a decrease of \$31.3 million from the prior year. As previously discussed, Tidelands Operating was significantly impacted by the COVID-19 pandemic that resulted in a substantial reduction in oil revenues and increases in costs to maintain the Convention Center and debt service costs related to the Queen Mary. Harbor funds reported net position of \$4.4 billion, an increase of \$107.9 million from the prior year, primarily resulted from operating income of \$84.0 million along with the receipt of \$44.9 million in capital grants. The Water Utility reported a total net position of \$293.7 million, a decrease of 2.4 million. The decrease is mostly attributable to a loss from operation of \$6.3 million, offset by contributed capital of \$3.9 million from various Developers for water distribution system improvements. The Gas Utility fund reported a deficit net position of \$24.8 million. Other Proprietary funds reported net position of \$463.0 million.

Internal Service Funds

Internal service funds are used to finance and account for goods and services provided internally to City departments. As of September 30, 2020, internal service funds reported a \$60.7 million deficit net position. This is attributable to the deficit net positions of the Workers' Compensation Insurance fund, General Liability Insurance Fund and Employee Benefits fund, which reported deficit balances of \$109.8 million, \$54.4 million and \$42.7 million, respectively. It is the City's practice to bill City departments on a pay-as-you-go basis for functions performed by both funds, therefore, the long-term portion of related liabilities associated with these funds are not fully funded. City management believes that, over the long-term, current and future billing rates are sufficient to remediate any deficit net position. In addition, City management believes that the cash position of each fund is sufficient to cover the current costs related to health insurance, workers' compensation, and general liability claims. The Civic Center, General Services, and Fleet Services funds reported net positions of \$53.3 million, \$18.8 million, and \$74.1 million, respectively.

Fiduciary Funds

The City maintains fiduciary funds for the assets of private purpose trust and custodial funds including the Miller Library Trust fund, the Mayor's Fund for the Homeless, and various custodial funds held by the City as an agent for individuals, private organizations, and other governmental units. The private purpose trust funds are held in trust for the benefit of the Main Library Miller Room (i.e. staffing and books), and for homeless services expenditures.

General Fund Budgetary Highlights

The City adopts an annual budget for the governmental funds that include the General Fund, Capital Projects, Debt Service, and Special Revenue funds. The City Council adopts budget adjustments during the year that are generally contingent upon new or additional revenue.

- The General Fund's fiscal year 2020 final budget for estimated revenues and expenditure appropriations reflected a net decrease to budgeted fund balance of \$71.1 million. The change between original and final budgeted amounts was \$65.7 million and consisted of additional appropriation for expenditures and other financing uses of \$67.9 million offset by an increase in revenue and other financing sources of \$2.2 million. The changes to revenue forecasts were minor across various revenue sources.

Significant changes in the appropriations budget include:

- A \$15.5 million increase in Public Safety primarily related to MOU changes that were effective during the fiscal year, overtime costs of \$2.1 million for activities including citywide COVID-19 response and civil unrest events, and mutual aid costs in the amount of \$2.9 million.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2020

- A \$11.9 million increase in Public Health to fund costs not supported by other grants or funding sources that support projects to relieve COVID-19 impacts to the community.
- A \$14.9 million increase in Public Works related to various capital outlay and improvements activities.

The actual budgetary basis results of the General Fund as compared to the final budget reflect a net positive variance of \$79.7 million. This consists of favorable variances in both revenues and other financing sources of \$38.1 million and expenditures and other financing uses of \$41.6 million.

General Fund revenues and other financing sources reflect a positive budget to actual variance of \$38.1 million. For the year, the General Fund received 106.8 percent of total budgeted revenues and other financing sources. Noticeable positive variances between the final budget and actual results include \$48.1 million in transfers in from the General Grants fund for programs funded by CARES Act funds, \$3.2 million in property tax revenues, \$2.3 million in sales tax revenues and, \$9.4 million in licenses and permits mostly due to higher cannabis revenues.

General Fund expenditures and other financing uses reflect a positive budget to actual variance of \$41.6 million primarily due to lower pension expenses as a result of the City not making the annual prepayment on the CalPERS unfunded liability, but rather deciding to make payment on a monthly basis, as well as changes in pension actuarial assumptions.

Capital Assets and Debt Administration

Capital assets: As of September 30, 2020, the City's capital assets held by governmental and business-type activities amounted to \$7.3 billion (net of accumulated depreciation). There was an overall increase of \$145.0 million, or 2.0 percent, in the City's capital assets over the prior fiscal year.

Capital Assets, Net of Depreciation
September 30, 2020 and 2019
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 222,835	\$ 233,725	\$ 1,314,278	\$ 1,312,926	\$ 1,537,113	\$ 1,546,651
Rights-of-way	81,340	81,340	203,304	212,452	284,644	293,792
Water Rights	-	-	40	40	40	40
Construction in Progress	61,221	50,621	2,097,145	1,811,678	2,158,366	1,862,299
Buildings	430,296	427,719	1,732,169	1,861,631	2,162,465	2,289,350
Improvements Other than Buildings	61,311	65,632	330,791	324,783	392,102	390,415
Infrastructure	71,133	81,045	503,997	504,740	575,130	585,785
Machinery and Equipment	43,234	37,615	37,081	43,784	80,315	81,399
Vehicles and Aircrafts	58,685	53,061	74,978	75,742	133,663	128,803
Software and Patents	20,326	20,971	4,866	4,515	25,192	25,486
Total Net Capital Assets	\$ 1,050,381	\$ 1,051,729	\$ 6,298,649	\$ 6,152,291	\$ 7,349,030	\$ 7,204,020

Governmental activities' net capital assets decreased \$1.3 million, or 0.1 percent.

Construction in progress increased \$10.6 million primarily due to a new storm water treatment plant along the east side of the Los Angeles River. Buildings increased \$2.6 million primarily attributable to the completion of the new community center at Houghton Park.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2020

Improvements other than Buildings decreased \$4.3 million and Infrastructure decreased by \$9.9 million resulting from the depreciation of those assets.

Machinery and Equipment increased \$5.6 million for technology equipment and Vehicles and Aircraft increased \$5.6 million related to fleet replacements and upgrades.

Business-type activities' net capital assets increased \$146.4 million, or 2.4 percent, over the prior fiscal year. Significant capital asset activities during the year include:

- Harbor capital assets increased \$93.2 million. The increase was comprised mostly from the following: Middle Harbor terminal development for \$127.0 million, Gerald Desmond Bridge for \$63.4 million, and partially offset by depreciation and project cancellation or discontinuation.
- Continued investment in the replacement of the water distribution system increased Water Utility capital assets \$14.9 million due to the AMI project, cast iron water main replacement, and facility improvements.

Additional information on the City's capital assets can be found in Note 7 to the Basic Financial Statements, and information related to commitments for future capital asset acquisitions can be found in Note 22 to the Basic Financial Statements.

Long-Term Indebtedness: As of September 30, 2020, the City's net long-term debt outstanding totaled \$2.8 billion. Of this amount, \$2.5 billion relates to notes, bonds, capital leases, and \$294.9 million to the new Civic Center complex.

The implied issuer ratings assigned to the City's bond issues are as follows:

- Moody's Investors Services: Aa2, Stable Outlook
- Fitch Ratings: AA, Negative Outlook
- Standard & Poor's: AA, Stable Outlook

The table below provides summarized information for the City's outstanding long-term debt obligations at the close of the current and prior fiscal years-end.

Outstanding Debt Obligations
September 30, 2020 and 2019
(In Thousands)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Totals</i>	
	2020	2019	2020	2019	2020	2019
Notes Payable	\$ 7,905	\$ 8,241	\$ 477,885	\$ 339,056	\$ 485,790	\$ 347,297
Bonds Payable	291,570	320,866	1,670,260	1,781,199	1,961,830	2,102,065
Capital Leases	44,676	49,020	37,747	40,356	82,423	89,376
Other Obligations	294,864	299,875	-	-	294,864	299,875
Total Outstanding	\$ 639,015	\$ 678,002	\$ 2,185,892	\$ 2,160,611	\$ 2,824,907	\$ 2,838,613

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2020

Major changes in long-term obligations during the year include:

Governmental Activities

- Bonds payable decreased \$29.3 million as a result of annual principal payments and premium amortization. For capital leases, the City is reporting a decrease of \$4.3 million primarily due to payments offset by new leases for purchase of technology equipment. The Other Obligations liability of \$294.9 million is for City Hall and Civic Center complex.

Business-Type Activities

- Bonds payable reported a decrease of \$110.9 million. The more significant activity including Harbor issuing 2020 Revenue bonds to refund the 2010 Revenue bonds, and annual principal payments and premium amortization for a total of \$85.0.

Additional information on the City's long-term obligations can be found in Notes 8 through 11 of the Basic Financial Statements.

Economic Outlook

On March 27, 2020, the federal government passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act) to provide emergency assistance and health care response for individuals, families and businesses affected by the COVID-19 pandemic, which appropriated \$150 billion to states and certain local governments. While the City did not receive a direct allocation from the federal government as it was just under the required population threshold, Governor Newsom and the State Legislature allocated \$40.3 million in CARES Act funds to the City through the State budget for State year FY 21-22. The City Council allocated \$21.2 million of these funds for a variety of COVID-19 response projects to impacted sectors of the community, with the balance of \$19.1 million covering direct City costs associated with serving the public during the pandemic.

In March 2021, President Biden signed into law the American Rescue Plan Act of 2021. The City of Long Beach is estimated to receive \$153 million in general support for various purposes including responding to the COVID-19 emergency and address its economic effects, provide government services affected by a revenue reduction from the COVID-19 pandemic, and make investments in water, sewer and broadband infrastructure.

There have been significant impacts from COVID-19 to various City funds. General Fund impacts from COVID-19 include significant declines in sales tax and transient occupancy tax revenues. The City will continue to monitor and address General Fund revenue shortfalls as well as other impacted funds for fiscal year 2021.

Additional information related to the economy of the City is discussed in the accompanying Transmittal Letter.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information should be addressed to the City of Long Beach, Department of Financial Management, 411 West Ocean Boulevard, 6th Floor, Long Beach, California 90802.



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BASIC FINANCIAL STATEMENTS

City of Long Beach
Statement of Net Position
September 30, 2020
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Long Beach Public Transportation Company
ASSETS				
Current Assets:				
Pooled Cash and Cash Equivalents	\$ 186,996	\$ 398,363	\$ 585,359	\$ -
Non-Pooled Cash and Cash Equivalents	35,228	24,629	59,857	53,214
Pooled Investments	181,414	386,472	567,886	-
Interest Receivable	171	146	317	-
Property Tax Receivable, Net	103,716	-	103,716	-
Accounts and Loans Receivables, Net	29,890	143,212	173,102	6,645
Due from Other Governments	102,843	63,690	166,533	-
Internal Balances	37,131	(37,131)	-	-
Inventory	2,962	10,483	13,445	2,525
Other Assets	40,125	27,715	67,840	1,965
Land Held for Resale	5,874	-	5,874	-
Total Current Assets:	726,350	1,017,579	1,743,929	64,349
Noncurrent Restricted Assets:				
Non-Pooled Investments	-	54,412	54,412	28,185
Total Noncurrent Restricted Assets:	-	54,412	54,412	28,185
Other Noncurrent Assets:				
Pooled Investments	220,320	469,356	689,676	-
Other Noncurrent Receivables	219,802	-	219,802	-
Prepaid Gas - Long-term	-	334,469	334,469	-
Fair Value - Commodity Swap	-	610,803	610,803	-
Land and Other Capital Assets not being Depreciated	365,396	3,614,767	3,980,163	17,051
Capital Assets, net of Accumulated Depreciation	684,985	2,683,882	3,368,867	66,093
Other Assets	6,375	60,232	66,607	-
Total Other Noncurrent Assets:	1,496,878	7,773,509	9,270,387	83,144
Total Assets	2,223,228	8,845,500	11,068,728	175,678
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources	81,213	49,180	130,393	14,958
LIABILITIES				
Current Liabilities:				
Accounts Payable	73,328	128,797	202,125	2,759
Accrued Wages and Benefits Payable	38,868	8,666	47,534	4,625
Accrued Interest Payable	3,629	34,467	38,096	-
Due to Other Governments	241	-	241	-
Unearned Revenue, Credits, and Other Payables	48,626	45,230	93,856	39,665
Employee Benefits and Accrued Long-Term Obligations	86,511	20,464	106,975	19,430
Bonds, Loans, Capital Leases, and Other Long-Term Obligations	42,998	541,600	584,598	-
Total Current Liabilities	294,201	779,224	1,073,425	66,479
Noncurrent Liabilities:				
Fair Value - Interest Rate Swap	-	13,862	13,862	-
Unearned Revenue, Credits, and Other Payables	-	9,700	9,700	17,930
Employee Benefits and Accrued Long-Term Obligations	292,006	140,325	432,331	4,520
Bonds, Loans, Capital Leases, and Other Long-Term Obligations	621,017	1,653,112	2,274,129	-
Total OPEB Liability	7,515	2,140	9,655	-
Net Pension Liability	881,147	324,349	1,205,496	34,701
Total Noncurrent Liabilities:	1,801,685	2,143,488	3,945,173	57,151
Total Liabilities	2,095,886	2,922,712	5,018,598	123,630
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	167,468	631,880	799,348	-
NET POSITION				
Net Investment in Capital Assets	432,090	4,707,630	5,139,720	83,144
Restricted for:				
Debt Service	37,328	30,399	67,727	-
Capital Projects	73,857	73,942	147,799	527
Public Safety	6,177	-	6,177	-
Public Health	2,633	-	2,633	-
Community and Cultural	304,134	-	304,134	-
Healthcare Insurance	18,779	-	18,779	-
Tidelands	-	7,192	7,192	-
Airport	-	9,605	9,605	-
Subsidence	-	190,938	190,938	-
Unrestricted	(833,911)	320,382	(513,529)	(16,665)
Total Net Position	\$ 41,087	\$ 5,340,088	\$ 5,381,175	\$ 67,006

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Statement of Activities
For the Fiscal Year Ended September 30, 2020
(In Thousands)

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
Legislative and Legal	\$ 13,155	\$ 558	\$ -	\$ -
General Government	40,408	16,182	2,866	-
Public Safety	389,489	50,198	15,461	-
Public Health	71,880	9,826	137,320	-
Community and Cultural	190,370	32,599	1,297	668
Public Works	136,067	38,123	43,545	64,564
Oil Operations	1,775	9,743	-	-
Interest on Long-Term Debt	19,055	-	-	-
Total Governmental Activities	862,199	157,229	200,489	65,232
BUSINESS-TYPE ACTIVITIES				
Gas Utility	94,835	103,869	-	-
Water Utility	111,219	116,071	-	3,909
Tidelands Operating	143,249	72,467	500	163
Harbor	327,081	399,841	-	44,946
Non-major Enterprise Funds	232,428	225,028	2,894	31,002
Total Business-Type Activities	908,812	917,276	3,394	80,020
Total Primary Government	\$ 1,771,011	\$ 1,074,505	\$ 203,883	\$ 145,252
COMPONENT UNIT				
Long Beach Public Transportation Company	\$ 115,867	\$ 14,053	\$ 82,029	\$ 7,815

Taxes:
Property
Sales
Utility Users
Other
Franchise Taxes
Unrestricted Investment Earnings
Loss on Sale of Capital Assets
Capital Asset Transfers
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position, Beginning of Year
Net Position, End of Year

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Long Beach Public Transpor- tation Company
\$ (12,597)	\$ -	\$ (12,597)	\$ -
(21,360)	-	(21,360)	-
(323,830)	-	(323,830)	-
75,266	-	75,266	-
(155,806)	-	(155,806)	-
10,165	-	10,165	-
7,968	-	7,968	-
(19,055)	-	(19,055)	-
(439,249)	-	(439,249)	-
-	9,034	9,034	-
-	8,761	8,761	-
-	(70,119)	(70,119)	-
-	117,706	117,706	-
-	26,496	26,496	-
-	91,878	91,878	-
(439,249)	91,878	(347,371)	-
-	-	-	(11,970)
220,665	-	220,665	-
129,095	-	129,095	-
33,767	-	33,767	-
39,449	-	39,449	-
16,481	-	16,481	-
11,426	34,336	45,762	1,848
(2)	-	(2)	-
(37)	37	-	-
26,881	(26,881)	-	-
477,725	7,492	485,217	1,848
38,476	99,370	137,846	(10,122)
2,611	5,240,718	5,243,329	77,128
\$ 41,087	\$ 5,340,088	\$ 5,381,175	\$ 67,006

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Governmental Funds
Balance Sheet
September 30, 2020
(In Thousands)

	General	General Capital Projects	Housing Assistance Special Revenue	Other Governmental Funds	Total September 30, 2020
ASSETS					
Pooled Cash and Cash Equivalents	\$ 101,661	\$ 150,026	\$ 17,738	\$ 96,973	\$ 366,398
Non-Pooled Cash and Cash Equivalents	1,369	-	2,608	28,270	32,247
Receivables:					
Interest Receivable	1	1	-	-	2
Property Taxes	109,161	-	-	-	109,161
Accounts Receivable	27,437	308	143	8,496	36,384
Due from Other Governments	32,497	14,077	1,414	54,825	102,813
Due from Other Funds	39,023	37	-	3,553	42,613
Allowance for Receivables	(11,151)	(63)	(107)	(5,931)	(17,252)
Inventory	-	102	-	-	102
Other Assets	1,503	1,489	-	67	3,059
Advances to Other Funds	-	-	-	3,809	3,809
Land Held for Resale	-	-	-	5,874	5,874
Other Noncurrent Receivables	-	-	-	219,802	219,802
Total Assets	<u>\$ 301,501</u>	<u>\$ 165,977</u>	<u>\$ 21,796</u>	<u>\$ 415,738</u>	<u>\$ 905,012</u>
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 16,185	\$ 19,258	\$ 268	\$ 12,521	\$ 48,232
Accrued Wages and Benefits Payable	16,406	350	199	2,138	19,093
Due to Other Governments	236	-	5	-	241
Due to Other Funds	14,963	3,115	99	29,659	47,836
Unearned Revenues	7,450	12,750	3,453	24,120	47,773
Deposits and Collections Held in Trust	2,715	1,103	1,466	1,612	6,896
Advances from Other Funds	614	-	-	5,409	6,023
Total Liabilities	<u>58,569</u>	<u>36,576</u>	<u>5,490</u>	<u>75,459</u>	<u>176,094</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources	<u>107,002</u>	<u>-</u>	<u>-</u>	<u>214,595</u>	<u>321,597</u>
FUND BALANCES					
Nonspendable	1,503	1,489	-	888	3,880
Restricted	5,864	62,462	16,306	123,009	207,641
Committed	50,708	-	-	1,414	52,122
Assigned	75,789	65,450	-	373	141,612
Unassigned	2,066	-	-	-	2,066
Total Fund Balances	<u>135,930</u>	<u>129,401</u>	<u>16,306</u>	<u>125,684</u>	<u>407,321</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 301,501</u>	<u>\$ 165,977</u>	<u>\$ 21,796</u>	<u>\$ 415,738</u>	<u>\$ 905,012</u>

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Reconciliation of the Governmental Fund Balance Sheet to
Governmental Activities in the Statement of Net Position
September 30, 2020
(In Thousands)

Total governmental fund balances	\$ 407,321
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, consisting of \$321,979 of non-depreciable assets and \$246,096 of depreciable assets, used in the governmental activities, which are not included in the internal service funds, are not financial resources and, therefore, are not reported in the funds.	568,075
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Deferred outflows related to postemployment and economic losses from refinancing of debt are not included in the governmental funds.	72,320
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Deferred inflows related to postemployment and economic gains from refinancing of debt are not included in the governmental funds.	159,159
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Governmental long-term liabilities, excluding those liabilities in the internal service funds, are not due and payable in the current period and, therefore, are not reported in the funds. Liability amounts have been reduced by interest receivables for federal subsidy on Build America and Recovery Zone Economic Development Bonds.	(1,134,073)
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Internal service funds are used by management to charge the cost of operations and financing related to the Civic Center complex; operations, maintenance, financing, timely replacement of information technology assets and vehicles; and to account for the City's risk management, self-insurance, and employee benefits' programs to individual user funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(31,715)
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Net position of governmental activities	<u>\$ 41,087</u>
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The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	General	General Capital Projects	Housing Assistance Special Revenue	Other Governmental Funds	Total September 30, 2020
Revenues:					
Taxes:					
Property	\$ 181,700	\$ -	\$ -	\$ 38,965	\$ 220,665
Sales	126,689	-	-	2,406	129,095
Utility Users	33,767	-	-	-	33,767
Other Taxes	29,194	-	-	10,255	39,449
Franchise Fees	16,481	-	-	-	16,481
Licenses and Permits	35,615	-	-	13,188	48,803
Fines and Forfeitures	16,354	-	-	-	16,354
Use of Money and Property	32,175	1,586	150	5,632	39,543
From Other Agencies	4,564	65,330	105,846	115,008	290,748
Charges for Services	42,094	516	-	2,011	44,621
Other	3,100	860	112	6,164	10,236
Total Revenues	<u>521,733</u>	<u>68,292</u>	<u>106,108</u>	<u>193,629</u>	<u>889,762</u>
Expenditures:					
Current:					
Legislative and Legal	13,108	-	-	-	13,108
General Government	27,363	-	39	13,175	40,577
Public Safety	353,513	-	-	15,539	369,052
Public Health	9,612	-	-	60,161	69,773
Community and Cultural	45,052	-	103,021	40,733	188,806
Public Works	47,891	13,568	-	-	61,459
Oil Operations	2,572	-	-	-	2,572
Total Current Expenditures	<u>499,111</u>	<u>13,568</u>	<u>103,060</u>	<u>129,608</u>	<u>745,347</u>
Capital Improvements	<u>347</u>	<u>72,275</u>	<u>-</u>	<u>733</u>	<u>73,355</u>
Debt Service:					
Principal	425	-	-	19,647	20,072
Interest	52	-	-	13,627	13,679
Debt Administration Fees	10	-	-	14	24
Total Expenditures	<u>499,945</u>	<u>85,843</u>	<u>103,060</u>	<u>163,629</u>	<u>852,477</u>
Excess of Revenues over (under) Expenditures	<u>21,788</u>	<u>(17,551)</u>	<u>3,048</u>	<u>30,000</u>	<u>37,285</u>
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Asset	8,038	-	-	3,024	11,062
Transfers In	71,663	35,134	230	19,169	126,196
Transfers Out	(92,065)	(9,203)	-	(53,504)	(154,772)
Total Other Financing Sources (Uses)	<u>(12,364)</u>	<u>25,931</u>	<u>230</u>	<u>(31,311)</u>	<u>(17,514)</u>
Net Change in Fund Balances	9,424	8,380	3,278	(1,311)	19,771
Fund Balances - October 1	<u>126,506</u>	<u>121,021</u>	<u>13,028</u>	<u>126,995</u>	<u>387,550</u>
Fund Balances - September 30	<u>\$ 135,930</u>	<u>\$ 129,401</u>	<u>\$ 16,306</u>	<u>\$ 125,684</u>	<u>\$ 407,321</u>

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Reconciliation of Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2020
(In Thousands)

Excess of expenditures and other uses over revenue and other sources - total governmental funds	\$	19,771
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost associated with the acquisition of those assets is allocated over their estimated useful life and reported as depreciation expense. This is the amount by which capital outlay (\$13,358) is less than depreciation (\$22,707) in the current period.		(9,349)
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The net effect of miscellaneous transactions involving capital assets (e.g., sales, trade-ins, disposal of capital assets, and donations) results in a decrease to net position.		(11,109)
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Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period. Under accrual accounting, revenue is recognized when it is earned regardless of its availability. In addition, governmental funds report expenditures pertaining to the establishment of certain long-term loans. Payments on these long-term receivables are recorded as revenue in the governmental funds. These deferred credits are not reported on the statement of net position and, therefore, the corresponding net expense is not reported on the statement of activities.		7,517
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Pension contributions made subsequent to the measurement date are an expenditure in the governmental funds, but reported as a deferred outflow of resources in the statement of net position.		(35,937)
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Pension expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(54,414)
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The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt and other long-term obligations consumes current financial resources. Neither transaction, however, has any affect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when long-term debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		20,979
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.		13,174
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Internal service funds are used by management to charge the cost of certain services to individual funds. The net loss of certain activities of internal service funds is reported as governmental activities.		87,844
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Change in net position of governmental activities	\$	38,476
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The notes to the basic financial statements are an integral part of this statement.



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City of Long Beach
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Budgeted Amounts		Actual on	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Favorable
				(Unfavorable)
Sources:				
Property Taxes	\$ 178,484	\$ 178,484	\$ 181,700	\$ 3,216
Sales Taxes	124,401	124,401	126,689	2,288
Utility Users Taxes	35,971	35,971	33,767	(2,204)
Other Taxes	39,556	39,863	29,194	(10,669)
Franchise Fees	27,213	27,213	16,481	(10,732)
Licenses and Permits	26,208	26,213	35,615	9,402
Fines and Forfeitures	20,633	20,633	16,354	(4,279)
Use of Money and Property	30,178	32,999	32,175	(824)
From Other Agencies	4,817	4,894	4,564	(330)
Charges for Services	46,444	46,698	42,094	(4,604)
Other	3,851	2,418	3,100	682
Proceeds from Sale of Capital Asset	-	-	8,038	8,038
Transfers In	23,382	23,556	71,663	48,107
Total Sources	561,138	563,343	601,434	38,091
Uses:				
Current:				
Legislative and Legal				
Mayor and City Council	6,539	8,043	5,150	2,893
City Attorney	3,942	4,008	2,751	1,257
City Clerk	4,690	5,721	5,208	513
General Government				
City Auditor	2,945	3,162	2,413	749
City Manager	5,247	7,858	5,315	2,543
Civil Service	3,299	3,353	2,514	839
Financial Management	20,745	23,292	16,938	6,354
Planning and Building	863	1,896	308	1,588
Public Safety				
Police	244,296	254,347	236,687	17,660
Fire	101,803	106,498	97,222	9,276
Disaster Preparedness	12,740	12,938	10,865	2,073
City Prosecutor	6,602	7,284	5,628	1,656
Planning and Building - Code Enforcement	3,908	3,760	3,442	318
Public Health	8,325	20,270	9,614	10,656
Community and Cultural				
Community Development	964	2,704	2,227	477
Library	18,297	18,420	16,115	2,305
Parks and Recreation	30,264	33,751	26,723	7,028
Public Works	43,946	58,862	48,218	10,644
Oil Operations	3,276	3,276	2,572	704
Debt Service	512	512	487	25
Capital Outlay	168	3,155	347	2,808
Transfers Out	43,164	51,366	92,065	(40,699)
Total Uses	566,535	634,476	592,809	41,667
Net Change in Budgetary Fund Balance:	\$ (5,397)	\$ (71,133)	\$ 8,625	\$ 79,758

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	\$ 8,625
Add: Encumbrances	799
Change in Fund Balance - September 30, GAAP Basis	9,424
Fund Balance, October 1, GAAP Basis	126,506
Fund Balance, September 30, GAAP Basis	\$ 135,930

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
General Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Budgeted Amounts		Actual on	Variance
	Original	Final	Budgetary	with Final
			Basis	Budget
				Favorable
				(Unfavorable)
Sources:				
Other Taxes	\$ 4,015	\$ 4,015	-	(4,015)
Use of Money and Property	806	\$ 806	\$ 1,586	\$ 780
From Other Agencies	57,187	42,171	65,330	23,159
Charges for Services	-	487	516	29
Other	-	3,011	860	(2,151)
Debt Issuance	-	-	-	-
Transfers In	81,185	76,616	35,134	(41,482)
Total Sources	143,193	127,106	103,426	(23,680)
Uses:				
General Government				
Financial Management	200	200	136	64
Public Works	36,103	37,513	14,151	23,362
Capital Improvements	75,416	102,877	94,676	8,201
Transfers Out	28,000	20,134	9,203	10,931
Total Uses	139,719	160,724	118,166	42,558
Net Change in Budgetary Fund Balance (Deficit)	\$ 3,474	\$ (33,618)	\$ (14,740)	\$ 18,878
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis				
Change in Fund Balance - September 30, Budgetary Basis			\$ (14,740)	
Add: Encumbrances			23,120	
Change in Fund Balance - September 30, GAAP Basis			8,380	
Fund Balance, October 1, GAAP Basis			121,021	
Fund Balance, September 30, GAAP Basis			\$ 129,401	

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Housing Assistance Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	<u>Budgeted Amounts</u>		Actual on	Variance
	<u>Original</u>	<u>Final</u>	Budgetary	with Final
			Basis	Budget
				Favorable
				(Unfavorable)
Sources:				
Use of Money and Property	\$ 92	\$ 92	\$ 150	\$ 58
From Other Agencies	91,946	106,257	105,846	(411)
Other	177	177	112	(65)
Transfers In	-	-	230	230
Total Sources	<u>92,215</u>	<u>106,526</u>	<u>106,338</u>	<u>(188)</u>
Uses:				
General Government				
Financial Management	175	175	39	136
Community and Cultural				
Development Services	<u>93,642</u>	<u>108,690</u>	<u>103,025</u>	<u>5,665</u>
Total Uses	<u>93,817</u>	<u>108,865</u>	<u>103,064</u>	<u>5,801</u>
Net Change in Budgetary Fund Balance	<u>\$ (1,602)</u>	<u>\$ (2,339)</u>	<u>\$ 3,274</u>	<u>\$ 5,613</u>
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis				
Change in Fund Balance - September 30, Budgetary Basis			<u>\$ 3,274</u>	
Add: Encumbrances			<u>4</u>	
Change in Fund Balance - September 30, GAAP Basis			<u>3,278</u>	
Fund Balance, October 1, GAAP Basis			<u>13,028</u>	
Fund Balance, September 30, GAAP Basis			<u><u>\$ 16,306</u></u>	

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Proprietary Funds
Statement of Net Position (Deficit)
September 30, 2020
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Tidelands Operating</u>
ASSETS			
Current Assets:			
Pooled Cash and Cash Equivalents	\$ 48,596	\$ 17,585	\$ 158,201
Non-Pooled Cash and Cash Equivalents	45	4,131	12,867
Receivables:			
Interest Receivable	21	11	67
Accounts Receivable	11,499	8,914	4,387
Notes and Loans Receivable	-	-	-
Due from Other Governments	-	1,892	111
Due from Other Funds	304	896	25,039
Allowance for Receivables	(1,082)	(507)	(752)
Deposits	-	-	-
Inventory	3,020	6,512	-
Prepaid Gas - Current	23,500	-	-
Other Assets - Current	-	2,552	-
Total Current Asset	<u>85,903</u>	<u>41,986</u>	<u>199,920</u>
Noncurrent Assets:			
Restricted Noncurrent Assets:			
Non-Pooled Cash and Cash Equivalents	-	-	-
Non-Pooled Investments	25,499	2,843	17,383
Noncurrent Receivables:			
Advances to Other Funds	-	-	-
Fair Value - Commodity Swap	610,803	-	-
Capital Assets:			
Land and Other Capital Assets not being Depreciated	7,253	71,750	78,746
Capital Assets net of Accumulated Depreciation	165,693	284,696	277,882
Prepaid Gas - Long Term	334,469	-	-
Other Assets - Long-Term	-	-	-
Total Noncurrent Assets	<u>1,143,717</u>	<u>359,289</u>	<u>374,011</u>
Total Assets	<u>1,229,620</u>	<u>401,275</u>	<u>573,931</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources	<u>16,358</u>	<u>5,808</u>	<u>11,340</u>

The notes to the basic financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
\$ 643,584	\$ 386,225	\$ 1,254,191	\$ 222,332
9	7,577	24,629	2,981
9	38	146	1
78,667	21,530	124,997	5,337
25,834	-	25,834	-
42,900	18,787	63,690	30
451	2,699	29,389	33,236
(3,373)	(1,905)	(7,619)	(24)
-	-	-	7,697
766	185	10,483	2,860
-	-	23,500	-
1,647	16	4,215	29,369
790,494	435,152	1,553,455	303,819
-	-	-	-
-	8,687	54,412	-
1,210	614	1,824	6,160
-	-	610,803	-
3,399,618	57,400	3,614,767	43,417
1,631,036	324,575	2,683,882	438,889
-	-	334,469	-
60,232	-	60,232	6,375
5,092,096	391,276	7,360,389	494,841
5,882,590	826,428	8,913,844	798,660
8,715	6,959	49,180	8,893
			(Continued)

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Proprietary Funds
Statement of Net Position (Deficit)
September 30, 2020
(In Thousands)

(Continued)

	Business-type Activities - Enterprise Funds		
	Gas Utility	Water Utility	Tidelands Operating
LIABILITIES			
Current Liabilities Payable from Current Assets:			
Accounts Payable	3,384	13,957	9,066
Accrued Wages	833	1,105	1,257
Accrued Interest Payable	10,240	302	3,768
Due to Other Funds	3,076	1,075	860
Unearned Revenues	1,857	98	2,124
Collections Held in Trust	-	93	150
Customers Deposits	2,847	20	677
Advances from Developers	-	1,735	-
Accrued Self-Insurance Claims - Current	-	-	-
Environmental Remediation - Current	-	-	-
Due to State of California	-	-	-
Compensated Absences and Accrued Employee Benefits	1,772	2,182	2,561
Obligations Under Capital Leases - Current	1,131	1,516	39
Bonds Payable Due Within One Year	13,990	3,170	12,600
Other Long-Term Obligations - Current	-	-	27
Total Current Liabilities	<u>39,130</u>	<u>25,253</u>	<u>33,129</u>
Noncurrent Liabilities:			
Advances from Other Funds	-	-	1,210
Unearned Revenues	-	-	4,490
Accrued Self-Insurance Claims	-	-	-
Accrued Oil Field Abandonment Costs	-	-	-
Environmental Remediation	-	-	-
Site Restoration	-	1,000	-
Due to State of California	-	-	-
Fair Value - Interest Rate Swap	13,862	-	-
Compensated Absences and Accrued Employee Benefits	4,347	4,940	6,413
Obligations Under Capital Leases	11,492	23,343	226
Other Long-Term Obligations	-	-	309
Bonds Payable	556,764	13,818	209,598
Total OPEB Liability	285	326	422
Net Pension Liability	<u>31,848</u>	<u>42,899</u>	<u>51,759</u>
Total Noncurrent Liabilities	<u>618,598</u>	<u>86,326</u>	<u>274,427</u>
Total Liabilities	<u>657,728</u>	<u>111,579</u>	<u>307,556</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources	<u>613,013</u>	<u>1,764</u>	<u>3,540</u>
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	160,323	321,467	150,808
Restricted for:			
Debt Service	-	2,377	8,001
Capital Projects	7,812	-	324
Insurance	-	-	-
Tidelands	-	-	7,192
Airport	-	-	-
Subsidence	-	-	-
Unrestricted	<u>(192,898)</u>	<u>(30,104)</u>	<u>107,850</u>
Total Net Position (Deficit)	<u>\$ (24,763)</u>	<u>\$ 293,740</u>	<u>\$ 274,175</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			
Net Position of Business-type Activities			

The notes to the basic financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
78,785	23,605	128,797	25,096
3,272	2,199	8,666	19,775
17,936	2,221	34,467	1,190
23,512	5,113	33,636	23,766
13,901	6,808	24,788	-
1,026	945	2,214	3,489
-	2,347	5,891	-
-	10,602	12,337	-
5,250	-	5,250	32,013
-	-	-	235
-	9,072	9,072	-
4,989	3,710	15,214	53,550
-	-	2,686	7,282
496,520	3,535	529,815	8,307
-	-	27	5,099
645,191	70,157	812,860	179,802
4,560	-	5,770	-
-	5,210	9,700	-
-	-	-	148,023
-	102,600	102,600	-
3,700	-	3,700	-
-	-	1,000	-
-	-	-	965
-	-	13,862	-
10,462	6,863	33,025	115,724
-	-	35,061	37,394
-	-	309	289,765
732,605	104,957	1,617,742	18,232
640	467	2,140	525
121,539	76,304	324,349	72,746
873,506	296,401	2,149,258	683,374
1,518,697	366,558	2,962,118	863,176
9,778	3,785	631,880	5,030
3,791,206	283,826	4,707,630	125,972
13,801	6,220	30,399	-
37,743	28,063	73,942	1,414
-	-	-	18,779
-	-	7,192	-
-	9,605	9,605	-
-	190,938	190,938	-
520,080	(55,608)	349,320	(206,818)
\$ 4,362,830	\$ 463,044	5,369,026	\$ (60,653)
		(28,938)	
		\$ 5,340,088	

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Tidelands Operating</u>
Operating Revenues:			
Licenses and Permits	\$ -	\$ -	\$ 201
Fines and Forfeitures	-	-	341
Fees, Concessions, and Rentals	-	-	32,708
From Other Agencies	-	-	45
Charges for Services	102,370	111,603	30,638
Other	116	1,487	1,128
Total Operating Revenues	<u>102,486</u>	<u>113,090</u>	<u>65,061</u>
Operating Expenses:			
Personnel Services	25,414	31,617	45,292
Purchases of Gas and Water	10,858	36,163	-
Maintenance and Other Operations	20,166	29,932	66,396
Rental Expense	-	-	-
Insurance Premiums	-	-	-
Self-Insured Losses	-	-	-
Compensated Absences	-	-	-
Employee Benefits	-	-	-
Payments to Other Entities	-	-	-
Depreciation	7,596	13,025	21,480
Total Operating Expenses	<u>64,034</u>	<u>110,737</u>	<u>133,168</u>
Operating Income (Loss)	<u>38,452</u>	<u>2,353</u>	<u>(68,107)</u>
Non-Operating Income (Expenses):			
Interest Income	1,869	697	6,433
Interest Expense	(29,033)	(1,538)	(8,578)
Gain (Loss) on Disposition of Capital Assets	(198)	348	23
Capital Assets to / (from) Other Funds	-	-	37
Oil Field Abandonment	-	-	-
Operating Grants	-	-	500
Other Income	1,383	2,981	7,406
Other Expense	(1,916)	(650)	(2,935)
Total Non-Operating Income (Expenses)	<u>(27,895)</u>	<u>1,838</u>	<u>2,886</u>
Income (Loss) Before Contributions and Transfers	10,557	4,191	(65,221)
Capital Grants and Contributions	-	3,909	163
Transfers:			
Transfers In	-	-	34,229
Transfers Out	(13,865)	(10,450)	(498)
Change in Net Position	(3,308)	(2,350)	(31,327)
Net Position (Deficit) - October 1	(21,455)	296,090	305,502
Net Position (Deficit) - September 30	<u>\$ (24,763)</u>	<u>\$ 293,740</u>	<u>\$ 274,175</u>
Change in Net Position of Business - Enterprise Funds			

Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds
Change in Net Position of Business-type Activities

The notes to the basic financial statements are an integral part of this statement.

Business-Type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
\$ -	\$ 23,603	\$ 23,804	\$ -
-	14	355	-
-	83,080	115,788	-
-	930	975	-
395,619	112,520	752,750	463,702
3,010	1,847	7,588	7,543
398,629	221,994	901,260	471,245
57,116	65,366	224,805	70,465
-	-	47,021	-
46,785	123,228	286,507	70,809
-	371	371	-
-	-	-	7,359
-	-	-	32,276
-	-	-	53,619
-	-	-	207,790
38,806	36,718	75,524	-
149,652	16,567	208,320	26,624
292,359	242,250	842,548	468,942
106,270	(20,256)	58,712	2,303
16,402	8,935	34,336	2,245
(35,539)	(6,447)	(81,135)	(7,186)
(4,279)	(167)	(4,273)	87
-	-	37	(37)
-	16,000	16,000	-
-	2,894	3,394	2,221
1,212	3,034	16,016	42,950
-	(1,464)	(6,965)	(185)
(22,204)	22,785	(22,590)	40,095
84,066	2,529	36,122	42,398
44,946	31,002	80,020	97
-	86	34,315	60,532
(21,154)	(15,229)	(61,196)	(5,074)
107,858	18,388	89,261	97,953
4,254,972	444,656	5,279,765	(158,606)
\$ 4,362,830	\$ 463,044	5,369,026	\$ (60,653)
		89,261	
		10,109	
		\$ 99,370	

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	<u>Business-Type Activities - Enterprise Funds</u>		
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Tidelands Operating</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 108,808	\$ 116,901	\$ 77,041
Receipts from Oil Companies	-	-	-
Receipts from Other Governments	-	-	1,976
Receipts from Other Funds	-	-	6,399
Payments for Employee Salaries	(24,203)	(28,744)	(36,914)
Payments for Goods and Services	(8,384)	(57,215)	(61,749)
Payments for Compensated Absences	-	-	-
Payments for Employee Benefits	-	-	-
Payments for Liability Claims	-	-	-
Payments to Other Funds	-	-	-
Payments to Other Entities	-	(1,753)	(4,692)
Other Income	1,383	2,981	7,406
Other Expense	(1,916)	(650)	(2,935)
Net Cash Provided by (Used for) Operating Activities	75,688	31,520	(13,468)
Cash Flows from Non-Capital Financing Activities:			
Operating Grants Received from Other Governments	-	-	500
Receipts from Prepayment of Gas Supply	-	-	-
Payments of Principal on Bonds Payable	(11,905)	-	-
Payments of Interest	(28,967)	-	-
Transfers In	-	-	34,229
Transfers Out	(13,865)	(10,450)	(498)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(54,737)	(10,450)	34,231
Cash Flows from Capital and Related Financing Activities:			
Receipt of Capital Grants	-	-	163
Proceeds from the Sale of Capital Assets	-	348	23
Proceeds from Issuance of Bonds	-	-	-
Payment of Cost of Issuance	-	-	-
Receipts of Contributed Capital	-	2,332	-
Receipts from Passenger Facility Charges	-	-	-
Payments to Developers	-	-	-
Payments for Capital Acquisitions	(7,247)	(35,477)	(20,868)
Payments of Principal on Bonds Payable	-	(3,050)	(11,081)
Payments of Principal on Other Long-Term Obligations	(1,702)	(1,466)	(66)
Payments of Interest	(312)	(1,708)	(9,399)
Receipt of Federal Subsidy	-	-	-
Net Cash Used for Capital and Related Financing Activities	(9,261)	(39,021)	(41,228)
Cash Flows from Investing Activities:			
Proceeds from the Sale of Investments	-	-	-
Payments for Purchase of Investments	(1,680)	-	(17,383)
Payment from Joint Venture	-	-	-
Receipts of Interest	1,868	644	6,467
Net Cash Provided by Investing Activities	188	644	(10,916)
Net Increase (Decrease) in Cash and Cash Equivalents	11,878	(17,307)	(31,381)
Cash and Cash Equivalents - October 1	36,763	39,023	202,449
Cash and Cash Equivalents - September 30	\$ 48,641	\$ 21,716	\$ 171,068

The notes to the basic financial statements are an integral part of this statement.

Business-Type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
\$ 401,250	\$ 169,071	\$ 873,071	\$ 3,765
-	75,854	75,854	-
-	1,805	3,781	10,189
-	4,514	10,913	464,030
(76,397)	(60,967)	(227,225)	(58,433)
(69,951)	(128,253)	(325,552)	(69,770)
-	-	-	(46,823)
-	-	-	(258,420)
-	-	-	(31,155)
-	-	-	(3,051)
-	(38,558)	(45,003)	-
1,030	1,420	14,220	42,950
-	(1,452)	(6,953)	(185)
255,932	23,434	373,106	53,097
-	2,788	3,288	2,221
-	-	-	-
-	-	(11,905)	-
-	-	(28,967)	-
-	86	34,315	(5,074)
(21,154)	(15,229)	(61,196)	60,532
(21,154)	(12,355)	(64,465)	57,679
52,322	-	52,485	-
20,160	11	20,542	372
299,782	-	299,782	-
(826)	-	(826)	-
-	27,819	30,151	97
-	3,183	3,183	-
(25,000)	-	(25,000)	-
(265,224)	(49,082)	(377,898)	(46,060)
(213,525)	(3,369)	(231,025)	(7,908)
-	-	(3,234)	(9,656)
(54,958)	(6,627)	(73,004)	(7,575)
-	1,115	1,115	-
(187,269)	(26,950)	(303,729)	(70,730)
55,026	-	55,026	-
(5,038)	(263)	(24,364)	-
2,000	-	2,000	-
16,418	9,448	34,845	2,247
68,406	9,185	67,507	2,247
115,915	(6,686)	72,419	42,293
527,678	400,488	1,206,401	183,020
\$ 643,593	\$ 393,802	\$ 1,278,820	\$ 225,313

(continued)

The notes to the basic financial statements are an integral part of this statement.

(Continued)

Business-Type Activities - Enterprise Funds			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
	Gas Utility	Water Utility	Tidelands Operating
Operating Income (Loss)	\$ 38,452	\$ 2,353	\$ (68,107)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for)			
Operating Activities:			
Depreciation and Amortization Expense	7,596	13,025	21,480
Other Income	-	2,981	7,406
Other Expense	(533)	(650)	(2,935)
(Increase) Decrease in Accounts Receivable, Net	(512)	(782)	11,933
Increase in Amounts Due to Other Governments	-	-	-
(Increase) Decrease in Amounts Due from Other Governments	-	-	(109)
(Increase) Decrease in Amounts Due from Other Funds	4,532	4,691	(2,805)
(Increase) Decrease in Inventory	(890)	10,484	-
(Increase) Decrease in Other Assets	23,611	-	-
Increase in Other Non-Operating Assets	-	-	-
Decrease in Other Liabilities	-	-	-
Increase (Decrease) in Accounts Payable	(173)	(281)	4,686
Increase (Decrease) in Accrued Wages Payable	1,211	2,873	8,378
Increase (Decrease) in Amounts Due to Other Funds	2,370	(3,074)	6,462
Increase in Accrued Claims Payable	-	-	-
Increase in Unearned Revenues	90	-	(85)
Increase (Decrease) in Collections Held in Trust	(66)	(100)	228
Total Adjustments	37,236	29,167	54,639
Net Cash Provided by (Used for) Operating Activities	\$ 75,688	\$ 31,520	\$ (13,468)
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Amortization of Bond Premium (Discount), Net	\$ 23,428	\$ -	\$ 514
Accrued Capital Assets	-	-	-
Accrued Oilfield Abandonment Costs	-	-	-
Amortization of Deferred Outflows on Debt Refunding	-	-	(445)
Amortization of Deferred Inflows on Debt Refunding	-	-	-
Accrued Transfers to Other Fund	-	-	-
Borrowing under Capital Lease or Other Long-term Debt	-	-	-
Discontinued Capital Projects	-	-	-

The notes to the basic financial statements are an integral part of this statement.

