NEW ISSUES – BOOK-ENTRY ONLY

STANDARD & POOR'S RATING:
Series 2015 Bonds: "AA-"
See "RATING" herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Series 2015A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Series 2015 Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2015 Bonds. See "TAX MATTERS" herein.

COUNTY OF LOS ANGELES REDEVELOPMENT REFUNDING AUTHORITY

Tax Allocation Revenue Refunding Bonds

$74,375,000
Series 2015A (Tax-Exempt)
Successor Agency to the Redevelopment Agency of the City of Long Beach Project Areas

$81,445,000
Series 2015B (Federally Taxable)
Successor Agency to the Redevelopment Agency of the City of Long Beach Project Areas

Dated: Date of Delivery **Due: As Shown on the Inside Cover Pages**

The County of Los Angeles Redevelopment Refunding Authority (the "Authority") will issue its Tax Allocation Revenue Refunding Bonds, Series 2015A (Tax-Exempt) (the "Series 2015A Bonds") and its Tax Allocation Revenue Refunding Bonds, Series 2015B (Federally Taxable) (the "Series 2015B Bonds" and, together with the Series 2015A Bonds, the "Series 2015 Bonds" or, individually, a "Series") pursuant to a Trust Agreement, dated as of July 1, 2015 (the "Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). Concurrently with the issuance of the Series 2015 Bonds, the Successor Agency to the Redevelopment Agency of the City of Long Beach (the "Agency Participant"), will issue two individual series of tax allocation refunding bonds (each a "Local Obligation" and, together, the "Local Obligations") for its Project Areas (the "Project Areas") pursuant to an Indenture of Trust, dated as of July 1, 2015 (the "Agency Indenture"), by and between the Agency Participant and U.S. Bank National Association (the "Agency Trustee"), the proceeds of which will be used to refund all or portion of certain bonds and indebtedness of the Agency Participant as more fully described herein. Proceeds of each Series of the Series 2015 Bonds will be used to purchase the related Local Obligations.

Each Series of the Series 2015 Bonds will be special, limited obligations of the Authority, payable from and secured by Revenues (as defined herein) of the Authority, consisting primarily of payments on the Local Obligations to be purchased by the Authority under the Trust Agreement and received by the Authority from the Agency Participant. Each series of Local Obligations will be payable from and secured by designated property tax revenues (formerly tax increment revenues) related to the Project Areas of the Agency Participant, which will include moneys deposited, from time to time, in the related Redevelopment Property Tax Trust Fund for the benefit of the Agency Participant as provided in the California Health and Safety Code as more fully described herein. Collectively, such designated property tax (subject to certain statutory and contractual deductions specified in the Agency Indenture) as pledged under the Agency Indenture is referred to herein as "Tax Revenues." Each Series of Local Obligations is payable from Tax Revenues on a parity with each other. Debt service on the Local Obligations will be subordinate to the payment of debt service on the Senior Bonds (as described herein). Payments on the Local Obligations to be purchased by the Authority under the Trust Agreement are calculated to be sufficient to permit the Authority to pay the principal of, premium (if any) and interest on the related Series of Series 2015 Bonds when due. The Local Obligations will be registered in the name of the Trustee under the Trust Agreement and payments on the Local Obligations will be paid to the Trustee. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS."

The Series 2015 Bonds will be issued in Authorized Denominations of $5,000 and any integral multiple thereof. The Series 2015 Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2015 Bonds. Ownership interests in the Series 2015 Bonds may be purchased in book-entry form only. Principal of and interest and redemption premium (if any) on the Series 2015 Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (defined herein) for subsequent disbursement to the Owners of the Series 2015 Bonds. See APPENDIX G – "BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Series 2015 Bonds will be subject to redemption prior to maturity, as described herein. See "THE SERIES 2015 BONDS – Redemption" herein.

THE SERIES 2015 BONDS WILL BE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE FROM AND SECURED AS TO THE PAYMENT OF THE PRINCIPAL THEREOF AND THE REDEMPTION PREMIUM, IF ANY, AND THE INTEREST THEREON IN ACCORDANCE WITH THEIR TERMS AND THE TERMS OF THE TRUST AGREEMENT, SOLELY FROM THE TRUST ESTATE ESTABLISHED UNDER THE TRUST AGREEMENT. THE SERIES 2015 BONDS SHALL NOT CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR ANY OF ITS MEMBERS, AND UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE OBLIGATED TO PAY PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON ANY SERIES OF SERIES 2015 BONDS EXCEPT FROM THE TRUST ESTATE. NEITHER THE STATE NOR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) NOR ANY MEMBER OF THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015 BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015 BONDS. THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015 BONDS DOES NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) OR ANY MEMBER OF THE AUTHORITY.

This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2015 Bonds are offered when, as and if issued, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by County Counsel as Counsel to the Authority. Certain legal matters will be passed upon for the Agency Participant by general counsel of the Agency Participant. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Series 2015 Bonds will be available for delivery through the facilities of DTC in New York, New York on or about July 23, 2015.

STIFEL citi

Dated: June 23, 2015

MATURITY SCHEDULE

COUNTY OF LOS ANGELES REDEVELOPMENT REFUNDING AUTHORITY

$74,375,000
Tax Allocation Revenue Refunding Bonds
Series 2015A (Tax-Exempt)
Successor Agency to the Redevelopment Agency
of the City of Long Beach
Project Areas

(Base CUSIP†: 54465A)

Maturity Date (August 1)	*Principal Amount*	*Interest Rate*	*Yield*	*CUSIP† No.*
2024	$5,960,000	5.000%	2.620%	FY3
2029	6,490,000	5.000	3.340 C	FZ0
2030	6,835,000	5.000	3.410 C	GA4
2031	7,200,000	5.000	3.470 C	GB2
2032	6,465,000	5.000	3.520 C	GC0
2033	6,780,000	5.000	3.570 C	GD8
2034	7,120,000	5.000	3.610 C	GE6
2035	7,480,000	5.000	3.650 C	GF3

$20,045,000 4.00% Term Bonds due August 1, 2040, Yield: 4.150%, CUSIP† GG1

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C *Yield to first optional redemption date of August 1, 2025 at par.*

$81,445,000
Tax Allocation Revenue Refunding Bonds
Series 2015B (Federally Taxable)
Successor Agency to the Redevelopment Agency
of the City of Long Beach
Project Areas

(Base CUSIP†: 54465A)