Business-Type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
\$ 106,270	\$ (20,256)	\$ 58,712	\$ 2,303
149,652	16,567	208,320	26,624
1,030	1,420	12,837	42,950
4,651	(1,452)	(919)	(185)
522	18,655	29,816	(3,732)
-	-	-	-
-	(2,568)	(2,677)	(30)
-	6,864	13,282	(11,624)
-	(60)	9,534	-
-	91	23,702	(28,369)
-	-	-	-
-	-	-	-
(12,154)	(6,042)	(13,964)	13,557
4,342	4,399	21,203	21,134
-	3,430	9,188	(17,523)
(700)	-	(700)	8,480
2,319	1,655	3,979	-
-	731	793	(488)
149,662	43,690	314,394	50,794
\$ 255,932	\$ 23,434	\$ 373,106	\$ 53,097

\$ 21,270	\$ 59	\$ 45,271	\$ -
65,887	-	65,887	-
-	(16,000)	(16,000)	-
(2,443)	(13)	(2,901)	-
3,621	-	3,621	-
19,931	-	19,931	-
-	-	-	99,287
2,280	-	2,280	-

The notes to the basic financial statements are an integral part of this statement.

City of Long Beach
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020
(In Thousands)

	Private Purpose Trust Funds	Custodial Funds
ASSETS:		
Pooled Cash and Cash Equivalents	\$ 655	\$ 14,411
Non-Pooled Investments	-	1,095
Non-Pooled Cash and Cash Equivalents	-	8,550
Property Taxes Receivable	-	123
Accounts Receivable	-	1,024
Prepaid Expense	-	8
Land	-	11,000
Total Assets	<u>655</u>	<u>36,211</u>
LIABILITIES:		
Accounts Payable	-	551
Total Liabilities	<u>-</u>	<u>551</u>
NET POSITION:		
Restricted for:		
Miller Library Trust	650	-
Mayor's Fund for the Homeless	5	-
Oil Rights	-	1,805
Special Assesment Districts	-	10,814
Intermodal Container Transfer Facility	-	8,161
Los Cerritos Wetlands Authority	-	11,195
Other Custodial Funds	-	3,685
Total Restricted Net Position	<u>\$ 655</u>	<u>\$ 35,660</u>

City of Long Beach
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Contributions	\$ -	\$ 5,316
Taxes	-	8,542
Grants	-	557
Use of Money and Property	17	549
Miscellaneous Revenue	-	323
Total Additions	<u>17</u>	<u>15,287</u>
DEDUCTIONS:		
Administrative Expense	58	42
Payments to Bond Holders	-	6,447
Payments to Others	-	5,191
Total Deductions	<u>58</u>	<u>11,680</u>
Change in Net Position	(41)	3,607
Net Position, October 1	<u>696</u>	<u>32,053</u>
Net Position, September 30	<u>\$ 655</u>	<u>\$ 35,660</u>

The notes to the basic financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 1 – REPORTING ENTITY

Organization

The City of Long Beach (City) operates under a City Charter originally adopted in 1921 and last amended in 2010. The City Charter establishes the current Mayor-Council-City Manager form of government, sets forth the powers and duties of the Mayor and City Council, and defines the roles, duties, and form of organization of the City's various boards, commissions, and other offices. The City is divided into nine council districts, with Councilpersons elected to serve within their respective districts. The citizens, as a whole, elect a Mayor, City Auditor, City Attorney, and City Prosecutor. The City Council appoints a City Manager who serves at the discretion of the Council.

Financial Reporting Entity

The City provides a full range of municipal services including police and fire, health and social services, library, parks and recreation, planning and community development, and public works improvements. The City also provides for sanitation, gas, water, and towing services. The City operates its own airport, five golf courses, international harbor facility, and a tidelands trust area (consisting of the beaches, Convention Center, Queen Mary, Rainbow Harbor, marinas, and oil extraction administrative operations), under a trust agreement with the State of California. It is the City's policy to establish fees and charges designed to recover the full cost of providing services, including capital costs such as depreciation and debt service. Accordingly, the financial activities of these operations are accounted for as enterprise funds.

The accompanying basic financial statements present the financial activity of the City and its component units, entities for which the primary government is considered to be financially accountable. Blended component units, although separate legal entities, are in substance part of the government's operations. The City's discretely presented component unit represents a legally separate organization for which the nature and significance of its relationship to the primary government are such that exclusion would cause the City's reporting entity to be misleading or incomplete. Brief descriptions of these related blended and discretely presented component financial reporting units/entities and the method of incorporating their financial information in the accompanying basic financial statements are as follows:

Blended Component Entities

Housing Authority of the City of Long Beach (Authority) is a public agency created by action of the City Council in 1969 to administer housing assistance programs for qualified residents. The Authority is governed by an 11-member Board of Commissioners, comprised of the nine City Council members and two representatives elected by housing assistance benefit recipients. The Authority's administrative functions are directed and performed by City employees. The financial activity of the Authority is included in the Housing Assistance Special Revenue Fund.

Successor Agency to the Redevelopment Agency of the City of Long Beach (Agency): Consistent with the dissolution legislation, the Redevelopment Agency ceased operation effective February 1, 2012. The City exercised its option to become the Successor Agency for the former Redevelopment Agency and the Housing Successor Agency (HSA) for the Low and Moderate Income Housing function. The City is responsible for the winding down of Agency business to include the completion of ongoing projects and the disposition of assets. As the HSA, the City is responsible for executing the former mission of the Low and Moderate Income Housing function as long as funding permits. Like its predecessor, the Agency is considered a blended component unit of the City. The financial activities of the Agency were blended with those of the City in the accompanying basic financial statements and are reported as the Agency's Capital Projects and Debt Service Funds.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Long Beach Community Investment Company (Company) is a non-profit corporation formed by action of the City Council in 1987 to plan, direct, perform, and assist the City in meeting its responsibility to provide adequate housing to low-and-moderate-income residents, senior citizens, and disabled persons. The Company provides services that indirectly benefit the City even though it does not provide services directly to the City. The City Council appoints the Company's Board of Directors, approves the Company's bylaws and changes thereto, approves the Company's budget, and has ultimate authority over the Company's activities. In addition, the City provides all staffing, facilities, and funding for the Company's operations and the City's management has operational responsibility for the Company. The financial activities are blended with those of the City in the accompanying basic financial statements and are accounted for in the Housing Development Fund. By electing to form a non-profit corporation to carry out functions that would ordinarily revert to the City, it is the City Council's intention that a greater potential for public/private partnerships be created.

Southeast Resource Recovery Facility Authority (SERRF) is a joint powers authority between the City and the Los Angeles County Sanitation District Number 2. SERRF was created to finance the construction of a waste-to-energy facility through the issuance of lease revenue bonds which have been fully paid off. The City Council appoints the SERRF's members of the Board and has authority to remove appointed members of the Board at will. The City Council also has the ability to appoint, hire, reassign, or dismiss those persons responsible for the day-to-day operations and management of the SERRF. The financial activities of SERRF are included in the Solid Waste Management Enterprise Fund.

Non-profit Financing Corporations and Authorities

The financial operations of several non-profit financing corporations and authorities organized for the purpose of financing various capital improvements within the City or the refinancing of debt are also included as blended component units in the accompanying basic financial statements. The activities of the organizations listed below are generally restricted to financing City-related capital improvements. In this regard, the City Council either serves as the governing board or appoints the voting majority of the governing board, and otherwise exercises significant oversight and direct operational and financial control over these entities. Therefore, such entities meet established criteria for inclusion in the accompanying basic financial statements.

For the most part, these non-profit corporations enter into capitalizable leases with the City. However, for financial reporting purposes, such lease transactions are eliminated, and the related financing obligations and related capital assets are carried at cost in the accompanying basic financial statements. There is no requirement to separately issue financial statements for these component units.

The non-profit financing corporations established by the City are as follows:

Entity	Fund Type	Affected Funds
Long Beach Financing Authority	Governmental	Custodial Funds
Long Beach Bond Financing Authority Business-type Governmental Funds	Governmental and Enterprise Funds	Internal Service Funds
Long Beach Capital Improvement Company	Business-type	Enterprise Funds
Finance Authority of Long Beach Business-type Governmental Funds	Governmental and Enterprise Funds	Internal Service Funds

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Discretely Presented Component Unit

The Long Beach Public Transportation Company (LBT) is a non-profit corporation formed in 1963 to purchase the local public transit system from a private carrier. The City is the LBT's sole stakeholder.

The LBT 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 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 serve as ex-officio Board members but do not have voting authority. The LBT's mission is "to provide public transit services that enhance and improve the quality of life for the people in our community."

The LBT's governing body does not share common membership with that of the City and its service area overlaps other communities. The financial operations of the LBT are reported as a separate column in the basic financial statements to emphasize that the LBT is legally and operationally separate from the City. Separate financial statements can be obtained from the Senior Vice President and Chief Financial Officer, Long Beach Transit, P.O. Box 731, Long Beach, California 90801.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements with the exception of exchange or exchange-like transactions between governmental functions that if eliminated would distort direct cost and program revenue. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities and for each function of governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: (a) charges paid by the recipients for goods and services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the accompanying government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the accompanying fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is concerned with what financial transactions and events, the inflow and outflow of resources, will be recognized in the accounting records and reported in the financial statements. The term "basis of accounting" is used to describe the timing of recognition or when the effects of transactions or events should be recognized.

The government-wide, proprietary, fiduciary private purpose trust and custodial funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and an expense is recorded when a liability is incurred,

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met and if collection is expected within the next fiscal year.

The governmental funds financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- Revenue is recorded when it becomes both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, and except for reimbursement-basis government revenues that are recognized when earned and collected within a year, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes and taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period.
- An expenditure is recorded when the related liability is incurred. Principal and interest on long-term debt are recorded when payment is due.
- Expenditures are presented in functional categories such as general government and public safety. For the City, the amounts presented include an allocation of indirect costs.
- Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as other financing sources.

With this measurement focus, operating statements present increases and decreases in net current assets and unrestricted fund balance that is either committed, assigned, or unassigned, as a measure of available spendable resources. This is the traditional basis of accounting for governmental funds and is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate both legal compliance and how the City's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The City reports the following major governmental and enterprise funds:

Major Governmental Funds

The *General Fund* is used to account for financial resources applicable to the general governmental operations of the City, which are not required to be accounted for in another fund.

The *General Capital Projects Fund* was established to account for the acquisition, construction, maintenance and improvement of facilities and infrastructure. These activities are financed by grants, bond proceeds, gasoline and voter approved transportation taxes, and operating transfers from other City funds.

The *Housing Assistance Fund* is used to account for programs administered by the City's Housing Authority under regulations of the U.S. Department of Housing and Urban Development (HUD).

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Major Enterprise Funds

The *Gas Utility Fund* is used to account for the activities associated with the transmission and distribution of natural gas to the City's customers. The Long Beach Financing Authority Gas Prepay Function is combined with the City's Gas Operating Function for the purpose of financial statement presentation.

The *Water Utility Fund* is used to account for the activities associated with the sourcing, purification, and delivery of water to the City's customers by the Long Beach Water Department.

The *Tidelands Operating Fund* is used to account for operations, maintenance, and development of the beaches, marinas, Convention Center, Queen Mary, and the Aquarium of the Pacific.

The *Harbor Fund* is used to account for the operations and development of the Tidelands area harbor district, commonly referred to as the Port of Long Beach (Harbor).

The City also reports the following other fund types:

Internal Service Funds account for a variety of services provided to other departments or agencies of the City on a cost-reimbursement basis. These services include civic center and related maintenance and financing, information technology, fleet services, workers' compensation insurance, liability insurance, unemployment insurance, and employee benefits.

Fiduciary Funds include private trust and custodial funds. Private trust funds account for assets and activities restricted to a specific purpose in accordance with a trust agreement. These include the Miller Library and Mayor's Fund for the Homeless, from which both principal and interest may be spent for the purposes outlined in the trusts. Custodial funds account for assets held by the City as an agent for individuals, private organizations, and other governmental units. The City's Custodial funds include Los Cerritos Wetlands Authority, which holds land and cash for the protection and restoration of the Los Cerritos Wetlands area, and Special Assessment Districts that issue various debts for the benefit of Long Beach area property owners.

Amounts reported as program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, operating grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and capital grants and contributions, including special assessments, that are restricted to meeting the capital requirements of a particular function or segment. Internally dedicated resources, including all taxes, are reported as general revenues rather than as program revenues.

Business-type activities distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services along with producing and delivering goods in connection with a business-type activity's principal ongoing operations. The principal operating revenues of the City's business-type activities are charges for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

City of Long Beach Investment Pool

The City pools the cash resources of its various funds into the City of Long Beach Investment Pool (Pool). The Pool is an internal investment pool that is used to facilitate the management of cash and provide

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

income through conservative investment activities. The Pool is used as a demand deposit account by the various funds.

The Pool's investments are designed to meet any demand for funding by using a combination of short-term on demand accounts and highly liquid investments. Interest income arising from pooled investments is apportioned to the participating funds based on the relationship of their respective daily cash balances to the total of pooled cash and investments.

One of the Pool's highly liquid investments is the Local Agency Investment Fund (LAIF), a money market like external investment pool. The fair value of the City's investment in the LAIF pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The City is a voluntary participant in the LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California.

Cash Equivalents

The governmental and business-type fund statements present all cash, cash equivalents, and investments as cash and cash equivalents regardless of their maturity. The government-wide statements do not present the Pool as a demand deposit account and thus all cash, cash equivalents, and investments with a maturity of less than 90 days of the balance sheet date are presented as cash. Cash equivalents and investments with a maturity between 90 days and one year of the balance sheet date, excluding those restricted for long-term purposes, are presented as investments, and all other cash equivalents and investments are presented as long-term investments.

Fair Value

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. The City categorizes investments and derivative instruments reported at fair value within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

The City's investments, including the individual holdings of the Pool, are valued at fair value and consist primarily of U.S. Treasury Notes, Federal Agency Securities and units of the LAIF. See Note 4 and Note 12 to the basic financial statements for more information on the City's investments and derivative instruments, respectively.

Receivables and Payables

Activities between funds that represent lending/borrowing arrangements are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the non-current portion of interfund loans. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources. Trade and property tax receivables are shown net of any provisions for uncollectible accounts.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Inventories

Inventory and supplies are accounted for using the consumption method and are stated at average cost, applied on a first-in, first-out basis.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the accompanying government-wide financial statements.

The City defines capital assets as items with an initial, individual cost of more than ten thousand dollars (five thousand dollars for grant-funded assets) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and donated works of art and similar items are recorded at acquisition value (an entry price) at the date of donation. The costs of normal maintenance and repairs that do not add to the value or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during the construction phase of capital assets of business-type activities are included as part of the capitalized value of the constructed asset.

Capital assets of the primary government are depreciated on a straight-line basis, over the estimated useful lives of the assets, as follows:

Land Improvements	15 - 35 years
Buildings and Utility Plant	20 - 50 years
Structures and Facilities	10 - 35 years
Infrastructure	20 - 50 years
Automobiles	2 - 6 years
Automotive Equipment	10 - 20 years
Software, Machinery and Equipment	5 - 20 years
Office Furniture, Fixtures, and Equipment	3 - 20 years
Patent	20 years

Land parcels held for resale are recorded at the lower of cost or estimated net realizable value, and are adjusted for estimated declines in fair value. All land held for resale by the successor agency is valued at \$0 as the proceeds from the sale of this land are remitted to the County for distribution to various agencies including the City.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Initial-issue bond premiums and discounts are amortized using the effective-interest-rate method. Bonds payable are reported net of the unamortized portion of applicable premium, discount, and gain or loss on refunding. Bond issuance costs, including underwriters' discount, are expensed during the period issued. Amortization of bond premiums or discounts, and the gain or loss on refunding are generally included in interest expense unless otherwise noted.

In the City's governmental fund statements bond premiums, discounts, and issuance costs are recognized during the period the debt is issued. The face amount of debt issued has been reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) Miscellaneous and Safety Plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension liabilities are being funded over time through burden rates, applied as a percentage of current pensionable salaries, and charged to the various City funds including governmental funds.

Employee Benefits, Compensated Absences and Termination Benefits

Excluding the residual balance of a City-administered Police and Fire Annuity Benefit Program that was terminated in 1945, historically, benefits for City employees have been paid and compensated leave balances at year-end have been reported in the City's Employee Benefits Internal Service Fund (EBF).

For the fiscal year ended September 30, 2020, a proprietary fund liability is accrued for leave benefits in the respective fund's statement of net position. The City's policy is to pay all accumulated vacation and holiday pay when an employee retires or terminates. Beginning August 1, 2007, management employees, upon retirement, may have 75 percent of their outstanding vacation leave converted to sick leave. Vacation and holiday benefits are recognized when earned. The City also allows retirees the option of purchasing additional pension benefits from CalPERS with their unused sick leave balances.

The City makes annual contributions in varying amounts to deferred compensation plans for certain employee groups who serve in sensitive, confidential capacities. No other City employees received such benefit.

Accumulated sick leave becomes vested only when an employee meets the City's minimum requirements for retirement. Accumulated sick leave is forfeited upon termination for reasons other than retirement. In accordance with the City's Personnel Ordinance, upon retirement from the City, the City allows retirees, their spouses, and eligible dependents to use the cash value at retirement of the retiring employee's accumulated unused sick leave to pay for health, dental, and long-term care insurance premiums until such time as the unused sick leave is exhausted.

The conversion of unused sick leave for postemployment benefits is reflected as accrued compensated absences benefits and accrued as other post-employment benefits (OPEB) liability in the accompanying financial statements. The OPEB liability of \$7.0 million associated with governmental funds will be reported within the government-wide financial statements.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

As of September 30, 2020, the City has recorded compensated absence and OPEB liabilities in the following categories and funds (in thousands):

<i>Recorded In</i>	<i>Reported in Fund Financial Statements as</i>			
	<i>Compensated Absences</i>		<i>Total OPEB</i>	
	<i>Vacation</i>	<i>Sick</i>	<i>Liability</i>	<i>Total</i>
<i>IS Funds</i>	\$ 46,513	\$ 105,572	\$ 525	\$ 152,610
<i>Enterprise Funds</i>	13,273	30,070	2,140	45,483
<i>Total</i>	<u>\$ 59,786</u>	<u>\$ 135,642</u>	<u>\$ 2,665</u>	<u>\$ 198,093</u>

<i>Recorded In</i>	<i>Reported In Government-wide Financial Statements as</i>			
	<i>Employee Benefits</i>		<i>Total OPEB</i>	
	<i>Vacation</i>	<i>Sick</i>	<i>Liability</i>	<i>Total</i>
<i>Governmental Activities</i>	\$ 46,513	\$ 122,762	\$ 7,515	\$ 176,790
<i>Business-Type Activities</i>	13,273	34,966	2,140	50,379
<i>Total</i>	<u>\$ 59,786</u>	<u>\$ 157,728</u>	<u>\$ 9,655</u>	<u>\$ 227,169</u>

These liabilities are being funded over time through burden rates, applied as a percentage of current productive salaries, and charged to the various City funds.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time, except for pension and OPEB related deferred inflows of resources, which will be recognized as a credit to expense. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position and Fund Balance

In the government-wide financial statements and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Restricted net position represents amounts restricted by parties outside of the City, such as creditors, grantors, or laws and regulations of other governments. Nonexpendable portions of the private-purpose trust funds are reported as held in trust. All other net position is considered unrestricted. When both the restricted and unrestricted components of net position are available, restricted resources are used first and then unrestricted resources are used to the extent necessary. At September 30, 2020, the restricted net position balances were \$440 thousand and \$307 thousand for governmental activities and business type activities, respectively.

Fund balance reported in governmental funds is calculated as assets and deferred outflows of resources less liabilities and deferred inflows of resources. There are five categories of fund balances, each of which is based upon the extent to which the City is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

The fund balances reported on the governmental fund statements consist of the following categories:

<i>Classification</i>	<i>Definition</i>	<i>Examples</i>
Nonspendable	Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.	1. Inventories, prepaid items, long-term receivables, and permanent principal of endowment funds.
Restricted	Fund balance should be reported as restricted when constraints placed on the use of resources are either (a) Externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) Imposed by law through constitutional provisions or enabling legislation.	1. Restricted by state statute; 2. Unspent bond proceeds; 3. Grants earned but not spent; 4. Debt covenants; 5. Taxes dedicated to a specific purpose; 6. Revenues restricted by enabling legislation.
Unrestricted	Committed	Used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. 1. The City Council has decided to set aside \$1 million for a new senior center. 2. By resolution, e.g., 15% of Sales tax has been set aside to fund safety operations.
	Assigned	Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. 1. The City Council or its designee has formalized an intended use of fund balance or positive residual balances in governmental funds other than the general fund.
	Unassigned	Unassigned fund balance is the residual classification for the General Fund. This is fund balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds would report deficit fund balances as unassigned.

Committed fund balance classifications may be created by formal action of the City Council through either adopted resolution or ordinance. Commitments can be modified or rescinded through the same formal action that created the commitment. Both of these actions are binding upon the City.

Consistent with the City's adopted Fund Balance Policy, assignments may be designated for a purpose by the City Council or, if delegated, the Council's designee who, for the purpose of this disclosure, is the City Manager. It is a policy goal of the City to maintain an overall unrestricted fund balance of no less than two months or 16.7 percent of General Fund expenditures. This percentage includes committed, assigned, and unassigned balances.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to apply restricted fund balance first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Property Tax Calendar

Under the State Constitution, the property tax rate is limited to one percent of assessed value, but may be adjusted for specific voter-approved indebtedness. Property taxes are levied by the Los Angeles County (County) Tax Assessor and shared among all other local taxing authorities within the City. Accordingly, the County collects property taxes and distributes such taxes on the basis of the taxing authorities' tax rate percentages, allowing for such adjustments as may be authorized for voter-approved debt.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Secured property taxes are levied during September of every year and become a lien on real property on January 1 of the calendar year for which taxes are levied. These tax payments can be made in two equal installments: the first is due November 1st and the second is due February 1st. The City recognizes property tax receivable when levied and defers the portion that is neither intended nor available to finance current year expenditures.

Budgetary Principles

The City Council adopted the fiscal year 2020 budget prior to September 30, 2019 for all funds except for fiduciary funds. The City Council may amend the budget by motion during the fiscal year. The City Manager may transfer appropriations within the departments or within a given fund, provided that the total appropriations at the fund level and at the department level do not change. Transfers of appropriation between funds or departments require City Council approval. Unencumbered appropriations lapse at the end of the fiscal year.

Budgeted appropriations are presented in the accompanying financial statements on an accrual plus encumbrances budgetary basis with the exception of transactions related to long-term debt, which are recorded on a cash basis. Budgeted revenues are presented on a GAAP based budgetary basis as revenues are recognized when they become measurable, available and earned. Total expenditures may not exceed fund appropriations, and total expenditures for each department may not exceed departmental appropriations. For budgetary purposes, the City records an encumbrance as a charge against appropriations in the accounting period in which a purchase order is issued, rather than in the accounting period when goods or services are received.

Subsidence

In accordance with State legislation, the City established a Reserve for Subsidence Contingencies to indemnify the City, State, and contractors for claims or costs arising from subsidence alleged to result from oil operations. As of September 30, 2020, the reserve balance within the Subsidence Fund is \$190.9 million.

As part of the adoption of the State's 2005 fiscal year budget, 100 percent of this fund's interest earnings for calendar years 2004 and 2005 were eligible to be loaned to the City's General Fund without interest and with repayment commencing in fiscal year 2008 in equal annual installments of \$500 thousand for up to 20 years. This action was taken to assist the City in making \$5 million contributions to the State in fiscal years 2005 and 2006. At September 30, 2020, the remaining loan balance was \$1.1 million.

Implementation of New Accounting Pronouncements

The City applies all Governmental Accounting Standards Board (GASB) Statements and Interpretations. Application of the following Statements was effective for the City's fiscal year ended September 30, 2020:

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing and (b) to simplify accounting for certain interest costs. In financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. This approach is also applied for funds using the current financial resources measurement focus. The City elected to early implement this Statement during the fiscal year 2020. Application of this Statement did not have a material impact to the City's financial statements for the fiscal year ended September 30, 2020.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

In May of 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objectives of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately upon issuance.

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

In June of 2017, the GASB issued Statement No. 87, *Leases*. This Statement is effective for the City's fiscal year ending September 30, 2022.

In August of 2018, GASB issued Statement No. 90, *Majority Equity Interests Interests – an Amendment of GASB Statements No. 14 and No. 61*. This Statement is effective for the City's fiscal year ending September 30, 2021.

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement is effective for the City's fiscal year ending September 30, 2023.

In January of 2020, GASB issued Statement No. 92, *Omnibus 2020*. This Statement is effective for the City's fiscal year ending September 30, 2022.

In March of 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement is effective for the City's fiscal year ending September 30, 2022.

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement is effective for the City's fiscal year ending September 30, 2023.

In May of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement is effective for the City's fiscal year ending September 30, 2023.

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. This Statement is effective for the City's fiscal year ending September 30, 2022.

Estimates and Rounding

The preparation of the City's basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. All amounts included in the basic financial statements and footnotes are presented to the nearest thousand.

Risks and Uncertainties

The COVID-19 pandemic has negatively affected national, state, and local economies along with global financial markets and the local government landscape in general. While the future impact of the COVID-19 pandemic cannot be quantified at this time, the City continues to monitor its course and, if necessary, is prepared to take additional measures to protect the health and welfare of the City.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the statement of net position are different from those reported for governmental funds in the balance sheet. The following table provides a reconciliation of those differences (in thousands):

	Total Governmental Funds (Page 28)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations and Conversions	Total Statement of Net Position (Page 25)
ASSETS					
Current Assets:					
Pooled Cash and Cash Equivalents	\$ 366,398	\$ -	\$ 222,332	\$ (399,817)	\$ 188,913
Non-Pooled Cash and Cash Equivalents	32,247	-	2,981	-	35,228
Pooled Investments	-	-	-	180,548	180,548
Interest Receivable	2	168	1	-	171
Property Taxes Receivable, Net	109,161	-	-	(5,445)	103,716
Accounts Receivable	36,384	-	5,337	(41,721)	-
Notes and Loans Receivable	-	-	-	-	-
Due from Other Governments	102,813	-	30	-	102,843
Due from Other Funds	42,613	-	33,236	(75,849)	-
Allowance for Receivables	(17,252)	-	(24)	17,276	-
Accounts and Loans Receivables, Net	-	-	-	29,890	29,890
Internal Balances	-	-	-	37,131	37,131
Deposits	-	-	7,697	(7,697)	-
Inventory	102	-	2,860	-	2,962
Other Assets	3,059	-	29,369	7,697	40,125
Advances to Other Funds	3,809	-	6,160	(9,969)	-
Land Held for Resale	5,874	-	-	-	5,874
Other Noncurrent Assets:					
Noncurrent Pooled Investments	-	-	-	219,269	219,269
Other Noncurrent Receivables	219,802	-	-	-	219,802
Capital Assets:					
Nondepreciable	-	321,979	43,417	-	365,396
Depreciable, Net	-	246,096	438,889	-	684,985
Other Noncurrent Assets	-	-	6,375	-	6,375
Total Assets	905,012	568,243	798,660	(48,687)	2,223,228
Deferred Outflows of Resources	-	-	8,893	72,320	81,213
Total Assets and Deferred Outflows of Resources	\$ 905,012	\$ 568,243	\$ 807,553	\$ 23,633	\$2,304,441

(continued)

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

	Total Governmental Funds (Page 28)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations and Conversions	Total Statement of Net Position (Page 25)
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 48,232	\$ -	\$ 25,096	\$ -	\$ 73,328
Accrued Wages and Benefits Payable	19,093	-	19,775	-	38,868
Accrued Interest Payable	-	2,439	1,190	-	3,629
Due to Other Governments	241	-	-	-	241
Due to Other Funds	47,836	-	23,766	(71,602)	-
Unearned Revenue	47,773	(9,532)	-	10,385	48,626
Accrued Claims	-	-	-	-	-
Deposits and Collections Held in Trust	6,896	-	3,489	(10,385)	-
Advances from Other Funds	6,023	-	-	(6,023)	-
Long-term Liabilities Due Within One Year:					
Bonds Payable	-	20,733	8,307	(29,040)	-
Certificates of Participation Payable	-	-	-	-	-
Notes Payable	-	1,577	-	(1,577)	-
Capital Leases Payable	-	-	7,282	(7,282)	-
Other Long-term Obligation	-	-	5,099	(5,099)	-
Environmental Remediation	-	713	235	(948)	-
Accrued Self Insurance Claims Payable	-	-	32,013	(32,013)	-
Total Employee Benefits and Accrued LT Oblige	-	-	53,550	32,961	86,511
Total LT Debt and Other LT Obligations	-	-	-	42,998	42,998
Long-term Liabilities Due Beyond One Year:					
Bonds Payable	-	244,246	18,232	(262,478)	-
Notes Payable	-	6,380	-	(6,380)	-
Capital Leases Payable	-	25,000	37,394	(62,394)	-
Other Long-term Obligation	-	-	289,765	(289,765)	-
Police and Fire Annuities Payable	-	5,765	-	(5,765)	-
Estimated Oil Field Abandonment Costs Payable	-	21,530	-	(21,530)	-
Enviromental Remediation	-	(1)	965	(964)	-
Accrued Self Insurance Claims Payable	-	-	148,023	(148,023)	-
Employee Benefits Payable	-	-	115,724	(115,724)	-
Total OPEB Liability	-	6,990	525	-	7,515
Net Pension Liability	-	808,401	72,746	-	881,147
Total Employee Benefits and Accrued LT Oblige	-	-	-	292,006	292,006
Total LT Debt and Other LT Obligations	-	-	-	621,017	621,017
Total Liabilities	176,094	1,134,241	863,176	(77,625)	2,095,886
Deferred Inflows of Resources	321,597	-	5,030	(159,159)	167,468
Fund Balance / Net Position					
Total Fund Balance / Net Position	407,321	(565,998)	(60,653)	260,417	41,087
Total Liabilities, Deferred Inflows and Fund Balance / Net Position	\$ 905,012	\$ 568,243	\$ 807,553	\$ 23,633	\$2,304,441

Amounts reported for governmental activities in the statement of activities are different from those reported for governmental funds in the statement of revenues, expenditures and changes in fund balances.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

The following table provides a reconciliation of those differences (in thousands):

	Total Governmental Funds (Page 30)	Debt and Capital Related Transactions	Internal Service Funds	Reclass and Adjust- ments	Statement of Activities (Pages 26 - 27)
Revenues:					
Taxes	\$ 422,976	\$ -	\$ -	\$ -	\$ 422,976
Franchise Fees	16,481	-	-	-	16,481
Licenses and Permits	48,803	-	-	(48,803)	-
Fines and Forfeitures	16,354	-	-	(16,354)	-
Use of Money and Property /					
Unrestricted Investment Earnings	39,543	-	2,245	(30,362)	11,426
From Other Agencies	290,748	-	-	(290,748)	-
Charges for Services	44,621	-	-	(44,621)	-
Other	10,236	-	-	(10,236)	-
Program Revenue:					
Charges for Services	-	-	7,543	149,686	157,229
Operating Grants and Contributions	-	(25,000)	-	225,489	200,489
Capital Grants and Contributions	-	-	-	65,232	65,232
Other Financing Sources :					
Gain on Sale of Capital Assets	11,062	(11,064)	-	-	(2)
Capital Asset Transfers, Net	-	-	(37)	-	(37)
Other Revenue					
Transfers, Net	(28,576)	-	55,457	-	26,881
Total Revenues	872,248	(36,064)	65,208	(717)	900,675
Expenditures / Expenses:					
Current:					
Legislative and Legal	13,108	1,173	(1,126)	-	13,155
General Government	40,577	2,730	(2,899)	-	40,408
Public Safety	369,052	40,546	(20,109)	-	389,489
Public Health	69,773	4,378	(2,271)	-	71,880
Community and Cultural	188,806	11,836	(2,037)	(8,235)	190,370
Public Works	61,459	75,991	(1,383)	-	136,067
Oil Operations	2,572	(797)	-	-	1,775
Capital Improvements					
Capital Improvements	73,355	(73,355)	-	-	-
Debt Service:					
Principal	20,072	(20,072)	-	-	-
Interest on Long-Term Debt	13,679	(1,810)	7,186	-	19,055
Debt Administration Fees	24	(24)	-	-	-
Total Expenditures / Expenses	852,477	40,596	(22,639)	(8,235)	862,199
Net Change in Fund Balances	\$ 19,771	\$ (76,660)	\$ 87,847	\$ 7,518	\$ 38,476

Note: Amounts reflected in the Internal Service Funds column are net of all eliminations and allocations to business-type activities.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 4 – CASH AND INVESTMENTS

Cash and investments as of September 30, 2020 are classified in the accompanying financial statements as follows (in thousands):

Cash and Investments

Pooled cash and investments	\$ 1,857,987
Non-pooled cash and investments	<u>123,914</u>
Total cash and investments	<u><u>\$ 1,981,901</u></u>

Cash and investments as of September 30, 2020 consist of the following:

Cash and deposits	\$ 286,067
Investments	<u>1,695,834</u>
Total cash and investments	<u><u>\$ 1,981,901</u></u>

A breakdown of cash, cash equivalents, and investments between the basic financial statements and the fair value of the investment portfolio at September 30, 2020 is as follows (in thousands):

	<i>Governmental Business-type Fiduciary</i>			
	<i>Activities</i>	<i>Activities</i>	<i>Funds</i>	<i>Total</i>
Pooled Cash and Cash Equivalents	\$ 188,913	\$ 398,179	\$ 15,066	\$ 602,158
Non-Pooled Cash and Cash Equivalents	35,228	24,629	8,550	68,407
Pooled Investments	180,548	386,555	-	567,103
Non-Pooled Investments	-	-	1,095	1,095
Noncurrent Pooled Investments	219,269	469,457	-	688,726
Restricted Assets:				
Non-Pooled Investments	<u>-</u>	<u>54,412</u>	<u>-</u>	<u>54,412</u>
Total Cash and Investments	<u><u>\$ 623,958</u></u>	<u><u>\$ 1,333,232</u></u>	<u><u>\$ 24,711</u></u>	<u><u>\$ 1,981,901</u></u>

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements.

Investments with Fair Values Highly Sensitive to Interest Rate Risk

The City had no investments that were highly sensitive to market interest rate changes as of September 30, 2020. Highly sensitive investments are investments whose sensitivity to market interest rate fluctuations are not fully addressed by use of one of the five methods for reporting interest rate risk.

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

The table on the following page identifies the investment types that are authorized by the City's investment policy for the City's Investment Pool. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not include debt proceeds held by bond trustees that are governed by the provisions of debt agreements.

City of Long Beach
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<i>Authorized Investment Type</i>	<i>Maximum Maturity</i>	<i>Maximum Percentage of Portfolio</i>	<i>Maximum Investment in One Issuer</i>
Bonds Issued by the City	5 years *	30%	None
U.S. Treasury Notes, Bonds, or Bills	5 years *	None	None
Registered State Warrants, Treasury Notes, or Bonds of the state of California	5 years *	30%	None
Local Agency Bonds	5 years *	30%	None
Federal Agency Securities	5 years *	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	5 years *	30%	10%
Time Certificates of Deposit	5 years *	100%	10%
Repurchase Agreements	90 days	100%	None
Reverse Repurchase Agreements	92 days	20%	None
Securities Lending Program	92 days	20%	None
Medium-Term Notes	5 years *	30%	5%
Money Market Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF) (per account)	N/A	None	\$40 million
Asset-backed Securities	5 years	20%	None
Mortgage-backed Securities	5 years	20%	None
Supranational Bonds	N/A	30%	5%

* Maximum maturity of five (5) years unless a longer maturity is approved by the City Council, either specifically or as part of an investment program, at least three (3) months prior to purchase.

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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and timing cash flows from maturities so that a near-level portion of the portfolio is maturing or coming closer to maturity over time to provide the cash flow and liquidity needed for operations.

The following schedule indicates the interest rate risk of the City's investments as of September 30, 2020 (in thousands):

<i>Investment Type</i>	<i>Fair Value</i>	<i>Weighted Average Maturity (in years)</i>
Pooled Cash and Investments		
Money market mutual funds	\$ 748	-
U.S. Treasury notes	986,705	1.12
Federal agency securities	395,074	2.23
Local Agency Investment Fund (LAIF)	192,281	0.46
Subtotal Pooled Cash and Investments	1,574,808	
Cash and deposits	283,179	N/A
Total Pooled Cash and Investments	<u>\$ 1,857,987</u>	
Non-Pooled Cash And Investments		
Money market mutual funds	\$ 64,844	-
U.S. Treasury notes	30,681	1.60
Guaranteed Investment Contracts (GIC)	25,501	17.14
Subtotal Non-Pooled Cash And Investments	121,026	
Cash and deposits	2,888	N/A
Total Non-Pooled Cash And Investments	<u>\$ 123,914</u>	

City of Long Beach
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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. The minimum rating requirements for commercial paper, asset-backed securities, and medium-term notes is an A rating. Mortgage-backed security issuers must have a minimum AAA rating. State Warrants, State Treasury Notes, or bonds of the State are to be rated at a minimum of A1 / Sp-1 for short-term investments and Aa/AA for long-term investments.

The following are the actual ratings as of September 30, 2020 for each investment type (in thousands):

<i>Rating as of Year End</i>					
<i>Investment Type</i>	<i>Minimum Legal Rating</i>	<i>Total</i>	<i>AAA</i>	<i>AA+</i>	<i>Unrated</i>
Pooled cash and investments					
Money market mutual funds	N/A	\$ 748	\$ -	\$ -	\$ 748
U.S. Treasury notes	N/A	986,705	-	-	986,705
Federal agency securities	N/A	395,074	-	395,074	-
Local Agency Investment Fund (LAIF)	N/A	192,281	-	-	192,281
Cash and deposits	N/A	283,179	-	-	283,179
Total pooled cash and investments		<u>\$1,857,987</u>	<u>\$ -</u>	<u>\$ 395,074</u>	<u>\$ 1,462,913</u>
Non-pooled cash and investments					
Cash and deposits	N/A	\$ 2,888	\$ -	\$ -	\$ 2,888
Money market mutual funds	N/A	64,844	-	-	64,844
U.S. Treasury notes	N/A	30,681	-	-	30,681
Guaranteed Investment Contracts (GIC)	N/A	25,501	-	-	25,501
Total non-pooled cash and investments		<u>\$ 123,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,914</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the Pool are as follows (in thousands):

<i>Issuer</i>	<i>Investment Type</i>	<i>Reported Amount</i>
U.S. Treasury	U.S. Treasury bills and notes	\$ 986,705
Federal National Mtg Assn	Federal agency securities	167,141
Federal Home Loan Bank	Federal agency securities	139,277
Local Agency Investment Fund (LAIF)	Local agency securities	192,281

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of 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 custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, 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

City of Long Beach
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collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. All securities owned by the City are deposited in trust for safekeeping with a custodial bank different from the City's primary bank.

As of September 30, 2020, the City reported deposits of \$300.0 million, collateralized in compliance with California Government Code, \$13.9 million for checks outstanding.

Fair Value Hierarchy

The City has the following recurring fair value measurements as of September 30, 2020:

- U.S. Treasury Notes totaling \$1.0 billion and Federal Agencies securities totaling \$395.0 million, are classified in Level 2 of the fair value hierarchy, as the valuation uses a market-based model which considers yield, price of comparable securities, coupon rate, maturity, credit quality and dealer-provided prices. These prices are obtained from various pricing sources by our custodian bank.
- Local Agency Investment Funds (LAIF) totaling \$192.2 million is measured at fair value, however, the investment is not required to be leveled.
- Money Market Funds and Guaranteed Investment Contracts totaling \$65.6 million and \$25.5 million, respectively, are not subject to the fair value hierarchy as the investments are reported at amortized cost and contract value, respectively.

The following table categorizes the City's investments within the fair value hierarchy as of September 30, 2020 (in thousands):

<i>Investments at Fair Value Level</i>	<i>Total</i>	<i>Fair Value Measurement</i>		
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Debt Securities				
U.S. Treasury notes	\$ 1,017,386	\$ -	\$ 1,017,386	\$ -
Federal agency securities	395,074	-	395,074	-
Total investments at fair value	1,412,460	<u>\$ -</u>	<u>\$ 1,412,460</u>	<u>\$ -</u>
<u>Other Investments at Fair Value</u>				
Local Agency Investment Fund (LAIF)	192,281			
<u>Other Investments at Cost or Contract Value</u>				
Money market mutual funds	65,592			
Guaranteed investment contracts	25,501			
Total investments	<u>\$ 1,695,834</u>			

NOTE 5 – RECEIVABLES

Governmental activities interest receivable in the Statement of Net Position includes \$168 thousand in federal interest subsidies of the Agency's Build America and Recovery Zone Economic Development Bonds. All receivables are expected to be collected within one year except for delinquent property taxes, notes and loans and Other Noncurrent Receivables.

City of Long Beach
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Receivables at September 30, 2020 for the City's individual major funds, nonmajor and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows (in thousands):

	<i>General Fund</i>	<i>General Capital Projects</i>	<i>Housing Assistance Special Revenue</i>	<i>Nonmajor Governmental Funds</i>	<i>Internal Service Funds</i>	<i>Total</i>
Governmental Activities:						
Receivables:						
Interest ¹	\$ 1	\$ 1	\$ -	\$ -	\$ 1	\$ 3
Taxes	109,161	-	-	-	-	109,161
Accounts	27,437	308	143	8,496	5,337	41,721
Due from Other Governments	32,497	14,077	1,414	54,825	30	102,843
Other Noncurrent Receivables	-	-	-	219,802	-	219,802
Total Receivables	169,096	14,386	1,557	283,123	5,368	473,530
Less: Allowance for Receivables	(11,151)	(63)	(107)	(5,931)	(24)	(17,276)
Net Receivables	<u>\$ 157,945</u>	<u>\$ 14,323</u>	<u>\$ 1,450</u>	<u>\$ 277,192</u>	<u>\$ 5,344</u>	<u>\$ 456,254</u>

¹ Excludes \$168 thousand for Build America Subsidy

	<i>Gas Utility</i>	<i>Water Utility</i>	<i>Tidelands Operating</i>	<i>Harbor</i>	<i>Nonmajor Proprietary Funds</i>	<i>Total</i>
Business-type Activities:						
Receivables:						
Interest	\$ 21	\$ 11	\$ 67	\$ 9	\$ 38	\$ 146
Accounts	11,499	8,914	4,387	78,667	21,530	124,997
Notes and Loans Receivable	-	-	-	25,834	-	25,834
Due from Other Governments	-	1,892	111	42,900	18,787	63,690
Total Receivables	11,520	10,817	4,565	147,410	40,355	214,667
Less: Allowance for Receivables	(1,082)	(507)	(752)	(3,373)	(1,905)	(7,619)
Net Receivables	<u>\$ 10,438</u>	<u>\$ 10,310</u>	<u>\$ 3,813</u>	<u>\$ 144,037</u>	<u>\$ 38,450</u>	<u>\$ 207,048</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2020 is as follows (in thousands):

	<i>Receivable - Due To:</i>				
	<i>General</i>	<i>General Capital Projects</i>	<i>Nonmajor Governmental Funds</i>	<i>Gas Utility</i>	<i>Water Utility</i>
Payable - Due From:					
General	\$ -	\$ 6	\$ 1,970	\$ -	\$ -
General Capital Projects	2,929	-	-	-	-
Nonmajor Governmental	27,995	-	103	-	-
Gas Utility	2,427	-	-	-	-
Water Utility	521	8	-	-	-
Tidelands Operating	-	15	-	-	-
Harbor	924	-	464	-	-
Nonmajor Proprietary	27	8	-	-	-
Internal Service	4,200	-	1,016	304	896
Total Due To	<u>\$ 39,023</u>	<u>\$ 37</u>	<u>\$ 3,553</u>	<u>\$ 304</u>	<u>\$ 896</u>

City of Long Beach
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	<i>Receivable - Due To:</i>				
	<i>Tidelands Operating</i>	<i>Harbor</i>	<i>Nonmajor Proprietary Funds</i>	<i>Internal Service Funds</i>	<i>Total Due From</i>
Payable - Due From:					
General	\$ -	\$ -	\$ 500	\$ 12,487	\$ 14,963
General Capital Projects	4	-	-	182	3,115
Housing Assistance Special Revenue	-	-	-	99	99
Nonmajor Governmental	-	-	-	1,561	29,659
Gas Utility	-	-	-	649	3,076
Water Utility	-	-	-	546	1,075
Tidelands Operating	-	-	-	845	860
Harbor	19,931	-	-	2,193	23,512
Nonmajor Proprietary	2,000	-	-	3,078	5,113
Internal Service	3,104	451	2,199	11,596	23,766
Total Due To	<u>\$ 25,039</u>	<u>\$ 451</u>	<u>\$ 2,699</u>	<u>\$ 33,236</u>	<u>\$ 105,238</u>

	<i>Receivable - Advances To:</i>				
	<i>Nonmajor Governmental Funds</i>	<i>Harbor</i>	<i>Nonmajor Proprietary Funds</i>	<i>Internal Service</i>	<i>Total Advances From</i>
Payable - Advances From:					
General	\$ -	\$ -	614	\$ -	\$ 614
Nonmajor Governmental	3,809	-	-	1,600	5,409
Tidelands Operating	-	1,210	-	-	1,210
Harbor	-	-	-	4,560	4,560
Total Advances To	<u>\$ 3,809</u>	<u>\$ 1,210</u>	<u>\$ 614</u>	<u>\$ 6,160</u>	<u>\$ 11,793</u>

Due to / Due from Other Funds

The General Fund has provided \$28.0 million to non-major governmental funds. Of this amount, \$25.0 million was provided to various grant funds to cover operating expenses prior to receipt of reimbursements. In addition, the General Fund provided the General Grants Fund \$3.0 million for temporary cash flow in order to cover expenses for the Workforce Development Grant.

The City, under authority of the City Charter Chapter XII, Section 1209(c)(4), and with the approval of the Board of Harbor Commissioners, adopted a resolution to transfer 5 percent of the Harbor operating revenues to the Tidelands Operating Fund. The amount accrued for the Harbor's 2020 operating revenues is \$20.0 million and will be paid in fiscal year 2021.

The City, as authorized by Measure M, accrued a due from the Gas Utility of \$1.7 million for the 4th quarter of fiscal year 2020.

The General Fund recorded a total due to Internal Services Funds of \$12.5 million. Of this amount, \$9.8 million pertains to wages and benefits accrued at fiscal year-end in the Employee Benefit Fund to be reimbursed by the General Fund in the subsequent fiscal period.

Employee Benefits Fund recorded a due to other funds of \$9.0 million for the distribution of accrued paid time off liabilities to the owner proprietary funds.

City of Long Beach
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Advances from Other Funds

Advances to/from other funds have been recorded for amounts that will be repaid usually with interest over an extended period of time.

The Subsidence Fund advanced interest earnings on reserves to the General fund in the amount of \$4.1 million in both fiscal years 2005 and 2006. In fiscal year 2007, the General Fund started repayment of \$500 thousand per year at zero percent interest. The balance outstanding as of September 30, 2020 is \$1.1 million, of which \$614 thousand is long-term and \$500 thousand is current.

In fiscal year 2001, the Housing Fund entered into a \$4.0 million zero interest loan agreement with the Community Development Grants Fund for the acquisition of 26 parcels of land for low and very low-income affordable rental housing. The Housing Fund is required to make principal payments using 25 percent of the proceeds from repayments of promissory notes from the developer. Any remaining balance of the promissory note owed on April 1, 2034 shall be immediately due and payable. The outstanding balance is \$3.8 million at September 30, 2020.