Maturity Date (August 1)	***Principal Amount***	***Interest Rate***	***Yield***	***CUSIP† No.***
2016	$5,735,000	1.074%	1.074%	FK3
2017	5,930,000	1.524	1.524	FL1
2018	5,795,000	2.063	2.063	FM9
2019	6,675,000	2.644	2.644	FN7
2020	6,875,000	2.994	2.994	FP2
2021	4,930,000	3.353	3.353	FQ0
2022	5,750,000	3.683	3.683	FR8
2023	8,825,000	3.890	3.890	FS6
2024	7,810,000	4.000	4.110	FT4
2025	5,405,000	4.000	4.260	FU1

$17,715,000 4.550% Term Bonds due August 1, 2028, Yield: 4.550%, CUSIP† FX5

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COUNTY OF LOS ANGELES

County of Los Angeles Redevelopment Refunding Authority
Tax Allocation Revenue Refunding Bonds, Series 2015A and 2015B

Board of Directors / County Board of Supervisors

Michael D. Antonovich
Fifth District, Mayor

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Don Knabe
Fourth District

Patrick Ogawa
Acting Executive Officer-Clerk
Board of Supervisors

County Officials

Sachi A. Hamai
Interim Chief Executive Officer

Mary C. Wickham
Interim County Counsel

Joseph Kelly
Treasurer and Tax Collector

John Naimo
Auditor-Controller

Keyser Marston Associates Inc.
Fiscal Consultant

KNN Public Finance, a division of Zions First National Bank
Financial Advisor

U.S. Bank National Association
Trustee

Causey Demgen & Moore P.C.
Verification Agent

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the County of Los Angeles, California (the "County"), the County of Los Angeles Redevelopment Refunding Authority (the "Authority") or the Successor Agency to the Redevelopment Agency of the City of Long Beach (the "Agency Participant"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2015 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Series 2015 Bonds. Statements contained in this Official Statement which involve estimates, projections, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth in this Official Statement has been obtained from the Authority, the County, the Agency Participant, and other sources that are believed by the Authority, the County and the Agency Participant to be reliable. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale of the Series 2015 Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Agency Participant, the County or the Authority since the date hereof. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions. Preparation of this Official Statement and its distribution have been duly authorized and approved by the Authority and the Agency Participant. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015 BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2015 BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGES HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events or circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material. Neither the Authority nor the Agency Participant plans to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur. All statements other than statements of historical facts included in this Official Statement, including Appendix A, including without limitation the statements included in such Appendix under the captions "THE PROJECT AREAS" and "SECURITY FOR THE REFUNDING BONDS" regarding the financial position, capital resources and status of the project area are forward-looking statements. Although the Agency Participant believes that the expectations reflected in its forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Important factors which could cause actual results to differ materially from expectations of the Agency Participant (collectively, the "Cautionary Statements") are disclosed under the captions "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" and in Appendix A under the caption "SPECIAL RISK FACTORS." All forward-looking statements attributable to the Agency Participant are expressly qualified in their entirety by the Cautionary Statements.

The County, the City of Long Beach and the Agency Participant described in this Official Statement each maintain their own website. However, the information presented on such websites is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2015 Bonds.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Reserve Policy."

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OFFICIAL STATEMENT

COUNTY OF LOS ANGELES REDEVELOPMENT REFUNDING AUTHORITY
Tax Allocation Revenue Refunding Bonds

$74,375,000	**$81,445,000**
Series 2015A (Tax-Exempt)	**Series 2015B (Federally Taxable)**
Successor Agency to the Redevelopment Agency of the City of Long Beach Project Areas	*Successor Agency to the Redevelopment Agency of the City of Long Beach Project Areas*

INTRODUCTION

This introduction contains only a brief summary of certain terms of the Series 2015 Bonds being offered, and a brief description of this Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California (the "State") and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions. All capitalized terms used in the forepart of this Official Statement and not otherwise defined herein have the respective meanings assigned to them in the Trust Agreement. See APPENDIX D – "SUMMARY OF TRUST AGREEMENT" attached hereto. For information regarding the Agency Participant and the terms of the Agency Indenture for the Local Obligations (each as defined below), see APPENDIX A.

General

This Official Statement, including the cover page, the inside cover pages and the appendices attached hereto (the "Official Statement"), provides certain information concerning the sale and issuance by the County of Los Angeles Redevelopment Refunding Authority (the "Authority") of its Tax Allocation Revenue Refunding Bonds, Series 2015A (Tax-Exempt) (the "Series 2015A Bonds") and its Tax Allocation Revenue Refunding Bonds, Series 2015B (Federally Taxable) (the "Series 2015B Bonds" and, together with the Series 2015A Bonds, the "Series 2015 Bonds" or, individually, a "Series"). Each Series of the Series 2015 Bonds will be issued pursuant to a Trust Agreement dated as of July 1, 2015 (the "Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee") and the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the California Government Code, as amended from time to time.

For over 50 years, State law provided for the creation of redevelopment agencies and redevelopment commissions in accordance with the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the "Law"). Once created, each was authorized to transact business and exercise its powers, all under and pursuant to the Law, including the power to issue bonds and incur indebtedness for any of its corporate purposes. As part of an effort to address structural deficits in the State's general fund budgets for its fiscal years 2011-12 and 2012-13, the State Legislature and Governor serially enacted Assembly Bill X1 26 ("AB 26") and Assembly Bill 1484 ("AB 1484") as trailer bills necessary to implement provisions of the State's budget acts for such years.

In general, this legislation dissolved redevelopment agencies ("Former RDAs") and provided for the assumption of defined enforceable obligations by successor agencies and other designated authorities

to such Former RDAs (the "Successor Agencies") under limited powers and authority. AB 1484 was enacted on June 27, 2012 as part of the Fiscal Year 2012-13 State of California budget bill. AB 1484 modified and supplemented provisions of AB 26, including provisions related to the refunding of outstanding former redevelopment agency bonds and other indebtedness, and the expenditure of remaining bond proceeds derived from redevelopment agency bonds issued on or before December 31, 2010. With respect to outstanding bonds and indebtedness, AB 1484 authorizes successor agencies to refund outstanding bonds or other indebtedness provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the bonds or other indebtedness as described herein, to establish customary debt service reserves, and to pay related costs of issuance. See "THE REFUNDING PLAN" in Appendix A for information with respect to the refunding plan.

The County Refunding Program

The County of Los Angeles (the "County") has developed a program (the "County Refunding Program") and caused the formation of the Authority to assist Successor Agencies within the County to refund tax increment obligations pursuant to AB 1484 in order to provide debt service savings and to increase property tax revenues available for distribution to affected taxing entities. Concurrently with the issuance of the Series 2015 Bonds, the Successor Agency to the Redevelopment Agency of the City of Long Beach (the "Agency Participant") will issue two individual series of tax allocation refunding bonds (each a "Local Obligation" and, together, the "Local Obligations") pursuant to an Indenture of Trust dated as of July 1, 2015 (the "Agency Indenture"), by and between the Agency Participant and U.S Bank National Association (the "Agency Trustee"), the proceeds of which will be used to refund certain bonds relating to the Agency Participant's Project Areas (the "Project Areas"), as more fully described herein. Proceeds of each Series of the Series 2015 Bonds will be used to purchase the Local Obligations.

Concurrently with the issuance of the Series 2015 Bonds, and from time to time, the Authority may issue other tax allocation revenue refunding bonds, each under a separate trust agreement and offering document, for the purpose of assisting Successor Agencies within the County, which may include the Agency Participant, to refund tax increment obligations pursuant to AB 1484 by purchasing tax allocation refunding bonds issued by such Successor Agencies. There is no cross-collateralization among any of such tax allocation revenue refunding bonds issued by the Authority.

For detailed information regarding the Agency Participant and the terms of the Agency Indenture for the Local Obligations, see "SECURITY FOR THE REFUNDING BONDS" in Appendix A.

Each Series of the Series 2015 Bonds will be special, limited obligations of the Authority, payable from and secured by Revenues (as defined herein) of the Authority, consisting primarily of payments on the Local Obligations to be purchased by the Authority under the Trust Agreement and received by the Authority from the Agency Participant. The Local Obligations consist of the: (i) Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015A (the "Series A Bonds"), and (ii) Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable) (the "Series B Bonds"). The Series 2015A Bonds will be secured solely by the payments made on the Series A Bonds and the Series 2015B Bonds will be secured solely by the payments made on the Series B Bonds.

The Series A Bonds are being issued to refund certain of the Former RDA's outstanding obligations consisting of: (i) a portion of the 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project), (ii) a portion of the 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project), (iii) all of the 2002 Tax Allocation Bonds (West Beach Redevelopment Project), (iv) a portion of the West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A, (v) a portion of the 2005 Tax Allocation Bonds (Central Long Beach Redevelopment Project), (vi) all of the 2005 Tax Allocation Bonds (Los Altos Redevelopment Project), (vii) all of the 2005 Tax Allocation Bonds (Poly High Redevelopment Project), (viii) all of the 2005 Subordinate Tax Allocation Bonds (West Beach Redevelopment Project) and (ix) a portion of the 2005 Tax Allocation Bonds (North Long Beach Redevelopment Project) (collectively, the "Series A Refunded Bonds"). The Series A Refunded Bonds were outstanding in the aggregate principal amount (including accreted value) of $95,524,901.72 as of August 1, 2014.

The Series B Bonds are being issued to refund certain of the Former RDA's outstanding obligations consisting of: (i) the remaining portion of the 2005 Tax Allocation Bonds (Central Long Beach Redevelopment Project), (ii) all of the 2005 Tax Allocation Bonds (Housing Projects) (iii) the remaining portion of the 2005 Tax Allocation Bonds (North Long Beach Redevelopment Project) (collectively, the "Series B Refunded Bonds," and with the Series A Refunded Bonds, the "Refunded Bonds"). The Series B Refunded Bonds are currently outstanding in the aggregate principal amount of $90,215,000.00.

Each series of Local Obligations will be payable from and secured by designated property tax revenues (formerly tax increment revenues) related to the Project Areas as specified in the Agency Indenture, which will include moneys deposited, from time to time, in the related Redevelopment Property Tax Trust Fund ("RPTTF") attributable to the Agency Participant and the Project Areas, as provided in California Health and Safety Code section 34183, as more fully described herein. The Agency Indenture specifies the property tax revenues pledged. Collectively, such designated property tax (subject to certain statutory and contractual deductions specified in the Agency Indenture) as pledged under the Agency Indenture is referred to herein as "Tax Revenues."

Under the Agency Indenture, Tax Revenues is defined to mean: "all taxes annually allocated within the Plan Limit and paid to the Agency Participant pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law, Section 16 of Article XVI of the Constitution of the State and other applicable state laws and as provided in the Redevelopment Plan available and deposited in the RPTTF, subject to the prior application and lien in favor of the Senior Bonds, or payable with respect to Pass-Through Agreements or in accordance with Section 33607.5 or Section 33607.7 or Section 33676 of the Law.

If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness pursuant to California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution. Other bonds of the Agency Participant currently have, and future bonds and obligations will have, a parity claim on moneys deposited into the RPTTF so long as the requirements of the Dissolution Act have been satisfied.

Each Series of Local Obligations is payable from Tax Revenues on a parity with each other. Debt service on the Local Obligations will be subordinate to the payment of debt service on the Former RDA's: (i) Downtown Redevelopment Project Tax Allocation Refunding Bonds, Series 1992A; (ii) West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds, Series 1992; (iii) Downtown

Redevelopment Project Tax Allocation Refunding Bonds 2002 Series B; (iv) the unrefunded portion of the West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A, (v) the remaining portion of the 2002 Subordinate Tax Allocation Bonds, (Downtown Redevelopment Project), (vi) the remaining portion of the 2002 Tax Allocation Bonds, (North Long Beach Redevelopment Project), (vii) Taxable Recovery Zone Economic Development Bonds, 2010 Series A (North Long Beach Redevelopment Project; and (viii) Taxable Build America Bonds, 2010 Series B (North Long Beach Redevelopment Project (collectively, the "Senior Bonds"). The Senior Bonds are currently outstanding in the aggregate principal amount of $113,925,000.00. Payments on the Local Obligations to be purchased by the Authority under the Trust Agreement are calculated to be sufficient to permit the Authority to pay the principal of, premium (if any) and interest on the related Series of Series 2015 Bonds when due. The Local Obligations will be registered in the name of the Trustee and Local Obligation payments will be paid to the Trustee under the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS" herein.

This Official Statement describes two Series of Series 2015 Bonds, each secured by and issued under the Trust Agreement and secured by and payable from Revenues (as defined herein).

The County Intercept

In order to assist the Agency Participant, the County Auditor-Controller and the County Treasurer and Tax Collector have accepted the irrevocable direction of the Agency Participant to transfer on or about each January 2 and June 1 to an account of the Agency Participant, held by the Agency Trustee under the Agency Indenture, all amounts set forth in any duly approved ROPS with respect to principal and interest payments due on the Local Obligations and any senior obligations, including the Senior Bonds, and any deficiency in the reserve account for the Local Obligations. Such transfers to the Agency Trustee shall be made after the payment of unsubordinated pass-through obligations to local taxing entities, if any, as provided in Section 34183(a) of the California Health and Safety Code. The Authority has covenanted to take such actions as may be reasonable and necessary to compel the County Auditor-Controller and the County Treasurer and Tax Collector to comply with the irrevocable direction of the Agency Participant to make such transfers. However, no assurance can be given that a court would order the County Auditor-Controller and the County Treasurer and Tax Collector to continue to make such transfers if either or both refused to do so. The Agency Participant remains obligated under the Agency Indenture to take all actions required under the Dissolution Act to include on its ROPS for each six-month period (or twelve-month period if then applicable under the Dissolution Law (see "RISK FACTORS – State Budget" for a discussion of the Governor's proposal to transition successor agencies to an annual ROPS process instead of a biannual process)) all payments expected to be made to the Agency Trustee in order to satisfy the requirements of the Agency Indenture, including any amounts required to pay principal and interest payments due on the Local Obligations, any deficiency in the reserve account for the Local Obligations to the debt service reserve requirement, and any Compliance Costs (as defined in this Official Statement).