In fiscal year 2011, the Harbor Fund advanced \$1.3 million to the Tidelands Operating fund to move forward with the Colorado Lagoon Restoration Project. The advance funding will be applied to the value of future mitigation credits and as matching funds for a grant from the State Water Resources Control Board. The balance outstanding as of September 30, 2020 is \$1.2 million.

In fiscal year 2020, the City identified paid time off amounts paid in prior years by the Employee Benefit Fund on behalf of Harbor Fund employees. Repayment for these costs by the Harbor Fund will be over a ten-year period. The balance outstanding as of September 30, 2020 is \$5.0 million, of which \$4.5 million is long-term and \$500 thousand is current.

Interfund Transfers

The City regularly executes transfers from one fund to another, such as for the reimbursement of services. At September 30, 2020, interfund transfers are as follows (in thousands):

		<i>Transfers In:</i>						
		<i>General</i>	<i>Housing</i>	<i>Nonmajor</i>	<i>Nonmajor</i>	<i>Internal</i>	<i>Total</i>	
		<i>Capital</i>	<i>Assistance</i>	<i>Governmental</i>	<i>Tidelands</i>	<i>Proprietary</i>	<i>Service</i>	<i>Transfers</i>
		<i>Projects</i>	<i>Special Revenue</i>	<i>Funds</i>	<i>Operating</i>	<i>Funds</i>	<i>Funds</i>	<i>Out</i>
<i>Transfers Out:</i>	<i>General</i>							
General	\$ -	\$31,889	\$ 230	13,242	\$ -	\$ 86	\$46,618	\$ 92,065
General Capital Projects	2,444	-	-	5,291	-	-	1,468	9,203
Nonmajor Governmental	40,474	2,605	-	454	-	-	9,971	53,504
Gas Utility	13,535	-	-	-	-	-	330	13,865
Water Utility	10,450	-	-	-	-	-	-	10,450
Tidelands Operating	-	41	-	-	-	-	457	498
Harbor	-	-	-	182	19,931	-	1,041	21,154
Nonmajor Proprietary	15	599	-	-	14,298	-	318	15,230
Internal Service Funds	4,745	-	-	-	-	-	329	5,074
Total Transfers In	<u>\$71,663</u>	<u>\$35,134</u>	<u>\$ 230</u>	<u>\$ 19,169</u>	<u>\$ 34,229</u>	<u>\$ 86</u>	<u>\$60,532</u>	<u>\$ 221,043</u>

City of Long Beach
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Significant transfers include the following:

The General Fund transferred \$46.6 million to Internal Service Funds in fiscal year 2020. Of this amount, the General Fund transferred \$43.0 million to the Employee Benefits Internal Service Fund for pension contribution expenses. These expenses were offset with a reduction of expenditures in the General Fund.

The General Fund transferred \$31.9 million to the General Capital Projects funds to fund various capital projects. Of this amount, \$26.2 million was City Measure A funds.

The General Fund transferred a total of \$13.4 million to non-major governmental funds in fiscal year 2020. Of this \$5.9 million was transferred to the General Debt Service Fund for debt service payments and fiscal agent fees.

Non-major Governmental Funds transferred \$40.4 million to the General Fund. Of this \$40.0 million was reimbursement for Covid-19 eligible expenditures funded by the CARES Act.

Non-major governmental funds transferred \$3.0 million to other non-major governmental funds. Significant transfers include the Agency transferring \$2.3 million to the Agency Debt Service Fund and \$4.0 million to the Housing Development Fund for current and future debt service payments.

The Harbor transferred \$19.9 million to the Tidelands Operating Fund as allowed by the City Charter. The Tidelands Oil Revenue Fund transferred \$14.3 million under the optimized water flood program to the Tidelands Operating Fund

The Gas and Water Utilities transferred \$13.5 million and \$10.4 million, respectively, to the General Fund in compliance with the voter approved Measure M.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 7 – CAPITAL ASSETS

Capital asset activity for governmental activity for the year ended September 30, 2020 is as follows (in thousands):

<i>Governmental Activities:</i>	<i>Balance at October 1, 2019</i>	<i>Increase</i>	<i>Decrease</i>	<i>Transfers</i>	<i>Balance at September 30 2020</i>
Capital Assets not being Depreciated:					
Land	\$ 233,725	\$ -	\$ (10,890)	\$ -	\$ 222,835
Rights-of-way	81,340	-	-	-	81,340
Construction In Progress	50,621	29,845	(260)	(18,985)	61,221
Total Capital Assets not being Depreciated	365,686	29,845	(11,150)	(18,985)	365,396
Capital Assets being Depreciated:					
Buildings	554,266	-	-	16,779	571,045
Improvements Other than Buildings	144,971	-	-	2,206	147,177
Infrastructure	426,995	-	-	-	426,995
Machinery and Equipment	86,749	11,456	(1,524)	-	96,681
Vehicles and Aircraft	130,337	17,259	(8,215)	(985)	138,396
Software and Patents	36,979	1,072	(72)	-	37,979
Total Capital Assets being Depreciated	1,380,297	29,787	(9,811)	18,000	1,418,273
Less Accumulated Depreciation for:					
Buildings	(126,547)	(14,202)	-	-	(140,749)
Improvements Other than Buildings	(79,339)	(6,527)	-	-	(85,866)
Infrastructure	(345,950)	(9,912)	-	-	(355,862)
Machinery and Equipment	(49,134)	(5,761)	1,448	-	(53,447)
Vehicles and Aircraft	(77,276)	(11,213)	7,830	948	(79,711)
Software and Patents	(16,008)	(1,717)	72	-	(17,653)
Total Accumulated Depreciation	(694,254)	(49,332)	9,350	948	(733,288)
Total Capital Assets being Depreciated, Net	686,043	(19,545)	(461)	18,948	684,985
Governmental Activities Capital Assets, Net	\$ 1,051,729	\$ 10,300	\$ (11,611)	\$ (37)	\$ 1,050,381

Depreciation has been charged to functions/programs of governmental activities as follows (in thousands):

General Government	\$ 19
Public Safety	3,223
Public Health	471
Community and Cultural	6,326
Public Works	12,669
Capital Assets held by City's internal services funds allocated to various functions on a prorated basis based on their usage of the assets	26,624
Total governmental activities depreciation	<u>\$ 49,332</u>

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Capital asset activity for business-type activities for the year ended September 30, 2020 is as follows (in thousands):

<i>Business-type Activities:</i>	<i>Balance at October 1, 2019</i>	<i>Increase</i>	<i>Decrease</i>	<i>Transfers</i>	<i>Balance at September 30, 2020</i>
Capital Assets not being Depreciated:					
Land	\$ 1,312,926	\$ -	\$ -	\$ 1,352	\$ 1,314,278
Rights-of-way	212,452	-	(9,148)	-	203,304
Water Rights	40	-	-	-	40
Construction In Progress	1,811,678	390,148	(8,101)	\$ (96,580)	2,097,145
Total Capital Assets not being Depreciated	<u>3,337,096</u>	<u>390,148</u>	<u>(17,249)</u>	<u>(95,228)</u>	<u>3,614,767</u>
Capital Assets being Depreciated:					
Buildings	3,965,248	1,633	(30,172)	56,943	3,993,652
Improvements Other than Buildings	682,677	-	(497)	31,360	713,540
Infrastructure	1,366,784	1	(2,354)	(121,426)	1,243,005
Machinery and Equipment	123,903	3,531	(17,297)	126,563	236,700
Vehicles and Aircraft	102,308	2,594	(249)	984	105,637
Software and Patents	26,573	-	-	1,789	28,362
Total Capital Assets being Depreciated	<u>6,267,493</u>	<u>7,759</u>	<u>(50,569)</u>	<u>96,213</u>	<u>6,320,896</u>
Less Accumulated Depreciation for:					
Buildings	(2,103,617)	(142,079)	9,377	(25,164)	(2,261,483)
Improvements Other than Buildings	(357,894)	(25,194)	339	-	(382,749)
Infrastructure	(862,044)	(28,329)	2,304	149,061	(739,008)
Machinery and Equipment	(80,119)	(7,883)	12,281	(123,898)	(199,619)
Vehicles and Aircraft	(26,566)	(3,396)	250	(947)	(30,659)
Software and Patents	(22,058)	(1,439)	1	-	(23,496)
Total Accumulated Depreciation	<u>(3,452,298)</u>	<u>(208,320)</u>	<u>24,552</u>	<u>(948)</u>	<u>(3,637,014)</u>
Total Capital Assets being Depreciated, Net	<u>2,815,195</u>	<u>(200,561)</u>	<u>(26,017)</u>	<u>95,265</u>	<u>2,683,882</u>
Business-type Activities Capital Assets, Net	<u>\$ 6,152,291</u>	<u>\$ 189,587</u>	<u>\$ (43,266)</u>	<u>\$ 37</u>	<u>\$ 6,298,649</u>

Depreciation has been charged to functions/programs of business-type activities as follows (in thousands):

Gas Utility	\$ 7,596
Tidelands Operating	21,480
Harbor	149,652
Water Utility	13,025
Nonmajor Business-type Funds:	
Sewer Utility	2,611
Solid Waste Management	492
Tideland Oil Revenue	762
Airport	12,691
Development Services	11
Total Business-type Activities Depreciation	<u>\$ 208,320</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended September 30, 2020 are as follows (in thousands):

	<i>Balance at October 1, 2019</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance at September 30, 2020</i>	<i>Due Within One Year</i>
<u>Governmental Activities:</u>					
Bonds Payable:					
Revenue Bonds	\$ 81,495	\$ -	\$ (5,175)	\$ 76,320	\$ 6,870
Pension Obligation Bonds	13,200	-	(6,435)	6,765	6,765
Tax Allocation Bonds	209,865	-	(15,945)	193,920	15,405
Plus (Less) Unamortized Amounts:					
Premium	16,323	-	(1,756)	14,567	-
Discount	(17)	-	15	(2)	-
Total Bonds Payable	320,866	-	(29,296)	291,570	29,040
Notes, Loans and LOC Payable	8,241	142	(478)	7,905	577
Capital Leases	49,020	2,503	(6,847)	44,676	7,282
Police and Fire Annuities	6,365	306	(906)	5,765	-
Estimated Oil Field Abandonment Costs	22,430	-	(900)	21,530	-
Environmental Remediation	2,045	170	(303)	1,912	948
Accrued Self-Insured Claims	171,556	46,128	(37,648)	180,036	32,013
Accrued Employee Benefits	157,946	11,328	-	169,274	53,550
Total OPEB Liability	18,442	-	(10,927)	7,515	-
Net Pension Liability	824,481	56,666	-	881,147	-
Community Hospital-Seismic Work	-	25,000	-	25,000	1,000
Other LT Obligations-Civic Center	299,875	-	(5,011)	294,864	5,099
Total, Governmental Activities	\$ 1,881,267	\$ 142,243	\$ (92,316)	\$ 1,931,194	\$ 129,509
<u>Business-Type Activities:</u>					
Bonds Payable:					
Revenue Bonds	\$ 1,659,960	\$ 130,665	\$ (242,675)	\$ 1,547,950	\$ 57,765
Plus (Less) Unamortized Amounts:					
Premium	121,268	19,049	(17,987)	122,330	-
Discount	(29)	-	9	(20)	-
Total Bonds Payable	1,781,199	149,714	(260,653)	1,670,260	57,765
Notes, Loans and LOC Payable	327,414	145,000	(27)	472,387	472,078
Premium	11,641	5,068	(11,212)	5,497	-
Total Notes, Loans and Lines of Credit Payable	339,055	150,068	(11,239)	477,884	472,078
Capital Leases	40,356	-	(2,609)	37,747	2,686
Due to State of California	12,917	9,072	(12,917)	9,072	9,072
Estimated Oil Field Abandonment Costs	118,600	-	(16,000)	102,600	-
Fair Value of Derivative	11,923	13,862	(11,923)	13,862	-
Environmental Remediation	4,200	-	(500)	3,700	-
Accrued Claims Liability	5,450	-	(200)	5,250	5,250
Accrued Employee Benefits	41,106	7,133	-	48,239	15,214
Total OPEB Liability	4,806	-	(2,666)	2,140	-
Net Pension Liability	300,778	23,571	-	324,349	-
Site Restoration	1,000	-	-	1,000	-
Total, Business-Type Activities	\$ 2,661,390	\$ 353,420	\$ (318,707)	\$ 2,696,103	\$ 562,065

For governmental activities, the General Fund, other governmental funds, and Internal Service funds have been used to liquidate accrued claims liability, accrued employee benefits, litigation and self-insurance. Pension and OPEB liabilities are paid out of operating funds based on a percentage of covered payroll.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 9 – BONDS PAYABLE

At September 30, 2020, bonded indebtedness consisted of the following (in thousands):

<i>Description</i>	<i>Date Issued</i>	<i>Final Maturity</i>	<i>Range of Interest Rates</i>	<i>Authorized and Issued</i>	<i>Outstanding September 30, 2020</i>
<u>GOVERNMENTAL ACTIVITIES</u>					
LEASE REVENUE BONDS:					
2012A LBBFA	11/28/12	08/01/31	4.00% - 5.00%	\$ 32,969	\$ 27,405
2016 Courthouse Demolition	01/13/16	08/01/26	2.00% - 5.00%	13,150	8,535
FALB2019A PS Parking Garage	05/22/19	08/01/39	3.00% - 5.00%	9,245	9,025
FALB2019B Lease Rev Ref Bonds	05/22/19	08/01/31	5.00%	13,350	13,350
Premium/Discount				-	5,895
Subtotal, General City Bonds				68,714	64,210
TAX ALLOCATION BONDS:					
Tax Allocation Bonds:					
2002B West Long Beach Industrial Project	12/05/02	11/01/24	2.25% - 5.50%	21,860	7,615
2002B Downtown Project	12/05/02	11/01/22	2.25% - 5.50%	25,920	15,350
2005C Downtown Project	02/01/06	08/01/24	3.25% - 5.50%	7,900	2,765
2005C North Long Beach Project	02/01/06	08/01/31	3.25% - 5.50%	27,145	17,080
2010A North Long Beach Recover Zone	05/12/10	08/01/40	2.39% - 8.36%	22,235	22,235
2010B North Long Beach Build America	05/12/10	08/01/25	2.39% - 8.36%	10,745	4,065
2015AB SA	06/23/15	08/01/40	4.00% - 5.00%	155,820	124,810
Premium/Discount				-	6,901
Subtotal, Tax Allocation Bonds				271,625	200,821
INTERNAL SERVICE FUND BONDS:					
2002 Pension Obligation	08/15/02	09/01/21	5.18%	76,550	6,765
2012A LBBFA IS	11/28/12	08/01/31	4.00% - 5.00%	21,661	18,005
Premium/Discount				-	1,769
Subtotal, Internal Service Fund Bonds				98,211	26,539
Total, Governmental Activities				\$ 438,550	\$ 291,570

(continued)

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

<i>Description</i>	<i>Date Issued</i>	<i>Final Maturity</i>	<i>Range of Interest Rates*</i>	<i>Authorized and Issued</i>	<i>Outstanding September 30, 2020</i>
<u>BUSINESS-TYPE ACTIVITIES</u>					
ENTERPRISE FUND BONDS:					
Gas Utility Fund:					
2007A Natural Gas Purchase	10/18/07	11/15/37	4.25% - 5.50%	\$ 635,665	\$ 491,540
2007B Natural Gas Purchase	10/18/07	11/15/33	4.90% - 5.07%	251,695	69,005
Premium/Discount				-	10,209
Subtotal, Gas Utility Bonds				887,360	570,754
Tidelands Fund:					
2012 Aquarium	03/14/12	11/01/30	3.50% - 5.00%	102,580	68,325
2015 Marina	06/03/15	05/15/45	4.00% - 5.00%	114,015	109,815
2016 Rainbow	07/26/16	08/01/23	3.00% - 5.00%	19,115	8,695
2017A Tidelands	11/01/17	11/01/27	1.35% - 2.55%	10,190	10,190
2017B Tidelands	11/01/17	11/01/27	1.79% - 3.49%	17,705	13,695
Premium/Discount				-	11,479
Subtotal, Tidelands Bonds				263,605	222,199
Harbor Fund:					
2010A Harbor	04/22/10	05/15/25	0.40% - 5.00%	200,835	-
2010B Harbor	05/12/10	05/15/27	3.00% - 5.00%	158,085	-
2014B Harbor	04/24/14	05/15/27	3.00% - 5.00%	20,570	11,700
2015A Harbor	04/16/15	05/15/23	4.00% - 5.00%	44,845	26,265
2015B Harbor	04/16/15	05/15/25	5.00%	20,130	20,130
2015C Harbor	07/15/15	05/15/32	5.00%	66,085	66,085
2015D Harbor	07/15/15	05/15/42	5.00%	66,865	66,865
2017A Harbor	06/15/17	05/15/40	5.00%	101,610	101,610
2017B Harbor	06/15/17	05/15/43	5.00%	25,985	25,985
2017C Harbor	06/15/17	05/15/47	5.00%	42,660	42,660
2019A Harbor	07/11/19	05/15/49	5.00%	161,310	161,310
2020A Harbor	05/15/20	05/15/27	4.00% - 5.00%	55,725	55,725
2020B Harbor	05/15/20	05/15/24	3.00% - 5.00%	74,940	74,940
Premium/Discount				-	98,552
Subtotal, Harbor Bonds				1,039,645	751,827
Water Utility Fund:					
2010A Water	09/15/10	05/01/24	3.00% - 5.00%	22,740	10,740
2012 Water	08/30/12	05/01/27	2.00% - 5.00%	9,850	5,375
Premium/Discount				-	873
Subtotal, Water Utility Bonds				32,590	16,988
Non-Major Enterprise Funds:					
2009A Airport	12/08/09	06/01/22	4.00% - 5.00%	9,795	3,250
2009C Airport	12/08/09	06/01/39	7.00% - 7.80%	44,890	44,890
2010A Airport	11/23/10	06/01/40	4.00% - 5.00%	48,435	40,325
2010B Airport	11/23/10	06/01/40	3.00% - 5.00%	12,965	10,495
2016 Sewer	08/24/16	05/01/36	4.00% - 5.00%	9,830	8,335
Premium/Discount				-	1,197
Subtotal, Non-Major Enterprise Bonds				125,915	108,492
Total, Business-Type				2,349,115	1,670,260
Grand Total, Primary Government Bonds Payable				\$ 2,787,665	\$ 1,961,830

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Governmental Funds

Debt service requirements to maturity for governmental activities bonds are as follows (in thousands):

<i>Year Ending</i>	<i>Governmental Funds</i>		<i>Internal Service Funds</i>		<i>Annual Debt Service Requirements</i>		
	<i>Lease Revenue</i>	<i>Tax Allocation</i>	<i>Pension Obligation</i>	<i>Lease Revenue</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021	\$ 5,328	\$ 15,405	\$ 6,765	\$ 1,542	\$ 29,040	\$ 13,672	\$ 42,712
2022	5,623	16,120	-	1,612	23,355	12,286	35,641
2023	5,862	19,705	-	1,683	27,250	11,207	38,457
2024	6,153	17,690	-	1,782	25,625	10,119	35,744
2025	6,444	7,720	-	1,881	16,045	8,903	24,948
2026 - 2030	20,951	44,380	-	8,254	73,585	33,051	106,636
2031 - 2035	5,429	43,935	-	1,251	50,615	15,883	66,498
2036 - 2040	2,525	28,965	-	-	31,490	4,964	36,454
Subtotal	58,315	193,920	6,765	18,005	277,005	110,085	387,090
Premium / Discount	5,895	6,901	(1)	1,770	14,565	-	14,565
Totals	\$ 64,210	\$ 200,821	\$ 6,764	\$ 19,775	\$ 291,570	\$ 110,085	\$ 401,655

Advance Refundings

In December 2002, the Agency issued \$47.8 million in LBBFA Downtown and West Long Beach Industrial Redevelopment Project Areas 2002 Series B Tax Allocation Revenue Bonds (Series B bonds). These 2002 Series B bonds were issued (a) to refund \$25.7 million of the outstanding Series 1992A Downtown and West Long Beach Industrial Bonds with interest rates ranging from 0.0 percent to 6.0 percent, (b) to repay certain amounts owed by the Agency to the Harbor, (c) to make a deposit to the reserve account and (d) to pay certain issuance costs for the 2002 Series B bonds. The 2002 Series B interest rates range from 2.0 percent to 5.5 percent for the West Long Beach Industrial Project and 2.3 percent to 5.5 percent for Downtown Project.

In February 2006, the Agency issued \$35.0 million in LBBFA Tax Allocation Revenue Bonds Downtown and North Long Beach Redevelopment Project Areas 2005 Series C bonds (Series C bonds). The Series C bonds were issued to (a) purchase a portion of the outstanding Redevelopment Agency of the City of Long Beach 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project) and (b) the outstanding Redevelopment Agency of the City of Long Beach 2002 Tax Allocation bonds (North Long Beach Redevelopment Project) in order to advance refund a portion of the outstanding LBBFA Tax Allocation Revenue Bonds (Downtown, North Long Beach, Poly High, and West Beach Redevelopment Project Areas) 2002 Series A and to finance certain Agency projects within or of benefit to the Downtown Project Area. The interest rates for the Series C bonds range from 3.3 percent to 5.5 percent.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Pledged Revenues

The Agency has pledged a portion of property tax revenues attributable to the Project Areas of the former Redevelopment Agency to repay tax allocation bonds issued in between 1992 and 2015. The bonds were issued to finance either redevelopment activities within various project areas or to refinance existing debt that was originally issued for the same purpose. Property tax revenues attributable to the Project Areas of the former Redevelopment Agency are projected to produce 100 percent of the debt service requirements over the life of the bonds. As of September 30, 2020, total principal and interest requirement for the bonds is \$282.5 million (\$193.9 million for principal and \$88.6 million for interest), payable semiannually through 2040. For the current year, tax increment revenues received and total debt service paid were \$26.5 million.

Business-Type Funds

Debt service requirements to maturity for business-type activities bonds are as follows (in thousands):

<i>Year Ending</i>	<i>Enterprise Funds</i>					<i>Annual Debt Service Requirements</i>		
	<i>Major Funds</i>				<i>Non Major Funds</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
	<i>Gas Utility</i>	<i>Tidelands</i>	<i>Harbor</i>	<i>Water</i>				
2021	\$ 13,990	\$ 12,600	24,470	\$ 3,170	\$ 3,535	\$ 57,765	\$ 77,614	\$ 135,379
2022	16,040	13,165	35,530	3,300	3,700	71,735	75,178	146,913
2023	18,645	13,810	37,090	3,450	3,875	76,870	71,829	148,699
2024	21,655	11,635	38,945	3,720	4,040	79,995	67,921	147,916
2025	25,280	12,190	32,000	795	4,220	74,485	63,968	138,453
2026 - 2030	137,675	56,160	113,625	1,680	24,410	333,550	267,231	600,781
2031 - 2035	108,945	29,170	88,430	-	31,075	257,620	194,335	451,955
2036 - 2040	218,315	27,235	105,105	-	32,440	383,095	97,457	480,552
2041 - 2045	-	34,755	117,800	-	-	152,555	37,167	189,722
2046 - 2050	-	-	60,280	-	-	60,280	7,708	67,988
Subtotal	560,545	210,720	653,275	16,115	107,295	1,547,950	960,408	2,508,358
Premium / Discount	10,209	11,479	98,552	873	1,197	122,310	-	122,310
Totals	\$ 570,754	\$ 222,199	\$ 751,827	\$ 16,988	\$ 108,492	\$ 1,670,260	\$ 960,408	\$ 2,630,668

New Debt Issuance

In May 2020, the City of Long Beach (the “City”) acting by and through its Board of Commissioners (the “Board”), issued \$55.7 million in Harbor Revenue Refunding Bonds, Series 2020A (2020A Series) and \$74.9 million Revenue Refunding Bonds, Series 2020B (2020B Series). The Series 2020 Senior Bonds were issued to refund all the Series 2010 Senior Bonds.

The 2020A Series interest range is 3.0 percent to 5.0 percent interest rate per annum payable in May and November of each year, commencing in May 2020. Principal payments are due every May commencing in 2024, with bond terms maturing through the year 2027. As of February 19, 2020 (closing date), the net carrying amount of the old debt exceeded the reacquisition price by \$41.2 million. This amount is amortized using the straight-line method over the life of the new bonds and is reported as a deferred outflow of resources in the accompanying basic financial statements. The refunding transaction for the 2020A Series resulted in a total economic gain of \$9.8 million. The 2020A Series are not subject to redemption prior to maturity.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

The 2020B Series interest range is 4.0 percent to 5.0 percent interest rate per annum payable in May and November of each year, commencing May 2020. Principal payments are due every May commencing in 2021, with bond terms maturing through the year 2024. As of February 19, 2020 (closing date), the net carrying amount of the old debt exceeded the reacquisition price by \$45.5 million. This amount is amortized using the straight-line method over the life of the new bonds and is reported as a deferred outflow of resources in the accompanying basic financial statements. The refunding transaction for the 2020B Series resulted in a total economic gain of \$12.8 million. The 2020B Series are not subject to redemption prior to maturity.

Special Assessment Debt

The City serves as the facilitating agent for a number of no-obligation special assessment debt issues. Funding from these issues has been used to improve streets and other City infrastructure, as well as assisting City residents and businesses with the cost of major structural repairs and installation of seismic resistant improvements to their properties. The City has no obligation to service the debt on these special assessment issues; therefore, no liability has been recorded in the City's books for the special assessment debt.

At September 30, 2020, aggregate special assessment debt issued through the City consisted of five issues and is summarized as follows:

• Dates Issued:	7/11/02 – 6/15/10
• Final Maturities:	10/01/25 – 10/1/40
• Range of Interest Rates:	2.0% – 6.30%
• Amounts Authorized and Issued:	\$1,060,000 – \$43,000,000
• Range of Amounts Outstanding:	\$650,000 – \$28,020,000
• Aggregate Outstanding at September 30, 2020:	\$47,155,000

The proceeds from special assessment debt issued for City infrastructure improvements are usually accounted for in the General Capital Projects Fund. The proceeds from special assessment debt issued for the Pike Public Improvements are accounted for in the Tidelands Fund. Special assessment revenues used to repay these debt issues are accounted for in Agency Funds.

Long Beach Towne Center CFD No. 5: In May of 2008 the City of Long Beach Community Facilities District No 5 issued \$14.6 million of Special Tax Refunding Bonds (Long Beach Town Center) under the provisions of the Mello-Roos Community Facilities Act of 1982. The bonds were issued to refund the 2000 Special Tax bonds, to fund a reserve and to provide funds for the District's improvement fund for sidewalk and drainage improvements. The bonds do not constitute a debt of the City; therefore, no liability has been recorded in the City's books. The bonds will mature in October 2025 and bear interest rates ranging from 3.2 percent to 5.75 percent.

Pike Public Improvements CFD No. 6: In June 2002, the City of Long Beach Community Facilities District No. 6 issued \$43.0 million of 2002 Special Tax Bonds (Pike Public Improvement Bonds) under the provisions of the Mello-Roos Community Facilities Act of 1982. The Pike Public Improvement Bonds were issued (a) to finance a portion of the costs of the acquisition, construction, installation, and equipping of various public capital improvements in the Pike Development Project adjacent to downtown Long Beach. A substantial portion of the proceeds were applied to finance the cost of a parking structure. The bonds do not constitute a debt of the City; therefore, no liability has been recorded in the City's books. The debt is payable from special tax revenues levied on the property within the district. The bonds will mature in October 2032 with interest rates from 3.25 percent to 6.3 percent.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Douglas Park Commercial Area CFD No. 2007-1: In July of 2007, Community Facilities District No. 2007-1 issued \$15.1 million of 2007 Special Tax Bonds. The Bonds are payable solely from proceeds of a special assessment tax to be levied annually on land within the district. The funds were used to finance the acquisition and construction of various public improvements in Area A, fund a reserve fund, and (iv) pay the costs related to the issuance of the bonds. The bonds do not constitute a debt of the City; therefore, no liability has been recorded in the City's books. The bonds will mature in September 2037 and carry interest rates ranging from 4.0 percent to 5.25 percent.

Belmont Shore CFD No. 2007-2 : In December 2009, Community Facilities District No. 2007-2 (Belmont Shore) issued \$3.7 million of 2009 Special Tax Bonds. The Bonds are payable solely from proceeds of a special assessment tax to be levied annually on land within the district and certain pledged Belmont Shore area parking meter revenues. Proceeds will be used to finance a new City parking lot in the Belmont Shore area and to finance other improvements to enhance parking. The bonds do not constitute a debt of the City; therefore, no liability has been recorded in the City's books. The bonds will mature in October 2040 and carry interest rates ranging from 2.0 percent to 6.0 percent.

Toledo Utility Underground: In June 2010, Assessment District No. 08-01 (the Toledo Utility Undergrounding) issued \$1.1 million of Limited Obligation Improvement Bonds. The Bonds were issued under the provisions of the City Code, and where applicable, the Improvement Bond Act of 1915, which is a Division 10 of the California Streets and Highways Code. The Bonds are secured by the tax assessments levied against parcels within the District. Proceeds will be used to finance the costs of certain undergrounding of overhead electrical, telephone, and cable facilities between Second Street and the Geneva Walkway in the City. The bonds will mature in September 2030 and bear interest rates from 2.0 percent to 5.5 percent.

Such bonds described above do not constitute indebtedness of the City. The City is in no way obligated for their repayment and is only acting on behalf of the bond owners in collecting the assessments and special taxes from the property owners, forwarding the collections to the bond owners, and initiating foreclosure proceedings, when necessary. Accordingly, these special assessment bonds payable have been excluded from the accompanying basic financial statements.

Conduit Debt

The bond issues described below do not constitute general obligations of either the City, the Authority, or the Agency. There is no legal or ethical obligation on the part of the City to make debt service payments on the conduit debt issues. Likewise, the City has no responsibility for bond administration, as the issues are completely administered by independent trustees. Accordingly, these programs and issues have been excluded from the accompanying basic financial statements.

Bonds have been issued in the City's name for Carnival Cruises to facilitate construction of pier and wharf improvements for a cruise line docking in the tidelands area adjacent to the Queen Mary. The bonds are payable by a tariff assessed to Carnival Cruises.

Several multi-family mortgage bonds have been issued under the auspices of the Authority and the Agency. These issues provided for the financing of acquisitions and construction of an apartment complex. The resulting bonds are not obligations of the City and only constitute special limited obligations of the Authority and the Agency and are payable solely from the revenue and assets of the homeowner obtaining funding under this program.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

At September 30, 2020, the City's Conduit Debt outstanding consisted of the following (in thousands):

<i>Description</i>	<i>Final Maturity</i>	<i>Amount Authorized</i>	<i>Outstanding at September 30, 2020</i>
Carnival Bonds	2030	\$ 30,000	\$ 20,660
Grisham Housing Bonds Series A	2035	10,245	990
Total Conduit Debt		<u>\$ 40,245</u>	<u>\$ 21,650</u>

NOTE 10 – NOTES, LOANS PAYABLE AND OTHER LONG-TERM OBLIGATIONS

At September 30, 2020, the City had notes, loans payable and other long-term obligations, consisting of the following (in thousands):

<i>Description</i>	<i>Date Issued</i>	<i>Final Maturity</i>	<i>Range of Interest Rates</i>	<i>Authorized and Issued</i>	<i>Outstanding at September 30, 2020</i>
<u>GOVERNMENTAL ACTIVITIES</u>					
NOTES, LOANS AND LINES OF CREDIT PAYABLE:					
General Fund:					
Southern California Edison	12/08/17	05/25/25	2.11%	\$ 396	\$ 265
Southern California Edison	01/09/18	02/25/25	2.18%	877	587
Southern California Edison	05/08/18	10/23/24	2.69%	869	533
Southern California Edison	01/31/19	02/27/27	2.37%	715	583
Premium/Discount				-	112
				<u>2,857</u>	<u>2,080</u>
Successor Agency Fund:					
Los Angeles County	01/21/92		3.75%	5,684	5,825
OTHER LONG-TERM OBLIGATIONS:					
Civic Center Fund:					
New Civic Center Complex	N/A	N/A	N/A	-	294,864
General Fund:					
Police and Fire Annuity	N/A	N/A	N/A	37,600	5,765
Total, Governmental Activities				<u>\$ 46,141</u>	<u>\$ 308,534</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
NOTES, LOANS AND LINES OF CREDIT PAYABLE:					
Tidelands Fund:					
State of Calif DBAW - Lighthouse	06/23/00	08/01/30	4.50%	\$ 700	\$ 336
Southern Calif Edison Project 2417	04/06/12	10/20/21	N/A	13	-
Total Tidelands Fund				<u>713</u>	<u>336</u>
Harbor Fund:					
Harbor 2018A ST Refunding Note	09/19/18	12/15/20	5.00%	327,050	327,050
Harbor 2020C ST Note	05/19/20	07/15/21	0.95%	145,000	145,000
Premium/Discount				-	5,498
Total Harbor Fund				<u>472,050</u>	<u>477,548</u>
OTHER LONG-TERM OBLIGATIONS:					
Water Fund:					
Site Restoration	N/A	N/A	N/A	-	1,000
Total Water Fund				<u>-</u>	<u>1,000</u>
Total, Business-Type Activities				<u>\$ 472,763</u>	<u>\$ 478,884</u>

City of Long Beach
Notes to the Basic Financial Statements
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Governmental Activities

Other Long-term Obligation – MWN Community Hospital, LLC

During fiscal 2020, the City entered a short-term lease (Interim Lease) with MWN Community Hospital, LLC, for the lease of property owned by the City of Long Beach (City) at 1720 Termino Avenue, 1760 Termino Ave, and 4111 East Wilton Street. City will pay the Lessee 50 percent of the total Seismic Costs, not to exceed \$ 25,000,000, and would be payable, in arrears in installments of \$ 1 million for the first 5 years, and \$ 2 million per year for years 6-15, commencing from the effective date of the replacement lease.

Successor Agency Fund Loans

The Agency has an agreement with the Los Angeles County Office of Education and the County of Los Angeles (County Entities) whereby the County Entities' share of the net tax increment generated by the Los Altos Project area shall be deferred through 2020. The deferral accrues simple interest at a rate of 3.8%. The outstanding balance of the deferral and any accrued interest are due prior to the termination of the project area in 2031. The balance at September 30, 2020 totaled \$ 5.8 million.

General Fund Loans

The City participated in the Energy Management Solutions Incentives program by SCE. By completing installation of eligible energy efficient equipment that included Street Light LED conversions, SCE provided the City with zero-percent interest financing to be repaid over a specified period through the City's electric utility bill. The balance at September 30, 2020 totaled \$2 million.

Payments over the next five years and thereafter will be made as follows (in thousands):

<i>Year ending</i>	<i>Governmental Activities</i>				
	<i>General Fund</i>	<i>Successor Agency</i>	<i>Annual Debt Service Requirements</i>		
			<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021	\$ 436	\$ 142	\$ 578	\$ 42	\$ 620
2022	446	-	446	31	477
2023	457	-	457	20	477
2024	301	-	301	11	312
2025	191	-	191	5	196
2026 - 2030	137	-	137	3	140
2031 - 2035	-	5,683	5,683	-	5,683
Subtotal	1,968	5,825	7,793	112	7,905
Premium/Discount	112	-	112	-	112
Total	<u>\$ 2,080</u>	<u>\$ 5,825</u>	<u>\$ 7,905</u>	<u>\$ 112</u>	<u>\$ 8,017</u>

Under these loan agreements, non-payment of amounts deemed due may result to discontinuance of service. The agreements also specify circumstances construed as breach of agreement or customer default. In these instances, SCE has the right to declare the entire unpaid balance of the loans immediately due and payable.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Police and Fire Annuity Obligation Program

The City administers a Police and Fire Annuity Program (Program). Enrollment in the Program was terminated in 1945. The Program covers a diminishing number of public safety retirees or their surviving spouses. Total expenditures amounted to \$906 thousand for the fiscal year ended September 30, 2020. Program benefits are funded on a *pay-as-you-go* basis and the Program has no assets.

At September 30, 2020, the program liability was \$5.8 million, and the change in the Program's accrued liability is as follows (in thousands):

Accrued Program Liability at October 1, 2019	\$ 6,365
Increase (Decrease) During the Year Attributable to:	
Benefits Paid	(906)
Estimated Change in Annualized Value of Benefits	306
Accrued Program Liability at September 30, 2020	<u>\$ 5,765</u>

The number of program participants diminishes each year, and there were 13 total participants as of September 30, 2020. The following table summarizes total annuity benefits paid, accrued liability and number of participants in the Program for the last five fiscal years (dollars in thousands):

<i>Year Ending</i>	<i>Number of Participants</i>	<i>Annuity Benefits Paid</i>	<i>Accrued Program Liability</i>
2016	24	2,120	10,574
2017	20	1,180	7,634
2018	18	1,072	6,810
2019	16	1,084	6,365
2020	13	906	5,765

Other Long-term Obligation - New Civic Center Complex

During fiscal 2016, the City entered into a multi-party Public-Private Partnership agreement (P3). The Project comprises two components; a City project consisting of a new City Hall, new Main Library and revitalized Lincoln Park (Project Assets) and a new Harbor headquarters building. Certain common areas will be jointly owned by both the City and the Harbor. The Project Agreement requires PECP to design, build, operate, and maintain the Civic Center complex.

During fiscal year 2019, the City moved into the new City Hall and the new Library. Consistent with the agreement, the City is began paying PECP the Base Service fees, as defined, over 40 years consisting of a Fixed Growth Fee attributable to construction costs of the Project Assets and a Variable Growth Fee attributable primarily to operation and maintenance services and life-cycle replacement costs of Project Assets. Both the Fixed Growth and Variable Growth Fee have scheduled annual increases. The Fixed Growth component is a stable 2.18% per annum and the Variable Growth is subject to annual increases in the CPI-U index.

The City will also pay PECP for various operating and maintenance and life-cycle replacement costs related (FM Charges) to the Harbor Headquarters building and for the Harbor's portion of the jointly owned common areas. These costs have a fixed component totaling \$71 thousand a month and a variable component ranging from zero to \$128 thousand a month depending on the scope of lifecycle costs. The FM charges are also to be paid over a 40-year term.

City of Long Beach
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Payments relating to these activities over the next five years and thereafter will be made as follows (in thousands):

Year	Payments				Total
	Principal	Base Interest	Variable Growth	Harbor Fee	
2021	5,099	5,100	5,908	1,014	17,121
2022	5,189	5,011	6,123	1,000	17,323
2023	5,280	4,919	6,360	1,025	17,584
2024	5,373	4,827	6,602	1,051	17,853
2025	5,467	4,732	6,850	1,051	18,100
2026 - 2030	28,812	22,186	36,834	5,655	93,487
2031 - 2035	31,435	19,563	43,737	6,399	101,134
2036 - 2040	34,296	16,702	51,426	6,320	108,744
2041 - 2045	37,417	13,581	59,991	8,456	119,445
2046 - 2050	40,823	10,175	69,530	6,543	127,071
2051 - 2055	44,538	6,459	80,156	6,908	138,061
2056 - 2060	48,592	2,406	91,992	6,353	149,343
2061	2,543	7	23,800	1,268	27,618
	<u>\$ 294,864</u>	<u>\$ 115,668</u>	<u>\$ 489,309</u>	<u>\$ 53,043</u>	<u>\$ 952,884</u>

Business-Type Activities

Notes and loan payments relating to business-type activities over the next five years and thereafter will be made as follows (in thousands):

Year ending	<i>Business-Type Activities</i>				
	<i>Principal Payments</i>		<i>Annual Debt Service Requirements</i>		
	<i>Tidelands</i>	<i>Harbor</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021	\$ 27	\$ 472,050	\$ 472,077	\$ 13,991	\$ 486,068
2022	29	-	29	14	43
2023	30	-	30	13	43
2024	31	-	31	11	42
2025	33	-	33	10	43
2026 - 2030	186	-	186	26	212
Subtotal	336	472,050	472,386	14,065	486,451
Premium / Discount	-	5,498	5,498	-	5,498
Totals	<u>\$ 336</u>	<u>\$ 477,548</u>	<u>\$ 477,884</u>	<u>\$ 14,065</u>	<u>\$ 491,949</u>

Loan with the State of California Department of Boating and Waterways ("DBAW Lighthouse")

In July 1998, the State of California DBAW provided a construction loan of \$700 thousand. This loan bears a compound interest of 4.5 percent on unpaid balance. Repayment of the loan began in August 2001. This loan has an outstanding balance of \$338 thousand as of September 30, 2020.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Harbor Revenue Short-Term Notes

On July 15, 2020, the Harbor Fund issued \$145 million in Harbor Revenue Short-Term Notes, Series 2020C (Series 2020C Senior Notes), the proceeds of which will be used for the purposes of (a) paying and/or reimbursing the Harbor Department at the Port, including but not limited to, the costs of designing and constructing a replacement for the Gerald Desmond Bridge, (b) funding capitalized interest on the Series 2020C Senior Notes. The Series 2020C Senior Notes bear a 4.0 percent interest rate per annum payable in July and January of each year, commencing in July 15, 2020. Principal is due on July 15, 2021. The Series 2020C Senior Notes are secured by a pledge of and lien upon and will be a charge upon and will be payable solely from the Revenues and certain funds and accounts pledged under the Senior Resolution on parity with all other Senior Bonds.

Accrued Liability - Site Restoration

In fiscal year 2008, the Water Department completed the construction of a subsurface seawater intake and discharge facility. Facility construction costs totaling \$4.6 million have been capitalized and were depreciated over a period of two years. A Coastal Development Permit granted by the California Coastal Commission in September 2007 required the Water Department to restore the project site to its preexisting condition no later than May 21, 2012. On July 14, 2011, the Water Department was granted an extension for the restoration of the coastal area to May 26, 2017. On October 13, 2016, the Water Department was granted an additional five-year extension on the restoration from May 26, 2017 to May 27, 2022. Estimated site restoration costs of \$1.0 million have been accrued as a long-term liability and recorded as nonoperating expenses. Operating costs of the facility are expensed as incurred.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 11 – LEASING ARRANGEMENTS

The City has various capital leasing arrangements as follows (in thousands):

<i>Description</i>		<i>Date Issued</i>	<i>Final Maturity</i>	<i>Range of Interest Rates</i>	<i>Authorized and Issued</i>	<i>Outstanding at September 30, 2020</i>
<u>GOVERNMENTAL ACTIVITIES:</u>						
General Services Fund ¹ :						
2018 PC and Equip	(a)	04/10/18	04/19/23	2.48%	1,522	\$ 810
2018 Access Control System	(b)	06/29/18	07/12/33	2.98%	7,050	5,129
2018 Surveillance Cameras	(c)	06/29/18	07/12/23	2.62%	240	140
2018 Data Center	(d)	08/01/18	08/09/33	2.66%	19,259	11,636
2018 Motorola Radios	(e)	09/25/18	10/15/30	3.82%	15,804	15,804
2019 Technology Equipment	(f)	08/22/19	08/22/24	2.16%	803	636
2019 Oracle Hardware	(g)	09/26/19	09/26/24	1.91%	502	405
2020 Data Center	(h)	07/09/20	07/09/30	1.24%	1,303	1,283
2020 PC Equipment	(i)	08/26/20	08/26/25	0.87%	1,200	1,200
Total General Services Fund					45,180	37,043
Fleet Services Fund ² :						
2018 Street Sweepers	(j)	06/01/18	06/14/23	2.54%	975	551
2019 Ambulances	(k)	12/06/18	12/06/24	2.94%	2,004	1,429
2019 CNG Powered Street Sweeper	(l)	09/26/19	09/26/24	1.91%	4,377	3,535
2019 Fire Trucks	(m)	05/17/19	05/17/29	2.83%	2,401	2,118
Total Fleet Services Fund					9,757	7,633
Total Governmental Activities Leases					\$ 54,937	\$ 44,676
<u>BUSINESS-TYPE ACTIVITIES:</u>						
Gas Utility Fund ¹ :						
Advanced Metering Infrastructure	(n)	08/03/15	05/01/30	2.40%	\$ 18,000	\$ 12,623
Tidelands Operating Fund ¹ :						
Convention Center	(o)	10/01/05	10/01/25	4.99%	649	265
Water Fund ¹ :						
Advanced Metering Infrastructure	(p)	12/20/18	12/20/33	3.35%	27,394	24,860
Total Business-type Activities Leases					\$ 46,043	\$ 37,747

¹ Lease acquisitions for these funds are for Machinery and Equipment.

² Lease acquisitions for this fund are for Vehicles.

Governmental Activities

- (a) The City entered into a capital lease agreement for the purchase of computers, server equipment and server storage equipment in April 2018. The lease is payable in monthly installments of \$27 thousand through April 2023.
- (b) The City entered into a capital lease agreement for the purchase of Access Control System in June 2018. The lease amount varies by year ranging from \$89 thousand per month at inception, to \$32 thousand per month from year 5, to \$25 thousand per month from year 8, to \$16 thousand per month from year 10 through July 2033.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

- (c) The City entered into a capital lease agreement for the purchase of Surveillance Cameras in June 2018. The lease is payable in monthly installments of \$4 thousand through July 2023.
- (d) The City entered into a capital lease agreement for the purchase of Data Center Systems & Telecommunications Equipment & User Devices in August 2018. The lease amount varies by year ranging from \$340 thousand per month at inception, to \$4 thousand per month from year 5, to \$3 thousand per month from year 8, to \$1 thousand per month from year 10 through August 2033.
- (e) The City entered into a capital lease agreement for the purchase of Motorola Radios in September 2018. The lease is payable in annual installments of \$1.9 million through October 2030.
- (f) The City entered into a capital lease agreement for the purchase of Technology Equipment (desktops and laptops) in August 2019. The lease is payable in monthly installments of \$14 thousand through August 2024.
- (g) The City entered into a capital lease agreement for the purchase of Oracle Hardware in September 2019. The lease is payable in monthly installments of \$9 thousand through September 2024.
- (h) The City entered into a capital lease agreement for the purchase of Data Center Systems & Telecommunications Equipment User Devices in July 2020. The lease is payable in monthly installments of \$12 thousand through July 2030.
- (i) The City entered into a capital lease agreement for the purchase of computers, server equipment and server storage equipment in August 2020. The lease is payable in monthly installments of \$20 thousand through August 2025.
- (j) The City entered into a capital lease agreement for the purchase of Street Sweepers in June 2018. The lease is payable in monthly installments of \$17 thousand through June 2023.
- (k) The City entered into a capital lease agreement for the purchase of Ambulances in December 2018. The lease is payable in monthly installments of \$30 thousand through December 2024.
- (l) The City entered into a capital lease agreement for the purchase of Street Sweepers in September 2019. The lease is payable in monthly installments of \$77 thousand through September 2024.
- (m) The City entered into a capital lease agreement for the purchase of Fire Trucks in May 2019. The lease is payable in monthly installments of \$23 thousand through May 2029.

Aggregate future debt service payments under the City's governmental activities capital leases are as follows (in thousands):

<i>Governmental Activities</i>					
<i>Year ending</i>	<i>Principal Payments by Fund</i>		<i>Annual Debt Service Requirements</i>		
	<i>General Services</i>	<i>Fleet Services</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021	\$ 5,710	\$ 1,572	\$ 7,282	\$ 1,888	\$ 9,170
2022	7,207	1,637	8,844	1,669	10,513
2023	6,797	1,624	8,421	1,375	9,796
2024	2,421	1,504	3,925	1,151	5,076
2025	2,211	336	2,547	993	3,540
2026 - 2030	10,283	960	11,243	2,884	14,127
2031 - 2035	2,414	-	2,414	166	2,580
Totals	\$ 37,043	\$ 7,633	\$ 44,676	\$ 10,126	\$ 54,802

City of Long Beach
Notes to the Basic Financial Statements
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Business-type Activities

- (n) The City entered into a capital lease agreement for the purchase and implementation of an Advanced Metering Infrastructure (AMI) in August 2015. The lease is payable in monthly installments of \$713 thousand through May 2030.
- (o) The City entered into a capital lease agreement to finance the installation of a surface membrane to the Convention Center roof. The lease is payable in annual installments of \$52 thousand through October 2025.
- (p) The City entered into a capital lease agreement for the purchase and implementation of an Advanced Metering Infrastructure (AMI) in December 2018. The lease is payable in monthly installments of \$194 thousand through December 2033.

Annual debt service requirements to maturity for business-type activities capital leases are as follows (in thousands):

<i>Business-type Activities</i>						
<i>Year ending</i>	<i>Principal Payments by Fund</i>			<i>Annual Debt Service Requirements</i>		
	<i>Gas Utility</i>	<i>Water</i>	<i>Tidelands Operating</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2021	\$ 1,131	\$ 1,516	\$ 39	\$ 2,686	\$ 1,120	\$ 3,806
2022	1,158	1,568	41	2,767	1,038	3,805
2023	1,186	1,621	43	2,850	955	3,805
2024	1,215	1,676	45	2,936	869	3,805
2025	1,244	1,733	47	3,024	780	3,804
2026 - 2030	6,689	9,592	50	16,331	2,489	18,820
2031 - 2035	-	7,153	-	7,153	406	7,559
Totals	\$ 12,623	\$ 24,859	\$ 265	\$ 37,747	\$ 7,657	\$ 45,404

Operating Leases

The City's operating leases consist primarily of rental properties occupied by various City departments. Lease obligations for City-leased properties include rent, utility charges, common area maintenance, storage, and parking. The following is a schedule future minimum rental obligations required under operating lease agreements for properties that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2020 (in thousands):

<i>Year ending</i>	<i>Total</i>
2021	\$ 2,740
2022	1,987
2023	1,157
2024	228
2025	492
2026 - 2030	1,040
2031 - 2035	206
Total	<u>\$ 7,850</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Lease Revenues

The City is the lessor for a number of operating lease agreements. Future rental income under non-cancelable operating leases having an initial term in excess of one year is as follows (in thousands):

<i><u>Year ending</u></i>	<i><u>Total</u></i>
2021	\$ 401,380
2022	394,580
2023	365,780
2024	369,483
2025	24,147
2026 - 2030	1,342,093
2031 - 2035	785,886
2036 - 2040	752,706
2041 - 2045	1,490,222
2046 - 2050	74,589
2051 - 2055	52,278
2056 - 2060	32,510
2061 - 2065	31,881
2066 - 2070	25,571
2071 - 2075	16,248
2076 - 2080	16,507
2081 - 2085	11,663
Total	<u><u>\$ 6,187,524</u></u>

NOTE 12 – DERIVATIVE INSTRUMENTS

At September 30, 2020, the City had the following hedging derivative instruments outstanding within business-type activities:

<i><u>Type</u></i>	<i><u>Objective</u></i>	<i><u>Notional Amount</u></i>	<i><u>Effective Date</u></i>	<i><u>Various Maturity Dates to:</u></i>	<i><u>Terms</u></i>
Pay-Fixed Interest Rate Swap	To reduce the risks associated with the change in interest rates related to the 2007 Series B Variable-rate Bonds.	\$69.0 million	11/18/2007	11/15/2033	Receive 67% LIBOR plus 1.432%, pay fixed at 4.931%
Commodity Forward Contract	To hedge against a reduction in revenues resulting from changes in monthly commodity prices.	96.1 million MMBtu ¹	11/18/2007	9/30/2037	Pay variable receive fixed for scheduled notional quantities.

¹ MMBtu is one million British Thermal Units.

City of Long Beach
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Interest Rate Swap Objective and Terms: As a means to lower financing costs and to reduce the risks associated with the fluctuation of market interest rates, the LBBFA entered into a series of interest rate swaps in connection with the 2007 Gas Prepay Bonds, Series B (Prepay Bonds) in the amount of \$251.7 million. In July 2009, a tender offer was submitted to bondholders reducing the Prepay Bond's outstanding notional amounts to \$69.0 million as follows:

<i>Maturity Date</i>	<i>Notional Amounts (in thousands)</i>	<i>Synthetic Fixed Rate</i>	<i>Variable Rate</i>	<i>Spread</i>
11/15/2025	\$ 19,195	4.903%	1.567%	1.410%
11/15/2026	25,175	4.930%	1.587%	1.430%
11/15/2027	24,630	4.955%	1.607%	1.450%
11/15/2033	5	5.067%	1.707%	1.550%
	<u>\$ 69,005</u>	4.931% ²	1.588% ³	1.432% ²

² Percentages are weighted average.

³ The weighted average floating rate is based on the present value of 67% of the forward three-month LIBOR rate curve at September 30, 2020, plus the indicative spread.

The objective of the swap was to effectively change the variable interest rate on the Prepay Bonds to a synthetic weighted average fixed rate of 4.9 percent (pay-fixed interest rate swap). The Prepay Bonds and the related swap agreements mature on the dates specified above and the swap's notional amount of \$69.0 million matches the \$69.0 million variable-rate Prepay Bonds. The swap was effective at the same time the Prepay Bonds were issued on October 18, 2007.

Starting in fiscal year 2008-09, under the swap agreement, LBBFA paid Merrill Lynch Capital Services, Inc. fixed payments based on the above schedule. In October 2007, the Alternative Floating Rate Option was used to calculate interest paid to LBBFA. The Alternate Floating Rate Option means a per annum rate, not to exceed the maximum interest rate payable on the Prepay Bonds, expressed as a decimal, equal to 67 percent of the three-month LIBOR, as quoted by the British Bankers Association (BBA), plus a spread as defined above, not to exceed a rate of 15 percent per annum for any calculation period.

Commodity Swap Objective and Terms: The City entered into a natural gas commodity price sale agreement with Royal Bank of Canada Capital Markets (RBC) to hedge against a reduction in its gas sale revenues resulting from changes in monthly market index prices. Under the swap agreement, the City pays a floating natural gas price over a 30-year period and receives specified fixed natural gas prices for notional quantities of natural gas as determined in the Prepaid Gas Agreement. In consideration for the agreement, the City remitted \$892.6 million to the seller. Settlement provisions of the contract permit the City to take delivery of the gas or to pay a settlement price equal to the applicable Index Price (NGI So Cal Border Index) for the month in which the gas delivery occurs, less \$0.83 per one million MMBtu. The swap was effective at the same time the Prepay Bonds were issued on October 18, 2007 and continues through September 30, 2037.

Tender Offer: In July 2009, the City executed a tender offer for a portion of the underlying Prepay Bonds. The results of the tender offer reduced the amount of outstanding variable-rate Prepay Bonds associated with the interest rate swap by \$182.7 million and the City's purchase volume of natural gas over the life of the commodity swap agreement by 60 million MMBtu.

Fair Value: The interest rate swap, with the market price quoted by Bank of America-Merrill Lynch, had a negative fair value of approximately \$11.9 million at October 1, 2019. During the current period, ending September 30, 2020, the fair value further decreased by \$2 million to a negative fair value of \$13.9

City of Long Beach
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million. The fair value for the interest rate swap is described as the exit price, which is based on the London Interbank Offered Rate (LIBOR) swap rate. The interest rate swap is classified as Level 2 in the fair value hierarchy as the LIBOR swap rate is observable for the full term of the swap.

The commodity swap, with the market price quoted by RBC, had a fair value of \$575.0 million at October 1, 2019. During the current period, fair value increased \$35.8 million to a fair value of \$610.8 million as of September 30, 2020. The fair value for the commodity swap is based on RBC's quoted price. The commodity swap is classified as Level 3 as the valuation relies primarily on unobservable inputs.

Fair values are based on mark-to-market valuations provided by the swap counterparties. The following table provides the details for the changes in fair value for both derivative instruments (in thousands):

<i>Maturity Date</i>	<i>Fair Value, October 1, 2019</i>	<i>Change in Fair Value</i>	<i>Fair Value, September 2020</i>
<i>Interest Rate Swap</i>			
11/15/2025	\$ (2,853)	\$ (408)	\$ (3,261)
11/15/2026	(4,312)	(699)	(5,011)
11/15/2027	(4,756)	(832)	(5,588)
11/15/2033	(2)	-	(2)
	(11,923)	(1,939)	(13,862)
<i>Commodity Swap</i>			
9/30/2037	575,033	35,770	610,803
Total	<u>\$ 563,110</u>	<u>\$ 33,831</u>	<u>\$ 596,941</u>

Information on the effects of these transactions on the financial statement presentation can be found in Note 23 to the basic financial statements.

Credit Risks: As of September 30, 2020, the interest rate swap counterparty was rated A2 by Moody's Investor Services and A+ by Fitch Ratings. As of September 30, 2020, the commodity swap counterparty was rated AA- by Standard & Poor's and A2 by Moody's.

Merrill Lynch Commodities, Inc., a wholly owned subsidiary of Merrill Lynch and Co. Inc. (Guarantor), entered into a Prepaid Natural Gas Purchase and Sale Agreement with the LBBFA to sell and deliver gas to the LBBFA. In the event the Guarantor credit rating falls below a credit rating of BBB+ as rated by Standard & Poor's or Fitch Ratings, or a Baa1 as rated by Moody's Investor Services, Inc., the Guarantor will post acceptable market value of collateral equal to or greater than the current present value of the remaining savings as specified in the Agreement on the date of the credit downgrade. If the rating by any one of the rating agencies should be restored to a level greater than BBB+ or Baa1, LBBFA will return the collateral posted by the following month.

On June 21, 2012, Moody's Investor Service downgraded Bank of America Corporation, the parent of Merrill Lynch Commodities, Inc., to Baa2 from Baa1. On July 12, 2012, the City of Long Beach, Merrill Lynch Commodities and the Bank of New York Mellon Trust Company, N.A. (Custodian) entered into a Pledge Collateral and Custodial Agreement, pursuant to Section 21.2 of the Prepaid Gas Agreement, for purposes of securing the obligations of the Seller and Guarantor to pay the Purchaser the Unearned Amount in the event an Early Termination Date occurs and the Unearned Amount is owed by the Seller or Guarantor to the Purchaser. The Custodian for benefit of the City holds a perfected interest in the collateral pledged.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Interest Rate Swap Payment and Associated Debt: Using rates as of September 30, 2020, debt service requirements of the variable-rate debt and net swap payments, assuming the current interest rate remains the same for their term, were as follows (in thousands):

<i>Fiscal Year</i>	<i>Variable-Rate Bonds</i>		<i>Net Swap</i>	<i>Total</i>
<i>Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Payments</i>	<i>Interest</i>
<i>September 30</i>				
2021	-	3,403	226	3,629
2022	-	3,403	214	3,617
2023	-	3,403	195	3,598
2024	-	3,403	178	3,581
2025 - 2029	69,000	4,534	520	5,054
2030 - 2034	5	1	-	1
Total	<u>\$ 69,005</u>	<u>\$ 18,147</u>	<u>\$ 1,333</u>	<u>\$ 19,480</u>

As rates vary, variable-rate bond interest payments and net swap payments will vary.

Termination Risks: In accordance with the Trust Indenture and the Prepaid Natural Gas Purchase and Sale Agreement, the issuer has the right to optionally redeem Prepay Bonds either pursuant to the covered indenture at no market risk or a Triggering Event as described in the Prepaid Natural Gas Purchase and Sale Agreement.

NOTE 13 – RETIREMENT PROGRAMS

Plan Description – California Public Employees’ Retirement System (CalPERS)

Plan Description – The City contributes to the CalPERS agent multiple-employer defined benefit pension plans (Plans). CalPERS acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans including benefit provisions, assumptions and membership information. All qualified permanent employees are eligible to participate in the City’s separate Safety (police and fire) or Miscellaneous (all other) Plans. The reports can be found on the CalPERS website.

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service equal to one year of full-time employment, age at retirement and final compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

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The Plans' provisions and benefits in effect at September 30, 2020, are summarized in the following table:

<i>Miscellaneous</i>			
		On or after October 1, 2006 and prior to January 1, 2013	On or after January 1, 2013
Hire date	Prior to October 1, 2006		
Benefit formula	2.7% @ 55	2.5% @ 55	2.0% @ 62
Benefit vesting schedule		5 years of service	
Benefit payments		Monthly for life	
Retirement age	50 - 55	50 - 55	52 - 62
Required Contribution Rates			
Employee	8.0%	8.0%	6.5%
Employer	28.446%	28.446%	28.446%
Percentage of Eligible Compensation			
Monthly benefits	2.0% to 2.7%	2.0% to 2.5%	1.0% to 2.0%
<i>Safety</i>			
		On or after October 1, 2006 and prior to January 1, 2013	On or after January 1, 2013
Hire date	Prior to October 1, 2006		
Benefit formula	3.0% @ 55	3.0% @ 50	2.7% @ 57
Benefit vesting schedule		5 years of service	
Benefit payments		Monthly for life	
Retirement age	50 - 55	50	50 - 57
Required Contribution Rates			
Employee	9.0%	9.0%	12.3%
Employer	44.443%	44.443%	44.443%
Percentage of Eligible Compensation			
Monthly benefits	2.4% to 3.0%	3.00%	2.0% to 2.7%

Employees Covered – Based on the June 30, 2019 funding valuation report, the following employees were covered by the benefit terms for each Plan:

	<i>Miscellaneous</i>	<i>Safety</i>
Active employees	3,498	1,251
Inactive employees or beneficiaries currently receiving benefits	4,269	1,770
Inactive employees entitled to but not yet receiving benefits	4,443	347

Contributions – California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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CalPERS Net Pension Liability

The City's net pension liability for both Plans is measured as the total pension liability, less the plan's fiduciary net position. Net pension liability is measured as of June 30, 2020 (measurement date), using the actuarial valuation report as of June 30, 2019 rolled forward using standard update procedures. At September 30, 2020, the City reported net pension liability of \$1.2 billion for both plans. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

Actuarial Assumptions – The total pension liabilities were determined using the following actuarial assumptions:

	<u><i>Miscellaneous</i></u>	<u><i>Safety</i></u>
Valuation Date (VD)	June 30, 2019	June 30, 2019
Measurement Date (MD)	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.625%	2.625%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return	7.15%	7.15%
Mortality	1	1

1 The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB Statement No. 68 section.

The long-term expected rate of return on pension plan investments of 7.15% was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return

City of Long Beach
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that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects the long-term expected real rate of return by asset class for both Safety and Miscellaneous Plans. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<i>Asset Class</i>	<i>Assumed Asset Allocation</i>	<i>Real Return Years 1 - 10^a</i>	<i>Real Return Years 11+^b</i>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00	1.00	2.62
Inflation Assets	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

^a An expected inflation of 2.00% used for this period

^b An expected inflation of 2.92% used for this period

Changes in the CalPERS Net Pension Liability

The following tables show the changes in the net pension liability for each Plan (in thousands):

<i>Miscellaneous Plan</i>	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability/(Asset)</i>
Balance at July 1, 2019 (MD)	\$ 2,726,916	\$ 2,105,327	\$ 621,589
Changes in the year:			
Service Cost	44,000	-	44,000
Interest on Total Pension Liability	191,098	-	191,098
Differences between Actual and Expected Experience	(4,185)	-	(4,185)
Contribution - Employer	-	71,565	(71,565)
Contribution - Employee	-	19,350	(19,350)
Net Investment Income	-	104,205	(104,205)
Administrative Expenses	-	(2,967)	2,967
Benefit Payments, including Refunds of Employee Contributions	(144,066)	(144,066)	-
Net changes	86,847	48,087	38,760
Balance at June 30, 2020 (MD)	\$ 2,813,763	\$ 2,153,414	\$ 660,349

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<i>Safety Plan</i>	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability/(Asset)</i>
Balance at July 1, 2019 (MD)	\$ 2,630,341	\$ 2,126,671	\$ 503,670
Changes in the year:			
Service Cost	43,862	-	43,862
Interest on Total Pension Liability	184,631	-	184,631
Differences between Actual and Expected Experience	(5,180)	-	(5,180)
Contribution - Employer	-	64,654	(64,654)
Contribution - Employee	-	15,089	(15,089)
Net Investment Income	-	105,091	(105,091)
Administrative Expenses	-	(2,998)	2,998
Benefit Payments, including Refunds of Employee Contributions	(129,683)	(129,683)	-
Net Changes	93,630	52,153	41,477
Balance at June 30, 2020 (MD)	\$ 2,723,971	\$ 2,178,824	\$ 545,147

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following table presents the net pension liability of the City for each plan as of the measurement date, calculated using the discount rate of 7.15 percent, compared to a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%). Amounts shown below are in thousands:

<i>Net Pension Liability/ (Asset)</i>	<i>1% Decrease (6.15%)</i>	<i>Discount Rate (7.15%)</i>	<i>1% Increase (8.15%)</i>
Miscellaneous	\$ 1,019,736	\$ 660,349	\$ 362,492
Safety	907,739	545,147	246,706

Pension Plan Fiduciary Net Position – Detailed information about each Plan’s fiduciary net position is available in the separately issued CalPERS financial report.

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Pension Expense and Deferred Outflows/Inflows of Resources Related to CalPERS Pensions

For the year ended September 30, 2020, the City recognized pension expense of \$63.9 million and \$92.2 million for the Miscellaneous and Safety Plan, respectively.

At September 30, 2020, the City reported pension related deferred outflows of resources and deferred inflows of resources from the following sources (in thousands):

	Miscellaneous Plan:		Safety Plan:		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to the Measurement Date	\$ 19,989	\$ -	\$ 18,179	\$ -	\$ 38,168	\$ -
Differences Between Actual and Expected Experience	3,822	(2,790)	10,575	(3,940)	14,397	(6,730)
Changes in Assumptions	-	-	-	(10,107)	-	(10,107)
Net Differences between Projected and Actual Earnings on Plan Investments	16,798	-	18,102	-	34,900	-
Change in Proportion	8,919	(8,919)	908	(908)	9,827	(9,827)
Total	<u>\$ 49,528</u>	<u>\$ (11,709)</u>	<u>\$ 47,764</u>	<u>\$ (14,955)</u>	<u>\$ 97,292</u>	<u>\$ (26,664)</u>

The \$38.2 million reported as a deferred outflow of resources related to contributions made by the City subsequent to the measurement date of June 30, 2020 will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows (in thousands):

Miscellaneous Plan:		Safety Plan:		Total	
Year Ending September 30	Amount	Year Ending September 30	Amount	Year Ending September 30	Amount
2021	\$ (6,297)	2021	\$ (14,022)	2021	\$ (20,319)
2022	4,306	2022	9,823	2022	14,129
2023	10,989	2023	9,961	2023	20,950
2024	8,832	2024	8,868	2024	17,700
Total	<u>\$ 17,830</u>	Total	<u>\$ 14,630</u>	Total	<u>\$ 32,460</u>

NOTE 14 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The City provides postemployment healthcare benefits through its City of Long Beach Retiree Health Care plan (OPEB Plan), a single-employer plan. The OPEB Plan covers all eligible full-time employees of the City. City Council has the authority to establish and amend the benefit terms currently permitted by Ordinance No. C-7556. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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Benefits Provided

The OPEB Plan provides health, dental and long-term care insurance for retirees and their dependents as long as (a) that employee participated in a City provided insurance program of that type during the year immediately preceding retirement, (b) the employee has not attained the eligibility age for Medicare payments, and (c) the employee has attained the minimum retirement age for the employee's retirement plan.

Benefits are administered through a third-party provider, and the full cost of benefits is covered by the OPEB Plan up to the point where the value of the retirees unused sick leave has been exhausted. Retirees who have exhausted their unused sick leave can still access the OPEB Plan by paying the OPEB Plan premium out of pocket. As of September 30, 2020, the count of employees covered by the benefit terms was:

Inactive employees currently receiving benefits	1,032
Active employees	<u>4,415</u>
Total	<u><u>5,447</u></u>

Total OPEB Liability

At September 30, 2020, the City's total OPEB liability was \$9.7 million. The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	September 30, 2018	
Measurement Date	September 30, 2019	
Actuarial Cost Method	Entry Age	
Actuarial Assumptions:		
Inflation	2.75%	
Discount Rate	2.75%	Based on Fidelity Municipal Bond GO AA 20-year Bond Index
Payroll Increases	Aggregate	3.00%
	Merit	CalPERS 1997-2015 Experience Study
Health Care Cost Trend Rates	7.5% for 2020, decreasing to 4% for 2076 and later	
Mortality, Termination, Disability, Retirement	CalPERS 1997-2015 Experience Study	
Mortality Improvement	Mortality projected fully generational with Scale MP-2018	
Participation Rates:		
Miscellaneous Plan	75%, 100% select City plans	
Safety	90%, 85% select City plans	

Changes in the Total OPEB Liability (in thousands):

Balance at October 1, 2019	\$ 23,248
Service Cost	\$ 2,167
Interest on total OPEB liability	917
Change in Assumptions	(13,756)
Benefit Payments	<u>(2,921)</u>
Net Change	<u>(13,593)</u>
Balance at September 30, 2020	<u><u>\$ 9,655</u></u>

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Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

	<i>1 Percent Decrease (1.75 %)</i>	<i>Discount Rate (2.75 %)</i>	<i>1 Percent Increase (3.75 %)</i>
Total OPEB Liability (Asset)	\$ (9,391)	\$ 9,655	\$ 22,585

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

	<i>1 Percent Decrease (6.5%)</i>	<i>Healthcare Cost Trend Rate (7.5 %)</i>	<i>1 Percent Increase (8.5 %)</i>
Total OPEB Liability (Asset)	\$ 20,609	\$ 9,655	\$ (7,757)

OPEB Expense and Deferred Outflows and Deferred Inflows Related to OPEB

For the year ended September 30, 2020, the City recognized an OPEB income of \$1.7 million. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Amounts paid subsequent to measurement date	\$ 3,524	\$ -
Difference between expected and actual experience	-	6,100
Change in assumptions	5,745	37,181
Total	<u>\$ 9,269</u>	<u>\$ 43,281</u>

The \$3.5 million reported as deferred outflow of resources related to contributions made by the City subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the next 9.5 years, as follows (in thousands):

<i>Year Ending September 30</i>	<i>Amount to be Recognized</i>
2021	\$ (4,767)
2022	(4,767)
2023	(4,767)
2024	(4,767)
2025	(4,952)
2026-2030	(13,516)
Total	<u>\$ (37,536)</u>

City of Long Beach
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NOTE 15 – SELF-INSURANCE PROGRAMS

The City has adopted separate insurance programs for workers' compensation and general liability claims. The City is self-insured for workers' compensation and general liability for the first \$5 million per occurrence, except for law enforcement's general liability which has \$10 million per occurrence self-insured retention. In addition, the City has excess insurance coverage up to \$150 million and \$50 million, respectively.

At September 30, 2020, the City accrued non-discounted estimates totaling \$180.0 million for workers' compensation and general liability claims. This represents estimates of amounts to be paid for actual and incurred-but-not-reported claims based upon past experience, modified for current trends and developments. The City has recorded in the Workers' Compensation Insurance Fund a current liability of \$21.1 million and a long-term liability of \$115.8 million. The City has recorded in the General Liability Insurance Fund a current liability of \$10.9 million and a long-term liability of \$32.2 million.

The ultimate amount of losses incurred through September 30, 2020 is dependent on future developments. Based upon actuary evaluation, City's management believes that the aggregate accrual adequately represents such losses.

A summary of the City's claims activity for the fiscal years ended September 30, 2020 and 2019 is as follows (in thousands):

	<i>Workers' Compensation Claims</i>	<i>General Liability Claims</i>	<i>Total</i>
Balance at October 1, 2018	\$ 134,947	\$ 27,910	\$ 162,857
Additions	15,734	20,394	36,128
Payments	<u>(12,627)</u>	<u>(14,802)</u>	<u>(27,429)</u>
Balance at September 30, 2019	138,054	33,502	171,556
Additions	13,840	17,931	31,771
Payments	<u>(14,909)</u>	<u>(8,382)</u>	<u>(23,291)</u>
Balance at September 30, 2020	<u>\$ 136,985</u>	<u>\$ 43,051</u>	<u>\$ 180,036</u>

City of Long Beach
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NOTE 16 – GOVERNMENTAL FUND BALANCES AND FUND DEFICITS

As of September 30, 2020, total fund balances for the City's major and non-major governmental funds are as follows (in thousands):

	<i>General</i>	<i>General Capital Projects</i>	<i>Housing Assistance Special Revenue</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Fund Balances (Deficit):					
Nonspendable:					
Prepaid Expense and Deposits	\$ 1,503	\$ 1,489	\$ -	\$ 888	\$ 3,880
Subtotal	1,503	1,489	-	888	3,880
Restricted for:					
Debt Service	-	-	-	42,297	42,297
Public Safety	2,864	-	-	3,313	6,177
Public Health	-	-	-	2,633	2,633
Community and Cultural	-	-	16,306	66,274	66,274
Other Purposes - Operating Reserve	3,000	-	-	-	3,000
Public Works	-	62,462	-	8,492	70,954
Subtotal	5,864	62,462	16,306	123,009	207,641
Committed to:					
Community and Cultural	-	-	-	1,414	1,414
Other Purposes - Emergency Reserve	39,168	-	-	-	39,168
Other Purposes - Operating Reserve	2,268	-	-	-	2,268
Oil Abandonment	9,272	-	-	-	9,272
Subtotal	50,708	-	-	1,414	52,122
Assigned to:					
Subsequent Year's Appropriations	62,629	-	-	-	62,629
Unfunded Liabilities and Commitments	13,135	-	-	-	13,135
Infrastructure Reserve	25	-	-	-	25
Community and Cultural	-	-	-	373	373
Public Works	-	65,450	-	-	65,450
Subtotal	75,789	65,450	-	373	141,612
Unassigned	2,066	-	-	-	2,066
Total Fund Balances	<u>\$ 135,930</u>	<u>\$129,401</u>	<u>\$ 16,306</u>	<u>\$ 125,684</u>	<u>\$ 407,321</u>

Fund Deficits

The Gas Utility Fund, a major proprietary fund, reported a deficit net position of \$24.7 million as of September 30, 2020. This deficit resulted from the recognition of a net pension liability of \$31.8 million and compensated absences of \$6.1 million. City management believes that the cash position of the fund is sufficient to support the utilities ongoing operations.

The Tidelands Oil Revenue Fund, a nonmajor proprietary fund, reported a deficit net position of \$62.7 million as of September 30, 2020. Tidelands Oil Revenue Fund deficit net position is due to a future oil field abandonment liability of \$102.6 million, reflecting a decrease of \$16.0 million during the fiscal year. City management will continue to accumulate futures resources to pay for the oil field abandonment liability.

The Towing Fund, a nonmajor enterprise fund, reported a deficit net position of \$4.0 million as of September 30, 2020. This deficit primarily resulted from the recognition of a net pension liability of \$3.8 million and compensated absences of \$0.6 million. City management believes that the cash position of the fund is currently sufficient at 40 days of expenses to support ongoing operations.

City of Long Beach
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As of September 30, 2020, the Workers' Compensation insurance fund reflects a deficit net positions of \$109.8 million. This deficit includes the impact of accrued liabilities for Accrued Claims and Net Pension Liability of \$137 million and \$8.7 million respectively. The City's management believes the cash position is sufficient to cover the current costs related to workers' compensation claims and current operating costs. The City's management believes the deficit net position will be recovered through future charges for services, adjusted as appropriate, and has made reasonable adjustments to amounts charged to City departments to ensure adequate cash positions are maintained.

As of September 30, 2020, the General Liability insurance fund reflects a deficit net positions of \$54.4 million,. This deficit includes the impact of accrued liabilities for Accrued Claims and Net Pension Liability of \$43.1 million and \$5.2 million respectively. The City's management believes the deficit net position will be recovered through future charges for services, adjusted as appropriate, and has made reasonable adjustments to amounts charged to City departments to ensure adequate cash positions are maintained.

The Employee Benefits Internal Service Fund reflects a deficit net position of \$42.7 million. This deficit includes the impact of accrued liabilities for Compensated Absences of \$159.3 million. City management believes the cash position is sufficient to cover the current costs related to retired health insurance, and current operating costs in the Employee Benefits Internal Service Fund. The City's management believes the deficit net position will be recovered through future charges for services, adjusted as appropriate, and has made reasonable adjustments to amounts charged to City departments to ensure adequate cash positions are maintained.

NOTE 17 – OIL FIELD ABANDONMENT LIABILITY

Tideland Oil Revenues

The City is required to administer certain tideland properties for the State of California (State). Revenues received from the City's tidelands area are restricted by State law to tidelands-related purposes. The trust agreement provides for the establishment of separate operating funds to account for the various activities conducted in the City's tideland areas.

The City utilizes contractors to oversee oil production on the tidelands portion of the Wilmington Oil Field. Oil revenues (net of administrative and operating expenses, a \$1,000,000 fixed annual retention by the City, and the City's participation in the Optimized Waterflood Program Agreement) are remitted to the State. The use of the funds retained by the City are restricted for tidelands-related purposes to include the City's marinas, beaches, waterways, and convention center.

Annually, the City estimates the State's share in the costs of future abandonment and site clearance of the oil properties. At September 30, 2020, the State's total estimated abandonment cost liability is \$909.8 million, which increased by \$7.7 million from fiscal year 2019. This estimate is based on the number and life of productive wells, general changes in the life of the oil field, and changes in oil prices. As of September 30, 2020, and as provided for in Assembly Bill (AB) 137, the State has put aside and deposited approximately \$300.0 million of the \$909.8 million estimated liability into the State's Oil Trust Fund - Abandonment Reserve. In the Tidelands Oil fund, the abandonment reserve set aside for the estimated liability is \$34.0 million.

At September 30, 2020, the Tidelands Operating Fund recorded an estimated oil field abandonment cost liability of \$102.6 million decreasing by \$16.0 million from fiscal year 2019. This estimate is based on the number and life of productive wells, general changes in the life of the oil field, and changes in oil prices. The City's ownership interests in the Wilmington Oil Field also results in the City recording a proportionate share of oil field abandonment costs currently estimated at \$21.5 million of which \$9.3 million has been funded in the Upland Oil Fund as of September 30, 2020.

City of Long Beach
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Subsidence

In accordance with State law, the City established a Reserve for Subsidence Contingencies to indemnify the City, State, and contractors for claims or costs arising from subsidence alleged to have resulted from oil operations. A maximum of \$40.0 million, plus accrued interest, was originally set aside for this purpose. At present, 100 percent of the interest accrues to the Reserve for Subsidence. As of September 30, 2020, the reserve balance within the Subsidence Fund is \$190.9 million.

As part of the adoption of the State's 2005 fiscal year budget, 100 percent of this fund's interest earnings for calendar years 2004 and 2005 were eligible to be loaned to the City's General Fund, with repayment commencing in fiscal year 2008, without interest, in equal annual installments of \$500 thousand for up to 20 years. This action was taken to mitigate the impact of the City in making a \$5 million contributions to the State in both fiscal years 2005 and 2006. At September 30, 2020, total loan to the City's General Fund and interest retained amounts to \$1.1 million.

NOTE 18 – POLLUTION REMEDIATION OBLIGATIONS

BKK Sites

Victoria Golf Course: Between 1947 and 1949, the City disposed of municipal waste in a landfill owned by BKK Corp located in Carson, California. It has been determined that the site is the source of groundwater contamination. The State Department of Toxic Substances Control (DTSC) has identified the City as a potentially responsible party (PRP) under the Resources Conservation and Recovery Act and has threatened enforcement action. The County of Los Angeles has threatened a cross-claim against the City for contribution. As of September 30, 2020, there was insufficient information to develop an estimate of potential remediation costs attributable to the City. The City has an Environmental Pollution Insurance Policy that may cover some costs for the period in question.

West Covina: From the mid-1960s through 1987, the City disposed of municipal waste in a landfill owned by BKK Corp located in West Covina, California. It has been determined that the site is the source of groundwater contamination. The DTSC has a cleanup order to PRPs under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The primary PRPs have entered into a consent decree. Those parties in turn have threatened to compel the City to contribute part of the clean-up costs. As of September 30, 2020, there was insufficient information to develop an estimate of potential remediation costs attributable to the City. The City has an Environmental Pollution Insurance Policy that may cover some costs for the period in question.

West Covina Site

Chevron (USA), Exxon Mobile Corporation, ConocoPhillips Company, Long Beach Oil Development Company (LBOD), and American Energy Operations, Inc. have been named in cleanup actions (Imminent and Substantial Endangerment Determination and Order and a Remedial Action Order from the DTSC). The site is located in West Covina. In response, the parties have filed claims against the City seeking unspecified damages. In 2005 and 2006, the parties entered into tolling agreements with the City. To date, no costs have been incurred in this matter. As of September 30, 2020, there was insufficient information to develop an estimate of potential remediation costs attributable to the City. The City has an Environmental Pollution Insurance Policy that may cover some costs for the period in question.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

55th Way Landfill (formerly Paramount Landfill)

The City operated the Paramount Landfill from 1945 to 1948. Construction began after substantial design and permitting work to close the landfill according to then current standards and was completed in August 2006. A portion of the was developed into Davenport Park in 2006. The City purchased an adjacent parcel in 2006 and developed Phase II of Davenport Park. In May 2009, the Los Angeles Regional Water Quality Control Board (LA Board) notified the City that additional groundwater monitoring is required for this site. The City implements an ongoing Solid Waste Assessment Test (SWAT) groundwater monitoring program for the 55th Way Landfill pursuant to an LA Board Water Discharge Requirements Order (WDRO) and General Monitoring and Reporting Program Order (MRPO). Groundwater monitoring is now required on a recurring semi-annual basis until such time that the LA Board rescinds the WDRO or otherwise approves a reduction or elimination of the MRPO. In May 2019, the City was notified by the Los Angeles County Department of Public Health (LACDPH) that an on-site soil vapor probes showed exceedances in methane gas concentrations. LACDPH has since required the City to provide a monitoring and remediation plan and a gas control work plan. As of September 30, 2020, the estimated liability of potential remediation is a one-time cost of \$600 thousand with ongoing landfill gas monitoring costs of approximately \$80 thousand per year.

El Cortez (formerly El Ranchito)

In 2009, the Agency purchased property at 5301 Long Beach Blvd. In fiscal year 2012, the Agency initiated a voluntary remediation project at the site. In July of 2015, the LA Board requested specific remedial and groundwater monitoring action be implemented. The original estimated remaining liability associated with the groundwater monitoring, based on a cost estimate from the monitoring service provider, is \$485 thousand. As of September 30, 2020, the remaining liability for the monitoring was \$319 thousand. There is no reasonable expectation of any recovery associated with these remediation efforts. The property has been “remediated” and reported as closure of the site/case.

Cowelco

In November of 2012, the LA Board notified the Agency that additional groundwater monitoring was necessary at 1669 W. Anaheim Street based on their review of the Site Assessment Report. The LA Board again notified the Agency that additional assessment was necessary after their review of the soil data and groundwater monitoring performed in 2014. In August of 2015, the California State Water Resources Control Board (Control Board) issued a letter denying the City’s request for closure and requiring further action. Compliance with the Control Board’s current request is anticipated to cost approximately \$41 thousand. It is not known if additional monitoring or remediation will be required. There is no reasonable expectation of any recovery associated with these remediation efforts.

Metropolitan Transportation Authority (MTA) Bus Parking Lot

In 2009, the LA Board has notified the City that additional ground water monitoring for the former MTA bus parking lot may be required. MTA pledged \$300 thousand to pay for any future monitoring costs when the City acquired the property. Management has not recorded a liability because it is believed that the costs associated with any future monitoring would be less than the pledge by the MTA. At September 30, 2020, the site is still being evaluated and the City is waiting for final determination from the LA Board as to the extent of any additional monitoring activities.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Leaking Underground Storage Tanks (LUST)

In the early 1990s, the City was named a responsible party for a number of City owned and/or operated LUST sites by the LA Board. All of the tanks have since been removed. The sites are located at Fire Station 7, Fire Station 10, Fire Station 11, Fire Station 17 and 2929 East Willow Street. The LA Board has directed that these sites be evaluated for remediation and continued monitoring activities. The City has successfully remediated Fire Stations 10 and 11, meeting the requirements of the LA Board's low threat closure policy (LTCP). These two facilities are currently performing post-closure monitoring activities. As of September 30, 2020, the City remains under LA Board's order to continue monitoring the sites. The estimated related liability for the future remediation is \$1.2 million. For its monitoring and remediation efforts, the City submitted claims for reimbursable remediation cost to the State UST Cleanup Fund. As of September 30, 2020, the City obtained a reimbursement of costs related to the closed sites amounting to \$2.8 million.

Harbor Warehouse

In July of 2017, the Harbor, as result of a hazardous building materials survey of a warehouse, identified the presence of environmentally sensitive materials requiring abatement activities if the facility is to remain in use. The estimated remediation liability for abatement increased to \$2.6 million for the year ended September 30, 2020. The Department has received bid proposals related to the remediation project that are currently under review as part of the selection process. There is no reasonable expectation of any recovery associated with these remediation efforts.

Pier E Container Yard-Intermodal Railyard

Environmentally contaminated soil materials were found during the project's construction. The Board of Harbor Commissioners approved additional funding to dispose these asbestos contaminated soil materials.

Demolition of Former Harbor Department Administration Building Complex

Environmentally sensitive materials were identified in the building and a remediation effort will be required as part of the demolition procedures. This project is currently out for bid and the estimated costs of abatement is \$1.1 million.

NOTE 19 – INVESTMENT IN JOINT VENTURES

Intermodal Container Transfer Facility Joint Powers Authority (ICTF)

The City's Harbor Department and the Port of Los Angeles (Venturers) have entered into a joint venture agreement to form ICTF for the purposes of financing and constructing an intermodal container transfer facility (facility) to transfer cargo containers between trucks and railroad cars. The facility has been leased to Southern Pacific, now merged with Union Pacific (Tenant). The facility was developed by the Tenant who assumed operational responsibility for the facility. The Venturers' share net income and equity distributions from ICTF equally. The Harbor's share of the ICTF's net position as of September 30, 2020 totaled \$4.4 million. The ICTF financial statements for the year ended June 30, 2020 can be obtained from the Harbor.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 20 – DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan (457 Plan) created in accordance with Internal Revenue Code, Section 457. The 457 Plan permits employees to defer a portion of their salary and all amounts of compensation deferred under the 457 Plan and all income attributable to those amounts are held in trust accounts for the exclusive benefit of the participants and their beneficiaries.

While the City has full power and authority to administer and to adopt rules and regulations for the 457 Plan, all investment decisions under the 457 Plan are the responsibility of the 457 Plan participants. The City has no liability for losses under the 457 Plan, but does have the duty of due care that would be required of an ordinary prudent investor. The accumulated assets of the 457 Plan are not required to be reported in the accompanying basic financial statements.

If 457 Plan participants retire or terminate service with the City, they may be eligible to receive payments under the 457 Plan in accordance with provisions thereof. In the event of serious financial emergency, the City may approve, upon request, withdrawals from the 457 Plan by the participants.

NOTE 21 – GAS UTILITY FUND

The Gas Utility Fund is comprised of the Gas Operating and LBBFA Gas Prepay Functions and is used to account for the activities associated with the distribution of natural gas to the City's customers. The Gas Prepay Function was formed to account for the 2007A and 2007B Natural Gas bonds that were issued for the purchase of gas at a predetermined price.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

The following schedules summarize the activity and account balances that comprise the Gas Utility Fund:

	<i>Gas Operating Function</i>	<i>LBBFA Gas Prepay Function</i>	<i>Total Before Elimination</i>	<i>Total Gas Utility Fund</i>
ASSETS				
Current Assets:				
Pooled Cash and Cash Equivalents	\$ 48,507	\$ 89	\$ 48,596	\$ 48,596
Non-Pooled Cash and Cash Equivalents	-	45	45	45
Receivables:				
Interest Receivable	-	21	21	21
Accounts Receivable	8,705	2,794	11,499	11,499
Due from Other Funds	304	-	304	304
Allowance for Receivables	(1,082)	-	(1,082)	(1,082)
Inventory	3,020	-	3,020	3,020
Prepaid Gas - Current	(1)	23,501	23,500	23,500
Total Current Assets	59,453	26,450	85,903	85,903
Noncurrent Assets:				
Restricted Noncurrent assets:				
Non-Pooled Investments	-	25,499	25,499	25,499
Fair Value - Commodity Swap	-	610,803	610,803	610,803
Capital Assets:				
Land and Other Assets Not Being Depreciated	7,253	-	7,253	7,253
Property, Plant and Equipment				
Capital Assets Net of Accumulated Depreciation	165,693	-	165,693	165,693
Prepaid Gas - Long-term	-	334,469	334,469	334,469
Total Noncurrent Assets	172,946	970,771	1,143,717	1,143,717
Total Assets	232,399	997,221	1,229,620	1,229,620
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources	2,496	13,862	16,358	16,358
Total Assets and Deferred Outflows	234,895	1,011,083	1,245,978	1,245,978
LIABILITIES				
Current Liabilities Payable from Current Assets:				
Accounts Payable	3,383	1	3,384	3,384
Accrued Wages	833	-	833	833
Accrued Interest Payable	126	10,114	10,240	10,240
Due to Other Funds	2,441	635	3,076	3,076
Unearned Revenues	1,857	-	1,857	1,857
Customers Deposits	2,847	-	2,847	2,847
Compensated Absences and Accrued Employee Benefits	1,772	-	1,772	1,772
Obligations under Capital Leases - Current	1,131	-	1,131	1,131
Bonds Payable Due within One Year	-	13,990	13,990	13,990
Total Current Liabilities	14,390	24,740	39,130	39,130
Noncurrent Liabilities:				
Fair Value - Interest Rate Swap	-	13,862	13,862	13,862
Compensated Absences and Accrued Employee Benefits	4,347	-	4,347	4,347
Obligations under Capital Lease	11,492	-	11,492	11,492
Bonds Payable	-	556,764	556,764	556,764
Net Pension Liability	31,848	-	31,848	31,848
Total OPEB Liability	285	-	285	285
Total Noncurrent Liabilities	47,972	570,626	618,598	618,598
Total Liabilities	62,362	595,366	657,728	657,728
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	2,210	610,803	613,013	613,013
Total Liabilities and Deferred Inflows	64,572	1,206,169	1,270,741	1,270,741
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	160,323	-	160,323	160,323
Restricted for:				
Capital Projects	7,812	-	7,812	7,812
Unrestricted	2,188	(195,086)	(192,898)	(192,898)
Total Net Position (Deficit)	\$ 170,323	\$ (195,086)	\$ (24,763)	\$ (24,763)

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

City of Long Beach
Gas Utility Fund
Consolidated Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	<i>Gas Operating Function</i>	<i>LBBFA Gas Prepay Function</i>	<i>Total Gas Utility Fund</i>
Operating Revenues:			
Charges for Services	\$ 93,504	\$ 8,866	\$ 102,370
Other	116	-	116
	<u>93,620</u>	<u>8,866</u>	<u>102,486</u>
Total Revenues			
Operating Expenses:			
Personnel Services	25,414	-	25,414
Purchases of Gas	21,775	(10,917)	10,858
Maintenance and Other Operations	20,152	14	20,166
Depreciation	7,596	-	7,596
	<u>74,937</u>	<u>(10,903)</u>	<u>64,034</u>
Total Operating Expenses			
Operating Income	<u>18,683</u>	<u>19,769</u>	<u>38,452</u>
Non-Operating Income (Expense):			
Interest Income	1,106	763	1,869
Interest Expense	476	(29,509)	(29,033)
Loss on Disposition of Capital Assets	(198)	-	(198)
Other Income	1,383	-	1,383
Other Expense	(1,916)	-	(1,916)
	<u>851</u>	<u>(28,746)</u>	<u>(27,895)</u>
Total Non-Operating Income (Expense)			
Income (loss) before Contributions and Transfers	19,534	(8,977)	10,557
Transfers:			
Transfers Out	(13,865)	-	(13,865)
	<u>5,669</u>	<u>(8,977)</u>	<u>(3,308)</u>
Change in Net Position			
Net Position (Deficit), October 1	164,654	(186,109)	(21,455)
	<u>\$ 170,323</u>	<u>\$ (195,086)</u>	<u>\$ (24,763)</u>
Net Position (Deficit), September 30			

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Gas Utility Fund
Consolidated Schedule of Cash Flows
For the Fiscal Year Ended September 30, 2020
(In Thousands)

<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<i>Gas Operating Function</i>	<i>LBBFA Gas Prepay Function</i>	<i>Eliminations Increase (decrease)</i>	<i>Total Gas Utility Fund</i>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 99,991	\$ 8,817	\$ -	\$ 108,808
Payments for Employee Salaries	(24,203)	-	-	(24,203)
Payments for Goods and Services	(8,371)	(13)	-	(8,384)
Other Income	-	32,592	(31,209)	1,383
Other Expense	(33,125)	-	31,209	(1,916)
Net Cash Provided by Operating Activities	34,292	41,396	-	75,688
Cash Flows from Non-Capital Financing Activities:				
Payments of Principal on Bonds Payable	524	(12,429)	-	(11,905)
Payments of Interest	777	(29,744)	-	(28,967)
Transfers Out	(13,865)	-	-	(13,865)
Net Cash Used for Non-Capital Financing Activities	(12,564)	(42,173)	-	(54,737)
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(7,247)	-	-	(7,247)
Payments of Principal on Other Long-Term Obligations	(1,702)	-	-	(1,702)
Payments of Interest	(312)	-	-	(312)
Net Cash Used for Capital and Related Financing Activities	(9,261)	-	-	(9,261)
Cash Flows from Investing Activities:				
Payments for Investments	(1,680)	-	-	(1,680)
Receipts of Interest	1,107	761	-	1,868
Net Cash Provided by (Used for) Investing Activities	(573)	761	-	188
Net Increase (Decrease) in Cash and Cash Equivalents	11,894	(16)	-	11,878
Cash and Cash Equivalents - October 1	36,613	150	-	36,763
Cash and Cash Equivalents - September 30	\$ 48,507	\$ 134	\$ -	\$ 48,641
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>	<i>Gas Operating Function</i>	<i>LBBFA Gas Prepay Function</i>	<i>Eliminations Increase (decrease)</i>	<i>Total Gas Utility Fund</i>
Operating Income	\$ 18,683	\$ 19,769	\$ -	\$ 38,452
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization Expense	7,596	-	-	7,596
Other Expense	(533)	-	-	(533)
(Increase) Decrease in Accounts Receivable, Net	(512)	(92)	92	(512)
Increase in Amounts Due from Other Funds	4,532	-	-	4,532
Increase in Inventory	(890)	-	-	(890)
Increase (Decrease) in Other Operating Assets/Gas Prepay	(8,981)	32,592	-	23,611
Increase (Decrease) in Accounts Payable	(82)	1	(92)	(173)
Increase in Accrued Wages Payable	1,211	-	-	1,211
Increase in Amounts Due to Other Funds	2,327	43	-	2,370
Decrease in Unearned Revenues	90	-	-	90
(Increase) Decrease in Other Non-operating Assets	10,917	(10,917)	-	-
Decrease in Collections Held in Trust	(66)	-	-	(66)
Total Adjustments	15,609	21,627	-	37,236
Net Cash Provided by Operating Activities	\$ 34,292	\$ 41,396	\$ -	\$ 75,688
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Amortization of Bond Premium (Discount), Net	\$ -	\$ 23,428	\$ -	\$ 23,428

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Gas Rates

The City of Long Beach Gas Enterprise Fund (LBGO) passes along the actual cost of natural gas it provides to its customers.