Terms of the Series 2015 Bonds

The Series 2015 Bonds will be issued in Authorized Denominations of $5,000 and any integral multiple thereof. The Series 2015 Bonds will be dated the date of original delivery thereof and will bear interest payable semiannually on February 1 and August 1, commencing on February 1, 2016. Principal on the Series 2015 Bonds will be due on August 1, as shown on the inside cover.

The Series 2015 Bonds will be issued in fully-registered form only, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2015 Bonds. Ownership interests in the Series 2015 Bonds may be purchased in book-entry form only. Principal of and interest on the Series 2015 Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Participants (defined herein) for subsequent disbursement to the Owners of the Series 2015 Bonds. See APPENDIX G – "BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Series 2015 Bonds will be subject to redemption prior to maturity, as described herein. See "THE SERIES 2015 BONDS – Redemption" herein.

Security and Sources of Payment for the Series 2015 Bonds

The Series 2015 Bonds will be special limited obligations of the Authority, payable from and secured as to the payment of the principal, redemption premium (if any) and interest thereon in accordance with their terms and the terms of the Trust Agreement, solely from (i) the Revenues (as defined below); (ii) the amounts in the funds and accounts established under and as specified in the Trust Agreement (except amounts in the Rebate Fund and the Expense Account held in connection with the Series 2015A Bonds), and (iii) the Local Obligations purchased from proceeds of the related Series of Series 2015 Bonds (collectively, the "Trust Estate"). Under the Trust Agreement, "Revenues" is defined to mean all amounts received by the Trustee as the payment of interest or redemption premium on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, all Local Obligations purchased from proceeds of such Series of Series 2015 Bonds, whether as a result of scheduled payments or redemptions or remedial proceedings taken in the event of a default thereon, and all investment earnings on any moneys held in the funds or accounts established under the Trust Agreement, except the Rebate Fund and the Expense Account held in connection with the Series 2015 Bonds.

The Series 2015 Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of, premium (if any) and interest on any Series of Series 2015 Bonds except from the Trust Estate. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of, premium (if any) and interest on the Series 2015 Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of, premium (if any) and interest on the Series 2015 Bonds. The payment of the principal of, premium (if any) and interest on the Series 2015 Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority. See APPENDIX D – "SUMMARY OF TRUST AGREEMENT" attached hereto.

Each series of Local Obligations will be special limited obligations of the Agency Participant and is payable, as to principal, redemption premium (if any) and interest thereon, exclusively from the Tax Revenues under, and to the extent described in, the Agency Indenture, and the Agency Participant is not obligated to pay such principal of, premium (if any) and interest on the Local Obligations except from such Tax Revenues. See Appendix A for a description of the lien of Tax Revenues for the Project Areas, including a description of any superior claims and liens on such Tax Revenues. Each series of Local Obligations will be payable as set forth in the Agency Indenture, is not a debt of the City of Long Beach, the County, the State or any other political subdivision of the State, and none of the City of Long Beach, the State, the County nor any of the State's other political subdivisions is liable therefor, nor in any event shall a series of Local Obligations be payable out of any funds or properties other than those of the Agency Participant pledged therefor as provided in the Agency Indenture.

The Series 2015A Bonds will be secured solely by the payments made on the Series A Bonds and the Series 2015B Bonds will be secured solely by the payments made on the Series B Bonds. All of the obligations of the Agency Participant and the Project Areas with respect to the Local Obligations are not general obligations of the Agency Participant or Former RDA, but are limited obligations of the Agency Participant and the Project Areas, payable solely from the Tax Revenues under, and to the extent described in, the Agency Indenture and the funds pledged therefor under the Agency Indenture, as applicable.

For information regarding the Agency Participant and the Agency Indenture, see Appendix A under the caption "SECURITY FOR THE REFUNDING BONDS."

Reserve Account under Agency Indenture

Upon the issuance of the Local Obligations, the Reserve Policy will be deposited into the reserve account established under the Agency Indenture in an amount equal to the debt service reserve requirement for the Local Obligations. For information regarding the reserve account relating to the Agency Indenture and the Project Areas, see Appendix A under the heading "Reserve Account" under the caption "SECURITY FOR THE REFUNDING BONDS."

Reserve Policy

Assured Guaranty Municipal Corp. ("AGM") will issue a municipal bond debt service reserve insurance policy (the "Reserve Policy") for the Local Obligations as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS –Reserve Policy" and Appendix A under the heading "Reserve Account" under the caption "SECURITY FOR THE REFUNDING BONDS."

Additional Bonds

The Trust Agreement does not authorize the issuance of additional bonds or parity debt. There is limited authority under the Agency Indenture for the Agency Participant to issue additional bonds. The Dissolution Act in its current form does not permit a successor agency issuing bonds or incurring other indebtedness for purposes other than refunding existing enforceable obligations or outstanding bonds of the agency resulting in savings. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS" herein and Appendix A under the heading "Parity Debt Limited to Refunding Bonds" under the caption "SECURITY FOR THE REFUNDING BONDS."

The County

The County is located in the southern coastal portion of the State and covers 4,084 square miles. The County was established under an act of the State Legislature on February 18, 1850. It is the most populous county in the nation and is more populous than 43 states. The economy of the County is diversified and includes manufacturing, technology, world trade, financial services, motion picture and television production, and tourism.

The Authority

The Authority was formed pursuant to a Joint Exercise of Powers Agreement, dated August 6, 2013 (the "JPA Agreement"), by and between the County and the Los Angeles County Public Works Financing Authority, a joint exercise of powers authority formed pursuant to a Joint Exercise of Powers Agreement, dated May 18, 1993, as amended by a Certificate of Amendment dated April 26, 1994 and a Certificate of Amendment dated October 22, 1996, to purchase certain local tax allocation obligations issued by successor agencies to former community redevelopment agencies within the County as described in Section 34173 of the California Health and Safety Code, as amended, and other purposes, including refunding any of its then-outstanding bonds.

Continuing Disclosure

The Agency Participant will covenant and agree for the benefit of Owners and any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2015 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) (the "Beneficial Owners") to provide certain financial information and operating data relating to the Agency Participant by not later than 180 days after the end of the Agency Participant's fiscal year (presently September 30) in each year commencing with its report for the 2014-15 Fiscal Year. The Authority will covenant and agree to provide notices of the occurrence of certain enumerated events. See "CONTINUING DISCLOSURE" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE AGREEMENT." For information regarding the Agency Participant and the Continuing Disclosure Agreement, see Appendix A under the heading "Continuing Disclosure" under the initial captions describing the Agency Participant.

The Authority as Dissemination Agent

The Authority has agreed to assist the Agency Participant in the preparation of annual updates of the information contained in the tables included in this Official Statement with respect to property tax revenues, collections, principal taxpayers, and, if applicable, plan limit calculations. The Agency Participant will agree to be responsible for preparing the audited financial statements required under the Continuing Disclosure Agreement. The Authority will act as Dissemination Agent (the "Dissemination Agent") and will file the annual reports, including audited financial statements, and notices with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA"), including notices of enumerated events. In carrying out the duties of Dissemination Agent, the Authority will adhere to the continuing disclosure procedures approved by the County Treasurer and Tax Collector.

REFUNDING OF AGENCY OBLIGATIONS

Proceeds of each Series of the Series 2015 Bonds will be used by the Authority to purchase the Local Obligations. The Local Obligations are being issued to (i) refund the Refunded Bonds, (ii) fund a deposit to, or purchase a surety for deposit to, a reserve account under the Agency Indenture for the benefit of the related Series of Series 2015 Bonds, and (iii) pay costs of issuance of the Local Obligations and the related Series of Series 2015 Bonds. The Refunded Bonds were originally issued to finance or refinance improvements for the benefit of the Project Areas. For information regarding the Agency Participant and the refunding plan, see Appendix A under the caption "THE REFUNDING PLAN."

The following tables detail the principal amount of each Local Obligation, final maturity of each Local Obligation, and the principal amount of Refunded Bonds to be refunded.

Series 2015A Bonds

Local Obligation	***Local Obligation Amount***	***Refunded Bond Amount***[1]	***Final Maturity***
Series A Bonds	$74,375,000	$94,024,649.40	2040

Series 2015B Bonds

Local Obligation	***Local Obligation Amount***	***Refunded Bond Amount***[1]	***Final Maturity***
Series B Bonds	$81,445,000	$90,215,000.00	2028

(1) Principal amount at the prepayment date.

On the date of issuance of the Series 2015 Bonds and the Local Obligations, a portion of the proceeds will be transferred, pursuant to irrevocable escrow instructions (each an "Escrow Instruction"), to a prior trustee (each, a "Prior Trustee") for each respective series of Refunded Bonds for deposit into redemption accounts previously established for each of the Refunded Bonds (the "Redemption Accounts"). The amount deposited pursuant to each Escrow Instruction, together with other available moneys, will be held uninvested, or invested in certain Federal Securities, and irrevocably pledged for the payment of the related Refunded Bonds on the first date for which redemption can be duly noticed. See Appendix A with respect to the refunding plan under the caption "THE REFUNDING PLAN."

The amounts held by the Prior Trustee for the respective Refunded Bonds in the Redemption Accounts are pledged solely to the payment of amounts due and payable by the Agency Participant under the respective Refunded Bonds. The funds irrevocably deposited in the Redemption Accounts for the Refunded Bonds will not be available for the payment of debt service on the Local Obligations or the Series 2015 Bonds.

See "ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2015 BONDS" below. See also "VERIFICATION OF MATHEMATICAL ACCURACY" below.

ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2015 BONDS

The proceeds of the Series 2015 Bonds are expected to be applied approximately as set forth below. Costs of issuance, which includes legal fees, printing costs, rating agency fees, underwriters' discount, and other miscellaneous expenses will be paid from proceeds of the Local Obligations.

	Series 2015A Bonds	*Series 2015B Bonds*	*Total*
Sources of Funds:			
Principal Amount of Series 2015 Bonds	$74,375,000.00	$81,445,000.00	$155,820,000.00
Net Original Issue Premium/(Discount)	6,700,245.45	(178,075.60)	6,522,169.85
Less Underwriters' Discount	(332,354.73)	(404,528.31)	(736,883.04)
Amounts released from prior obligations [1]	15,657,775.65	13,819,399.77	29,477,175.42
TOTAL SOURCES	$96,400,666.37	$94,681,795.86	$191,082,462.23
Uses of Funds:			
Purchase of Local Obligations [2]	$96,400,666.37	$94,681,795.86	$191,082,462.23
TOTAL USES	$96,400,666.37	$94,681,795.86	$191,082,462.23

[1] Includes amounts released from indentures securing certain Refunded Bonds including unspent bond proceeds and existing balances in the debt service funds in excess of required reserves.

[2] For more information, see the sources and uses of funds for each of the Local Obligations in the following two tables.

The proceeds of the Series 2015A Bonds are expected to be applied approximately as set forth below. Underwriters' discount and costs of issuance, which includes legal fees, printing costs, rating agency fees, underwriters' discount, and other miscellaneous expenses will be paid from proceeds of the Local Obligations.

	Series A Bonds
Sources of Funds:	
Principal Amount of Series 2015A Bonds	$74,375,000.00
Net Original Issue Premium	6,700,245.45
Less Original Purchaser's Discount	(332,354.73)
Amounts released from prior obligations [1]	15,657,775.65
TOTAL SOURCES	$96,400,666.37
Uses of Funds:	
Deposit to Redemption Accounts	$96,008,087.37
Share of Costs of Issuance [2]	392,579.00
TOTAL USES	$96,400,666.37

[1] Includes amounts released from indentures securing the Series A Refunded Bonds including unspent bond proceeds and existing balances in the debt service funds in excess of required reserves.

[2] Includes cost of share of debt service reserve fund policy, trustee and prior trustee fees, rating agency fees, bond counsel fees, financial advisor fees, printing costs and other miscellaneous expenses.

The proceeds of the Series 2015B Bonds are expected to be applied approximately as set forth below. Underwriters' discount and costs of issuance, which includes legal fees, printing costs, rating agency fees, underwriters' discount, and other miscellaneous expenses will be paid from proceeds of the Local Obligations.

	Series B Bonds
Sources of Funds:	
Principal Amount of Series 2015B Bonds	$81,445,000.00
Less Original Issue Discount	(178,075.60)
Less Original Purchaser's Discount	(404,528.31)
Amounts released from prior obligations [(1)]	13,819,399.77
TOTAL SOURCES	$94,681,795.86
Uses of Funds:	
Deposit to Redemption Accounts	$94,305,845.75
Share of Costs of Issuance [(2)]	375,950.11
TOTAL USES	$94,681,795.86

(1) Includes amounts released from the indentures securing the Series B Refunded Bonds including existing balances in the debt service funds in excess of required reserves.