Effective October 1, 2007, LBGO renegotiated terms with local suppliers, which included a purchase price equal to LBGO's lowest cost of gas purchased during the month of delivery with the understanding that their volumes will be supplemental to the prepay volumes purchased.

Effective November 1, 2007, LBGO entered into a long-term prepay contract with Merrill Lynch Commodities Inc. (MLCI). Under this new contract, MLCI became the primary provider of natural gas for LBGO. The contract price is equal to the applicable market index price for the month in which the gas delivery occurs, less \$0.83 per one million British thermal units (MMBtus) of gas delivered. LBGO reserves the gas prepay cost savings to facilitate funding of its gas utility's long-term infrastructure requirements.

NOTE 22 – COMMITMENTS AND CONTINGENCIES

Commitments

At September 30, 2020, business-type and governmental funds had outstanding commitments for construction projects and purchases of goods and services, as follows (in thousands):

<u>Governmental Activities</u>	
General Fund	\$ 799
General Capital Projects	22,773
Housing Assistance	9
Non-major Governmental Funds	3,749
Internal Service Fund	13,365
Total	<u>\$ 40,696</u>
<u>Business-Type Activities</u>	
Gas Utility	\$ 577
Water	11,935
Tidelands Operating	4,092
Harbor	19,315
Non-major Business-Type Funds	21,120
Total	<u>\$ 57,039</u>

Self-Insurance

The City is the subject of numerous claims seeking recovery of monetary amounts. Such claims generally occur in the normal course of business and arise from several causes of action including general liability, employment-related matters, alleged violations of civil rights, recovery of questioned grant costs, and other incidental issues.

As stated in Note 15 to the basic financial statements, the City is self-insured for its workers' compensation and liability claims. As claims are made against the City, they are routinely evaluated and appropriate accrued liabilities are recorded. Certain of these claims may ultimately reach the trial level and could result in judgments against the City. While the ultimate adverse effect, if any, of claims and judgments against the City cannot be estimated with certainty, it is the opinion of management, based

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

upon consultation with the City Attorney and outside legal counsel as applicable, that such judgments against the City will not have a material adverse effect on the City's financial position beyond that already accrued for within the basic financial statements.

Potential Obligations Related to the Alameda Corridor Transportation Authority

The Alameda Corridor Use and Operating Agreement was executed by the Harbor, the Harbor Department of the City of Los Angeles (Port of Los Angeles), the Alameda Corridor Transportation Authority (ACTA), and the Burlington Northern Santa Fe and Union Pacific Railroads. The agreement provides for a payment of funds, known as a "Shortfall Advance" to be made, under certain circumstances, to ACTA by the Harbor and the Port of Los Angeles. User fee and container charges paid by the railroads are used to pay debt service on ACTA financing, to establish and maintain a reserve account, and to pay ACTA's reasonable expenses relating to administration of the rail corridor.

To the extent that the revenues from use and container charges are not sufficient to meet ACTA's obligations, the Harbor and the Port of Los Angeles have agreed to advance the funds necessary to make up the difference. This obligation began after completion of the Corridor project and is limited to 40 percent of the total annual required amount, with the Harbor and the Port of Los Angeles each responsible for one-half of the required amount.

Any shortfall advance made by the Harbor and the Port of Los Angeles is reimbursable, with interest, by ACTA. The most recent Notice date March 11, 2020 indicates that there is no projected shortfall for ACTA's fiscal year ending June 30, 2021.

New Gerald Desmond Bridge Matching Contribution

The Harbor continues to pursue the replacement of the Gerald Desmond Bridge. The total cost to replace the bridge is estimated at \$1.6 billion. The Harbor anticipates that funding of this project will come primarily from federal and state sources. Local matching funds will also be required. As of September 30, 2020, the Harbor has invested \$ 1.3 billion into the project.

Environmental Mitigation Credits

The Harbor contributed a total of \$50.8 million to federal and state regulatory agencies to secure environmental mitigation credits that would allow the Harbor to complete land fill projects. An agreement between the Harbor, the Port of Los Angeles, and several federal and state regulatory agencies provided for the Harbor's purchase of land located within the wetlands restoration project at the Bolsa Chica Wetlands in Orange County, California.

The cost incurred in the acquisition of the environmental credits has been classified as a noncurrent asset. The balance of environmental mitigation credits will be adjusted in the future as landfill credits are used for Harbor development. As of September 30, 2020, the Harbor has utilized a total of \$13.1 million of environmental credits for completed land fill as part of capital projects within the port boundaries to date. No credits were used in 2020 and no other environmental credit has been acquired. The existing \$37.7 million (or 226 credits) will be used in completing future landfill projects.

Pike Public Improvements

In fiscal year 2002, the City issued special assessment debt under the authority of the Mello-Roos Community Facilities Act for public improvements, mainly for a parking facility, in the Pike Development Project area. Although the debt does not constitute an indebtedness of the City, in order to facilitate such financing, the parking facility was subleased to the City for the purposes of issuing the Mello-Roos Bonds pursuant to a City sublease. According to the sublease, the City is subject to an annual calculated lease

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

payment up to \$1.2 million through October 2032, plus net revenues from certain other Pike area parking operations, in the event the Pike garage does not generate sufficient net revenue to make bond payments.

NOTE 23 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Deferred Outflows of Resources

At September 30, 2020, Deferred Outflows of Resources and Deferred Inflows of Resources are as follows (in thousands):

City of Long Beach Governmental Funds Schedule of Deferred Outflows and Deferred Inflows For the Fiscal Year Ended September 30, 2020 (In Thousands)					
	<i>General</i>	<i>Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>	<i>GASB 34 Conversion Adjustments</i>	<i>Total Adjusted Governmental Funds</i>
<i>Deferred Outflows of Resources:</i>					
Economic loss from the refunding of debt	\$ -	\$ -	\$ -	1,052	\$ 1,052
Pension contributions after measurement date	-	-	-	26,067	26,067
CalPERS Difference between actual and expected investment returns	-	-	-	24,584	24,584
CalPERS difference between actual and expected experience	-	-	-	11,724	11,724
Change in pension allocation proportion	-	-	-	1,537	1,537
OPEB contributions after measurement date	-	-	-	2,550	2,550
OPEB change in assumptions	-	-	-	4,160	4,160
Change in OPEB allocation proportion	-	-	-	646	646
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,320</u>	<u>\$ 72,320</u>
<i>Deferred Inflows of Resources:</i>					
Economic gain from the refunding of debt	\$ -	\$ -	\$ -	\$ 2,156	\$ 2,156
Unavailable revenue and property taxes	107,002	214,595	321,597	(212,390)	109,207
CalPERS change in assumptions	-	-	-	9,596	9,596
CalPERS difference between actual and expected experience	-	-	-	4,975	4,975
Change in pension allocation proportion	-	-	-	4,326	4,326
OPEB change in assumptions	-	-	-	26,918	26,918
OPEB difference between actual and expected experience	-	-	-	4,416	4,416
Change in OPEB allocation proportion	-	-	-	844	844
Total deferred inflows of resources	<u>\$ 107,002</u>	<u>\$ 214,595</u>	<u>\$ 321,597</u>	<u>\$ (159,159)</u>	<u>\$ 162,438</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

City of Long Beach
Internal Service Funds
Schedule of Deferred Outflows and Deferred Inflows
(In Thousands)

	<i>Civic Center</i>	<i>General Services</i>	<i>Fleet Services</i>	<i>Workers' Compensation Insurance</i>	<i>General Liability Insurance</i>	<i>Employee Benefits</i>	<i>Total Internal Service Funds</i>
Deferred Outflows of Resources:							
Economic loss from the refunding of debt	\$ -	\$ -	\$ 874	\$ -	\$ -	\$ -	\$ 874
Pension contributions after measurement date	32	1,025	457	264	158	267	2,203
CalPERS difference between actual and expected investment returns	27	861	384	222	132	224	1,850
Change in pension allocation proportion	-	1,792	446	44	-	571	2,853
OPEB contributions after measurement date	-	100	53	15	3	22	193
OPEB change in assumptions	-	162	85	24	5	35	311
CalPERS difference between actual and expected experience	6	196	87	51	30	51	421
Change in OPEB allocation proportion	-	95	24	57	12	-	188
Total deferred outflows of resources	<u>\$ 65</u>	<u>\$ 4,231</u>	<u>\$ 2,410</u>	<u>\$ 677</u>	<u>\$ 340</u>	<u>\$ 1,170</u>	<u>\$ 8,893</u>
Deferred Inflows of Resources:							
CalPERS difference between actual and expected experience	\$ 4	\$ 143	\$ 64	\$ 37	\$ 22	\$ 37	\$ 307
Change in pension allocation proportion	908	21	88	693	142	30	1,882
OPEB change in assumptions	-	1,049	553	158	30	231	2,021
OPEB difference between actual and expected experience	-	172	90	26	5	38	331
Change in OPEB allocation proportion	-	178	118	10	57	126	489
Total deferred inflows of resources	<u>\$ 912</u>	<u>\$ 1,563</u>	<u>\$ 913</u>	<u>\$ 924</u>	<u>\$ 256</u>	<u>\$ 462</u>	<u>\$ 5,030</u>

Note: For the total for Government Activities, see page 25.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

City of Long Beach
Enterprise Funds
Schedule of Deferred Outflows and Deferred Inflows
(In Thousands)

	<i>Gas Utility</i>	<i>Water Utility</i>	<i>Tidelands</i>	<i>Harbor</i>	<i>Nonmajor Enterprise Funds</i>	<i>Total Enterprise Funds</i>
Deferred Outflows of Resources:						
Issuance Costs - Bond Insurance	\$ -	\$ -	\$ 79	\$ -	\$ -	\$ 79
Economic loss from the refunding of debt	-	709	4,936	-	-	5,645
Pension contributions after measurement date	964	1,298	1,651	3,678	2,307	9,898
CalPERS Difference between actual and expected investment returns	810	1,091	1,531	3,092	1,942	8,466
CalPERS change in experience	184	248	675	703	442	2,252
Change in pension allocation proportion	248	2,062	911	558	1,658	5,437
OPEB contributions after measurement date	104	119	154	233	171	781
OPEB change in assumptions	169	195	251	381	278	1,274
Change in OPEB allocation proportion	17	86	1,152	70	161	1,486
Derivative instrument						
Interest rate swap	13,862	-	-	-	-	13,862
Total deferred outflows of resources	<u>\$ 16,358</u>	<u>\$ 5,808</u>	<u>\$ 11,340</u>	<u>\$ 8,715</u>	<u>\$ 6,959</u>	<u>\$ 49,180</u>
Deferred Inflows of Resources:						
Economic gain from the refunding of debt	\$ -	\$ -	\$ -	\$ 4,910	\$ -	\$ 4,910
CalPERS change in assumptions	-	-	511	-	-	511
CalPERS difference between actual and expected experience	135	181	302	518	322	1,458
Change in pension allocation proportion	614	-	759	1,354	894	3,621
OPEB change in assumptions	1,096	1,257	1,627	2,466	1,796	8,242
OPEB difference between actual and expected experience	180	207	267	404	295	1,353
Change in OPEB allocation proportion	185	119	74	126	478	982
Derivative instrument						
Commodity swap	610,803	-	-	-	-	610,803
Total deferred inflows of resources	<u>\$ 613,013</u>	<u>\$ 1,764</u>	<u>\$ 3,540</u>	<u>\$ 9,778</u>	<u>\$ 3,785</u>	<u>\$ 631,880</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

NOTE 24 - TAX ABATEMENTS

For financial reporting purposes, a tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more government and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City enters into economic development agreements designed to promote development within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs/agreements abate or rebate sales taxes, Transient Occupancy Taxes (TOT) and property taxes.

Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to expanding operations, renewing facility leases, bringing targeted businesses to the City, building, or remodeling real property and related infrastructure, or demolishing and redeveloping outdated properties. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives. The City currently employs three categories of economic development agreements.

Retail Sales Tax Incentive Program (RSTIP) & Location Agreement Program (LAP)

The RSTIP was established by the City Council in March 1992, to encourage large-scale retail development, improve retail sales tax productivity, and stimulate private investment in the retail section on the City's economy. Used as a business retention or attraction tool, the program allows either a developer or end user seeking to complete a commercial project, to request economic incentives from the City. The City undertakes an analysis, including determining if the business has the ability to generate retail sales in excess of \$5 million annually, and if the project has an economic need. When such criteria are met, the City may choose to participate in a sales tax sharing agreement. Generally, active agreements range between 50% to 75% of sales tax revenue generated by the business and received by the City, in excess of an established base-year amount. These agreements would continue for the period of time necessary to offset construction or improvement costs to a new or expanded project, not to exceed 15 years.

Based on the success of the Retail Sales Tax Program, the City also has a Location Agreement Program. The Location Agreement Program is designed to attract new businesses, create jobs and enhance business-to-business sales tax revenue to the City. To qualify for assistance, new businesses would be required to generate sales in excess of \$50 million annually. The sales performance of these businesses would have to be verified by a business evaluation, which would include sales performance analysis. The program will return a negotiated portion of the sales taxes generated by it for an agreed upon period of time.

During the fiscal year, the City had eight active agreements. Depending on available financial information, the sales tax abatement amounts were derived from payments made during the fiscal year, accrual estimates based on sales tax history, or actual sales tax abatements for the fiscal year. For the year ended September 30, 2020, sales tax abatements totaled \$6.3 million.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2020

Transient Occupancy Tax (TOT) Incentive Agreement

TOT is paid through the occupancy of a hotel or other guest room. The tax is collected by the hotel operator from each guest with room payment and subsequently remitted to the City. The City's current TOT rate is 13%, and includes a 1% rate increase approved by voters through Measure B. The rate increase was effective July 2020 with revenues deposited to the General Fund and intended for the City's arts organizations and the Long Beach Convention and Entertainment Center. A TOT incentive program is available for new hotels with desired location, design, operational characteristics, a minimum of 100 rooms, a projected minimum TOT generation of \$500 thousand and an identified financial gap. The program will return a negotiated portion of TOT generated by the hotel for an agreed upon period of time. There were no transient occupancy taxes abated in fiscal year 2020.

Mills Act Property Tax Incentive Program

The Mills Act is a State of California program enacted in 1972 that is administered and implemented by local governments. The act offers economic incentives to qualifying owners of historic or designated landmark sites upon agreement to rehabilitate, restore, and protect their property.

The purpose of the Mills Act Program is to encourage the designation, restoration, and protection of historic properties. Properties must be designated City of Long Beach historic properties. Participating property owners enter into a formal agreement with the City for a minimum 10-year term; contracts are automatically renewed at the end of their 10-year term and annually thereafter. The contract runs with the land, meaning that it will transfer from owner to owner if the property is sold or transferred.

Property owners agree to restore, maintain, and protect the property in accordance with specific historic preservation standards and conditions identified in the contract. Entering into a Mills Act contract results in a property tax reassessment by the County Assessor using the income-capitalization method, which may result in an approximately 30 to 50 percent reduction in property tax. Owners are guaranteed that the Mills Act cannot trigger a tax increase. A breach of contract by the property owner can result in cancellation of the contract and a penalty equal to 12.5 percent of the property's fair market value.

For fiscal year 2020, the City had agreements for which re-assessments were completed by the County Assessor's office with a total property tax valuation of \$176.4 million, and an estimated tax abatement of \$194 thousand.

NOTE 25 – SUBSEQUENT EVENTS

Successor Agency to the Redevelopment Agency of the City of Long Beach 2021 Tax Allocation Refunding Bonds

On January 28th, 2021, the Agency issued \$19.8 million Series 2021 Tax Allocation Refunding Bonds (2021 Bonds). The 2021 Bonds were issued on a parity with the Agency's Series 2015A Tax Allocation Refunding Bonds and Series 2015B (Federally Taxable) Tax Allocation Refunding Bonds (2015 Bonds). The 2021 Bonds were being issued to: (i) currently refund certain bonds issued by the former Redevelopment Agency for the City; (ii) purchase a municipal bond debt service reserve insurance policy with respect to the insured 2021 Bonds and a municipal bond insurance policy; and (iii) pay certain costs of issuance of the 2021 Bonds. The 2021 Bonds are payable from and secured by a pledge of the tax revenues. Payment for the 2021 Bonds begins in August 2021 and continues through August 2039.

REQUIRED SUPPLEMENTARY INFORMATION

City of Long Beach
Required Supplementary Information
For the Fiscal Year Ended September 30, 2020
(In Thousands)

Schedule of Changes in the Net Pension Liability (NPL) and Related Ratios
Miscellaneous Plan

(Calculated as of June 30 and reported as of September 30, dollars in thousands)

Last 10 Years¹
(unaudited)

	2015	2016	2017	2018	2019	2020
Total Pension Liability (TPL)						
TPL - beginning	\$ 2,362,579	\$ 2,368,500	\$ 2,431,211	\$ 2,612,351	\$ 2,623,898	\$ 2,726,916
Service cost	37,502	37,306	42,500	43,138	43,491	44,000
Interest in the TPL	171,128	175,727	177,096	178,030	185,085	191,098
Differences between actual and expected experience	(45,118)	(29,800)	(56,898)	(28,799)	11,466	(4,185)
Changes in assumptions ²	(40,892)	-	144,164	(49,554)	-	-
Benefit payments ³	(116,699)	(120,522)	(125,722)	(131,268)	(137,024)	(144,066)
Net change in TPL	5,921	62,711	181,140	11,547	103,018	86,847
TPL - ending (a)	\$ 2,368,500	\$ 2,431,211	\$ 2,612,351	\$ 2,623,898	\$ 2,726,916	\$ 2,813,763
Plan Fiduciary Net Position						
Plan fiduciary net position - beginning	\$ 1,881,680	\$ 1,857,249	\$ 1,802,786	\$ 1,936,477	\$ 2,030,299	\$ 2,105,327
Net Plan to Plan Resource Movement	-	-	(39)	(5)	(5)	-
Contribution - employer	35,136	39,877	45,864	53,278	62,484	71,565
Contribution - employees	17,652	17,959	17,793	18,339	18,876	19,350
Net investment income	41,570	9,355	198,457	162,226	132,140	104,205
Administrative expenses	(2,090)	(1,132)	(2,662)	(3,018)	(1,449)	(2,967)
Benefit payments ³	(116,699)	(120,522)	(125,722)	(131,268)	(137,023)	(144,066)
Other miscellaneous expense	-	-	-	(5,730)	5	-
Net change in fiduciary net position	(24,431)	(54,463)	133,691	93,822	75,028	48,087
Plan fiduciary net position - ending (b)	\$ 1,857,249	\$ 1,802,786	\$ 1,936,477	\$ 2,030,299	\$ 2,105,327	\$ 2,153,414
Net pension liability - ending (a)-(b)	\$ 511,251	\$ 628,425	\$ 675,874	\$ 593,599	\$ 621,589	\$ 660,349
Fiduciary net position as a percentage of the TPL	78.41%	74.15%	74.13%	77.38%	77.21%	76.53%
Covered payroll	\$ 223,225	\$ 228,212	\$ 234,782	\$ 242,227	\$ 248,064	\$ 254,926
NPL as percentage of covered payroll	229.03%	275.37%	287.87%	245.06%	250.58%	259.04%

Notes to Schedule:

¹ Fiscal year 2015 was the first year of implementation.

² Changes in assumptions: In 2018, there were no changes. In 2017, the discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expenses) to 7.65 percent.

³ Benefit payments include refunds of employee contributions

City of Long Beach
Required Supplementary Information
For the Fiscal Year Ended September 30, 2020
(In Thousands)

Schedule of Contributions

Miscellaneous Plan

As of and for the year ended September 30, 2020 (dollars in thousands)

Last 10 Years¹
(unaudited)

	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution ²	\$ 35,136	\$ 39,877	\$ 45,864	\$ 53,278	\$ 62,484	\$ 71,565
Contributions in relation to the actuarially determined contribution ³	(35,136)	(39,877)	(45,864)	(53,278)	(62,484)	(71,565)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 239,897	\$ 246,490	\$ 258,248	\$ 269,936	\$ 270,237	\$ 285,980
Contributions as a percentage of covered payroll	14.65%	16.18%	17.76%	19.74%	23.12%	25.02%

Notes to schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020 were from the June 30, 2017 funding valuation report public agency valuations.

Valuation Date:	6/30/2017
Actuarial Cost Method	Entry age normal
Amortization Method	For details, see June 30, 2017 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.625%
Salary Increases	Varies by entry age and service
Payroll Growth	2.875%
Investment Rate of Return	7.25%, net of pension plan investment and administrative expenses, including inflation
Retirement Age	Probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Notes

¹Historical information is required only for years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation.

²Actuarially Determined Calculation is based on a CalPERS projection of the Miscellaneous payroll

³Amount represents actual contributions as recorded by CalPERS

City of Long Beach
Required Supplementary Information
For the Fiscal Year Ended September 30, 2020
(In Thousands)

Schedule of Changes in the Net Pension Liability (NPL) and Related Ratios
Safety Plan

(Calculated as of June 30 and reported as of September 30, dollars in thousands)

Last 10 Years¹
(unaudited)

	2015	2016	2017	2018	2019	2020
Total Pension Liability						
TPL - beginning	\$ 2,209,454	\$ 2,222,223	\$ 2,286,528	\$ 2,458,914	\$ 2,510,763	\$ 2,630,341
Service cost	34,835	34,636	38,622	40,757	42,335	43,862
Interest in the TPL	160,374	165,092	166,486	170,018	178,200	184,631
Differences between actual and expected experience	(38,807)	(27,528)	(61,909)	(102)	21,708	(5,180)
Changes in assumptions ²	(39,710)	-	139,900	(43,795)	-	-
Benefit payments ³	(103,922)	(107,895)	(110,713)	(115,029)	(122,665)	(129,683)
Net change in TPL	12,770	64,305	172,386	51,849	119,578	93,630
TPL - ending (a)	\$ 2,222,224	\$ 2,286,528	\$ 2,458,914	\$ 2,510,763	\$ 2,630,341	\$ 2,723,971
Plan Fiduciary Net Position						
Plan fiduciary net position - beginning	\$ 1,889,902	\$ 1,866,598	\$ 1,811,258	\$ 1,948,660	\$ 2,048,027	\$ 2,126,671
Net Plan to Plan Resource Movement	-	-	39	(5)	4	-
Contribution - employer	29,815	32,845	39,371	46,437	55,248	64,654
Contribution - employees	11,737	11,733	12,802	14,047	14,287	15,089
Net investment income	41,167	9,115	198,577	162,720	133,226	105,091
Administrative expenses	(2,101)	(1,138)	(2,674)	(3,037)	(1,461)	(2,998)
Benefit payments ³	(103,922)	(107,895)	(110,713)	(115,029)	(122,665)	(129,683)
Other miscellaneous expense	-	-	-	(5,766)	5	-
Net change in fiduciary net position	(23,304)	(55,340)	137,402	99,367	78,644	52,153
Plan fiduciary net position - ending (b)	\$ 1,866,598	\$ 1,811,258	\$ 1,948,660	\$ 2,048,027	\$ 2,126,671	\$ 2,178,824
Net pension liability - ending (a)-(b)	\$ 355,626	\$ 475,270	\$ 510,254	\$ 462,736	\$ 503,670	\$ 545,147
Fiduciary net position as a percentage of the TPL	84.00%	79.21%	79.25%	81.57%	80.85%	79.99%
Covered payroll	\$ 127,265	\$ 127,789	\$ 126,530	\$ 136,458	\$ 141,252	\$ 148,487
NPL as percentage of covered payroll	279.44%	371.92%	403.27%	339.10%	356.57%	367.14%

Notes to Schedule:

¹ Fiscal year 2015 was the first year of implementation.

² Changes in assumptions: In 2018, there were no changes. In 2017, the discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expenses) to 7.65 percent.

³ Benefit payments include refunds of employee contributions

City of Long Beach
Required Supplementary Information
For the Fiscal Year Ended September 30, 2020
(In Thousands)

Schedule of Contributions

Safety Plan

As of and for the year ended September 30, 2020 (dollars in thousands)

Last 10 Years¹
(unaudited)

	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution ²	\$ 29,815	\$ 32,845	\$ 39,371	\$ 46,437	\$ 55,248	\$ 64,654
Contributions in relation to the actuarially determined contribution ³	(29,815)	(32,845)	(39,371)	(46,437)	(55,248)	(64,654)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 155,208	\$ 159,773	\$ 177,401	\$ 186,217	\$ 182,947	\$ 192,541
Contributions as a percentage of covered payroll	19.21%	20.56%	22.19%	24.94%	30.20%	33.58%

Notes to schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020 were from the June 30, 2017 funding valuation report public agency valuations.

Valuation Date:	6/30/2017
Actuarial Cost Method	Entry age normal
Amortization Method	For details, see June 30, 2017 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.625%
Salary Increases	Varies by entry age and service
Payroll Growth	2.875%
Investment Rate of Return	7.25%, net of pension plan investment and administrative expenses, including inflation
Retirement Age	Probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Notes

¹Historical information is required only for years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation.

²Actuarially Determined Calculation is based on a CalPERS projection of the Safety payroll

³Amount represents actual contributions as recorded by CalPERS

See accompanying Independent Auditors' Report

City of Long Beach
Required Supplementary Information
For the Fiscal Year Ended September 30, 2020
(In Thousands)

Schedule of Changes in Total OPEB Liability and Related Ratios¹

(As of September 30, dollars in thousands)

Last 10 Years²
(unaudited)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability - beginning	\$ 42,493	\$ 45,122	\$ 49,940	\$ 51,502	\$ 23,248
Service cost	2,077	2,145	2,818	2,675	2,167
Interest on total OPEB liability	1,655	1,754	1,622	1,878	917
Difference between expected and actual experience	-	(8,920)	-	(1,874)	-
Changes of assumptions	-	11,093	(2,023)	(29,859)	(13,756)
Benefit payments	(1,103)	(1,254)	(855)	(1,074)	(2,921)
Net change in total OPEB liability	<u>2,629</u>	<u>4,818</u>	<u>1,562</u>	<u>(28,254)</u>	<u>(13,593)</u>
Total OPEB liability - ending	<u>\$ 45,122</u>	<u>\$ 49,940</u>	<u>\$ 51,502</u>	<u>\$ 23,248</u>	<u>\$ 9,655</u>
Covered payroll	\$ 406,263	\$ 435,649	\$ 417,383	\$ 442,631	\$ 437,870
Total OPEB liability as a percentage of covered payroll	11.1%	11.5%	12.3%	5.3%	2.2%

Notes to Schedule:

¹ No assets are accumulated in a trust to pay related benefits

² Fiscal year 2016 was the first year of implementation.



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ADDITIONAL FINANCIAL SECTION

City of Long Beach
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Pooled Cash and Cash Equivalents	\$ 68,865	\$ 15,923	\$ 12,185	\$ 96,973
Non-Pooled Cash and Cash Equivalents	24	28,042	204	28,270
Receivables:				
Interest Receivable	-	-	-	-
Accounts Receivable	8,480	-	16	8,496
Due from Other Governments	54,825	-	-	54,825
Due from Other Funds	2,541	1,006	6	3,553
Allowance for Receivables	(5,931)	-	-	(5,931)
Other Assets	67	-	-	67
Advances to Other Funds	3,809	-	-	3,809
Land Held for Resale	5,874	-	-	5,874
Other Noncurrent Receivables	213,825	-	5,977	219,802
Total Assets	<u>\$ 352,379</u>	<u>\$ 44,971</u>	<u>\$ 18,388</u>	<u>\$ 415,738</u>
LIABILITIES				
Accounts Payable	\$ 12,502	\$ -	\$ 19	\$ 12,521
Accrued Wages and Benefits Payable	2,133	-	5	2,138
Due to Other Governments	-	-	-	-
Due to Other Funds	29,623	6	30	29,659
Unearned Revenues	24,090	-	30	24,120
Deposits and Collections Held in Trust	444	1,068	100	1,612
Advances from Other Funds	3,809	1,600	-	5,409
Total Liabilities	<u>72,601</u>	<u>2,674</u>	<u>184</u>	<u>75,459</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	<u>208,623</u>	<u>-</u>	<u>5,972</u>	<u>214,595</u>
FUND BALANCES				
Nonspendable	888	-	-	888
Restricted	68,480	42,297	12,232	123,009
Committed	1,414	-	-	1,414
Assigned	373	-	-	373
Total Fund Balance	<u>71,155</u>	<u>42,297</u>	<u>12,232</u>	<u>125,684</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 352,379</u>	<u>\$ 44,971</u>	<u>\$ 18,388</u>	<u>\$ 415,738</u>

See accompanying Independent Auditors' Report

City of Long Beach
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes:				
Property	\$ 6,774	\$ 29,792	\$ 2,399	\$ 38,965
Sales	2,406	-	-	2,406
Other Taxes	10,255	-	-	10,255
Licenses and Permits	13,188	-	-	13,188
Use of Money and Property	3,649	1,374	609	5,632
From Other Agencies	115,008	-	-	115,008
Charges for Services	1,615	396	-	2,011
Other	5,518	-	646	6,164
Total Revenues	158,413	31,562	3,654	193,629
Expenditures:				
Current:				
General Government	13,126	-	49	13,175
Public Safety	15,539	-	-	15,539
Public Health	60,161	-	-	60,161
Community and Cultural	38,324	19	2,390	40,733
Total Current Expenditures	127,150	19	2,439	129,608
Capital Improvements	733	-	-	733
Debt Service:				
Principal	-	19,647	-	19,647
Interest	-	13,627	-	13,627
Debt Administration Fees	-	14	-	14
Total Expenditures	127,883	33,307	2,439	163,629
Excess of Revenues over (under) Expenditures	30,530	(1,745)	1,215	30,000
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Asset	1,597		1,427	3,024
Transfers In	12,977	6,192	-	19,169
Transfers Out	(46,019)	(7,467)	(18)	(53,504)
Total Other Financing Sources (Uses)	(31,445)	(1,275)	1,409	(31,311)
Net Change in Fund Balances	(915)	(3,020)	2,624	(1,311)
Fund Balances - October 1	72,070	45,317	9,608	126,995
Fund Balances - September 30	\$ 71,155	\$ 42,297	\$ 12,232	\$ 125,684

See accompanying Independent Auditors' Report

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.

The General Grants Fund was established to separately account for Federal, State, and other agency grants related to general City of Long Beach (City) operations.

The Police and Fire Public Safety Oil Production Act Fund accounts for the special tax assessed to oil producers on a per barrel basis and the associated police and fire expenditures that the revenue supports.

The Community Development Grants Fund accounts for U. S. Departments of Housing and Urban Development (HUD), Labor, Education, and others for economic and community development programs. The fund includes activities for neighborhood improvement programs that target low and moderate-income areas of the city, workforce development strategies, business assistance efforts, and support for youth development.

The Health Fund was established to separately account for Federal, State, and other revenues related to health care programs that the City operates in lieu of Los Angeles County (County).

The Belmont Shore Parking Meter Revenue Fund was established by City Ordinance C-6219 to account for parking revenues in the Belmont Shore area of the City.

The Housing Development Fund is used to account for amounts designated for the development of low-and-moderate-income housing. The operations of the Company and the Housing Successor Agency are accounted for in the Housing Development Fund.

The Development Impact Fund was established to account for the receipt and expenditure of Development Impact Fees.

The Other Special Revenue Fund consists of the *Certified Unified Program Agency Fund*, a fund established by the City to account for services relating to hazardous waste material, the *Special Advertising and Promotion Fund*, a fund required by the City's Municipal Code Section 3.64.100 to account for a portion of the transient occupancy tax revenue, and the *Business Assistance Fund* which is used to account for monies used to fund commercial rehabilitation loans and rebates, business outreach, and commercial and retail services, including business attraction, retention, and expansion.

City of Long Beach
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2020
(In Thousands)

	Special Revenue				
	General Grants	Police and Fire Public Safety Oil Production Act	Community Development Grants	Health	Belmont Shore Parking Meter Revenue
ASSETS					
Pooled Cash and Cash Equivalents	\$ 93	\$ 180	\$ 4,840	\$ 10,405	\$ 231
Non-Pooled Cash and Cash Equivalents	-	-	10	1	-
Receivables:					
Interest Receivable	-	-	-	-	-
Accounts Receivable	70	297	5,571	1,134	-
Due from Other Governments	33,568	-	5,451	15,640	-
Due from Other Funds	1,875	-	510	156	-
Allowance for Receivables	(2)	-	(5,202)	(492)	-
Other Assets-Current	-	-	67	-	-
Advances to Other Funds	-	-	3,809	-	-
Land Held for Resale	-	-	821	-	-
Other Noncurrent Receivables (net)	-	-	66,475	-	-
Total Assets	<u>\$ 35,604</u>	<u>\$ 477</u>	<u>\$ 82,352</u>	<u>\$ 26,844</u>	<u>\$ 231</u>
LIABILITIES					
Accounts Payable	\$ 1,992	\$ -	\$ 740	\$ 9,417	\$ 41
Accrued Wages	146	-	372	1,410	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	23,597	-	4,662	1,154	-
Unearned Revenues	8,763	275	2,116	12,788	-
Deposits and Collections Held in Trust	-	-	-	259	10
Advances from Other Funds	-	-	-	-	-
Total Liabilities	<u>34,498</u>	<u>275</u>	<u>7,890</u>	<u>25,028</u>	<u>51</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources	-	-	61,273	-	-
FUND BALANCES (DEFICIT)					
Nonspendable	-	-	888	-	-
Restricted	733	202	12,301	1,816	180
Committed	-	-	-	-	-
Assigned	373	-	-	-	-
Total Fund Balances	<u>1,106</u>	<u>202</u>	<u>13,189</u>	<u>1,816</u>	<u>180</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 35,604</u>	<u>\$ 477</u>	<u>\$ 82,352</u>	<u>\$ 26,844</u>	<u>\$ 231</u>

See accompanying Independent Auditors' Report

Special Revenue					
Housing Development	Development Impact Fees	Other Special Revenue Funds	Total Special Revenue Funds		
ASSETS					
\$ 29,282	\$ 14,928	\$ 8,906	\$ 68,865		Pooled Cash and Cash Equivalents
13	-	-	24		Non-Pooled Cash and Cash Equivalents
Receivables:					
-	-	-	-		Interest Receivable
59	-	1,349	8,480		Accounts Receivable
-	-	166	54,825		Due from Other Governments
-	-	-	2,541		Due from Other Funds
-	-	(235)	(5,931)		Allowance for Receivables
-	-	-	67		Other Assets-Current
-	-	-	3,809		Advances to Other Funds
5,053	-	-	5,874		Land Held for Resale
144,922	-	2,428	213,825		Other Noncurrent Receivables
<u>\$ 179,329</u>	<u>\$ 14,928</u>	<u>\$ 12,614</u>	<u>\$ 352,379</u>		Total Assets
LIABILITIES					
\$ 49	\$ 43	\$ 220	\$ 12,502		Accounts Payable
22	-	183	2,133		Accrued Wages
-	-	-	-		Due to Other Governments
42	-	168	29,623		Due to Other Funds
21	-	127	24,090		Unearned Revenues
1	-	174	444		Deposits and Collections Held in Trust
3,809	-	-	3,809		Advances from Other Funds
<u>3,944</u>	<u>43</u>	<u>872</u>	<u>72,601</u>		Total Liabilities
DEFERRED INFLOWS OF RESOURCES					
144,922	-	2,428	208,623		Deferred Inflows of Resources
FUND BALANCES (DEFICIT)					
-	-	-	888		Nonspendable
30,249	14,885	8,114	68,480		Restricted
214	-	1,200	1,414		Committed
-	-	-	373		Assigned
<u>30,463</u>	<u>14,885</u>	<u>9,314</u>	<u>71,155</u>		Total Fund Balances
<u>\$ 179,329</u>	<u>\$ 14,928</u>	<u>\$ 12,614</u>	<u>\$ 352,379</u>		Total Liabilities, Deferred Inflows and Fund Balances

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Special Revenue			
	General Grants	Police and Fire Public Safety Oil Production Act	Community Development Grants	Health
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 6,774
Sales	-	-	-	2,406
Other Taxes	-	2,968	-	-
Licenses and Permits	-	-	-	3,401
Use of Money and Property	-	14	851	199
From Other Agencies	58,990	-	24,020	31,998
Charges for Services	405	-	-	1,199
Other	940	-	3,854	147
Total Revenues	60,335	2,982	28,725	46,124
Expenditures:				
Current:				
General Government	12,419	-	(5)	-
Public Safety	12,019	2,961	559	-
Public Health	29	-	-	58,147
Community and Cultural	3,592	-	18,827	-
Total Current Expenditures	28,059	2,961	19,381	58,147
Capital Improvements	334	-	-	135
Total Expenditures	28,393	2,961	19,381	58,282
Excess of Revenues over (under) Expenditures	31,942	21	9,344	(12,158)
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Asset	-	-	-	-
Transfers In	6,344	-	375	1,129
Transfers Out	(40,454)	-	(2,208)	-
Total Other Financing Sources (Uses)	(34,110)	-	(1,833)	1,129
Net Change in Fund Balances	(2,168)	21	7,511	(11,029)
Fund Balances - October 1	3,274	181	5,678	12,845
Fund Balances - September 30	\$ 1,106	\$ 202	\$ 13,189	\$ 1,816

See accompanying Independent Auditors' Report

Special Revenue					
Belmont Shore Parking Meter Revenue	Housing Development	Development Impact Fees	Other Special Revenue Funds	Total Special Revenue Funds	
					Revenues:
					Taxes:
\$ -	\$ -	\$ -	\$ -	\$ 6,774	Property
-	-	-	-	2,406	Sales
-	-	-	7,287	10,255	Other Taxes
-	112	6,957	2,718	13,188	Licenses and Permits
546	1,366	380	293	3,649	Use of Money and Property
-	-	-	-	115,008	From Other Agencies
-	-	-	11	1,615	Charges for Services
-	341	-	236	5,518	Other
546	1,819	7,337	10,545	158,413	Total Revenues
					Expenditures:
					Current:
3	226	-	483	13,126	General Government
-	-	-	-	15,539	Public Safety
-	-	-	1,985	60,161	Public Health
644	3,917	-	11,344	38,324	Community and Cultural
647	4,143	-	13,812	127,150	Total Current Expenditures
-	-	264	-	733	Capital Improvements
647	4,143	264	13,812	127,883	Total Expenditures
					Excess of Revenues Over (Under) Expenditures
(101)	(2,324)	7,073	(3,267)	30,530	
					Other Financing Sources (Uses)
-	1,597	-	-	1,597	Proceeds from Sale of Capital Asset
-	-	5,121	8	12,977	Transfers In
(88)	(1)	(3,212)	(56)	(46,019)	Transfers Out
(88)	1,596	1,909	(48)	(31,445)	Total Other Financing Sources (Uses)
(189)	(728)	8,982	(3,315)	(915)	Net Change in Fund Balances
369	31,191	5,903	12,629	72,070	Fund Balances - October 1
\$ 180	\$ 30,463	\$ 14,885	\$ 9,314	\$ 71,155	Fund Balances - September 30

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

(In Thousands)

	General Grants			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources:				
From Other Agencies	7,210	65,072	58,990	(6,082)
Charges for Services	191	653	405	(248)
Other Revenues	345	2,064	940	(1,124)
Transfers In	524	4,609	6,344	1,735
Total Sources	8,270	72,398	66,679	(5,719)
Uses:				
General Government	-	10,447	12,419	(1,972)
Public Safety	5,642	6,701	12,224	(5,523)
Public Health	-	(183)	29	(212)
Community and Cultural	2,453	4,526	3,689	837
Public Works	300	310	-	310
Capital Improvements	-	1,774	457	1,317
Transfers Out	-	40,454	40,454	-
Total Uses	8,395	64,029	69,272	(5,243)
Net Change in Budgetary Fund Balance	(125)	8,369	(2,593)	\$ (10,962)
Fund Balances - October 1	1,778	1,778	374	
Fund Balances - September 30, Budgetary Basis	\$ 1,653	\$ 10,147	\$ (2,219)	

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	\$ (2,593)
Add: Encumbrances	425
Change in Fund Balance - September 30, GAAP Basis	(2,168)
Fund Balance, October 1, GAAP Basis	3,274
Fund Balance, September 30, GAAP Basis	\$ 1,106

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

(In Thousands)

	Police and Fire Public Safety Oil Production Tax			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources:				
Other Taxes	\$ 3,155	\$ 3,155	\$ 2,968	\$ (187)
Use of Money and Property	-	-	14	14
Total Sources	3,155	3,155	2,982	(173)
Uses:				
Public Safety	3,154	3,154	2,961	193
Transfers Out	-	-	-	-
Total Uses	3,154	3,154	2,961	193
Net Change in Budgetary Fund Balance	1	1	21	\$ 20
Fund Balances - October 1	181	181	181	
Fund Balances - September 30, Budgetary Basis	\$ 182	\$ 182	\$ 202	

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	<u>\$ 21</u>
Change in Fund Balance - September 30, GAAP Basis	<u>21</u>
Fund Balance, October 1, GAAP Basis	<u>181</u>
Fund Balance, September 30, GAAP Basis	<u>\$ 202</u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

(In Thousands)

	Community Development Grants			Variance with Final Budget - Favorable (unfavorable)
	Budgeted Amounts		Actual on Budgetary Basis	
	Original	Final		
Sources:				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	323	(137)	851	988
From Other Agencies	20,543	38,916	24,020	(14,896)
Charges for Services	2,129	(176)	-	176
Other Revenues	-	4,314	3,854	(460)
Transfers In	-	807	375	(432)
Total Sources	22,995	43,724	29,100	(14,624)
Uses:				
General Government	349	515	(5)	520
Public Safety	210	2,027	559	1,468
Community and Cultural	6,505	64,524	19,429	45,095
Transfers Out	1,164	2,648	2,208	440
Total Uses	8,228	69,714	22,191	47,523
Net Change in Budgetary Fund Balance	14,767	(25,991)	6,909	\$ 32,900
Fund Balances - October 1	5,678	5,678	5,678	
Fund Balances - September 30, Budgetary Basis	\$ 20,445	\$ (20,313)	\$ 12,587	

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	<u>\$ 6,909</u>
Add: Encumbrances	<u>602</u>
Change in Fund Balance - September 30, GAAP Basis	<u>7,511</u>
Fund Balance, October 1, GAAP Basis	<u>5,678</u>
Fund Balance, September 30, GAAP Basis	<u>\$ 13,189</u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

(In Thousands)

	Health			
	<u>Budgeted Amounts</u>		Actual on	Variance
	<u>Original</u>	<u>Final</u>	Budgetary	with Final
			Basis	Budget -
				Favorable
				(unfavorable)
Sources				
Property Taxes	\$ 5,800	\$ 5,800	\$ 6,774	\$ 974
Sales Taxes	2,400	2,400	2,406	6
Licenses and Permits	3,873	3,873	3,401	(472)
Use of Money and Property	18	18	199	181
From Other Agencies	34,605	104,202	31,998	(72,204)
Charges for Services	4,641	12,161	1,199	(10,962)
Other Revenues	5,403	3,913	147	(3,766)
Transfers In	639	741	1,129	388
Total Sources	<u>57,379</u>	<u>133,108</u>	<u>47,253</u>	<u>(85,855)</u>
Uses				
General Government	-	-	-	-
Public Health	59,924	133,890	59,083	74,807
Capital Improvements	4,728	2	135	(133)
Transfers Out	-	-	-	-
Total Uses	<u>64,652</u>	<u>133,892</u>	<u>59,218</u>	<u>74,674</u>
Net Change in Budgetary Fund Balance	<u>(7,273)</u>	<u>(784)</u>	<u>(11,965)</u>	<u>\$ (11,181)</u>
Fund Balances - October 1	<u>12,845</u>	<u>12,845</u>	<u>12,845</u>	
Fund Balances - September 30, Budgetary Basis	<u>\$ 5,572</u>	<u>\$ 12,061</u>	<u>\$ 880</u>	

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	<u>\$ (11,965)</u>
Add: Encumbrances	<u>936</u>
Change in Fund Balance - September 30, GAAP Basis	<u>(11,029)</u>
Fund Balance, October 1, GAAP Basis	<u>12,845</u>
Fund Balance, September 30, GAAP Basis	<u>\$ 1,816</u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

(In Thousands)

Belmont Shore Parking Meter Revenues				
	<u>Budgeted Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Favorable (unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Sources				
Use of Money and Property	\$ 765	\$ 798	\$ 1,344	\$ 546
Total Sources	<u>765</u>	<u>798</u>	<u>1,344</u>	<u>546</u>
Uses				
General Government	-	-	3	(3)
Community and Cultural	765	798	648	150
Transfers Out	-	-	88	(88)
Total Uses	<u>765</u>	<u>798</u>	<u>739</u>	<u>59</u>
Net Change in Budgetary Fund Balance	-	-	605	<u>\$ 605</u>
Fund Balances - October 1	<u>369</u>	<u>369</u>	<u>369</u>	
Fund Balances - September 30, Budgetary Basis	<u>\$ 369</u>	<u>\$ 369</u>	<u>\$ 974</u>	

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	<u>\$ 605</u>
Add: Encumbrances	<u>4</u>
Less: Change in Mark-to-Market and Other Adjustments	<u>(798)</u>
Change in Fund Balance - September 30, GAAP Basis	<u>(189)</u>
Fund Balance, October 1, GAAP Basis	<u>369</u>
Fund Balance, September 30, GAAP Basis	<u>\$ 180</u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

(In Thousands)

	Housing Development			
	<u>Budgeted Amounts</u>		Actual on	Variance
	<u>Original</u>	<u>Final</u>	Budgetary	with Final
			Basis	Budget -
				Favorable
				(unfavorable)
Sources				
Licenses and Permits	\$ 385	\$ 551	\$ 112	\$ (439)
Use of Money and Property	385	385	1,366	981
From Other Agencies	165	165	-	(165)
Charges for Services	-	-	-	-
Other Revenues	562	562	341	(221)
Transfers In	2,911	2,911	-	(2,911)
Total Sources	4,408	4,574	1,819	(2,755)
Uses				
General Government	394	394	226	168
Community and Cultural	7,488	10,810	3,917	6,893
Transfers Out	-	-	1	(1)
Total Uses	7,882	11,204	4,144	7,060
Net Change in Budgetary Fund Balance	(3,474)	(6,630)	(2,325)	\$ 4,305
Fund Balances - October 1	31,191	31,191	31,191	
Fund Balances - September 30, Budgetary Basis	\$ 27,717	\$ 24,561	\$ 28,866	

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	<u>\$ (2,325)</u>
Add: Encumbrances	<u>1,597</u>
Change in Fund Balance - September 30, GAAP Basis	<u>(728)</u>
Fund Balance, October 1, GAAP Basis	<u>31,191</u>
Fund Balance, September 30, GAAP Basis	<u>\$ 30,463</u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

(In Thousands)

	Development Impact Fees			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources				
Licenses and Permits	\$ 2,265	\$ 2,265	\$ 6,957	\$ 4,692
Use of Money and Property	-	-	380	380
Total Sources	2,265	2,265	12,458	10,193
Uses				
Capital Improvements	7	207	349	(142)
Transfers Out	3,593	3,593	3,212	381
Total Uses	3,600	3,800	3,561	239
Net Change in Budgetary Fund Balance	(1,335)	(1,535)	8,897	\$ 10,432
Fund Balances - October 1	5,903	5,903	5,903	
Fund Balances - September 30, Budgetary Basis	\$ 4,568	\$ 4,368	\$ 14,800	

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	<u>\$ 8,897</u>
Add: Encumbrances	<u>85</u>
Change in Fund Balance - September 30, GAAP Basis	<u>8,982</u>
Fund Balance, October 1, GAAP Basis	<u>5,903</u>
Fund Balance, September 30, GAAP Basis	<u>\$ 14,885</u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

(In Thousands)

	Other Special Revenue Funds			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources				
Other Taxes	\$ 10,458	\$ 10,458	\$ 7,287	\$ (3,171)
Licenses and Permits	1,197	3,012	2,718	(294)
Use of Money and Property	36	36	293	257
Charges for Services	-	-	11	11
Other Revenues	2,985	1,240	236	(1,004)
Transfers In	144	680	8	(672)
Total Sources	14,820	15,426	10,553	(4,873)
Uses				
General Government	786	413	483	(70)
Public Health	50	2,280	1,985	295
Community and Cultural	14,468	14,736	11,405	3,331
Capital Improvements	-	-	-	-
Transfers Out	-	-	56	(56)
Total Uses	15,304	17,429	13,929	3,500
Net Change in Budgetary Fund Balance	(484)	(2,003)	(3,376)	\$ (1,373)
Fund Balances - October 1	12,629	12,629	12,629	
Fund Balances - September 30, Budgetary Basis	\$ 12,145	\$ 10,626	\$ 9,253	

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	\$ (3,376)
Add: Encumbrances	61
Change in Fund Balance - September 30, GAAP Basis	(3,315)
Fund Balance, October 1, GAAP Basis	12,629
Fund Balance, September 30, GAAP Basis	\$ 9,314

See accompanying Independent Auditors' Report



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NONMAJOR DEBT SERVICE FUND

Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The General Debt Service Fund was established to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest of City long-term debt.

The Successor Agency Debt Service Fund was established to account for financial resources that are restricted to expenditure for principal and interest of Successor Agency long-term debt.

City of Long Beach
Nonmajor Debt Service Funds
Combining Balance Sheet
September 30, 2020
(In Thousands)

	General Debt Service Fund	Successor Agency Debt Service Fund	Total Debt Service Funds
ASSETS			
Pooled Cash and Cash Equivalents	\$ 15,923	\$ -	\$ 15,923
Non-Pooled Cash and Cash Equivalents	6,532	21,510	28,042
Receivables:			
Due from Other Funds	1,006	-	1,006
Total Assets	<u>\$ 23,461</u>	<u>\$ 21,510</u>	<u>\$ 44,971</u>
LIABILITIES			
Due to Other Funds	\$ -	\$ 6	\$ 6
Deposits and Collections Held in Trust	1,068	-	1,068
Advances from Other Funds	1,600	-	1,600
Total Liabilities	<u>2,668</u>	<u>6</u>	<u>2,674</u>
FUND BALANCES			
Restricted	<u>20,793</u>	<u>21,504</u>	<u>42,297</u>
Total Fund Balance	<u>20,793</u>	<u>21,504</u>	<u>42,297</u>
Total Liabilities and Fund Balances	<u>\$ 23,461</u>	<u>\$ 21,510</u>	<u>\$ 44,971</u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	General Debt Service Fund	Successor Agency Debt Service Fund	Total Debt Service Funds
Revenues:			
Taxes:			
Property	\$ -	\$ 29,792	\$ 29,792
Use of Money and Property	621	753	1,374
Charges for Services	396	-	396
Total Revenues	<u>1,017</u>	<u>30,545</u>	<u>31,562</u>
Expenditures:			
Debt Service:			
Principal	3,702	15,945	19,647
Interest	3,088	10,539	13,627
Debt Administration Fees	8	6	14
Total Expenditures	<u>6,798</u>	<u>26,509</u>	<u>33,307</u>
Excess of Revenues over (under) Expenditures	<u>(5,781)</u>	<u>4,036</u>	<u>(1,745)</u>
Other Financing Sources (Uses):			
Transfers In	6,174	18	6,192
Transfers Out	(7,467)	-	(7,467)
Total Other Financing Sources	<u>(1,293)</u>	<u>18</u>	<u>(1,275)</u>
Net Change in Fund Balances	(7,074)	4,054	(3,020)
Fund Balances - October 1	<u>27,867</u>	<u>17,450</u>	<u>45,317</u>
Fund Balances - September 30	<u><u>\$ 20,793</u></u>	<u><u>\$ 21,504</u></u>	<u><u>\$ 42,297</u></u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Debt Service Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

(In Thousands)

	General Debt Service Fund			
	Budgeted Amounts		Actual on	Variance
	Original	Final	Budgetary	with Final
			Basis	Budget -
				Favorable
				(unfavorable)
Sources:				
Use of Money and Property	\$ 400	\$ 400	\$ 621	\$ 221
Charges for Services	-	-	396	396
Transfers In	6,501	5,738	6,174	436
Total Sources	6,901	6,138	7,191	1,053
Uses:				
Debt Service	8,159	7,397	6,798	599
Transfers Out	8,473	8,473	7,467	1,006
Total Uses	16,632	15,870	14,265	1,605
Net Change in Budgetary Fund Balance	(9,731)	(9,732)	(7,074)	\$ 2,658
Fund Balances - October 1	27,867	27,867	27,867	
Fund Balances - September 30, Budgetary Basis	\$ 18,136	\$ 18,135	\$ 20,793	
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis				
Change in Fund Balance - September 30, Budgetary Basis			\$ (7,074)	
Change in Fund Balance - September 30, GAAP Basis			(7,074)	
Fund Balance, October 1, GAAP Basis			27,867	
Fund Balance, September 30, GAAP Basis			\$ 20,793	

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Debt Service Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

(In Thousands)

	Successor Agency Debt Service Fund			Variance with Final Budget - Favorable (unfavorable)
	Budgeted Amounts		Actual on Budgetary Basis	
	Original	Final		
Sources:				
Property Taxes	\$ 30,162	\$ 30,162	\$ 29,792	\$ (370)
Use of Money and Property	-	-	753	753
Transfers In	-	-	18	18
Total Sources	30,162	30,162	30,563	401
Uses:				
Community and Cultural	-	-	19	(19)
Debt Service	26,606	26,606	26,490	116
Total Uses	26,606	26,606	26,509	97
Net Change in Budgetary Fund Balance	3,556	3,556	4,054	\$ 498
Fund Balances - October 1	17,450	17,450	17,450	
Fund Balances - September 30, Budgetary Basis	\$ 21,006	\$ 21,006	\$ 21,504	
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis				
Change in Fund Balance - September 30, Budgetary Basis			\$ 4,054	
Change in Fund Balance - September 30, GAAP Basis			4,054	
Fund Balance, October 1, GAAP Basis			17,450	
Fund Balance, September 30, GAAP Basis			\$ 21,504	

See accompanying Independent Auditors' Report



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NONMAJOR CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Special Assessment Capital Projects Fund was established to account for the acquisition, construction, and improvement of capital facilities financed through special assessments.

The Successor Agency Capital Projects Fund was established to account for the wind-down of Redevelopment Agency operations. This includes the completion of authorized projects and the disposition of properties owned by the former Redevelopment Agency. The activities of this fund are primarily financed through remaining bond proceeds and Redevelopment Property Tax Trust Fund allocations provided through the County for this purpose.

City of Long Beach
Nonmajor Capital Project Funds
Combining Balance Sheet
September 30, 2020
(In Thousands)

	Special Assessment Projects	Successor Agency Capital Projects	Total Capital Projects Funds
ASSETS			
Pooled Cash and Cash Equivalents	\$ 1,775	\$ 10,410	\$ 12,185
Non-Pooled Cash and Cash Equivalents	62	142	204
Receivables:			
Accounts Receivable	-	16	16
Other Noncurrent Receivables	-	5,977	5,977
Total Assets	<u>\$ 1,837</u>	<u>\$ 16,551</u>	<u>\$ 18,388</u>
LIABILITIES			
Accounts Payable	\$ -	\$ 19	\$ 19
Accrued Wages and Benefits Payable	-	5	5
Unearned Revenues	-	30	30
Deposits and Collections Held in Trust	-	100	100
Total Liabilities	<u>-</u>	<u>184</u>	<u>184</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources	<u>-</u>	<u>5,972</u>	<u>5,972</u>
FUND BALANCES			
Restricted	<u>1,837</u>	<u>10,395</u>	<u>12,232</u>
Total Fund Balance	<u>1,837</u>	<u>10,395</u>	<u>12,232</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,837</u>	<u>\$ 16,551</u>	<u>\$ 18,388</u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Special Assessment Projects	Successor Agency Capital Projects	Total Capital Projects Funds
Revenues:			
Taxes:			
Property	\$ -	\$ 2,399	\$ 2,399
Use of Money and Property	-	609	609
From Other Agencies	-	-	-
Other	-	646	646
Total Revenues	<u>-</u>	<u>3,654</u>	<u>3,654</u>
Expenditures:			
Current:			
General Government	-	49	49
Community and Cultural	1	2,389	2,390
Total Current Expenditures	<u>1</u>	<u>2,438</u>	<u>2,439</u>
Capital Improvements	-	-	-
Total Expenditures	<u>1</u>	<u>2,438</u>	<u>2,439</u>
Excess of Revenues Over (under) Expenditures	<u>(1)</u>	<u>1,216</u>	<u>1,215</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Asset	-	1,427	1,427
Transfers In	-	-	-
Transfers Out	-	(18)	(18)
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,409</u>	<u>1,409</u>
Net Change in Fund Balances	<u>(1)</u>	<u>2,625</u>	<u>2,624</u>
Fund Balances - October 1	<u>1,838</u>	<u>7,770</u>	<u>9,608</u>
Fund Balances - September 30	<u><u>\$ 1,837</u></u>	<u><u>\$ 10,395</u></u>	<u><u>\$ 12,232</u></u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Capital Projects Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

Special Assessment Capital Projects Fund				
	<u>Budgeted Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Favorable (unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Sources:				
Use of Money and Property	\$ 15	\$ 15	\$ -	\$ (15)
Other Revenues	39	-	-	-
Total Sources	54	15	-	(15)
Uses:				
Community and Cultural	-	-	1	1
Capital Improvements	44	53	-	53
Total Uses	44	53	1	54
Net Change in Budgetary Fund Balance	10	(38)	(1)	\$ 37
Fund Balances - October 1	1,838	1,838	1,838	
Fund Balances - September 30, Budgetary Basis	\$ 1,848	\$ 1,800	\$ 1,837	

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	<u>\$ (1)</u>
Add: Encumbrances	<u>-</u>
Change in Fund Balance - September 30, GAAP Basis	<u>(1)</u>
Fund Balance, October 1, GAAP Basis	<u>1,838</u>
Fund Balance, September 30, GAAP Basis	<u>\$ 1,837</u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Capital Projects Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020

	Succesor Agency Capital Projects Fund			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources:				
Property Taxes	\$ 3,000	\$ 3,000	\$ 2,399	\$ (601)
Licenses and Permits	15	15	-	(15)
Use of Money and Property From Other Agencies	797	797	609	(188)
Other Revenues	-	-	-	-
Transfers In	408	408	646	238
	-	-	-	-
Total Sources	<u>4,220</u>	<u>4,220</u>	<u>3,654</u>	<u>(566)</u>
Uses:				
General Government	2	2	49	(47)
Community and Cultural	4,176	4,176	2,389	1,787
Transfers Out	-	-	18	(18)
Total Uses	<u>4,178</u>	<u>4,178</u>	<u>2,456</u>	<u>1,722</u>
Net Change in Budgetary Fund Balance	42	42	1,198	<u>\$ 1,156</u>
Fund Balances - October 1	<u>7,770</u>	<u>7,770</u>	<u>7,770</u>	
Fund Balances - September 30, Budgetary Basis	<u>\$ 7,812</u>	<u>\$ 7,812</u>	<u>\$ 8,968</u>	

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	<u>\$ 1,198</u>
Add: Encumbrances	<u>1,427</u>
Change in Fund Balance - September 30, GAAP Basis	<u>2,625</u>
Fund Balance, October 1, GAAP Basis	<u>7,770</u>
Fund Balance, September 30, GAAP Basis	<u>\$ 10,395</u>

See accompanying Independent Auditors' Report



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NONMAJOR ENTERPRISE FUNDS

Enterprise Funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The intent of the City in using this type of fund is to determine that the costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

The Tideland Oil Revenue Fund is used to account for the proceeds from oil operations within the City's tidelands area.

The Sewer Utility Fund is used to account for the maintenance and replacement of the City's sewer pipelines and sewage facilities.

The Airport Fund is used to account for the operations, maintenance and facility improvements of the Airport.

The Solid Waste Management Fund is used to account for the City's refuse collection, recycling, and resource recovery operations. The SERRF Authority Function is combined with the City's Solid Waste Management Function for the purpose of financial statement presentation.

The Towing Fund is used to account for the City's towing services, which are used primarily by the Police and Public Works Departments to remove vehicles that have been abandoned or parked illegally on the City's streets.

The Subsidence Fund is used to account for the accumulation of resources to minimize and remedy future land sinkage due to oil operations in the tidelands area.

The Development Services Fund was established to segregate long-range planning and property use and development services and give visibility of the City's planning, building, and inspection fees and the associated cost the City incurs to provide these services.

City of Long Beach
Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2020
(In Thousands)

	Tideland Oil Revenue	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Total Nonmajor Proprietary Funds
ASSETS								
Current Assets:								
Pooled Cash and Cash Equivalents	\$ 41,261	\$13,755	\$ 67,671	\$ 25,169	\$ 246	\$190,937	\$ 47,186	\$ 386,225
Non-Pooled Cash and Cash Equivalents	-	-	7,572	3	2	-	-	7,577
Receivables:								
Interest Receivable	-	-	37	-	-	1	-	38
Accounts Receivable	11,426	1,030	2,093	6,493	187	-	301	21,530
Due from Other Governments	-	-	18,279	143	-	-	365	18,787
Due from Other Funds	337	57	757	800	248	500	-	2,699
Allowance for Receivables	-	(78)	(773)	(717)	(172)	-	(165)	(1,905)
Inventory	-	185	-	-	-	-	-	185
Other Assets - Current	16	-	-	-	-	-	-	16
Total Current Assets	53,040	14,949	95,636	31,891	511	191,438	47,687	435,152
Noncurrent Assets:								
Restricted Noncurrent Assets:								
Non-Pooled Investments	-	-	8,687	-	-	-	-	8,687
Noncurrent Receivables	-	-	-	-	-	614	-	614
Advances to Other Funds	-	-	-	-	-	-	-	-
Capital Assets:								
Land and Other Capital Assets Not Being Depreciated	-	8,552	41,845	7,003	-	-	-	57,400
Capital Assets Net of Accumulated Depreciation	9,413	72,886	236,819	5,432	-	-	25	324,575
Total Noncurrent Assets	9,413	81,438	287,351	12,435	-	614	25	391,276
Total Assets	62,453	96,387	382,987	44,326	511	192,052	47,712	826,428
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows of Resources	498	1,386	1,312	1,491	440	-	1,832	6,959
LIABILITIES								
Current Liabilities Payable from Current Assets								
Accounts Payable	3,237	1,707	11,410	6,074	42	-	1,135	23,605
Accrued Wages	154	308	411	641	113	-	572	2,199
Accrued Interest Payable	-	147	2,074	-	-	-	-	2,221
Due to Other Funds	2,076	180	332	666	83	-	1,776	5,113
Unearned Revenues	-	-	1,409	-	-	1,114	4,285	6,808
Collections Held in Trust	106	-	-	838	-	-	1	945
Customers Deposits	-	-	277	-	-	-	2,070	2,347
Advances from Developers	-	267	-	-	-	-	10,335	10,602
Due to State of California	9,072	-	-	-	-	-	-	9,072
Compensated Absences and Accrued Employee Benefits	269	438	934	965	206	-	898	3,710
Bonds Payable Due within One Year	-	375	3,160	-	-	-	-	3,535
Total Current Liabilities	14,914	3,422	20,007	9,184	444	1,114	21,072	70,157
Noncurrent Liabilities:								
Unearned Revenues	-	-	5,210	-	-	-	-	5,210
Accrued Oil Field Abandonment Costs	102,600	-	-	-	-	-	-	102,600
Compensated Absences and Accrued Employee Benefits	625	1,046	1,441	1,766	395	-	1,590	6,863
Bonds Payable	-	9,157	95,800	-	-	-	-	104,957
Total OPEB Liability	43	69	98	119	27	-	111	467
Net Pension Liability	6,791	8,947	16,322	17,807	3,848	-	22,589	76,304
Total Noncurrent Liabilities	110,059	19,219	118,871	19,692	4,270	-	24,290	296,401
Total Liabilities	124,973	22,641	138,878	28,876	4,714	1,114	45,362	366,558
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows of Resources	703	372	1,007	766	242	-	695	3,785
NET POSITION								
Net Investment in Capital Assets	9,413	71,906	190,047	12,435	-	-	25	283,826
Restricted for:								
Debt Service	-	304	5,916	-	-	-	-	6,220
Capital Projects	-	-	28,063	-	-	-	-	28,063
Airport	-	-	9,605	-	-	-	-	9,605
Subsidence	-	-	-	-	-	190,938	-	190,938
Unrestricted	(72,138)	2,550	10,783	3,740	(4,005)	-	3,462	(55,608)
Total Net Position	\$ (62,725)	\$74,760	\$ 244,414	\$ 16,175	\$ (4,005)	\$ 190,938	\$ 3,487	\$ 463,044

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Tideland Oil Revenue	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Total Nonmajor Proprietary Funds
Operating Revenues:								
Licenses and Permits	\$ -	\$ -	\$ -	\$ 2,545	\$ -	\$ -	\$ 21,058	\$ 23,603
Fines and Forfeitures	-	-	14	-	-	-	-	14
Fees, Concessions and Rentals	55,063	-	28,017	-	-	-	-	83,080
From Other Agencies	-	-	-	528	-	-	402	930
Charges for Services	4,320	17,840	1,745	82,960	4,581	-	1,074	112,520
Other	-	86	2	-	-	-	1,759	1,847
Total Operating Revenues	59,383	17,926	29,778	86,033	4,581	-	24,293	221,994
Operating Expenses:								
Personnel Services	4,502	7,240	13,316	18,845	3,420	-	18,043	65,366
Maintenance and Other Operations	4,546	7,639	26,798	70,689	2,153	-	11,403	123,228
Rental Expense	-	-	-	371	-	-	-	371
Payments to Other Entities	36,718	-	-	-	-	-	-	36,718
Depreciation	762	2,611	12,691	492	-	-	11	16,567
Total Operating Expenses	46,528	17,490	52,805	90,397	5,573	-	29,457	242,250
Operating Income (Loss)	12,855	436	(23,027)	(4,364)	(992)	-	(5,164)	(20,256)
Non-Operating Income (Expenses):								
Interest Income	-	363	2,068	792	16	4,512	1,184	8,935
Interest Expense	-	(236)	(6,211)	-	-	-	-	(6,447)
Gain (Loss) on Disposition of Capital Assets	-	21	(188)	-	-	-	-	(167)
Oil Field Abandonment Costs	16,000	-	-	-	-	-	-	16,000
Operating Grants	-	-	2,739	155	-	-	-	2,894
Other Income	2	1,274	1,256	1	2	499	-	3,034
Other Expense	-	(1,293)	(164)	(7)	-	-	-	(1,464)
Total Non-Operating Income (Expenses)	16,002	129	(500)	941	18	5,011	1,184	22,785
Income Before Contributions	28,857	565	(23,527)	(3,423)	(974)	5,011	(3,980)	2,529
Capital Grants and Contributions	-	38	30,964	-	-	-	-	31,002
Transfers:								
Transfers In	-	-	-	-	-	-	86	86
Transfers Out	(14,298)	-	(121)	(683)	(21)	-	(106)	(15,229)
Change in Net Position	14,559	603	7,316	(4,106)	(995)	5,011	(4,000)	18,388
Net Position - October 1	(77,284)	74,157	237,098	20,281	(3,010)	185,927	7,487	444,656
Net Position - September 30	\$ (62,725)	\$ 74,760	\$ 244,414	\$ 16,175	\$ (4,005)	\$ 190,938	\$ 3,487	\$ 463,044

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Tideland Oil Revenue	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Total Nonmajor Proprietary Funds
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:								
Cash Flows from Operating Activities:								
Receipts from Customers	\$ -	\$ 18,628	\$ 33,933	\$ 85,559	\$ 4,975	\$ -	\$ 25,976	\$ 169,071
Receipts from Oil Companies	75,854	-	-	-	-	-	-	75,854
Receipts from Other Governments	-	-	1,277	528	-	-	-	1,805
Receipts from Other Funds	935	-	1,623	1,956	-	-	-	4,514
Payments for Employee Salaries	(4,694)	(6,013)	(12,541)	(17,767)	(3,280)	-	(16,672)	(60,967)
Payments for Goods and Services	(14,755)	(7,752)	(21,999)	(71,987)	(2,107)	-	(9,653)	(128,253)
Payments to Other Entities	(38,558)	-	-	-	-	-	-	(38,558)
Other Income	2	1,274	141	1	2	-	-	1,420
Other Expense	-	(1,281)	(164)	(7)	-	-	-	(1,452)
Net Cash Provided by (Used for) Operating Activities	18,784	4,856	2,270	(1,717)	(410)	-	(349)	23,434
Cash Flows from Non-Capital Financing Activities:								
Operating Grants Received from Other Governments	-	-	2,739	49	-	-	-	2,788
Transfers In	-	-	-	-	-	-	86	86
Transfers Out	(14,298)	-	(121)	(683)	(21)	-	(106)	(15,229)
Net Cash Used for Non-Capital Financing Activities	(14,298)	-	2,618	(634)	(21)	-	(20)	(12,355)
Cash Flows from Capital and Related Financing Activities:								
Proceeds from the Sale of Capital Assets	-	9	-	2	-	-	-	11
Receipts of Contributed Capital	-	38	27,781	-	-	-	-	27,819
Payments for Capital Acquisitions	-	(6,671)	(39,083)	(3,019)	-	-	(309)	(49,082)
Payments of Principal on Bonds Payable	-	(360)	(3,009)	-	-	-	-	(3,369)
Receipts from Passenger Facility Charges	-	-	3,183	-	-	-	-	3,183
Payments of Interest	-	(368)	(6,259)	-	-	-	-	(6,627)
Receipt of Federal Subsidy	-	-	1,115	-	-	-	-	1,115
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(7,352)	(16,272)	(3,017)	-	-	(309)	(26,950)
Cash Flows from Investing Activities:								
Payments for Purchase of Investments	-	-	(263)	-	-	-	-	(263)
Receipts of Interest	-	362	2,079	793	16	5,014	1,184	9,448
Net Cash Provided by (Used for) Investing Activities	-	362	1,816	793	16	5,014	1,184	9,185
Net Increase (Decrease) in Cash and Cash Equivalents	4,486	(2,134)	(9,568)	(4,575)	(415)	5,014	506	(6,686)
Cash and Cash Equivalents - October 1	36,775	15,889	84,811	29,747	663	185,923	46,680	400,488
Cash and Cash Equivalents - September 30	\$ 41,261	\$ 13,755	\$ 75,243	\$ 25,172	\$ 248	\$ 190,937	\$ 47,186	\$ 393,802
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:								
Operating Income (Loss)	\$ 12,855	\$ 436	(23,027)	\$ (4,364)	\$ (992)	\$ -	\$ (5,164)	\$ (20,256)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:								
Operating Activities:								
Depreciation and Amortization Expense	762	2,611	12,691	492	-	-	11	16,567
Other Income	2	1,274	141	1	2	-	-	1,420
Other Expense	-	(1,281)	(164)	(7)	-	-	-	(1,452)
(Increase) Decrease in Accounts Receivable, Net	16,365	(74)	3,068	93	(8)	-	(789)	18,655
Increase in Amounts Due from Other Governments	(3,845)	-	1,277	-	-	-	-	(2,568)
(Increase) Decrease in Amounts Due from Other Funds	935	776	1,623	1,956	402	500	672	6,864
Increase in Inventory	-	(60)	-	-	-	-	-	(60)
Increase in Other Operating Assets	-	-	91	-	-	-	-	91
Increase (Decrease) in Accounts Payable	(10,209)	549	4,776	(1,394)	6	-	230	(6,042)
Increase (Decrease) in Accrued Wages Payable	(192)	1,227	775	1,078	140	-	1,371	4,399
Increase in Amounts Due to Other Funds	2,005	(602)	-	467	40	-	1,520	3,430
Increase (Decrease) in Unearned Revenues	-	-	1,087	-	-	(500)	1,068	1,655
Increase in Collections Held in Trust	106	-	(68)	(39)	-	-	732	731
Total Adjustments	5,929	4,420	25,297	2,647	582	-	4,815	43,690
Net Cash Provided by (Used for) Operating Activities	\$ 18,784	\$ 4,856	\$ 2,270	\$ (1,717)	\$ (410)	\$ -	\$ (349)	\$ 23,434
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:								
Amortization of Bond Premium (Discount), Net	\$ -	\$ -	\$ (10)	\$ 69	\$ -	\$ -	\$ -	\$ 59
Amortization of Deferred Outflows on Debt Refunding	-	-	-	(13)	-	-	-	(13)
Accrued Oilfield Abandonment Costs	(16,000)	-	-	-	-	-	-	(16,000)

See accompanying Independent Auditors' Report

INTERNAL SERVICE FUNDS

Internal Service Funds are established to finance and account for goods and services provided by one City department to other City departments on a cost-reimbursement basis, including depreciation.

The Civic Center Fund is used to account for the operation and maintenance of the City Hall and Main Library Complex.

The General Services Fund is used to account for the operation, maintenance, and replacement of the City's electronic data processing equipment and software, radio systems, telephone, mailing and reprographics services.

The Fleet Services Fund is used to account for the operation, maintenance, and replacement of the City's fleet of vehicles and equipment.

The Workers' Compensation Insurance Fund is used to finance and account for the City's Workers' Compensation Insurance Program programs.

The General Liability Insurance Fund is used to finance and account for the City's General Liability insurance programs.

The Employee Benefits Fund is used to finance and account for compensated absences, employer payroll taxes, and health and retirement benefits.

City of Long Beach
Internal Service Funds
Combining Statement of Net Position (Deficit)
September 30, 2020
(In Thousands)

	Civic Center	General Services	Fleet Services	Workers' Compensation	General Liability	Employee Benefits	Total Internal Service Funds
ASSETS							
Current Assets:							
Pooled Cash and Cash Equivalents	\$ 50	\$ 28,295	\$ 50,564	\$ 28,879	\$ 86	\$ 114,458	\$ 222,332
Non-Pooled Cash and Cash Equivalents	-	2,899	82	-	-	-	2,981
Receivables:							
Interest Receivable	-	-	-	-	-	1	1
Accounts Receivable	1,000	1,266	94	1	-	2,976	5,337
Due from Other Funds	3,002	1,125	1	9,097	1,508	18,503	33,236
Allowance for Receivables	-	-	(24)	-	-	-	(24)
Deposits	-	-	-	-	-	7,697	7,697
Inventory	-	-	2,860	-	-	-	2,860
Other Assets - Current	125	-	-	-	-	29,244	29,369
Total Current Assets	4,177	33,585	53,607	37,977	1,594	172,879	303,819
Noncurrent Assets:							
Noncurrent Receivables:							
Advances to Other Funds	-	-	1,600	-	-	4,560	6,160
Capital Assets:							
Land and Other Capital Assets Not Being Depreciated	31,150	12,267	-	-	-	-	43,417
Capital Assets Net of Accumulated Depreciation	317,662	53,441	67,773	6	7	-	438,889
Other Assets-Long-Term	6,375	-	-	-	-	-	6,375
Total Noncurrent Assets	355,187	65,708	69,373	6	7	4,560	494,841
Total Assets	359,364	99,293	122,980	37,983	1,601	177,439	798,660
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows of Resources	65	4,231	2,410	677	340	1,170	8,893
LIABILITIES							
Current Liabilities Payable from Current Assets:							
Accounts Payable	3,920	3,157	1,955	219	729	15,116	25,096
Accrued Wages and Benefits	23	960	406	369	128	17,889	19,775
Accrued Interest Payable	-	605	136	-	-	449	1,190
Due to Other Funds	5,372	1,374	1,033	281	6,735	8,971	23,766
Collections Held in Trust	-	-	-	-	-	3,489	3,489
Compensated Absences and Accrued Employee Benefits	-	1,775	787	324	141	50,523	53,550
Accrued Claims - Current	-	-	-	21,143	10,870	-	32,013
Environmental Remediation - Current	-	-	235	-	-	-	235
Obligations under Capital Leases - Current	-	5,709	1,573	-	-	-	7,282
Bonds Payable Due within One Year	-	-	1,542	-	-	6,765	8,307
Other Long Term Obligation-Current	5,099	-	-	-	-	-	5,099
Total Current Liabilities	14,414	13,580	7,667	22,336	18,603	103,202	179,802
Noncurrent Liabilities:							
Advances from Other Funds	-	-	-	-	-	-	-
Compensated Absences and Accrued Employee Benefits	-	4,136	2,203	574	76	108,735	115,724
Accrued Self-Insurance Claims	-	-	-	115,842	32,181	-	148,023
Environmental Remediation	-	-	965	-	-	-	965
Obligations under Capital Lease	-	31,334	6,060	-	-	-	37,394
Other Long Term Obligations	289,765	-	-	-	-	-	289,765
Bonds Payable	-	-	18,233	-	-	(1)	18,232
OPEB Liability	-	272	144	41	8	60	525
Net Pension Liability	1,056	33,834	15,111	8,728	5,207	8,810	72,746
Total Noncurrent Liabilities	290,821	69,576	42,716	125,185	37,472	117,604	683,374
Total Liabilities	305,235	83,156	50,383	147,521	56,075	220,806	863,176
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources	912	1,563	913	924	256	462	5,030
Total Liabilities and Deferred Inflows	306,147	84,719	51,296	148,445	56,331	221,268	868,206
NET POSITION (DEFICIT)							
Net Investment in Capital Assets	53,948	31,564	40,447	6	7	-	125,972
Restricted for:							
Capital Projects	-	1,414	-	-	-	-	1,414
Insurance	-	-	-	-	-	18,779	18,779
Unrestricted	(666)	(14,173)	33,647	(109,791)	(54,397)	(61,438)	(206,818)
Total Net Position (Deficit)	\$ 53,282	\$ 18,805	\$ 74,094	\$ (109,785)	\$ (54,390)	\$ (42,659)	\$ (60,653)

See accompanying Independent Auditors' Report

City of Long Beach
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Civic Center	General Services	Fleet Services	Workers' Compensation	General Liability	Employee Benefits	Total Internal Service Funds
Operating Revenues:							
Billing to Other Departments	\$ 21,536	\$ 49,394	\$ 45,833	\$ 30,282	\$ 17,899	\$ 298,758	\$ 463,702
Other	6	3,623	1,648	173	2,093	-	7,543
Total Operating Revenues	21,542	53,017	47,481	30,455	19,992	298,758	471,245
Operating Expenses:							
Personnel Services	240	28,057	13,685	6,564	3,485	18,434	70,465
Maintenance and Other Operations	11,813	30,627	18,426	3,173	3,870	2,900	70,809
Insurance Premiums	-	-	-	-	7,359	-	7,359
Self-Insured Losses	-	-	-	14,345	17,931	-	32,276
Compensated Absences	-	-	-	4,766	-	48,853	53,619
Employee Benefits	-	-	-	-	-	207,790	207,790
Depreciation	8,886	6,021	11,712	4	1	-	26,624
Total Operating Expenses	20,939	64,705	43,823	28,852	32,646	277,977	468,942
Operating Income (Loss)	603	(11,688)	3,658	1,603	(12,654)	20,781	2,303
Non-Operating Income (Expenses):							
Interest Income	-	279	494	403	2	1,067	2,245
Interest Expense	(5,413)	(549)	(831)	-	-	(393)	(7,186)
Gain (loss) on Disposition of Capital Assets	-	-	87	-	-	-	87
Capital Assets to Other Funds	-	-	(37)	-	-	-	(37)
Operating Grants	-	2,221	-	-	-	-	2,221
Other Income	-	-	1,421	-	-	41,529	42,950
Other Expense	-	(2)	(180)	-	-	(3)	(185)
Total Non-Operating Income (Expenses)	(5,413)	1,949	954	403	2	42,200	40,095
Income (Loss) before Contributions and Transfers	(4,810)	(9,739)	4,612	2,006	(12,652)	62,981	42,398
Capital Grants and Contributions	97	-	-	-	-	-	97
Transfers:							
Transfers In	10,078	5,613	1,806	-	-	43,035	60,532
Transfers Out	-	(3,745)	(30)	-	(75)	(1,224)	(5,074)
Change in Net Position	5,365	(7,871)	6,388	2,006	(12,727)	104,792	97,953
Net Position (Deficit) - October 1	47,917	26,676	67,706	(111,791)	(41,663)	(147,451)	(158,606)
Net Position (Deficit) - September 30	\$ 53,282	\$ 18,805	\$ 74,094	\$ (109,785)	\$ (54,390)	\$ (42,659)	\$ (60,653)

See accompanying Independent Auditors' Report

City of Long Beach
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2020
(In Thousands)

<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	Civic Center	General Services	Fleet Services	Workers' Compensation	General Liability	Employee Benefits	Total Internal Service Funds
Cash Flows from Operating Activities:							
Receipts from Customers	\$ -	\$ 3,702	\$ 63	\$ -	\$ -	\$ -	\$ 3,765
Receipts from Other Funds	17,849	53,729	49,457	27,096	19,455	296,444	464,030
Receipts from Other Entities	5,364	1,005	13	126	3,681	-	10,189
Payments for Employee Salaries	(261)	(27,693)	(13,631)	(6,444)	(3,443)	(6,961)	(58,433)
Payments for Goods and Services	(10,248)	(33,940)	(18,305)	(3,142)	(4,135)	-	(69,770)
Payments for Compensated Absences	-	25	64	(4,789)	(67)	(42,056)	(46,823)
Payments for Employee Benefits	(439)	1,827	630	37	78	(260,553)	(258,420)
Payments for Liability Claims	-	-	-	(15,413)	(15,742)	-	(31,155)
Payments to Other Funds	(1,451)	-	(1,600)	-	-	-	(3,051)
Other Income	-	-	1,421	-	-	41,529	42,950
Other Expense	-	(2)	(180)	-	-	(3)	(185)
Net Cash Provided by (Used for) Operating Activities	10,814	(1,347)	17,932	(2,529)	(173)	28,400	53,097
Cash Flows from Non-Capital Financing Activities:							
Operating Grants Received from Other Governments	-	2,221	-	-	-	-	2,221
Operating Subsidies Paid to Other Funds	-	(3,745)	(30)	-	(75)	(1,224)	(5,074)
Operating Subsidies Received from Other Funds	10,078	5,613	1,806	-	-	43,035	60,532
Net Cash Provided by (Used for) Non-Capital Financing Activities	10,078	4,089	1,776	-	(75)	41,811	57,679
Cash Flows from Capital and Related Financing Activities:							
Proceeds from the Sale of Capital Assets	-	-	372	-	-	-	372
Receipts of Contributed Capital	97	-	-	-	-	-	97
Payments for Capital Acquisitions	(12,971)	(14,926)	(18,163)	-	-	-	(46,060)
Payments of Principal on Bonds Payable	-	-	(1,473)	-	-	(6,435)	(7,908)
Payments of Principal on Other Long-Term Obligations	(5,011)	(2,779)	(1,866)	-	-	-	(9,656)
Payments of Interest	(5,413)	(555)	(1,052)	-	-	(555)	(7,575)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(23,298)	(18,260)	(22,182)	-	-	(6,990)	(70,730)
Cash Flows from Investing Activities:							
Receipts of Interest	-	279	494	403	3	1,068	2,247
Net Cash Provided by (Used for) Investing Activities	-	279	494	403	3	1,068	2,247
Net Decrease in Cash and Cash Equivalents	(2,406)	(15,239)	(1,980)	(2,126)	(245)	64,289	42,293
Cash and Cash Equivalents - October 1	2,456	46,433	52,626	31,005	331	50,169	183,020
Cash and Cash Equivalents - September 30	\$ 50	\$ 31,194	\$ 50,646	\$ 28,879	\$ 86	\$ 114,458	\$ 225,313
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>							
Operating Income (Loss)	\$ 603	\$ (11,688)	\$ 3,658	\$ 1,603	\$ (12,654)	\$ 20,781	\$ 2,303
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Depreciation and Amortization Expense	8,886	6,021	11,712	4	1	-	26,624
Other Income	-	-	1,421	-	-	41,529	42,950
Other Expense	-	(2)	(180)	-	-	(3)	(185)
(Increase) Decrease in Accounts Receivable, Net	(930)	79	93	2	-	(2,976)	(3,732)
Decrease in Amounts Due from Other Governments	-	-	(30)	-	-	-	(30)
(Increase) Decrease in Amounts Due from Other Funds	(2,763)	4,335	1,976	(3,361)	(537)	(11,274)	(11,624)
Increase in Inventory	-	-	-	-	-	-	-
Decrease in Other Operating Assets	875	-	-	-	-	(29,244)	(28,369)
Increase (Decrease) in Accounts Payable	690	2,216	121	31	(265)	10,764	13,557
Increase (Decrease) in Accrued Wages Payable	(460)	(3,313)	748	134	53	23,972	21,134
Increase (Decrease) in Amounts Due to Other Funds	3,913	1,005	(1,587)	126	3,681	(24,661)	(17,523)
Increase in Collections Held in Trust	-	-	-	-	-	(488)	(488)
Total Adjustments	10,211	10,341	14,274	(4,132)	12,481	7,619	50,794
Net Cash Provided by (Used for) Operating Activities	\$ 10,814	\$ (1,347)	\$ 17,932	\$ (2,529)	\$ (173)	\$ 28,400	\$ 53,097
<u>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</u>							
Borrowing under Capital Lease or Other Long-term Debt	\$ 99,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,287

See accompanying Independent Auditors' Report

FIDUCIARY FUNDS

Fiduciary Funds, comprised of Private Purpose Trust and Custodial Funds, are used to account for assets held by the City in a trustee capacity or as an agent for other governmental units, private organizations, or individuals.

Custodial Funds are used to account for funds held by the City as an agent for other governmental units, private organizations, or individuals.

Private Purpose Trust Funds are used to account for trust monies, wherein the principal and interest of the trust can be expended by the City in accordance with the terms of the trust agreement.

The Miller Library and Miller Museum Funds are used to account for bequests from Lorraine Miller Collins. The principal and interest on the trusts are to be used to maintain and purchase materials for the Miller Special Collections room in the City's Main Library.

The Mayor's Fund for the Homeless is used to account for donations from the public for use in assisting the City's homeless population.