(2) Includes share of debt service reserve fund policy, trustee and prior trustee fees, rating agency fees, bond counsel fees, financial advisor fees, printing costs and other miscellaneous expenses.

DEBT SERVICE SCHEDULES

The following table sets forth the debt service schedules and aggregate debt service for the Series 2015A Bonds and the Series 2015B Bonds, assuming no prepayments or redemptions. Each series of Local Obligations has its own payment schedule which, in the aggregate, has been sized to equal debt service on the related Series of Series 2015 Bonds.

	Series 2015A Bonds			*Series 2015B Bonds*		
Bond Year Ending (August 1)	***Principal***	***Interest***	***Total***	***Principal***	***Interest***	***Total***
2016	$ --	$ 3,596,484.44	$ 3,596,484.44	$ 5,735,000.00	$ 2,769,039.37	$ 8,504,039.37
2017	--	3,518,300.00	3,518,300.00	5,930,000.00	2,647,248.96	8,577,248.96
2018	--	3,518,300.00	3,518,300.00	5,795,000.00	2,556,875.76	8,351,875.76
2019	--	3,518,300.00	3,518,300.00	6,675,000.00	2,437,324.90	9,112,324.90
2020	--	3,518,300.00	3,518,300.00	6,875,000.00	2,260,837.90	9,135,837.90
2021	--	3,518,300.00	3,518,300.00	4,930,000.00	2,055,000.40	6,985,000.40
2022	--	3,518,300.00	3,518,300.00	5,750,000.00	1,889,697.50	7,639,697.50
2023	--	3,518,300.00	3,518,300.00	8,825,000.00	1,677,925.00	10,502,925.00
2024	5,960,000.00	3,518,300.00	9,478,300.00	7,810,000.00	1,334,632.50	9,144,632.50
2025	--	3,220,300.00	3,220,300.00	5,405,000.00	1,022,232.50	6,427,232.50
2026	--	3,220,300.00	3,220,300.00	5,630,000.00	806,032.50	6,436,032.50
2027	--	3,220,300.00	3,220,300.00	5,895,000.00	549,867.50	6,444,867.50
2028	--	3,220,300.00	3,220,300.00	6,190,000.00	281,645.00	6,471,645.00
2029	6,490,000.00	3,220,300.00	9,710,300.00	--	--	--
2030	6,835,000.00	2,895,800.00	9,730,800.00	--	--	--
2031	7,200,000.00	2,554,050.00	9,754,050.00	--	--	--
2032	6,465,000.00	2,194,050.00	8,659,050.00	--	--	--
2033	6,780,000.00	1,870,800.00	8,650,800.00	--	--	--
2034	7,120,000.00	1,531,800.00	8,651,800.00	--	--	--
2035	7,480,000.00	1,175,800.00	8,655,800.00	--	--	--
2036	3,700,000.00	801,800.00	4,501,800.00	--	--	--
2037	3,850,000.00	653,800.00	4,503,800.00	--	--	--
2038	4,005,000.00	499,800.00	4,504,800.00	--	--	--
2039	4,160,000.00	339,600.00	4,499,600.00	--	--	--
2040	4,330,000.00	173,200.00	4,503,200.00	--	--	--
Totals	$74,375,000.00	$62,534,884.44	$136,909,884.44	$81,445,000.00	$22,288,359.79	$103,733,359.79

Source: The Underwriters.

DEBT SERVICE COVERAGE FROM LOCAL OBLIGATIONS

The following tables set forth the debt service schedules and aggregate debt service for the Series 2015A Bonds and the Series 2015B Bonds, assuming no prepayments or redemptions other than sinking fund redemption.

Debt Service Coverage - Series 2015A Bonds

Year Ending (August 1)	*Series A Debt Service*	*Total Series 2015A Bonds Debt Service*	*Debt Service Coverage*
2016	$3,596,484.44	$3,596,484.44	100%
2017	3,518,300.00	3,518,300.00	100
2018	3,518,300.00	3,518,300.00	100
2019	3,518,300.00	3,518,300.00	100
2020	3,518,300.00	3,518,300.00	100
2021	3,518,300.00	3,518,300.00	100
2022	3,518,300.00	3,518,300.00	100
2023	3,518,300.00	3,518,300.00	100
2024	9,478,300.00	9,478,300.00	100
2025	3,220,300.00	3,220,300.00	100
2026	3,220,300.00	3,220,300.00	100
2027	3,220,300.00	3,220,300.00	100
2028	3,220,300.00	3,220,300.00	100
2029	9,710,300.00	9,710,300.00	100
2030	9,730,800.00	9,730,800.00	100
2031	9,754,050.00	9,754,050.00	100
2032	8,659,050.00	8,659,050.00	100
2033	8,650,800.00	8,650,800.00	100
2034	8,651,800.00	8,651,800.00	100
2035	8,655,800.00	8,655,800.00	100
2036	4,501,800.00	4,501,800.00	100
2037	4,503,800.00	4,503,800.00	100
2038	4,504,800.00	4,504,800.00	100
2039	4,499,600.00	4,499,600.00	100
2040	4,503,200.00	4,503,200.00	100

Source: The Underwriters.

Debt Service Coverage - Series 2015B Bonds

Year Ending (August 1)	*Series B Debt Service*	*Total Series 2015B Bonds Debt Service*	*Debt Service Coverage*
2016	$ 8,504,039.37	$ 8,504,039.37	100%
2017	8,577,248.96	8,577,248.96	100
2018	8,351,875.76	8,351,875.76	100
2019	9,112,324.90	9,112,324.90	100
2020	9,135,837.90	9,135,837.90	100
2021	6,985,000.40	6,985,000.40	100
2022	7,639,697.50	7,639,697.50	100
2023	10,502,925.00	10,502,925.00	100
2024	9,144,632.50	9,144,632.50	100
2025	6,427,232.50	6,427,232.50	100
2026	6,436,032.50	6,436,032.50	100
2027	6,444,867.50	6,444,867.50	100
2028	6,471,645.00	6,471,645.00	100

Source: The Underwriters.

As can be seen in the tables above, each series of Local Obligations has its own payment schedule which, in the aggregate, equals debt service on the related Series of Series 2015 Bonds. Keyser Marston Associates Inc., Los Angeles, California (the "Fiscal Consultant") has been retained to estimate the incremental taxable value for the Project Areas as set forth in the Fiscal Consultant's Report appearing in Appendix B. See Appendix A under the caption "THE PROJECT AREAS – Estimated Debt Service Coverage" for projections of tax increment revenues and debt service coverage on the Local Obligations.