City of Long Beach
Combining Statement of Fiduciary Net Position
Custodial Funds
September 30, 2020
(In Thousands)

	Belmont Shore Parking District	Taxes Oil Rights	Special Assessment Districts	Intermodal Container Transfer Facility JPA
ASSETS:				
Pooled Cash and Cash Equivalents	\$ 89	\$ 1,805	\$ 439	\$ 8,161
Non-pooled Investments	-	-	1,095	-
Non-Pooled Cash and Cash Equivalents	-	-	8,416	-
Property Taxes Receivable, Net	-	-	12	-
Accounts Receivable	-	-	24	-
Prepaid Expense	-	-	-	-
Land	-	-	-	-
Total Assets	89	1,805	9,986	8,161
LIABILITIES:				
Accounts Payable	89	-	-	-
Total Liabilities	89	-	-	-
NET POSITION:				
Held in Trust for Private Purpose Trust Funds	\$ -	\$ 1,805	\$ 9,986	\$ 8,161

City of Long Beach
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Belmont Shore Parking District	Taxes Oil Rights	Special Assessment Districts	Intermodal Container Transfer Facility JPA
ADDITIONS:				
Contributions	\$ -	\$ -	\$ 607	\$ 4,709
Taxes	-	-	2,046	-
Grants	-	-	-	-
Use of Money and Property	-	53	151	219
Miscellaneous Revenue	-	-	8	-
Total Additions	-	53	2,812	4,928
DEDUCTIONS:				
Administrative Expense	-	-	42	-
Payments to Bond Holders	-	-	2,447	4,000
Payments to Others	-	-	2	-
Total Deductions	-	-	2,491	4,000
Change in Net Position	-	53	321	928
Net Position, October 1	-	1,752	9,665	7,233
Net Position, September 30	\$ -	\$ 1,805	\$ 9,986	\$ 8,161

See accompanying Independent Auditors' Report

Earthquake Assessment District	Los Cerritos Wetlands Authority	Other Custodial Funds	Total Custodial Funds	
\$ 827	\$ -	\$ 3,090	\$ 14,411	ASSETS:
-	-	-	1,095	Pooled Cash and Cash Equivalents
-	134	-	8,550	Non-pooled Investments
1	-	110	123	Non-Pooled Cash and Cash Equivalents
-	178	822	1,024	Property Taxes Receivable
-	8	-	8	Accounts Receivable
-	11,000	-	11,000	Prepaid Expense
828	11,320	4,022	36,211	Land
-	125	337	551	Total Assets
-	125	337	551	LIABILITIES:
				Accounts Payable
				Total Liabilities
\$ 828	\$ 11,195	\$ 3,685	\$ 35,660	NET POSITION:
				Held in Trust for Private Purpose Trust Funds

Earthquake Assessment District	Los Cerritos Wetlands Authority	Other Custodial Funds	Total Custodial Funds	
\$ -	\$ -	\$ -	\$ 5,316	ADDITIONS:
-	-	6,496	8,542	Contributions
-	557	-	557	Taxes
20	63	43	549	Grants
-	2	313	323	Use of Money and Property
20	622	6,852	15,287	Miscellaneous Revenue
-	-	-	42	Total Additions
-	-	-	6,447	DEDUCTIONS:
-	945	4,244	5,191	Administrative Expense
-	945	4,244	11,680	Payments to Bond Holders
20	(323)	2,608	3,607	Payments to Others
808	11,518	1,077	32,053	Total Deductions
\$ 828	\$ 11,195	\$ 3,685	\$ 35,660	Change in Net Position
				Net Position, October 1
				Net Position, September 30

See accompanying Independent Auditors' Report

City of Long Beach
Fiduciary Funds
Private Purpose Trust Funds
Combining Statement of Net Position
September 30, 2020
(In Thousands)

	Miller Library	Mayor's Fund for the Homeless	Total September 30, 2020
ASSETS			
Pooled Cash and Cash Equivalents	\$ 650	\$ 5	\$ 655
NET POSITION			
Held in Trust for Private Purpose Trust Funds	\$ 650	\$ 5	\$ 655

City of Long Beach
Fiduciary Funds
Private Purpose Trust Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Miller Library	Mayor's Fund for the Homeless	Total September 30, 2020
Additions:			
Use of Money and Property	\$ 17	\$ -	\$ 17
Deductions:			
Administrative Expense	58	-	58
Change in Net Position	(41)	-	(41)
Net Position, October 1	691	5	696
Net Position, September 30	\$ 650	\$ 5	\$ 655

See accompanying Independent Auditors' Report

OTHER
SUPPLEMENTARY
INFORMATION

City of Long Beach
General Fund
Combining Balance Sheet
September 30, 2020
(In Thousands)

	General Fund	Uplands Oil Fund	Eliminations	Total Combined General Fund
ASSETS				
Pooled Cash and Cash Equivalents	\$ 89,604	\$ 12,057	\$ -	\$ 101,661
Non-Pooled Cash and Cash Equivalents	1,369	-	-	1,369
Receivables:				
Interest Receivable	1	-	-	1
Property Taxes	109,161	-	-	109,161
Accounts Receivable	26,766	671	-	27,437
Due from Other Governments	32,497	-	-	32,497
Due from Other Funds	38,718	305	-	39,023
Allowance for Receivables	(11,151)	-	-	(11,151)
Other Assets	1,503	-	-	1,503
Total Assets	<u>\$ 288,468</u>	<u>\$ 13,033</u>	<u>\$ -</u>	<u>\$ 301,501</u>
LIABILITIES				
Accounts Payable	\$ 16,076	\$ 109	\$ -	\$ 16,185
Accrued Wages and Benefits Payable	16,406	-	-	16,406
Due to Other Governments	236	-	-	236
Due to Other Funds	14,963	-	-	14,963
Unearned Revenues	7,450	-	-	7,450
Deposits and Collections Held in Trust	2,715	-	-	2,715
Advances from Other Funds	614	-	-	614
Total Liabilities	<u>58,460</u>	<u>109</u>	<u>-</u>	<u>58,569</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	<u>107,002</u>	<u>-</u>	<u>-</u>	<u>107,002</u>
FUND BALANCES				
Nonspendable	1,503	-	-	1,503
Restricted	5,864	-	-	5,864
Committed	38,054	12,654	-	50,708
Assigned	75,789	-	-	75,789
Unassigned	1,796	270	-	2,066
Total Fund Balances	<u>123,006</u>	<u>12,924</u>	<u>-</u>	<u>135,930</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 288,468</u>	<u>\$ 13,033</u>	<u>\$ -</u>	<u>\$ 301,501</u>

See accompanying Independent Auditors' Report

City of Long Beach
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	General Fund	Uplands Oil Fund	Eliminations	Total Combined General Fund
Revenues:				
Taxes:				
Property	\$ 181,700	\$ -	\$ -	\$ 181,700
Sales	126,689	-	-	126,689
Utility Users	33,767	-	-	33,767
Other Taxes	29,194	-	-	29,194
Franchise Fees	16,481	-	-	16,481
Licenses and Permits	35,615	-	-	35,615
Fines and Forfeitures	16,354	-	-	16,354
Use of Money and Property	22,433	9,742	-	32,175
From Other Agencies	4,564	-	-	4,564
Charges for Services	42,094	-	-	42,094
Other	3,100	-	-	3,100
Total Revenues	<u>511,991</u>	<u>9,742</u>	<u>-</u>	<u>521,733</u>
Expenditures:				
Legislative and Legal	13,108	-	-	13,108
General Government	27,363	-	-	27,363
Public Safety	353,513	-	-	353,513
Public Health	9,612	-	-	9,612
Community and Cultural	45,052	-	-	45,052
Public Works	47,891	-	-	47,891
Oil Operations	-	2,572	-	2,572
Total Current Expenditures	<u>496,539</u>	<u>2,572</u>	<u>-</u>	<u>499,111</u>
Capital Improvements	347	-	-	347
Debt Service:				
Principal	425	-	-	425
Interest	52	-	-	52
Debt Administration Fees	10	-	-	10
Total Expenditures	<u>497,373</u>	<u>2,572</u>	<u>-</u>	<u>499,945</u>
Excess of Revenues over Expenditures	<u>14,618</u>	<u>7,170</u>	<u>-</u>	<u>21,788</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Asset	8,038	-	-	8,038
Transfers In	71,663	-	-	71,663
Transfers Out	(84,895)	(7,170)	-	(92,065)
Total Other Financing Sources (Uses)	<u>(5,194)</u>	<u>(7,170)</u>	<u>-</u>	<u>(12,364)</u>
Net Change in Fund Balances	9,424	-	-	9,424
Fund Balances - October 1	113,582	12,924	-	126,506
Fund Balances - September 30	<u>\$ 123,006</u>	<u>\$ 12,924</u>	<u>\$ -</u>	<u>\$ 135,930</u>

See accompanying Independent Auditors' Report

City of Long Beach
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Final Amended Budget				Actual on Budgetary Basis		Combined Actual on Budgetary Basis	Variance with Final Budget - Favorable (Unfavorable)
	General	Uplands Oil	Eliminations	Combined	General	Uplands		
Sources:								
Property Taxes	\$ 178,484	\$ -	\$ -	\$ 178,484	\$ 181,700	\$ -	\$ 181,700	\$ 3,216
Sales Taxes	124,401	-	-	124,401	126,689	-	126,689	2,288
Utility Users Taxes	35,971	-	-	35,971	33,767	-	33,767	(2,204)
Other Taxes	39,863	-	-	39,863	29,194	-	29,194	(10,669)
Franchise Fees	27,213	-	-	27,213	16,481	-	16,481	(10,732)
Licenses and Permits	26,213	-	-	26,213	35,615	-	35,615	9,402
Fines and Forfeitures	20,633	-	-	20,633	16,354	-	16,354	(4,279)
Use of Money and Property	20,759	12,240	-	32,999	22,433	9,742	32,175	(824)
From Other Agencies	4,894	-	-	4,894	4,564	-	4,564	(330)
Charges for Services	46,698	-	-	46,698	42,094	-	42,094	(4,604)
Other	2,418	-	-	2,418	3,100	-	3,100	682
Proceeds from Sale of Capital Asset	-	-	-	-	8,038	-	8,038	8,038
Transfers In	23,556	-	-	23,556	71,663	-	71,663	48,107
Total Sources	551,103	12,240	-	563,343	591,692	9,742	601,434	38,091
Uses:								
Current:								
Legislative and Legal								
Mayor and City Council	8,043	-	-	8,043	5,150	-	5,150	2,893
City Attorney	4,008	-	-	4,008	2,751	-	2,751	1,257
City Clerk	5,721	-	-	5,721	5,208	-	5,208	513
General Government								
City Auditor	3,162	-	-	3,162	2,413	-	2,413	749
City Manager	7,858	-	-	7,858	5,315	-	5,315	2,543
Civil Service	3,353	-	-	3,353	2,514	-	2,514	839
Financial Management	23,292	-	-	23,292	16,938	-	16,938	6,354
Planning and Building	1,896	-	-	1,896	308	-	308	1,588
Public Safety								
Police	254,347	-	-	254,347	236,687	-	236,687	17,660
Fire	106,498	-	-	106,498	97,222	-	97,222	9,276
Disaster Preparedness	12,938	-	-	12,938	10,865	-	10,865	2,073
City Prosecutor	7,284	-	-	7,284	5,628	-	5,628	1,656
Planning and Building-Code Enforcement	3,760	-	-	3,760	3,442	-	3,442	318
Public Health	20,270	-	-	20,270	9,614	-	9,614	10,656
Community and Cultural								
Development Services	2,704	-	-	2,704	2,227	-	2,227	477
Library	18,420	-	-	18,420	16,115	-	16,115	2,305
Parks and Recreation	33,751	-	-	33,751	26,723	-	26,723	7,028
Public Works	58,862	-	-	58,862	48,218	-	48,218	10,644
Oil Operations	-	3,276	-	3,276	-	2,572	2,572	704
Capital Outlay	3,155	-	-	3,155	347	-	347	2,808
Debt Service	512	-	-	512	487	-	487	25
Transfers Out	51,366	-	-	51,366	84,895	7,170	92,065	(40,699)
Total Uses	631,200	3,276	-	634,476	583,067	9,742	592,809	41,667
Net Change in Budgetary Fund Balance:	\$ (80,097)	\$ 8,964	\$ -	\$ (71,133)	\$ 8,625	\$ -	\$ 8,625	\$ 79,758

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

	General	Uplands Oil	Combined
Change in Fund Balance - September 30, Budgetary Basis	\$ 8,625	\$ -	\$ 8,625
Add: Encumbrances	799	-	799
Change in Fund Balance - September 30, GAAP Basis	9,424	-	9,424
Fund Balance, October 1, GAAP Basis	113,582	12,924	126,506
Fund Balance, September 30, GAAP Basis	\$ 123,006	\$ 12,924	\$ 135,930

See accompanying Independent Auditors' Report

City of Long Beach
Schedule of Sources, Uses and Changes in Funds Available
Budget and Actual (Non-GAAP Budgetary Basis)
Measure A Fund
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Adopted Budget	Final Amended Budget	Actual on a Budgetary Basis	Variance with Final Budget Favorable / (unfavorable)
Sources				
Sales Taxes	\$ 59,725	\$ 59,725	\$ 62,233	\$ 2,508
Use of Money and Property	20	20	-	(20)
Transfers In ^(a)	-	-	2,350	2,350
Total Sources	<u>59,745</u>	<u>59,745</u>	<u>64,583</u>	<u>4,838</u>
Uses				
General Government	208	208	122	86
Public Safety	36,095	36,095	35,851	244
Public Works	100	2,450	109	2,341
Transfers Out ^(b)	<u>21,477</u>	<u>26,377</u>	<u>26,677</u>	<u>(300)</u>
Total Uses	<u>57,880</u>	<u>65,130</u>	<u>62,759</u>	<u>2,371</u>
Net Change in Fund Balance	1,865	(5,385)	1,824	<u>2,467</u>
Fund Balance October 1 GAAP Basis	<u>15,811</u>	<u>15,811</u>	<u>15,811</u>	
Fund Balance September 30 Budgetary Basis	<u>\$ 17,676</u>	<u>\$ 10,426</u>	<u>\$ 17,635</u>	

Fund Balances as September 30, 2020

Assigned for Subsequent year Programmed Uses, October 1	15,811	
Less:		
Programmed Releases in Fiscal Year 2020 ^(c)	(8,737)	
Add:		
New Programmed Assignments as of September 30 ^(d)	<u>5,278</u>	
Amounts Assigned for Subsequent Year Programmed Uses		\$ 12,352
Amounts Assigned for Measure B ^(e)		-
Unassigned Fund Balance		<u>5,283</u>
Total Measure A Fund Balance		<u>\$ 17,635</u>

Notes:

- ^(a) Amounts "transferred in" are transferred from the City's Capital Projects fund for use in authorized Measure A projects.
- ^(b) Amounts "transferred out" are transferred to the City's Capital Projects fund for use in authorized Measure A projects.
- ^(b) Amounts released from reserves during fiscal year to fund Measure A projects as programmed in prior fiscal years.
- ^(c) Amounts reserved to fund future Measure A projects.
- ^(d) Amounts reserved per City Charter

See accompanying Independent Auditors' Report

TIDELANDS OPERATING FUND

The Tidelands Operating Fund is used to account for the various business-type operations that the City oversees in the Tidelands Trust area. These operations include the Long Beach Convention and Entertainment Center, Queen Mary, Rainbow Harbor Area, marinas, beach maintenance, and beach/water safety programs directly related to the tidelands area, including lifeguards and patrol boats.

The City has issued revenue bonds to finance the purchase of the Aquarium of the Pacific and the Rainbow Harbor Area infrastructure improvements. Each of the revenue bonds is accounted for in the City's Tidelands Fund.

Summary financial information for the consolidated Tidelands Enterprise Fund is presented on the following pages (in thousands) as of September 30, 2020:

City of Long Beach
Tidelands Operating Fund
Combining Schedule of Net Position
September 30, 2020
(In Thousands)

	Tideland Operating	Tideland Parking	Marina	Queen Mary	Aquarium of the Pacific	Total Before Elimination	Eliminations Debit (Credit)	Consolidated Tidelands Operating Total
ASSETS								
Current Assets:								
Pooled Cash and Cash Equivalents	\$ 113,768	\$ 5,242	\$ 33,137	\$ 1,743	\$ 4,311	\$ 158,201	\$ -	\$ 158,201
Non-Pooled Cash and Cash Equivalents	29	-	109	2,424	10,305	12,867	-	12,867
Receivables:								
Interest Receivable	1	-	33	-	33	67	-	67
Accounts Receivable	3,145	42	1,022	178	-	4,387	-	4,387
Due from Other Governments	83	28	-	-	-	111	-	111
Due from Other Funds	24,329	900	1,145	150	4,692	31,216	(6,177)	25,039
Allowance for Receivables	(263)	(3)	(486)	-	-	(752)	-	(752)
Total Current Assets	141,092	6,209	34,960	4,495	19,341	206,097	(6,177)	199,920
Noncurrent Assets:								
Non-Pooled Investments	-	-	8,618	-	8,765	17,383	-	17,383
Capital Assets:								
Land and Other Capital Assets Not Being Depreciated	63,361	-	5,485	-	9,900	78,746	-	78,746
Capital Assets Net of Accumulated Depreciation	133,928	10,051	107,431	7,078	19,394	277,882	-	277,882
Other Assets-Long-Term								
Total Noncurrent Assets	197,289	10,051	121,534	7,078	38,059	374,011	-	374,011
Total Assets	338,381	16,260	156,494	11,573	57,400	580,108	(6,177)	573,931
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows of Resources	4,852	-	1,517	50	4,921	11,340	-	11,340
Total Assets and Deferred Outflows	343,233	16,260	158,011	11,623	62,321	591,448	(6,177)	585,271
LIABILITIES								
Current Liabilities payable from Current Assets:								
Accounts Payable	8,377	384	294	11	-	9,066	-	9,066
Accrued Wages	850	13	394	-	-	1,257	-	1,257
Accrued Interest Payable	83	-	2,034	164	1,487	3,768	-	3,768
Due to Other Funds	5,475	834	727	1	-	7,037	(6,177)	860
Unearned Revenues	233	-	1,891	-	-	2,124	-	2,124
Collections Held in Trust	126	-	24	-	-	150	-	150
Customers Deposits	-	-	652	25	-	677	-	677
Compensated Absences and Accrued Employee Benefits	1,888	-	673	-	-	2,561	-	2,561
Obligations under Capital Leases - Current	39	-	-	-	-	39	-	39
Bonds Payable Due Within One Year	2,770	-	1,720	2,055	6,055	12,600	-	12,600
Other Long Term Obligation - Current	27	-	-	-	-	27	-	27
Total Current Liabilities	19,868	1,231	8,409	2,256	7,542	39,306	(6,177)	33,129
Noncurrent Liabilities:								
Advances from Other Funds	1,210	-	-	-	-	1,210	-	1,210
Unearned Revenues	4,490	-	-	-	-	4,490	-	4,490
Compensated Absences	5,393	-	1,020	-	-	6,413	-	6,413
Obligations under Capital Leases	226	-	-	-	-	226	-	226
Other Long Term Obligations	309	-	-	-	-	309	-	309
Bonds Payable	6,500	-	114,042	11,640	77,416	209,598	-	209,598
Total OPEB Liability	351	-	71	-	-	422	-	422
Net Pension Liability	37,003	-	14,756	-	-	51,759	-	51,759
Total Noncurrent Liabilities	55,482	-	129,889	11,640	77,416	274,427	-	274,427
Total Liabilities	75,350	1,231	138,298	13,896	84,958	313,733	(6,177)	307,556
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows of Resources	2,695	-	845	-	-	3,540	-	3,540
NET POSITION								
Net Investment in Capital Assets	187,415	10,051	5,912	(6,617)	(45,953)	150,808	-	150,808
Restricted for:								
Debt Service	26	-	-	4,862	3,113	8,001	-	8,001
Capital Projects	-	324	-	-	-	324	-	324
Tidelands	-	-	-	-	7,192	7,192	-	7,192
Unrestricted	77,747	4,654	12,956	(518)	13,011	107,850	-	107,850
Total Net Position	\$265,188	\$ 15,029	\$ 18,868	\$ (2,273)	\$ (22,637)	\$ 274,175	\$ -	\$ 274,175

See accompanying Independent Auditors' Report

City of Long Beach
Tidelands Operating Fund
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Tideland Operating	Tideland Parking	Marina	Queen Mary	Aquarium of the Pacific	Total Before Elimination	Eliminations Debit (Credit)	Consolidated Tidelands Operating Total
Operating Revenues:								
Licenses and Permits	\$ 36	\$ 165	\$ -	\$ -	\$ -	\$ 201	\$ -	\$ 201
Fines and Forfeitures	341	-	-	-	-	341	-	341
Fees, Concessions, and Rentals	2,357	6,281	24,070	-	-	32,708	-	32,708
From Other Agencies	24	-	21	-	-	45	-	45
Charges for Services	30,444	120	74	-	-	30,638	-	30,638
Other	1,128	-	-	-	-	1,128	-	1,128
Total Revenues	34,330	6,566	24,165	-	-	65,061	-	65,061
Operating Expenses:								
Personnel Services	33,112	333	11,826	21	-	45,292	-	45,292
Maintenance and Other Operations	48,762	1,916	6,394	126	9,198	66,396	-	66,396
Depreciation	9,706	1,706	6,425	421	3,222	21,480	-	21,480
Total Operating Expenses	91,580	3,955	24,645	568	12,420	133,168	-	133,168
Operating Income (Loss)	(57,250)	2,611	(480)	(568)	(12,420)	(68,107)	-	(68,107)
Non-Operating Income (Expense):								
Interest Income	3,994	90	1,110	50	1,189	6,433	-	6,433
Interest Expense	(169)	-	(5,197)	(396)	(2,816)	(8,578)	-	(8,578)
Gain on Disposition of Fixed Assets	-	-	23	-	-	23	-	23
Operating Grants	398	-	102	-	-	500	-	500
Other Income	4,920	-	1,706	780	-	7,406	-	7,406
Other Expense	(900)	(1,531)	(11)	(2)	(491)	(2,935)	-	(2,935)
Total Non-Operating Income (Expense)	8,243	(1,441)	(2,230)	432	(2,118)	2,886	-	2,886
Income (Loss) before Contributions and Transfers	(49,007)	1,170	(2,710)	(136)	(14,538)	(65,221)	-	(65,221)
Transfers:								
Transfers In	35,228	-	-	150	-	35,378	(1,149)	34,229
Transfers Out	(648)	(827)	-	-	(172)	(1,647)	1,149	(498)
Change in Net Position	(14,264)	343	(2,710)	14	(14,710)	(31,327)	-	(31,327)
Net Position, October 1	279,452	14,686	21,578	(2,287)	(7,927)	305,502	-	305,502
Net Position, September 30	\$265,188	\$ 15,029	\$ 18,868	\$ (2,273)	\$(22,637)	\$274,175	\$ -	\$ 274,175

See accompanying Independent Auditors' Report

City of Long Beach
Tidelands Operating Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended September 30, 2020
(In Thousands)

							Consolidated
<u>INCREASE (DECREASE) IN CASH</u> <u>AND CASH EQUIVALENTS</u>	Tideland Operating	Tideland Parking	Marina	Queen Mary	Aquarium of the Pacific	Eliminations Increase (Decrease)	Tidelands Operating Total
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 34,282	\$ 6,605	\$ 24,122	\$ 1,648	\$ 10,384	\$ -	\$ 77,041
Receipts from Other Funds	997	(900)	2,030	(151)	-	-	1,976
Receipts from Other Governments	5,026	805	568	-	-	-	6,399
Payments for Employee Salaries	(25,469)	(321)	(11,100)	(24)	-	-	(36,914)
Payments for Goods and Services	(44,324)	(1,771)	(6,341)	(115)	(9,198)	-	(61,749)
Payments to Other Entities	-	-	-	-	(4,692)	-	(4,692)
Other Income	4,920	-	1,706	780	-	-	7,406
Other Expense	(900)	(1,531)	(11)	(2)	(491)	-	(2,935)
Net Cash Provided by (Used for) Operating Activities	(25,468)	2,887	10,974	2,136	(3,997)	-	(13,468)
Cash Flows from Non-Capital Financing Activities:							
Operating Grants Received from Other Governments	398	-	102	-	-	-	500
Transfers In	35,228	-	-	150	-	(1,149)	34,229
Transfers Out	(648)	(827)	-	-	(172)	1,149	(498)
Net Cash Provided by Non-Capital Financing Activities	34,978	(827)	102	150	(172)	-	34,231
Cash Flows from Capital and Related Financing Activities:							
Receipt of Capital Grants	163	-	-	-	-	-	163
Proceeds from the Sale of Capital Assets	-	-	23	-	-	-	23
Changes Related to Capital Acquisitions	(17,804)	(2,163)	(901)	-	-	-	(20,868)
Payments of Principal on Bonds Payable	(2,636)	-	(1,825)	(2,000)	(4,620)	-	(11,081)
Payments of Principal on Other Long-Term Obligations	(66)	-	-	-	-	-	(66)
Payments of Interest, Net of Amounts Capitalized	(566)	-	(5,226)	(413)	(3,194)	-	(9,399)
Net Cash Used for Capital and Related Financing Activities	(20,909)	(2,163)	(7,929)	(2,413)	(7,814)	-	(41,228)
Cash Flows from Investing Activities:							
Payments for Purchase of Investments	-	-	(8,618)	-	(8,765)	-	(17,383)
Receipts of Interest	3,996	90	1,117	50	1,214	-	6,467
Net Cash Provided by (Used for) Investing Activities	3,996	90	(7,501)	50	(7,551)	-	(10,916)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,403)	(13)	(4,354)	(77)	(19,534)	-	(31,381)
Cash and Cash Equivalents - October 1	121,200	5,255	37,600	4,244	34,150	-	202,449
Cash and Cash Equivalents - September 30	\$ 113,797	\$ 5,242	\$ 33,246	\$ 4,167	\$ 14,616	\$ -	\$ 171,068
<u>RECONCILIATION OF OPERATING</u> <u>INCOME TO NET CASH PROVIDED BY</u> <u>(USED FOR) OPERATING ACTIVITIES</u>							
	Tideland Operating	Tideland Parking	Marina	Queen Mary	Aquarium of the Pacific	Eliminations Increase (Decrease)	Total
Operating Income (Loss)	\$ (57,250)	\$ 2,611	\$ (480)	\$ (568)	\$ (12,420)	\$ -	\$ (68,107)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Depreciation and Amortization Expense	9,706	1,706	6,425	421	3,222	-	21,480
Other Income	4,920	-	1,706	780	-	-	7,406
Other Expense	(900)	(1,531)	(11)	(2)	(491)	-	(2,935)
(Increase) Decrease in Accounts Receivable, Net	134	39	(272)	1,648	10,384	-	11,933
(Increase) Decrease in Amounts Due from Other Funds	907	(900)	2,030	(150)	(4,692)	-	(2,805)
Decrease in Amounts Due from Other Governments	(81)	(28)	-	-	-	-	(109)
Increase (Decrease) in Accounts Payable	4,501	145	29	11	-	-	4,686
Increase (Decrease) in Accrued Wages Payable	7,643	12	726	(3)	-	-	8,378
Increase (Decrease) in Amounts Due to Other Funds	5,083	833	547	(1)	-	-	6,462
Increase in Unearned Revenues	(85)	-	-	-	-	-	(85)
Increase (Decrease) in Collections Held in Trust	(46)	-	274	-	-	-	228
Total Adjustments	31,782	276	11,454	2,704	8,423	-	54,639
Net Cash Provided by (Used for) Operating Activities	\$ (25,468)	\$ 2,887	\$ 10,974	\$ 2,136	\$ (3,997)	\$ -	\$ (13,468)
<u>NON-CASH INVESTING, CAPITAL</u> <u>AND FINANCING ACTIVITIES:</u>							
Amortization of Deferred Outflows on Debt Refunding	\$ 44	\$ -	\$ -	\$ -	\$ (489)	\$ -	\$ (445)
Amortization of Bond (Premium) Discount, Net	(575)	-	275	-	814	-	514

See accompanying Independent Auditors' Report

City of Long Beach
Fleet Services Fund
Combining Schedule of Net Position
September 30, 2020
(In Thousands)

	Fleet Operations	Fleet Vehicle Acquisitions	Fleet Debt Service	Fleet Other	Total Fleet Service Fund
ASSETS					
Current Assets:					
Pooled Cash and Cash Equivalents	\$ 2,459	\$ 42,717	\$ 134	\$ 5,254	\$ 50,564
Non-Pooled Cash and Cash Equivalents	-	82	-	-	82
Receivables:					
Accounts Receivable	54	40	-	-	94
Due from Other Governments	-	-	-	30	30
Due from Other Funds	1	-	-	-	1
Allowance for Receivables	(24)	-	-	-	(24)
Inventory	2,860	-	-	-	2,860
Total Current Assets	5,350	42,839	134	5,284	53,607
Noncurrent Assets:					
Capital Assets:					
Capital Assets Net of Accumulated Depreciation	67,773	-	-	-	67,773
Other NonCurrent Assets	-	1,600	-	-	1,600
Total Noncurrent Assets	67,773	1,600	-	-	69,373
Total Assets	73,123	44,439	134	5,284	122,980
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources	1,536	-	874	-	2,410
LIABILITIES					
Current Liabilities Payable from Current Assets:					
Accounts Payable	1,080	875	-	-	1,955
Accrued Wages and Benefits	353	53	-	-	406
Accrued Interest Payable	-	6	130	-	136
Due to Other Funds	8,487	(7,455)	1	-	1,033
Unearned Revenues	-	-	-	-	-
Compensated Absences	787	-	-	-	787
Environmental Remediation - Current	235	-	-	-	235
Obligations Under Capital Leases - Current	-	1,573	-	-	1,573
Bonds Payable Due Within One Year	-	-	1,542	-	1,542
Total Current Liabilities	10,942	(4,948)	1,673	-	7,667
Noncurrent Liabilities:					
Environmental Remediation	965	-	-	-	965
Obligations Under Capital Lease	-	6,060	-	-	6,060
Bonds Payable	-	-	18,233	-	18,233
Compensated Absences and Accrued Employee Benefits	2,203	-	-	-	2,203
OPEB Liability	144	-	-	-	144
Net Pension Liability	15,111	-	-	-	15,111
Total Noncurrent Liabilities	18,423	6,060	18,233	-	42,716
Total Liabilities	29,365	1,112	19,906	-	50,383
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources	913	-	-	-	913
NET POSITION (DEFICIT)					
Net Investment in Capital Assets	67,773	(7,551)	(19,775)	-	40,447
Unrestricted	(23,392)	50,878	877	5,284	33,647
Total Net Position (Deficit)	\$ 44,381	\$ 43,327	\$ (18,898)	\$ 5,284	\$ 74,094

See accompanying Independent Auditors' Report

City of Long Beach
Fleet Service Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2020
(In Thousands)

	Fleet Operations	Fleet Vehicle Acquisitions	Fleet Debt Service	Fleet Other	Total Fleet Service Fund
Operating Revenues:					
Billing to Other Departments	\$ 24,000	\$ 21,317	\$ -	\$ 516	\$ 45,833
Other	877	(199)	-	970	1,648
Total Operating Revenues	24,877	21,118	-	1,486	47,481
Operating Expenses:					
Personnel Services	12,159	1,526	-	-	13,685
Maintenance and Other Operations	(3,044)	21,306	-	164	18,426
Depreciation	11,712	-	-	-	11,712
Total Operating Expenses	20,827	22,832	-	164	43,823
Operating Income (Loss)	4,050	(1,714)	-	1,322	3,658
Non-Operating Income (Expenses):					
Interest Income	474	20	-	-	494
Interest Expense	(825)	(216)	210	-	(831)
Gain (Loss) on Disposition of Capital Assets	(284)	371	-	-	87
Capital Assets to (from) Other Funds	(37)	-	-	-	(37)
Other Income	1,421	-	-	-	1,421
Other Expense	(1,472)	(181)	1,473	-	(180)
Total Non-Operating Income (Expenses)	(723)	(6)	1,683	-	954
Income (Loss) Before Contributions and Transfers	3,327	(1,720)	1,683	1,322	4,612
Transfers:					
Transfers In	338	-	-	1,468	1,806
Transfers Out	(30)	-	-	-	(30)
Change in Net Position	3,635	(1,720)	1,683	2,790	6,388
Net Position (Deficit) - October 1	40,746	45,047	(20,581)	2,494	67,706
Net Position (Deficit) - September 30	\$ 44,381	\$ 43,327	\$(18,898)	\$ 5,284	\$ 74,094

See accompanying Independent Auditors' Report

STATISTICAL SECTION

STATISTICAL SECTION

The Statistical Section is included to provide financial statement users with additional historical perspective, context, and detail for use in evaluating the information contained with the financial statements, notes to the financial statements, and required supplementary information with the goal of providing the user a better understanding of the City's economic condition.

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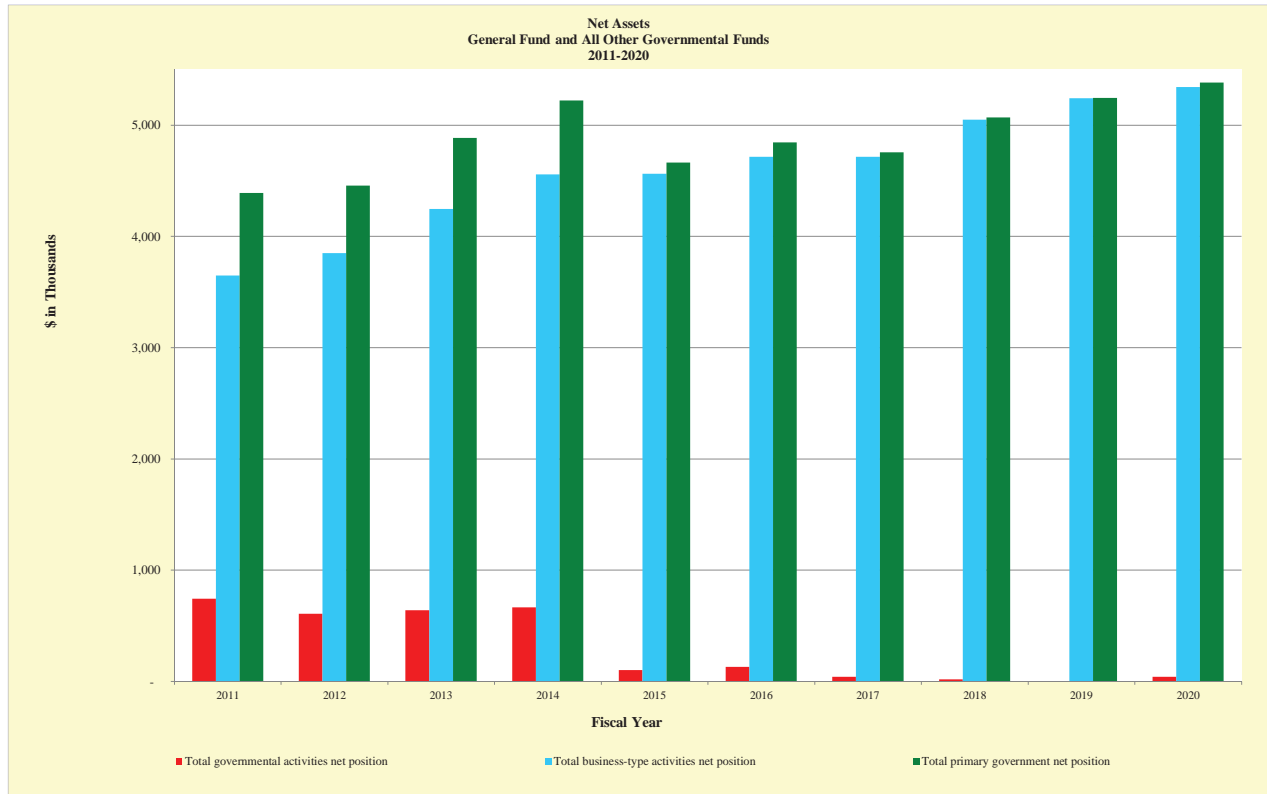
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year.



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City of Long Beach
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net Investment in capital assets	\$ 215,317	\$ 237,998	\$ 242,105	\$ 245,780	\$ 344,839	\$ 346,224	\$ 361,370	\$ 377,098	\$ 418,191	\$ 432,090
Restricted	631,729	470,723	458,167	473,181	351,055	393,588	397,204	403,557	428,903	442,908
Unrestricted	(104,327)	(100,337)	(61,528)	(53,167)	(595,857)	(610,409)	(716,979)	(761,817)	(844,483)	(833,911)
Total governmental activities net position	742,719	608,384	638,744	665,794	100,037	129,403	41,595	18,838	2,611	41,087
Business-type activities:										
Net Investment in capital assets	2,547,605	2,769,461	3,547,110	3,698,447	3,829,779	4,229,484	4,229,484	4,477,724	4,604,194	4,707,630
Restricted	289,999	289,864	297,694	439,163	494,526	323,827	323,827	298,613	297,552	312,076
Unrestricted	809,277	787,926	399,890	418,151	237,808	160,569	160,569	272,494	338,972	320,382
Total business-type activities net position	3,646,881	3,847,251	4,244,694	4,555,761	4,562,113	4,713,880	4,713,880	5,048,831	5,240,718	5,340,088
Primary government:										
Net Investment in capital assets	2,762,922	3,007,459	3,789,215	3,944,227	4,174,618	4,575,708	4,590,854	4,854,822	5,022,385	5,139,720
Restricted	921,728	760,587	755,861	912,344	845,581	717,415	721,031	702,170	726,455	754,984
Unrestricted	704,950	687,589	338,362	364,984	(358,049)	(449,840)	(556,410)	(489,323)	(505,511)	(513,529)
Total primary government net position	\$ 4,389,600	\$ 4,455,635	\$ 4,883,438	\$ 5,221,555	\$ 4,662,150	\$ 4,843,283	\$ 4,755,475	\$ 5,067,669	\$ 5,243,329	\$ 5,381,175



City of Long Beach
Change in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental Activities:										
Legislative and Legal	\$ 10,106	\$ 10,998	\$ 10,957	\$ 12,001	\$ 10,632	\$ 11,814	\$ 13,343	\$ 13,025	\$ 15,245	\$ 13,155
General Government	22,653	22,128	23,342	21,378	22,400	23,869	29,718	29,189	43,637	40,408
Public Safety	284,986	290,542	303,872	296,817	307,116	344,358	402,361	409,632	430,512	389,489
Public Health	44,428	42,712	41,966	41,877	43,710	46,150	49,688	53,045	57,729	71,880
Community and Cultural	193,886	331,170	173,239	153,206	165,501	155,792	173,637	167,624	183,825	190,370
Public Works	89,942	92,058	102,979	114,303	104,744	103,772	123,268	139,209	171,927	136,067
Oil Operations	7,318	9,256	7,101	4,869	3,961	6,466	9,694	3,755	3,777	1,775
Interest on Long-Term Debt	35,273	28,492	26,941	24,945	22,738	19,104	19,120	17,916	17,473	19,055
Total Governmental Activities										
Expenses	688,592	827,356	690,397	669,396	680,802	711,325	820,829	833,395	924,125	862,199
Business-type Activities:										
Gas Utility	84,003	77,157	82,693	80,651	68,414	66,896	80,680	83,276	110,991	94,835
Water Utility	82,050	81,377	89,767	93,297	102,501	93,959	96,082	98,204	95,970	111,219
Tidelands Operating	124,830	100,602	96,881	111,074	121,547	107,313	126,123	130,796	124,283	143,249
Harbor	217,335	193,773	195,335	233,410	236,186	307,546	298,756	298,441	309,722	327,081
Tideland Oil Revenue	393,317	390,602	362,144	327,087	81,565	70,949	93,200	101,495	101,872	30,436
Sewer	15,357	15,042	15,542	15,681	16,244	16,151	16,766	15,476	15,375	18,819
Airport	39,530	41,764	41,616	44,067	44,844	47,686	51,917	56,540	55,739	58,627
Development Services	11,126	11,617	15,404	15,753	17,621	20,281	25,907	28,700	27,223	28,928
Solid Waste Management	71,330	69,506	71,708	76,027	73,525	72,745	76,332	88,831	88,967	90,197
Towing	6,670	6,743	5,915	4,938	5,134	5,815	5,524	6,518	6,402	5,421
Subsidence	5	5	3	-	-	-	-	-	-	-
Total Business-Type Activities										
Expenses	1,045,553	988,188	977,008	1,001,985	767,581	809,341	871,287	883,484	936,544	908,812
Total Primary Government										
Expenses	1,734,145	1,815,544	1,667,405	1,671,381	1,448,383	1,520,666	1,692,116	1,716,879	1,860,669	1,771,011
Program Revenues:										
Governmental Activities:										
Charges for services:										
Legislative and Legal	104	714	61	163	224	1,804	52	481	34	558
General Government	16,501	17,521	16,093	16,459	16,545	17,955	17,981	17,727	16,473	16,182
Public Safety	35,110	34,617	32,371	34,659	38,961	38,050	34,995	43,536	50,961	50,198
Public Health	8,725	9,538	11,856	8,498	8,178	7,284	8,052	8,550	10,232	9,826
Community and Cultural	20,825	13,978	14,656	12,168	15,084	17,051	25,801	21,980	35,649	32,599
Public Works	21,072	26,876	25,011	25,963	25,246	27,949	29,875	32,208	43,283	38,123
Oil Operations	31,552	39,156	39,869	36,942	19,414	10,900	12,176	16,060	14,926	9,743
Operating Grants and Contributions	198,198	175,647	171,937	183,789	164,621	170,614	176,643	187,038	167,793	200,489
Capital Grants and Contributions	7,588	6,147	10,778	8,530	3,780	2,085	12,286	10,739	67,976	65,232
Total Governmental Activities										
Program Revenues	\$ 339,675	\$ 324,194	\$ 322,632	\$ 327,171	\$ 292,053	\$ 293,692	\$ 317,861	\$ 338,319	\$ 407,327	\$ 422,950

(continued)

See accompanying Independent Auditors' Report

City of Long Beach
Change in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

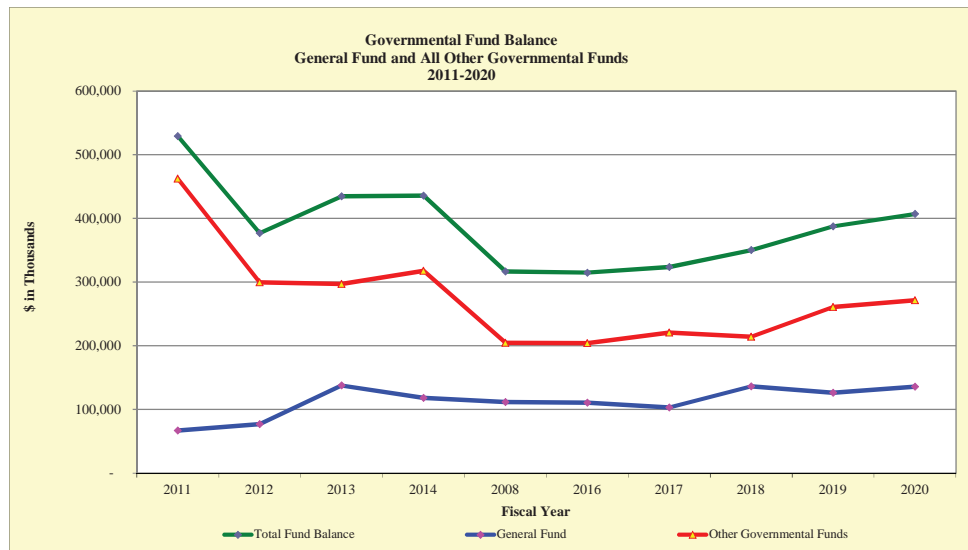
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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-Type activities:										
Charges for Services:										
Gas Utility	\$ 88,240	\$ 83,633	\$ 87,141	\$ 82,293	\$ 77,398	\$ 79,826	\$ 97,033	\$ 92,109	\$ 120,562	\$ 103,869
Water Utility	88,576	87,073	93,036	101,345	101,158	98,677	100,761	104,701	102,474	116,071
Tidelands Operating	83,018	56,726	59,929	64,318	67,894	67,205	76,352	77,734	80,594	72,467
Harbor	345,389	333,887	346,244	362,752	363,309	363,343	388,834	406,420	415,321	399,841
Tideland Oil Revenue	449,819	452,863	397,301	362,783	99,401	53,630	81,989	124,721	117,528	59,385
Sewer	16,447	17,325	17,311	17,954	17,904	17,904	19,964	19,964	19,750	19,200
Airport	40,395	43,893	43,817	44,811	36,537	36,537	49,607	49,607	46,997	31,034
Development Services	12,160	13,812	17,546	17,573	20,783	20,783	31,039	31,039	30,803	24,293
Solid Waste Management	74,019	78,613	79,542	81,051	80,322	80,322	82,848	82,848	79,627	86,034
Towing	7,297	6,583	6,445	5,440	5,253	5,253	5,310	5,310	5,885	4,583
Subsidence	-	-	-	-	-	-	-	-	499	499
Operating Grants and Contributions	2,723	1,413	1,105	921	753	758	976	2,768	932	3,394
Capital Grants and Contributions	26,406	26,552	259,188	182,021	140,618	150,510	83,681	99,586	96,660	80,020
Total Business-Type Activities										
Program Revenues	1,234,489	1,202,373	1,408,605	1,323,262	1,011,330	976,247	1,018,394	1,088,141	1,117,632	1,000,690
Total Primary Government										
Program Revenues	1,574,164	1,526,567	1,731,237	1,650,433	1,303,383	1,269,939	1,336,255	1,426,460	1,524,959	1,423,640
Net Revenues (expenses):										
Governmental Activities	(348,917)	(503,162)	(367,765)	(342,225)	(388,749)	(417,633)	(502,968)	(495,076)	(516,798)	(439,249)
Business-Type Activities	188,936	214,185	431,597	321,277	243,749	166,906	147,107	204,657	181,088	91,878
Total Net Expenses	(159,981)	(288,977)	63,832	(20,948)	(145,000)	(250,727)	(355,861)	(290,419)	(335,710)	(347,371)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	218,570	179,746	203,770	183,719	180,989	200,766	191,514	199,576	211,007	220,665
Sales	60,159	60,414	63,443	59,097	64,177	67,658	99,528	133,523	138,598	129,095
Utility Users	38,739	37,097	38,026	38,691	38,419	37,079	35,858	36,639	34,898	33,767
Other	43,254	43,360	46,446	41,504	45,517	47,746	46,837	51,558	51,066	39,449
Franchise Taxes	24,184	23,143	25,243	26,175	25,915	24,911	25,912	20,308	18,126	16,481
Grants and Contributions not										
Restricted to Specific Programs	-	-	150	-	-	-	-	-	-	-
Unrestricted Investment Earnings	10,291	4,349	3,417	3,688	6,061	13,182	3,581	4,761	14,172	11,426
Gain (Loss) on Sales of Capital Assets	-	-	-	-	-	-	-	-	-	(2)
Capital Asset Transfers	1,266	5,090	4,786	2,365	-	-	-	-	-	(37)
Transfers	21,601	15,628	21,490	14,210	21,661	16,855	11,930	25,954	32,704	26,881
Total Governmental Activities	418,064	368,827	406,771	369,449	382,739	408,197	415,160	472,319	500,571	477,725
Business-type Activities:										
Unrestricted Investment Earnings	9,253	6,903	5,557	6,365	8,887	10,802	7,714	13,357	43,503	34,336
Loss on Sales of Capital Assets	-	-	-	-	-	-	-	-	-	-
Capital Asset Transfers	(1,266)	(5,090)	(4,786)	(2,365)	-	-	-	-	-	37
Transfers	(21,601)	(15,628)	(21,490)	(14,210)	(21,661)	(16,855)	(11,930)	(25,954)	(32,704)	(26,881)
Total Business-type Activities	(13,614)	(13,815)	(20,719)	(10,210)	(12,774)	(6,053)	(4,216)	(12,597)	10,799	7,492
Total Primary Government	404,450	355,012	386,052	359,239	369,965	402,144	410,944	459,722	511,370	485,217
Change in Net Position										
Government activities	69,147	(134,335)	39,006	27,224	(6,010)	(9,436)	(87,808)	(22,757)	(16,227)	38,476
Business-type Activities	175,322	200,370	410,878	311,067	230,975	160,853	142,891	192,060	191,887	99,370
Total Primary Government	\$ 244,469	\$ 66,035	\$ 449,884	\$ 338,291	\$ 224,965	\$ 151,417	\$ 55,083	\$ 169,303	\$ 175,660	\$ 137,846

See accompanying Independent Auditors' Report

City of Long Beach
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(In Thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ 2,083	\$ 2,008	\$ 2,043	\$ 6	\$ 2	\$ 102	\$ 500	\$ 1,375	\$ 1,424	\$ 1,503
Restricted	675	2,929	2,311	4,266	4,308	4,498	4,469	4,807	5,009	5,864
Committed	4,108	5,394	5,711	61,079	62,598	63,568	64,539	67,640	69,440	50,708
Assigned	59,445	61,935	119,542	49,531	42,953	38,482	31,947	59,463	50,495	75,789
Unassigned	682	4,857	8,130	3,397	2,170	3,934	1,926	3,072	138	2,066
Total General Fund	66,993	77,123	137,737	118,279	112,031	110,584	103,381	136,357	126,506	135,930
Other Governmental Funds:										
Nonspendable	1,654	45	8,009	8,012	2,846	2,577	2,613	1,324	2,406	2,377
Restricted	489,841	320,310	293,567	289,497	173,096	173,562	180,084	174,541	199,781	201,777
Committed	161	1,362	1,362	1,362	1,422	1,422	1,414	1,414	1,414	1,414
Assigned	10,664	10,791	24,433	36,476	39,197	26,710	36,582	37,067	57,443	65,823
Unassigned	(39,867)	(32,643)	(30,112)	(17,646)	(11,819)	-	-	-	-	-
Total Other Governmental Funds	462,453	299,865	297,259	317,701	204,742	204,271	220,693	214,346	261,044	271,391
Total All Governmental Funds	\$ 529,446	\$ 376,988	\$ 434,996	\$ 435,980	\$ 316,773	\$ 314,855	\$ 324,074	\$ 350,703	\$ 387,550	\$ 407,321



See accompanying Independent Auditors' Report

City of Long Beach
Change in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(In Thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes:										
Property	\$ 218,593	\$ 181,041	\$ 214,816	\$ 183,885	\$ 179,999	\$ 201,207	\$ 191,808	\$ 199,336	\$ 210,656	\$ 220,665
Sales	60,159	60,414	63,443	59,097	64,177	67,658	99,528	133,523	138,598	129,095
Utility Users	38,739	37,097	38,026	38,691	38,419	37,079	35,858	36,639	34,898	33,767
Other Taxes	43,254	43,360	46,446	41,504	45,517	47,746	46,837	51,558	51,066	39,449
Franchise Fees	24,184	23,143	25,243	26,175	25,915	24,911	25,912	20,308	18,126	16,481
Licenses and Permits	24,812	24,278	19,941	22,341	23,329	25,456	24,926	26,076	42,728	48,803
Fines and Forfeitures	16,193	17,762	16,394	16,166	15,988	16,292	16,184	15,946	17,674	16,354
Use of Money and Property	56,415	58,398	58,441	56,687	41,816	40,991	33,815	39,419	48,033	39,543
From Other Agencies	208,167	184,470	181,039	191,423	166,988	170,780	187,872	197,570	235,841	290,748
Charges for Services	28,549	28,586	28,292	29,042	28,428	29,482	33,533	41,034	46,987	44,621
Other Contributions	-	-	1,385	341	556	249	194	137	-	-
Other	25,256	19,544	18,577	10,693	17,615	13,167	19,907	17,599	19,944	10,236
Total Revenues	744,321	678,093	712,043	676,045	648,747	675,018	716,374	779,145	864,551	889,762
Expenditures:										
Legislative and Legal	9,683	10,316	9,673	11,373	9,604	11,420	11,522	13,378	13,458	13,108
General Government	20,035	17,441	17,785	17,951	18,116	21,793	23,285	25,426	39,002	40,577
Public Safety	289,538	285,807	288,979	300,519	297,901	307,065	353,456	360,879	383,222	369,052
Public Health	43,665	41,449	39,297	41,273	42,108	42,819	44,530	47,658	52,487	69,773
Community and Cultural	263,625	289,597	185,378	158,122	237,433	152,005	160,985	173,542	180,390	188,806
Public Works	44,178	60,368	65,484	66,498	70,921	74,580	73,103	82,450	71,989	61,459
Oil Operations	7,173	9,146	4,722	4,309	3,512	2,352	2,563	2,945	2,774	2,572
Total Current Expenditures	677,897	714,124	611,318	600,045	679,595	612,034	669,444	706,278	743,322	745,347
Capital Improvements	29,630	17,183	26,199	36,427	27,139	38,629	45,693	47,935	90,370	73,355
Loss on Disposition of Land										
Held for Resale	519	79,111	-	-	-	-	-	-	-	-
Debt Service:										
Principal	13,475	14,379	16,358	18,836	18,601	18,717	20,564	28,439	23,356	20,072
Interest	28,984	23,298	23,776	21,044	22,499	16,763	16,156	15,361	14,155	13,679
Debt Administration Fees	391	494	542	57	178	434	90	29	27	24
Total Expenditures	750,896	848,589	678,193	676,409	748,012	686,577	751,947	798,042	871,230	852,477
(Deficiency) of Revenues over (under) Expenditures	(6,575)	(170,496)	33,850	(364)	(99,265)	(11,559)	(35,573)	(18,897)	(6,679)	37,285
Other Financing Sources (Uses):										
Proceeds from Sale of Capital Asset	-	-	-	-	-	-	-	-	-	11,062
Debt Issuance	297	753	54,186	1,012	155,820	13,150	-	2,306	26,458	-
Premium (Discount) on Debt Issuance	-	-	-	-	6,700	1,045	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	(57,611)	-	(179,330)	-	-	-	(15,020)	-
Reconveyance of Land	-	-	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	(1,505)	-	-	-	(411)	-
Land Transfers	(6,233)	-	-	-	-	-	-	-	-	-
Transfers In	271,094	409,802	114,615	106,128	91,363	60,641	104,983	125,473	130,312	126,196
Transfers Out	(247,930)	(392,317)	(87,032)	(105,577)	(92,990)	(65,195)	(60,191)	(82,253)	(97,813)	(154,772)
Total Other Financing Sources	17,228	18,238	24,158	1,563	(19,942)	9,641	44,792	45,526	43,526	(17,514)
Net Change in Fund Balances	\$ 10,653	\$(152,258)	\$ 58,008	\$ 1,199	\$(119,207)	\$(1,918)	\$ 9,219	\$ 26,629	\$ 36,847	\$ 19,771
Debt Service as a Percentage of Noncapital Expenditures	5.9%	4.7%	6.1%	6.1%	5.6%	5.2%	5.1%	5.6%	4.4%	4.0%

Debt Service as a Percentage of Noncapital Expenditures calculated as follows:

$$\frac{(\text{Principle} + \text{Interest})}{(\text{Total Expenditures} - \text{Capital Outlay})}$$

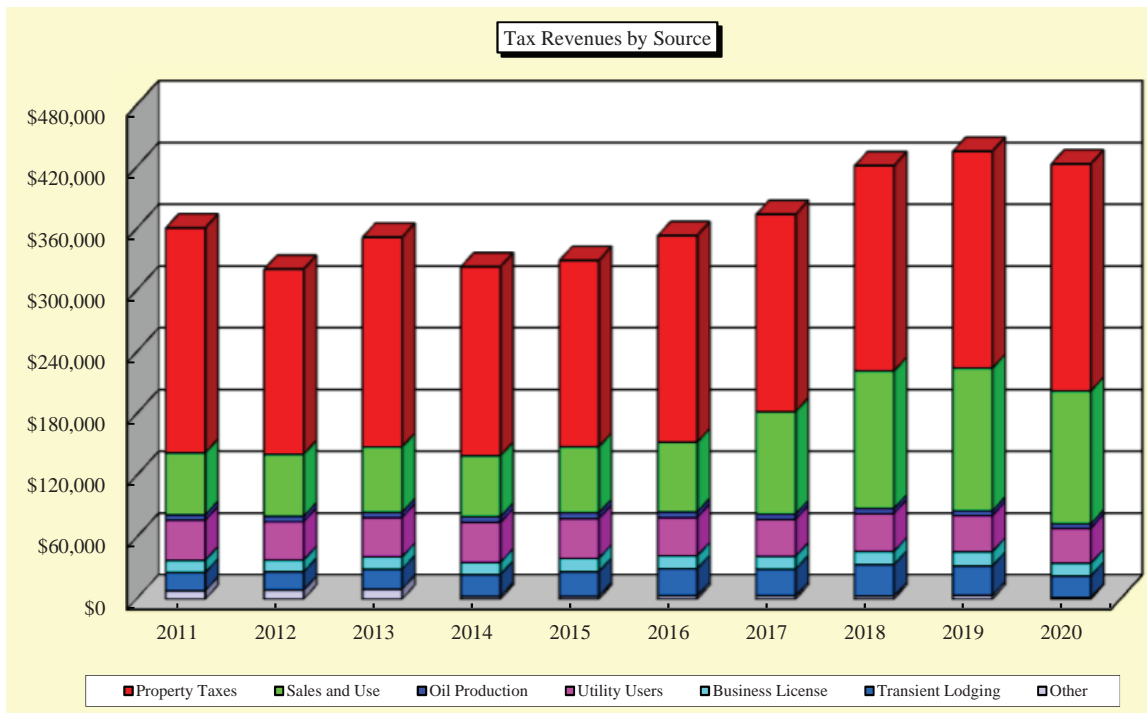
See accompanying Independent Auditors' Report

City of Long Beach
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(In Thousands)

Fiscal Year-end (1)	Property Taxes	Sales and Use Taxes	Oil Production Taxes	Utility Users Taxes	Business License Taxes	Transient Lodging Taxes	Other (1) Taxes	Totals
2011	\$ 218,570	\$ 60,159	\$ 5,331	\$ 38,739	\$ 11,956	\$ 17,603	\$ 8,364	\$ 360,722
2012	179,746	60,414	5,259	37,097	11,537	17,759	8,805	320,617
2013	203,770	63,443	5,301	38,026	11,981	19,451	9,713	351,685
2014	183,719	59,097	5,653	38,691	11,862	21,265	2,724	323,011
2015	180,989	64,177	5,787	38,419	12,934	23,999	2,798	329,103
2016	200,766	67,658	5,582	37,079	12,512	26,382	3,271	353,250
2017	191,514	99,528	5,129	35,858	12,501	25,935	3,272	373,737
2018	199,336	133,523	5,026	36,639	12,940	30,612	2,980	421,056
2019	210,656	138,598	4,841	34,898	13,855	28,758	3,612	435,218
2020	220,665	129,095	4,473	33,767	12,351	20,914	1,711	422,976

Notes:

- (1) Includes Real Property Transfer, Special Parking, Miscellaneous Taxes, and transfers from funds in lieu of taxes. Tax revenues by source include all Governmental Fund Types (General, Special Revenue, Debt Service Funds, Capital Projects Funds, and Successor Agency Funds), including property tax for the former Long Beach Redevelopment Agency in accordance with generally accepted accounting principles.



Source: City of Long Beach, Department of Financial Management.

See accompanying Independent Auditors' Report

City of Long Beach
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

<u>Fiscal Year-end</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Less: Exemptions</u>	<u>Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2011	\$ 42,014,055	\$ 2,575,570	\$ (1,593,660)	\$ 42,995,965	1.00%
2012	42,641,685	2,780,087	(1,318,100)	44,103,672	1.00%
2013	45,184,614	2,767,496	(1,025,398)	46,926,712	1.00%
2014	47,768,304	2,730,192	(1,630,080)	48,868,416	1.00%
2015	48,648,554	3,029,600	(1,572,403)	50,105,751	1.00%
2016	49,939,578	2,959,078	(1,424,373)	51,474,283	1.00%
2017	52,481,371	3,180,877	(1,618,510)	54,043,738	1.00%
2018	55,394,865	3,239,627	(1,580,969)	57,053,523	1.00%
2019	58,432,448	3,456,685	(1,690,820)	60,198,313	1.00%
2020	61,781,691	3,663,861	(1,967,621)	63,477,931	1.00%

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. Valuations of real property are frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is reassessed to its current value when a change of ownership occurs. New construction, including tenant improvements, is assessed at its current value. This 1% is shared by all taxing agencies for which the subject property resides. In 1986, the State Constitution was amended to allow rates over the 1% base rate for voter approved general obligation debt. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and are subject to the limitations described above.

Source: Los Angeles County Office of Assessor

City of Long Beach
Property Tax Rates -
All Overlapping Governments
Per \$100 of Assessed Value -
Last Ten Fiscal Years

Fiscal Year-end	City Direct Rate	Overlapping Rates				Total
		Los Angeles County	Unified Schools	Community College	Special Districts	
2011	1.000000	-	0.186954	0.040310	0.003700	1.230964
2012	1.000000	-	0.168187	0.035296	0.003700	1.207183
2013	1.000000	-	0.175606	0.048750	0.003500	1.227856
2014	1.000000	-	0.146439	0.044541	0.003500	1.194480
2015	1.000000	-	0.146881	0.040174	0.003500	1.190555
2016	1.000000	-	0.129709	0.035755	0.003500	1.168964
2017	1.000000	-	0.122192	0.045990	0.003500	1.171682
2018	1.000000	-	0.123226	0.046213	0.003500	1.172939
2019	1.000000	-	0.125520	0.027175	0.003500	1.156195
2020	1.000000	-	0.139929	0.040162	0.003500	1.183591

Note:

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. Valuations of real property are frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is reassessed to its current value when a change of ownership occurs. New construction, including tenant improvements, is assessed at its current value. This 1% is shared by all taxing agencies for which the subject property resides. In 1986, the State Constitution was amended to allow rates over the 1% base rate for voter approved general obligation debt.

Source: County of Los Angeles

City of Long Beach
Principal Property Taxpayers
Current Year and Nine Fiscal Years Ago
(In Thousands)

Taxpayer	Fiscal Year 2020		Fiscal Year 2011	
	Assessed Valuation	Percentage of Total Net Assessed Valuation	Assessed Valuation	Percentage of Total Net Assessed Valuation
The Boeing Company	\$ 211,935	0.37 %	\$ 415,898	1.03 %
2009 CUSA Community Owner LLC	158,896	0.28	136,697	0.34
John Hancock Life Insurance	148,903	0.26		
AGNL Clinic LP	148,615	0.26		
TABC Inc.	139,096	0.24		
Studio Management Services Inc.	134,515	0.24		
IMT Capital IV Gallery LLC	125,247	0.22		
W GL Ocean Avenue LB Holdings	112,329	0.20		
Terra Funding Shoreline Square	111,760	0.20		
DP3 Sub 1 & 2 LLC	104,452	0.18		
Tesoro Logistics Operations LLC	92,042	0.16		
Equity One LLC	90,018	0.16		
AGNL Clinic Pine LP	87,550	0.15		
Long Beach Center LLC	87,316	0.15		
GS Long Beach LLC	86,739	0.15		
HCI 333 East Ocean Owner LP	86,088	0.15		
404 Pine LP	80,916	0.14		
Omninet Freeway LP	77,693	0.14		
Edison LB LLC	77,026	0.14		
Sunstone Ocean LLC	66,616	0.12		
Macerich Lakewood LLC			286,656	0.71
AES Alamitos LLC			229,400	0.57
Legacy Partners II LB World Trade LLC			153,840	0.38
Trizechahn Centers, Inc.			114,069	0.28
GRE Shoreline Square LP			94,380	0.23
Noble Utah Long Beach LLC			90,933	0.23
Arco Terminal Services Corp.			84,573	0.21
200 Oceangate LLC			83,050	0.21
Advanced Group 05-86			81,616	0.20
HEI Long Beach LLC			62,988	0.16
City Place Long Beach LLC			60,870	0.15
Alamitos Bay Partnership			60,734	0.15
Sunstone Ocean LLC			54,396	0.14
Pacific Pipeline System LLC			52,138	0.13
Lyon West Gateway LLC			50,804	0.13
EQR Fresca 2009 LP			50,075	0.12
Los Altos Gateway LLC			47,901	0.12
Pacific Castle			46,812	0.12
	<u>\$ 2,227,752</u>	<u>3.91 %</u>	<u>\$ 2,257,830</u>	<u>5.61 %</u>

Source: California Municipal Statistics, Inc.

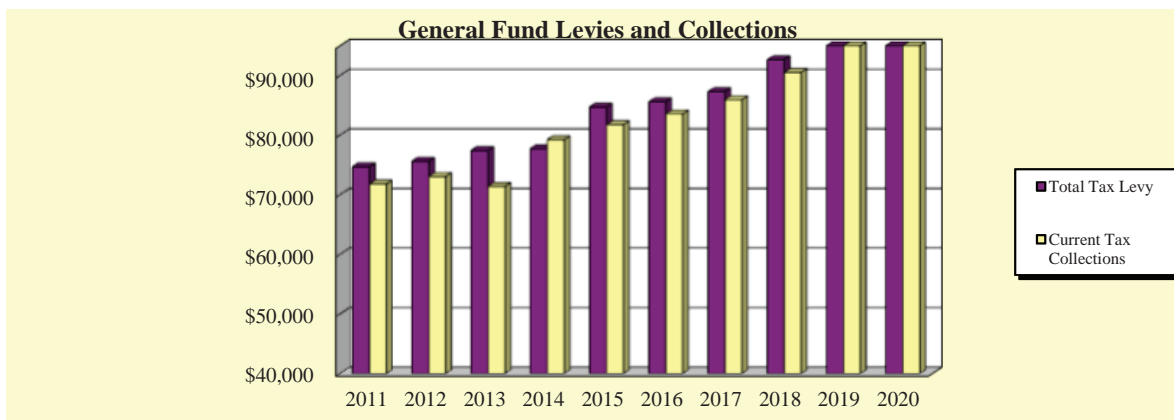
See accompanying Independent Auditors' Report

City of Long Beach
Property Tax Levies and Collections
Last Ten Fiscal Years
(In Thousands)

General Fund ¹								
Fiscal Year-end	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections ²	Collections as Percentage of Levy	Outstanding Delinquent Taxes	Delinquent Tax as Percentage of Current Levy
2011	\$ 74,707	\$ 71,823	96.1%	\$ 4,658	\$ 76,481	102.4%	\$ 11,251	15.1%
2012	75,613	73,073	96.6%	3,285	76,358	101.0%	10,698	14.1%
2013	77,436	71,429	92.2%	3,049	74,478	96.2%	10,147	13.1%
2014	77,740	79,255	101.9%	3,975	83,230	107.1%	4,458	5.7%
2015	84,726	81,798	96.5%	4,061	85,859	101.3%	5,449	6.4%
2016	85,609	83,582	97.6%	2,821	86,403	100.9%	5,605	6.5%
2017	87,315	85,962	98.5%	7,581	93,543	107.1%	5,430	6.2%
2018	92,661	90,551	97.7%	3,068	93,619	101.0%	5,472	5.9%
2019	97,494	95,437	97.9%	5,019	100,456	103.0%	5,902	6.1%
2020	102,555	98,949	96.5%	5,763	104,712	102.1%	6,761	6.6%

Redevelopment/Successor Agency								
Fiscal Year-end	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections ²	Collections as Percentage of Levy	Outstanding Delinquent Taxes	Delinquent Tax as Percentage of Current Levy
2011	\$ 99,318	\$ 74,660	75.2%	\$ 2,810	\$ 77,470	78.0%	\$ -	0.0%
2012	98,891	59,989	60.7%	884	60,873	61.6%	-	0.0%
2013	102,702	65,387	63.7%	-	65,387	63.7%	-	0.0%
2014	106,760	53,226	49.9%	-	53,226	49.9%	-	0.0%
2015	122,477	44,903	36.7%	-	44,903	36.7%	-	0.0%
2016	137,809	63,963	46.4%	-	63,963	46.4%	-	0.0%
2017	108,194	46,189	42.7%	-	46,189	42.7%	-	0.0%
2018	146,784	51,370	35.0%	-	51,370	35.0%	-	0.0%
2019	146,551	53,256	36.3%	-	53,256	36.3%	-	0.0%
2020	145,610	54,872	37.7%	-	54,872	37.7%	-	0.0%

Total City Tax Levy								
Fiscal Year-end	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections ²	Collections as Percentage of Levy	Outstanding Delinquent Taxes	Delinquent Tax as Percentage of Current Levy
2011	\$ 174,025	\$ 146,483	84.2%	\$ 7,468	\$ 153,951	88.5%	\$ 11,251	6.5%
2012	174,504	133,062	76.3%	4,169	137,231	78.6%	10,698	6.1%
2013	180,138	136,816	76.0%	3,049	139,865	77.6%	10,147	5.6%
2014	184,500	132,481	71.8%	3,975	136,456	74.0%	4,458	2.4%
2015	207,203	126,701	61.1%	4,061	130,762	63.1%	5,449	2.6%
2016	223,418	147,545	66.0%	2,821	150,366	67.3%	5,605	2.5%
2017	195,509	132,151	67.6%	7,581	139,732	71.5%	5,430	2.8%
2018	239,445	141,921	59.3%	3,068	144,989	60.6%	5,472	2.3%
2019	244,045	148,693	60.9%	5,019	153,712	63.0%	5,902	2.4%
2020	248,165	153,821	62.0%	5,763	159,584	64.3%	6,761	2.7%



- Notes:
- 1 In FY 2014, a reduction to Prior Years Levies were due to write off of receivables more than 30 years old per County of Los Angeles Auditor-Controller.
 - 2 Excludes motor vehicle and vehicle license fees in-lieu taxes, interests, penalties and Los Angeles County administrative cost.

See accompanying Independent Auditors' Report

City of Long Beach
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands, Except Per Capita Amount)

Fiscal Year-end	Governmental Activities						Total Governmental Activities
	Revenue Bonds	Pension Obligation Bonds	Tax Allocation Bonds	Notes Payable	Capital Leases	Other LT Obligations - Civic Center	
2011	\$ 113,420	\$ 54,520	\$ 337,557	\$ 8,560	\$ 49,712	\$ -	\$ 563,769
2012	111,415	50,205	326,852	8,118	46,064	-	542,654
2013	93,410	45,675	315,399	7,102	41,869	-	503,455
2014	99,084	40,822	309,160	6,137	38,150	-	493,353
2015	95,189	35,837	276,934	5,117	33,978	-	447,055
2016	105,349	30,597	262,871	5,258	30,682	-	434,757
2017	100,107	25,083	248,167	5,400	27,263	-	406,020
2018	86,754	19,283	233,113	7,751	67,670	-	414,571
2019	90,393	13,183	217,290	8,241	49,020	299,875	678,002
2020	83,985	6,765	200,820	7,905	44,676	294,864	639,015

	Business-type Activities				Total Business-type Activities
	Revenue Bonds	Notes Payable	Capital Leases		
2011	\$ 1,709,685	\$ 56,687	\$ 3,541		\$ 1,769,913
2012	1,640,665	54,488	3,109		1,698,262
2013	1,564,045	147,020	2,667		1,713,732
2014	1,534,901	515,995	2,215		2,053,111
2015	1,696,772	499,248	19,752		2,215,772
2016	1,620,885	379,893	18,167		2,018,945
2017	1,736,215	343,821	16,688		2,096,724
2018	1,673,774	348,471	15,143		2,037,388
2019	1,781,199	339,056	40,356		2,160,611
2020	1,670,260	477,885	37,747		2,185,892

	Total Primary Government	Percentage of Personal Income	Per Capita
2011	\$ 2,333,682	2.917%	\$ 5,048
2012	2,240,916	3.019%	4,813
2013	2,217,187	3.156%	4,741
2014	2,546,464	3.307%	5,425
2015	2,662,827	3.430%	5,623
2016	2,453,702	3.573%	5,175
2017	2,502,744	3.720%	5,324
2018	2,451,959	3.879%	5,223
2019	2,838,613	4.042%	6,074
2020	2,824,907	4.208%	6,106

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See accompanying Independent Auditors' Report

City of Long Beach
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Fiscal Year-end	Outstanding General Bonded Debt				Ratio of Net Bonded Debt to Assessed Value (2)	Per Capita (3)
	Pension Obligation Bonds	Tax Allocation Bonds	Less: Amounts Restricted for Debt Service (1)	Net Bonded Debt (1)		
2011	\$ 54,520	\$ 337,557	\$ 48,360	\$ 343,717	77%	\$ 743.56
2012	50,205	326,852	32,615	344,442	76%	739.82
2013	45,675	315,399	33,375	327,699	68%	700.74
2014	40,822	309,160	32,471	317,511	63%	676.38
2015	35,837	276,934	20,331	292,440	57%	617.51
2016	30,597	262,870	20,591	272,876	52%	575.52
2017	25,083	248,167	20,894	252,356	45%	536.78
2018	19,283	233,113	16,769	235,627	40%	501.92
2019	13,183	217,290	17,450	213,023	34%	455.81
2020	6,765	200,820	21,504	186,081	28%	402.23

Notes:

- (1) Includes Redevelopment bonds issued during fiscal years 2002, 2003, 2005, and 2006.
- (2) Assessed value can be found in the Schedule of Assessed Value and Actual Value of Taxable Property. Percentage calculated using the following formula: Net bonded Debt / (Assessed Value - Exemptions)
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Long Beach
Schedule of Direct and Overlapping Debt
September 30, 2020 (In Thousands)

2019-20 Assessed Valuation: \$61,049,143

		Outstanding Debt	Exclusions	Estimated Overlapping Debt
<u>DIRECT DEBT:</u>				
City of Long Beach				
Lease Revenue Bonds		\$ 77,220	\$ -	\$ 77,220
Tax Allocation Bonds		200,820	-	200,820
Notes Payable		7,905	-	7,905
Capital Leases		44,676	-	44,676
Pension Obligations		6,765	-	6,765
Total Direct Debt		<u>\$ 337,386</u>	<u>\$ -</u>	<u>\$ 337,386</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>				
	% Applicable			
Cerritos Community College District	0.367 %	\$ 392,416	\$ 390,976	\$ 1,440
Coast Community College District	0.001	886,290	886,281	9
Compton Community College District	2.601	108,334	105,516	2,818
Long Beach Community College District	85.851	506,476	71,662	434,814
Los Angeles Community College District	0.050	4,146,055	4,143,982	2,073
ABC Unified School District	1.138	79,711	78,804	907
Compton Unified School District	0.024	253,235	253,174	61
Long Beach Unified School District	85.852	1,410,590	199,571	1,211,019
Los Angeles Unified School District	0.061	10,078,835	10,072,687	6,148
Paramount Unified School District	9.170	142,907	129,803	13,104
Metropolitan Water District	1.975	32,230	31,593	637
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT ⁽¹⁾		<u>\$ 18,037,079</u>	<u>\$ 16,364,049</u>	<u>\$ 1,673,030</u>
<u>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>				
Los Angeles County General Fund Obligations	3.785 %	\$ 2,303,503	\$ 2,216,315	\$ 87,188
Los Angeles County Superintendent of Schools Certificates of Participation	3.785	4,565	4,392	173
Compton Unified School District Certificates of Participation	0.024	31,180	31,173	7
Los Alamitos Unified School District Certificates of Participation	0.009	37,649	37,646	3
Los Angeles Unified School District Certificates of Participation	0.061	162,915	162,816	99
Paramount Unified School District Certificates of Participation	9.170	27,860	25,305	2,555
County Sanitation District No. 1 Certificates of Participation	1.219	3,658	3,613	45
County Sanitation District No. 2 Certificates of Participation	0.188	5,648	5,637	11
County Sanitation District No. 3 Certificates of Participation	85.913	4,292	605	3,687
County Sanitation District No. 8 Certificates of Participation	2.738	2,234	2,173	61
County Sanitation District No. 19 Certificates of Participation	29.396	1,017	718	299
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>\$ 2,584,521</u>	<u>\$ 2,490,393</u>	<u>\$ 94,128</u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency) :</u>	100.000 %	\$ 193,920	\$ -	\$ 193,920
TOTAL GROSS OVERLAPPING COMBINED DEBT		<u>\$ 20,815,520</u>	<u>\$ 18,854,442</u>	<u>\$ 1,961,078</u>
Los Angeles Unified School District General Obligation Bonds Election of 2005 Series J (2010) Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Aside Repayment		88,259	88,205	54
Los Angeles Unified School District (Qualified Zone Academic Bonds supported by period payments to investment accounts)		9,756	9,750	6
TOTAL NET OVERLAPPING COMBINED DEBT		<u>\$ 20,717,505</u>	<u>\$ 18,756,487</u>	<u>\$ 1,961,018</u>
TOTAL NET DIRECT AND OVERLAPPING COMBINED DEBT		<u><u>\$ 21,054,891</u></u>	<u><u>\$ 18,756,487</u></u>	<u><u>\$ 2,298,404</u></u>

Notes:

(1) Excludes 1915 Act and Mello-Roos Act Bonds

Source: California Municipal Statistics, Inc.

See accompanying Independent Auditors' Report

City of Long Beach
Legal Debt Margin Information
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
Assessed valuation	\$ 44,589,625	\$ 45,421,772	\$ 47,952,110	\$ 50,498,496	\$ 51,678,154
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	11,147,406	11,355,443	11,988,028	12,624,624	12,919,539
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,672,111	1,703,316	1,798,204	1,893,694	1,937,931
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 1,672,111</u>	<u>\$ 1,703,316</u>	<u>\$ 1,798,204</u>	<u>\$ 1,893,694</u>	<u>\$ 1,937,931</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2016	2017	2018	2019	2020
Assessed valuation	\$ 52,898,656	\$ 55,662,248	\$ 58,634,492	\$ 61,889,133	\$ 65,445,552
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	13,224,664	13,915,562	14,658,623	15,472,283	16,361,388
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,983,700	2,087,334	2,198,793	2,320,842	2,454,208
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 1,983,700</u>	<u>\$ 2,087,334</u>	<u>\$ 2,198,793</u>	<u>\$ 2,320,842</u>	<u>\$ 2,454,208</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

The Government Code of the State of California provides for a legal debt limit of 15 percent of gross assessed valuation. This provision was enacted when assessed valuation was based on 25 percent of market value. Effective with fiscal year 1982, each parcel is assessed at 100 percent of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25 percent level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Long Beach, Department of Financial Management
County of Los Angeles, Department of Auditor-Controller

See accompanying Independent Auditors' Report

City of Long Beach
Pledged Revenue Coverage
Gas Fund Revenue Bond Coverage
Last Ten Fiscal Years
(In Thousands)

Fiscal Year-end	Operating Revenue	Operating Expenses (1)	Net Operating Income	Non- Operating Income (Loss) (1)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements			Times Coverage
						Principal	Interest	Total	
2011	\$ 87,730	\$ 45,922	\$ 41,808	\$ 227	\$ 42,035	\$ 10,400	\$ 33,444	\$ 43,844	1.0
2012	82,671	38,902	43,769	(348)	43,421	10,035	32,955	42,990	1.0
2013	80,215	37,274	42,941	(1,067)	41,874	9,040	32,492	41,532	1.0
2014	81,992	42,503	39,489	(946)	38,543	7,305	32,079	39,384	1.0
2015	77,098	30,845	46,253	83	46,336	6,840	31,725	38,565	1.2
2016	79,526	28,135	51,391	(949)	50,442	7,150	31,375	38,525	1.3
2017	96,723	40,459	56,264	192	56,456	8,120	31,024	39,144	1.4
2018	91,786	44,279	47,507	59	47,566	8,925	30,628	39,553	1.2
2019	120,228	71,223	49,005	1,739	50,744	10,290	30,135	40,425	1.3
2020	102,486	56,438	46,048	1,138	47,186	11,905	29,552	41,457	1.1

Water Fund Revenue Bond Coverage
Last Ten Fiscal Years (2)
(In Thousands)

2011	\$ 88,576	\$ 70,565	\$ 18,011	\$ (207)	\$ 17,804	\$ -	\$ 861	\$ 861	20.7
2012	86,515	69,982	16,533	(702)	15,831	490	1,249	1,739	9.1
2013	91,949	76,217	15,732	(1,789)	13,943	2,110	1,484	3,594	3.9
2014	100,187	81,767	18,420	371	18,791	2,385	1,502	3,887	4.8
2015	99,475	91,395	8,080	1,561	9,641	2,510	1,390	3,900	2.5
2016	97,650	81,086	16,564	(237)	16,327	2,630	1,264	3,894	4.2
2017	97,383	80,127	17,256	887	18,143	2,730	1,165	3,895	4.7
2018	99,173	82,733	16,440	2,795	19,235	2,815	1,077	3,892	4.9
2019	99,289	81,439	17,850	4,802	22,652	2,930	964	3,894	5.8
2020	113,090	97,712	15,378	3,376	18,754	3,050	847	3,897	4.8

Notes:

- (1) Operating expenses exclude depreciation and amortization; non-operating income excludes interest expense.
- (2) The Water Revenue Refunding Bonds Series 1997A were refunded by the Water Revenue Refunding Bonds Series 2010A. Current debt service payments for the 1997 Bonds were covered by the 2010 Bonds refunding issue proceeds.

Source: City of Long Beach, Department of Financial Management

City of Long Beach
Pledged Revenue Coverage
Airport Revenue Bond Coverage
Last Ten Fiscal Years
(In Thousands)

Fiscal Year-end	Operating Revenue	Operating Expenses (1)(2)	Net Operating Income	Non- Operating Income (Loss) (1)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements			Times Coverage
						Principal	Interest	Total	
2011	\$ 32,416	\$ 28,150	\$ 4,266	\$ 7,224	\$ 11,490	\$ 905	\$ 5,668	\$ 6,573	1.7
2012	34,405	27,142	7,263	8,772	16,035	1,330	7,046	8,376	1.9
2013	34,760	26,513	8,247	8,060	16,307	2,260	7,004	9,264	1.8
2014	35,802	27,302	8,500	8,661	17,161	2,340	6,927	9,267	1.9
2015	33,811	27,842	5,969	3,134	9,103	2,420	6,844	9,264	1.0
2016	36,951	30,562	6,389	3,200	9,589	2,515	6,750	9,265	1.0
2017	46,678	33,250	13,428	3,199	16,627	2,625	6,640	9,265	1.8
2018	47,497	35,711	11,786	4,007	15,793	2,740	6,522	9,262	1.7
2019	44,780	36,798	7,982	4,938	12,920	2,875	6,388	9,263	1.4
2020	29,778	26,759	3,019	8,741	11,760	3,015	6,252	9,267	1.3

Fleet Services Fund
Temple Willow Revenue Bond Coverage
Last Ten Fiscal Years
(In Thousands)

2011	\$ 33,460	\$ 22,348	\$ 11,112	\$ 1,011	\$ 12,123	\$ 1,025	\$ 1,493	\$ 2,518	4.8
2012	32,620	19,547	13,073	319	13,392	1,035	1,410	2,445	5.5
2013	30,015	19,843	10,172	409	10,581	820	1,512	2,332	4.5
2014	31,923	19,201	12,722	351	13,073	-	912	912	14.3
2015	32,660	23,719	8,941	1,592	10,533	-	912	912	11.5
2016	33,502	24,459	9,043	1,968	11,011	-	912	912	12.1
2017	36,539	27,341	9,198	2,036	11,234	-	912	912	12.3
2018	41,177	25,520	15,657	2,055	17,712	773	912	1,685	10.5
2019	45,561	29,937	15,624	2,458	18,082	1,410	884	2,294	7.9
2020	47,481	32,111	15,370	1,785	17,155	1,473	833	2,306	7.4

Marina Fund
Marina Revenue Bond Coverage
Last Ten Fiscal Years
(In Thousands)

2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	20,358	14,613	5,745	197	5,942	-	5,352	5,352	1.1
2017	22,050	13,975	8,075	261	8,336	-	5,634	5,634	1.5
2018	23,954	15,764	8,190	307	8,497	1,250	5,634	6,884	1.2
2019	23,698	15,802	7,896	3,033	10,929	1,400	5,571	6,971	1.6
2020	24,165	18,220	5,945	2,967	8,912	1,550	5,501	7,051	1.3

Notes:

- (1) Operating expenses exclude depreciation and amortization; non-operating income excludes interest expense. Prior year adjustments to operating expenses were made to exclude amortization.
- (2) FY20 Airport Operating Expense adjusted due to Federal Relief Funds from the CARES Act that were used to reimburse Operating Expenses.

Source: City of Long Beach, Department of Financial Management

See accompanying Independent Auditors' Report

City of Long Beach
Pledged Revenue Coverage
Tideland Operating Segment
Revenue Bond Coverage
Last Ten Fiscal Years (2)
(In Thousands)

Fiscal Year-end	Operating Revenue (4)	Operating Expenses (1)	Net Operating Income (Loss)	Non- Operating Income (Loss) (1)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements			Times Coverage
						Principal	Interest	Total	
2011	\$ 55,287	\$ 73,809	\$ (18,522)	\$ 1,524	\$ (16,998)	\$ 3,240	\$ 6,010	\$ 9,250	-
2012	28,075	51,697	(23,622)	1,555	(22,067)	3,380	5,622	9,002	-
2013	31,481	46,924	(15,443)	753	(14,690)	5,560	4,578	10,138	-
2014	32,306	59,557	(27,251)	1,157	(26,094)	3,670	4,495	8,165	-
2015	38,858	69,007	(30,149)	1,630	(28,519)	3,780	4,374	8,154	-
2016	35,565	55,280	(19,715)	1,924	(17,791)	3,915	4,229	8,144	-
2017	40,965	58,709	(17,744)	2,845	(14,899)	4,070	4,070	8,140	-
2018	40,403	66,164	(25,761)	4,986	(20,775)	4,235	3,904	8,139	-
2019	39,585	71,075	(31,490)	7,815	(23,675)	1,995	656	2,651	-
2020	40,896	84,123	(43,227)	6,971	(36,256)	2,015	617	2,632	-

Harbor Fund
Revenue Bond Coverage
Last Ten Fiscal Years (3)
(In Thousands)

2011	\$ 345,389	\$ 81,423	\$ 263,966	\$ (12,490)	\$ 251,476	\$ 42,175	\$ 37,247	\$ 79,422	3.2
2012	333,887	87,637	246,250	(2,522)	243,728	44,815	35,193	80,008	3.0
2013	346,244	97,696	248,548	(818)	247,730	46,965	33,026	79,991	3.1
2014	356,880	108,455	248,425	4,020	252,445	125,460	30,623	156,083	1.6
2015	355,450	130,013	225,437	44,386	269,823	145,215	26,558	171,773	1.6
2016	360,660	143,873	216,787	2,712	219,499	45,360	27,666	73,026	3.0
2017	381,010	142,349	238,661	8,445	247,106	44,905	27,171	72,076	3.4
2018	401,678	136,669	265,009	6,761	271,770	47,190	32,378	79,568	3.4
2019	412,273	140,144	272,129	12,277	284,406	45,965	31,059	77,024	3.7
2020	398,629	142,707	255,922	13,335	269,257	37,300	36,834	74,134	3.6

Notes:

- (1) Operating expenses exclude depreciation and amortization; non-operating income excludes interest expense.
- (2) The Long Beach Aquarium of the Pacific Lease Revenue Refunding Bonds Series 2012 were issued to (1) refund the Long Beach Aquarium of the Pacific Revenue Bonds 2001 Series bonds, (2) to fund a reserve fund for the Series 2012 Bonds, and (3) pay the costs of issuance of the Series 2012 Bonds.

Source: City of Long Beach, Department of Financial Management

City of Long Beach
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year-end	Estimated Population (1)	Personal Income (in millions) (2) (5)	Per Capita Personal Income (2) (5)	Public School Enrollment (3)	Unemployment Rate (4)
2011	462,257	13,486	29,173	84,812	13.4
2012	465,576	14,058	30,196	83,691	12.2
2013	467,646	14,757	31,556	82,256	10.3
2014	469,428	15,525	33,072	81,155	8.6
2015	473,577	16,242	34,296	79,709	6.8
2016	474,140	16,939	35,725	77,812	5.7
2017	470,130	17,490	37,203	76,428	5.3
2018	469,450	18,209	38,789	74,681	4.7
2019	467,354	18,892	40,423	73,221	4.7
2020	462,628	(6) 19,467	42,079	72,002	15.9

Sources:

(1) United States Census Bureau

(2) Bureau of Economic Analysis (BEA)

Personal income and per capita personal income are based on percentage change of per capita personal income for Los Angeles-Long Beach-Anaheim, CA (Metropolitan Statistical Area). The BEA's report does not have personal income and per capita personal income available for 2015, so an average of the last five years was used.

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

(4) Average annual rate reported by California Employment Development Department (EDD).

(5) Data from 2011 - 2014 restated due to annual revisions.

(6) Data is an estimated value from previous year.

City of Long Beach
Principal Employers
Current Year and Nine Years Ago

Ranking	Employer	Fiscal Year 2020		Ranking	Fiscal Year 2011	
		Number of Employees (1)	Percentage of Total City Employment (2)		Number of Employees (1)	Percentage of Total City Employment (2)
1	Long Beach Unified School District	12,625	5.23%	1	8,304	3.51%
2	City of Long Beach	5,503	2.28%	3	5,312	2.24%
3	Long Beach Memorial Medical Center	5,127	2.12%	4	5,805	2.45%
4	California State University Long Beach (CSULB)	3,272	1.36%	5	5,790	2.44%
5	Veteran Affairs Medical Center	3,100	1.28%	6	2,332	0.98%
6	Long Beach City College	2,719	1.13%	7	1,579	0.67%
7	The Boeing Company	1,844	0.76%	2	6,847	2.89%
8	CSULB Research Foundation	1,603	0.66%	10	1020	0.43
9	St. Mary Medical Center	1,558	0.65%	8	1,556	0.66%
10	Molina Healthcare Inc	1,227	0.51%			
	United States Postal Service			9	1,257	0.53%
	Verizon					

Sources:

(1) Department of Financial Management Accounting and Business License

(2) State of California Employment Development Department Labor Market Info for 2011 and 2020

This data was compiled from various sources by the City of Long Beach Departments of Development Services and Financial Management. Employment data is intended for use as a general guide only. The City of Long Beach does not warrant the accuracy of this data. Inquiries should be directed to the respective employer.

City of Long Beach
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Legislative and Legal	133	130	129	130	130	122	140	136	141	141
General Government ⁽¹⁾	438	424	382	398	415	513	534	556	607	718
Public Safety	1,826	1,796	1,765	1,757	1,843	1,698	1,738	1,729	1,862	1,862
Public Health	311	262	263	249	257	252	259	287	272	272
Community and Cultural ⁽¹⁾	1,094	1,038	1,020	1,046	1,121	1,006	1,040	855	1,008	1,008
Public Works	336	287	273	275	258	263	310	305	297	213
Gas Utility	195	194	202	201	198	201	209	199	183	183
Water Utility	216	225	223	217	220	224	224	248	266	266
Airport	57	96	88	88	91	97	98	103	89	89
Solid Waste Management	205	189	177	181	183	177	187	183	198	198
Towing	34	29	22	26	26	26	26	27	27	27
Tideland Oil Revenue	22	19	15	15	15	16	17	15	17	17
Harbor	445	466	469	491	529	527	536	514	509	509
Total	5,312	5,155	5,028	5,074	5,286	5,122	5,318	5,157	5,476	5,503

(1) Restated 2013 and 2014 as Library Services was included as part of General Government and should have been classified as Community and Cultural.

Source: City of Long Beach, Department of Financial Management as of September 30, 2020.

City of Long Beach
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Public Safety:					
Police priority one calls response time in minutes	4.20	4.35	4.35	4.69	4.90
Violent crime rate - per 1,000 residents	5.90	6.18	5.85	4.37	4.28
Fire on-scene arrival for emergency calls within six minutes	62.9%	60.8%	55.1%	50.0%	46.3%
Public Health:					
Percentage of beach days that are safe for swimming in summer	85%	91%	94%	97%	95%
Homeless population ratio vs. total population (1)	0.93%	0.93%	0.93%	0.75%	0.51%
Community and Cultural:					
Public library computer session log-ons	330,375	331,028	N/A	N/A	222,360
Parks, recreation programs - youth and teen attendance	744,103	745,052	636,796	760,641	779,641
Public Works:					
Number of trees trimmed	19,986	28,021	24,668	23,500	23,839
Curbs and alleys swept in miles	151,743	156,537	150,804	156,302	153,527
Sidewalk repaired in square feet	179,641	481,497	382,536	551,597	363,476
Storm drain catch basins cleaned	3,550	3,800	3,004	5,771	5,800
Gas Utility:					
Gas consumption in sales dollars-total	\$ 78,663,000	\$ 70,193,000	\$ 68,229,000	\$ 72,544,000	\$ 62,281,000
Gas consumption in cubic feet (In 000's)	9,388,000	9,135,000	9,092,000	8,183,000	7,689,000
Average daily gas consumption (MCF)	25,721	24,959	24,910	22,421	21,065
Gas mains installed/replaced/relocated in feet (2)	66,567	84,594	108,646	110,900	40,589
Gas meters installed/removed/replaced	7,150	8,664	6,093	3,529	4,440
Water Utility:					
Water daily demand in thousand gallons	50,910	52,260	53,079	52,389	47,441
Water annual demand in thousand gallons	18,581,979	19,074,861	19,373,993	19,122,012	17,315,820
Available supply total in thousand gallons	20,604,243	21,330,532	21,538,947	21,019,736	19,000,372
Sewer Utility:					
Sewer mains cleaned in miles	470	414	535	498	492
Sewer mains and laterals repaired in number of jobs	259	261	241	213	224
Airport:					
Number of commercial passengers enplaned	1,532,442	1,643,383	1,497,503	1,433,273	1,276,679
Number of commercial passengers deplaned	1,549,164	1,634,345	1,492,430	1,426,830	1,273,232
Number of aircraft landings and take offs	302,763	287,699	284,193	325,527	300,184
Solid Waste Management:					
Number of refuse tons collected	194,462	187,505	187,146	182,452	173,895
Number of recycling tons collected	180,160	172,143	169,264	169,420	161,997
SERRF tons of refuse received	460,906	474,689	470,510	459,160	447,535
SERRF energy sold to So Cal Edison megawatt-hours	208,663	220,867	226,592	223,658	200,994
Harbor:					
Number of container movements in twenty-foot equivalent units	6,298,840	5,857,218	6,647,975	6,817,590	7,087,699
Cargo in thousands of metric revenue tons	154,417	145,144	162,257	165,526	164,274
Number of ship calls	4,758	3,993	3,425	2,752	2,676

Source: City Departments

(1) The homeless population count is biannual.

(2) Restated prior years (2011-2013), due to updated reports from Gas Department.

See accompanying Independent Auditors' Report

Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Function
					Public Safety:
4.60	4.80	4.50	4.30	4.40	Police priority one calls response time in minutes
5.79	6.40	7.00	5.75	4.96	Violent crime rate - per 1,000 residents
43.4%	41.7%	41.1%	38.6%	37.0%	Fire on-scene arrival for emergency calls within six minutes
					Public Health:
94%	90%	88%	89%	86%	Percentage of beach days that are safe for swimming in summer
0.51%	0.51%	0.39%	0.40%	0.44%	Homeless population ratio vs. total population (1)
					Community and Cultural:
218,717	254,974	225,983	186,873	79,862	Public library computer session log-ons
835,358	892,556	793,226	820,748	4,062	Parks, recreation programs - youth and teen attendance
					Public Works:
19,500	23,112	21,857	22,055	25,000	Number of trees trimmed
154,300	141,132	142,851	147,316	125,254	Curbs and alleys swept in miles
333,039	296,865	603,504	537,666	306,044	Sidewalk repaired in square feet
5,800	5,800	5,800	5,800	5,800	Storm drain catch basins cleaned
					Gas Utility:
\$ 64,382,000	\$ 78,467,000	\$ 77,999,000	\$ 98,355,000	\$ 79,886,282	Gas consumption in sales dollars-total
8,542,000	9,237,000	8,802,000	9,116,009	9,113,067	Gas consumption in cubic feet (In 000's)
23,404	25,307	24,114	24,975	24,967	Average daily gas consumption (MCF)
22,556	40,737	17,327	32,032	22,279	Gas mains installed/replaced/relocated in feet
29,873	34,465	2,944	1,279	1,983	Gas meters installed/removed/replaced
					Water Utility:
46,417	45,869	47,620	44,478	50,503	Water daily demand in thousand gallons
16,942,297	16,742,192	17,381,120	16,234,549	18,433,521	Water annual demand in thousand gallons
19,412,932	19,045,926	19,172,030	17,439,187	20,238,997	Available supply total in thousand gallons
					Sewer Utility:
405	113	439	477	360	Sewer mains cleaned in miles
215	169	157	164	162	Sewer mains and laterals repaired in number of jobs
					Airport:
1,327,001	1,793,753	2,006,292	1,757,499	904,815	Number of commercial passengers enplaned
1,325,537	1,794,245	2,007,872	1,752,650	914,487	Number of commercial passengers deplaned
295,007	294,303	266,892	293,587	294,509	Number of aircraft landings and take offs
					Solid Waste Management:
187,432	193,622	185,403	192,483	202,620	Number of refuse tons collected
158,852	160,037	133,932	40,955	39,481	Number of recycling tons collected
417,169	426,430	359,752	385,541	378,016	SERRF tons of refuse received
158,400	201,438	165,702	182,342	181,000	SERRF energy sold to So Cal Edison / CAISO megawatt-hours
					Harbor:
6,946,255	7,230,758	8,000,929	7,747,251	7,660,975	Number of container movements in twenty-foot equivalent units
161,322	168,100	180,593	172,961	168,574	Cargo in thousands of metric revenue tons
2,227	2,149	2,278	2,095	2,237	Number of ship calls

City of Long Beach
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
Public Safety:				
Number of police stations	1	1	1	1
Number of police substations (full facility)	3	3	3	3
Number of police storefront stations	3	-	-	-
Number of fire stations	23	23	23	23
Community and Cultural:				
Number of parks	160	162	161	162
Parks and golf courses in acres	3,120	3,124	3,121	3,123
Number of libraries	12	12	12	12
Number of library holdings (books, videos, tapes)	888,975	818,390	782,571	798,809
Number of library circulations	1,561,713	1,551,997	1,391,825	1,391,617
Public Works:				
Street in miles	823	823	823	823
Storm drain lines in miles	180	180	180	180
Number of street lights (1)	31,000	31,000	31,550	31,550
Gas Utility:				
Gas mains in miles (2)	929	929	930	928
Water Utility:				
Water mains in miles	911	911	912	912
Number of fire hydrants	6,603	6,594	6,589	6,604
Number of water services	95,629	95,643	95,607	95,999
Sewer Utility:				
Sanitary sewers in miles	712	712	714	714
Number of manholes	16,147	16,148	16,158	16,170
Sanitary sewer pump stations	28	28	28	28
Storm drain pump stations	23	23	23	23
Harbor:				
Sanitary sewer pump stations	36	34	37	37
Storm drain pump stations	20	23	21	23
Solid Waste Management:				
Number of waste-to-energy facilities	1	1	1	1

(1) In 2008, the number of streetlights changed from 34,000 to 31,000 due to updated reports.

(2) Restated prior years (2011-2013), due to updated reports from Gas Department.

Source: City Departments

Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Function
						Public Safety:
1	1	1	1	1	1	Number of police stations
3	3	3	3	3	3	Number of police substations (full facility)
-	-	-	-	-	-	Number of police storefront stations
23	23	23	23	23	23	Number of fire stations
						Community and Cultural:
164	168	169	169	169	167	Number of parks
3,122	3,124	3,125	3,125	3,126	3,125	Parks and golf courses in acres
12	12	12	12	12	12	Number of libraries
808,957	851,614	795,629	798,760	740,442	728,829	Number of library holdings (books, videos, tapes)
1,205,523	1,233,309	1,335,819	1,302,021	1,273,997	966,790	Number of library circulations
						Public Works:
823	823	823	823	823	823	Street in miles
180	180	180	180	180	180	Storm drain lines in miles
31,337	32,283	27,439	32,481	32,502	32,480	Number of street lights (1)
						Gas Utility:
929	929	931	916	917	917	Gas mains in miles (2)
						Water Utility:
912	912	912	912	916	917	Water mains in miles
6,631	6,894	6,910	6,953	7,036	7,049	Number of fire hydrants
95,775	95,749	95,667	95,586	95,690	95,731	Number of water services
						Sewer Utility:
714	714	715	714	714	715	Sanitary sewers in miles
15,129	15,127	15,112	15,122	15,125	15,126	Number of manholes
28	28	28	28	28	28	Sanitary sewer pump stations
23	22	23	23	23	23	Storm drain pump stations
						Harbor:
37	39	39	39	39	39	Sanitary sewer pump stations
23	22	22	22	22	22	Storm drain pump stations
						Solid Waste Management:
1	1	1	1	1	1	Number of waste-to-energy facilities

See accompanying Independent Auditors' Report