To estimate the revenues available to pay debt service on the Local Obligations, the Fiscal Consultant has made certain assumptions with regard to the assessed valuations in the Project Areas, future tax rates and percentage of taxes collected. The Agency Participant believes these assumptions to be reasonable, but to the extent that the assessed valuation, the tax rates or the percentage of taxes collected are less than such assumptions, the Tax Revenues available to pay debt service on its Local Obligations will likely be less than those projected. No assurance can be given that the aggregate coverage projections with respect to such Local Obligations as shown in Appendix A will be met.

THE SERIES 2015 BONDS

The following is a summary of certain provisions of the Series 2015 Bonds. Reference is made to the Series 2015 Bonds for the complete text thereof and to the Trust Agreement for a more detailed description of such provisions. The discussion herein is qualified by such reference. See APPENDIX D – "SUMMARY OF TRUST AGREEMENT" attached hereto.

Authority for Issuance

Each Series of the Series 2015 Bonds will be special, limited obligations of the Authority payable from and secured by Revenues which will consist primarily of payments made on the Local Obligations to be purchased by the Authority under the Trust Agreement. The Local Obligations will be purchased by the Authority pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the California Government Code, as amended from time to time (the "Marks-Roos Law"). The Series 2015 Bonds are being issued pursuant to the provisions of the Marks-Roos Law, a Resolution adopted by the Authority and the Trust

Agreement. The Local Obligations will be registered in the name of the Trustee and will be pledged under the Trust Agreement to secure payment of the Series 2015 Bonds.

General

The Series 2015 Bonds will be issued in Authorized Denominations of $5,000 and any integral multiple thereof. The Series 2015 Bonds will be dated the date of original delivery thereof and will bear interest payable semiannually on February 1 and August 1, commencing on February 1, 2016. Principal on the Series 2015 Bonds will be due on August 1, as shown on the inside cover.

The Series 2015 Bonds will be delivered in fully-registered form only, and when delivered, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Series 2015 Bonds. Ownership interests in the Series 2015 Bonds may be purchased in book-entry form only. Principal of and interest and premium (if any) on the Series 2015 Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payments to its Direct Participants (defined herein) for subsequent disbursement to the Owners of the Series 2015 Bonds. See APPENDIX G – "BOOK-ENTRY ONLY SYSTEM" attached hereto.

The principal of, premium (if any) and interest on the Series 2015 Bonds will be payable by check in lawful money of the United States of America. The Series 2015 Bonds will be issued as fully registered bonds in Authorized Denominations and will be numbered as the Authority will determine. The Series 2015 Bonds will bear interest from their date of initial delivery. Payment of the interest on any Series 2015 Bond will be made to the Person whose name appears on the Bond Register as the Owner thereof as of the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars ($1,000,000) or more in aggregate principal amount of Bonds, upon written request of such Owner to the Trustee under the Trust Agreement, in form satisfactory to the Trustee, received not later than the Record Date, such interest will be paid on the Interest Payment Date in immediately available funds by wire transfer. The principal and redemption premium (if any) on the Series 2015 Bonds will be payable at the Principal Corporate Trust Office of the Trustee upon presentation and surrender of such Series 2015 Bonds. Notwithstanding the foregoing, so long as DTC or its nominee is the registered owner of the Series 2015 Bonds, interest payments will be made as described in APPENDIX G – "BOOK-ENTRY ONLY SYSTEM" attached hereto.

Redemption

Mandatory Redemption from Optional Local Obligation Prepayments for Series 2015A Bonds. The Series 2015A Bonds will be subject to mandatory redemption on or after August 1, 2025, in whole or in part on any date, from and to the extent of any Prepayments with respect to the Series A Bonds, at a redemption price equal to the principal amount of the Series 2015A Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption. For a summary of terms of redemption of the Local Obligations, see Appendix A under "THE REFUNDING BONDS – Redemption of the Refunding Bonds."

No Mandatory Redemption from Optional Local Obligation Prepayments for Series 2015B Bonds. The Series 2015B Bonds are not subject to mandatory redemption from Prepayments with respect to the Series B Bonds. For a summary of terms of redemption of the Local Obligations, see Appendix A under "THE REFUNDING BONDS – Redemption of the Refunding Bonds."

Mandatory Redemption of Series 2015A Bonds from Sinking Fund Installments. The Series 2015A Bonds maturing on August 1, 2040 are subject to mandatory redemption in part by lot on August 1 in each year commencing August 1, 2036, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

Series 2015A Term Bonds Maturing on August 1, 2040

Redemption Date	***Principal Amount***
August 1, 2036	$3,700,000
August 1, 2037	3,850,000
August 1, 2038	4,005,000
August 1, 2039	4,160,000
August 1, 2040*	4,330,000

* Stated Maturity

In the event that Series 2015A Bonds subject to mandatory redemption are redeemed in part prior to their stated maturity date from any moneys other than Principal Installments, the remaining Principal Installments for such Series 2015A Bonds will be reduced as directed by the Authority.

Mandatory Redemption of Series 2015B Bonds from Sinking Fund Installments. The Series 2015B Bonds maturing on August 1, 2028 are subject to mandatory redemption in part by lot on August 1 in each year commencing August 1, 2026, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

Series 2015B Term Bonds Maturing on August 1, 2028

Redemption Date	***Principal Amount***
August 1, 2026	$5,630,000
August 1, 2027	5,895,000
August 1, 2028*	6,190,000

* Stated Maturity

General Terms for Mandatory Redemption from Optional Local Obligation Prepayments. The Agency Indenture provides, in order to effect such optional redemption of the respective Series of Series 2015 Bonds, that the Agency Participant will deliver to the Agency Trustee (i) a Written Request of the Agency Participant specifying (A) the maturity or maturities, and the principal amount or amounts (or portion thereof), of the Series 2015 Bonds to be mandatorily redeemed from such Prepayment (the "Callable Authority Bonds"), (B) the date on which such Callable Authority Bonds are to be mandatorily redeemed from such Prepayment (which redemption date will be a date on which such Callable Authority Bonds are subject to mandatory redemption from optional Local Obligation prepayments (the "Prepayments")) pursuant to the Trust Agreement, (C) the amount of each mandatory sinking fund installment for the Series 2015 Bonds to be Outstanding after the date of such mandatory redemption from such Prepayments, and (D) the amount of the Prepayment (or redemption price) necessary to cause such mandatory redemption of such Callable Authority Bonds, and (ii) a Cash Flow Certificate of an Independent Financial Consultant (A) demonstrating that, if such Prepayment is allocated and applied to the redemption of the respective Local Obligations as provided in the paragraph immediately below, the debt service on the respective Local Obligations, together with the debt service payable on all other Local Obligations (as defined in the Trust Agreement), payable on each Interest Payment Date after such redemption date will be sufficient, but not materially more than sufficient, to pay debt service on the

Series 2015 Bonds to be Outstanding on such Interest Payment Date, (B) specifying the principal amount, as of such redemption date, of the respective Local Obligations, or portion thereof, to the optional redemption of which such Prepayment is to be allocated and applied as provided in the paragraph immediately below, (C) specifying the amount of the redemption premium, if any, to be paid in connection with such optional redemption of the respective Local Obligations, or portion thereof, to which such Prepayment is to be allocated and applied as provided in the paragraph immediately below, and (D) specifying the principal amount, and the amount of each mandatory sinking fund installment, as of such redemption date, of each respective Local Obligations that will remain Outstanding if such Prepayment is allocated and applied to the redemption of the respective Local Obligations on such redemption date as provided in the paragraph immediately below, which Written Request of the Agency Participant and Cash Flow Certificate of such Independent Financial Consultant will be delivered to the Agency Trustee at least 35 days prior to such redemption date, or such later date as will be acceptable to the Agency Trustee.

No later than three (3) Business Days preceding the date specified in a Written Request of the Agency Participant delivered pursuant to the paragraph immediately above as the date on which Callable Authority Bonds are to be mandatorily redeemed from optional Local Agency Prepayments pursuant to the Trust Agreement, the Agency Participant will deliver to the Agency Trustee an amount equal to the amount of the Prepayment specified in such Written Request of the Agency Participant and, on such redemption date, the Agency Trustee will pay such amount to the Trustee under the Trust Agreement, on behalf of the owners of such Callable Authority Bonds. Upon the payment by the Agency Trustee to the Trustee under the Trust Agreement of such amount representing such Prepayment (i) the Local Obligations, or portion thereof, debt service on which would have, after such redemption date, been applied to the payment of debt service on such Callable Authority Bonds will, as of such redemption date, be deemed to have been optionally redeemed pursuant to the Agency Indenture, and will be considered to have been optionally redeemed pursuant to the Agency Indenture, in an amount equal to the principal amount of the Local Obligations, or portion thereof, as of such redemption date, and (ii) the remainder of (A) such Prepayment, less (B) accrued interest, if any, thereon and such principal amount of such respective Local Obligations, or portion thereof, as of such redemption date, will be deemed to be, and will be considered to be, the redemption premium paid in connection with such optional redemption of such respective Local Obligations, or portion thereof.

The Authority will give the Trustee written notice of the redemption of Series 2015 Bonds from optional Local Agency Prepayments not less than 35 days prior to the applicable redemption date, unless a later date is agreed to by the Trustee. Such written notice will be accompanied by the Written Request of the Agency Participant (as defined in the Agency Indenture) required to be delivered pursuant to, and the Cash Flow Certificate of an Independent Financial Consultant required to be filed pursuant to, the Agency Indenture, and no such redemption of Series 2015 Bonds will occur unless such written notice is so accompanied by such Written Request of the Agency Participant and such Cash Flow Certificate of an Independent Financial Consultant. In the event that the Agency Trustee will mail notice of the redemption of any Local Obligations that will produce Prepayments with respect to Series 2015 Bonds, the Trustee will concurrently mail notice of the redemption of Series 2015 Bonds from optional Local Agency Prepayments, such redemption to occur on the date fixed for such redemption of such Local Obligations. On the date of such redemption of the Local Obligations, the proceeds of such redemption will be applied by the Trustee to pay the redemption price of Series 2015 Bonds from optional Local Agency Prepayments.

Mandatory Redemption as a Result of Acceleration. The Series 2015 Bonds may be subject to mandatory redemption, in whole or in part on any date, from and to the extent of any amounts received with respect to any Local Obligations as a result of the acceleration of amounts due on such Local Obligations upon an event of default under the Agency Indenture, at a redemption price equal to the

principal amount of the Series 2015 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption. Whenever less than all of the Series 2015 Bonds of a Series are to be redeemed as a result of acceleration, the Trustee will, on or prior to the redemption date, receive a Cash Flow Certificate specifying the maturity or maturities of such Series 2015 Bonds to be redeemed and showing that the remaining payments of principal of and interest on the Local Obligations, together with other Revenues available under the Trust Agreement, will be sufficient to pay on a timely basis the principal of and the interest on the Series 2015 Bonds not so redeemed when due.

Notice of Redemption. In the case of any redemption of Series 2015 Bonds, the Trustee will give notice under the Trust Agreement that the Series 2015 Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Series 2015 Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Series 2015 Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Principal Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on such Series of Series 2015 Bonds, or portions thereof, so to be redeemed will cease to accrue on and after such date and that from and after such date such Series 2015 Bond or such portion will no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof will have no rights in respect of such redeemed Series 2015 Bond or such portion except to receive payment from such moneys of such redemption price plus accrued interest to the date fixed for redemption.

Such notice will be mailed by first class mail, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, to the Security Depository, the MSRB and the Owners of such Series 2015 Bonds, or portions thereof, so called for redemption, at their respective addresses as the same will last appear on the Bond Register. No notice of redemption need be given to the Owner of a Series 2015 Bond to be called for redemption if such Owner waives notice thereof in writing, and such waiver is filed with the Trustee prior to the redemption date. Neither the failure of an Owner to receive notice of redemption of Series 2015 Bonds under the Trust Agreement nor any error in such notice will affect the validity of the proceedings for the redemption of Series 2015 Bonds.

Any notice of redemption may be expressly conditional and may be rescinded by Written Order given to the Trustee under the Trust Agreement not later than the date fixed for redemption. Upon receipt of such Written Order, the Trustee will promptly mail notice of such rescission to the same parties that were mailed the original notice of redemption.

Selection of Series 2015 Bonds for Redemption. Whenever less than all the Outstanding Series 2015 Bonds of any one maturity are to be redeemed on any one date, the Trustee will select the particular Series 2015 Bonds to be redeemed by lot and in selecting the Series 2015 Bonds for redemption the Trustee will treat each Series 2015 Bond of a denomination of more than five thousand dollars ($5,000) as representing that number of Series 2015 Bonds of five thousand dollars ($5,000) denomination which is obtained by dividing the principal amount of such Series 2015 Bond by five thousand dollars ($5,000), and the portion of any Series 2015 Bond of a denomination of more than five thousand dollars ($5,000) to be redeemed will be redeemed in an Authorized Denomination. The Trustee will promptly notify the Authority in writing of the numbers of the Series 2015 Bonds so selected for redemption in whole or in part on such date.

Payment of Redeemed Series 2015 Bonds. If notice of redemption has been given as summarized above, or waived, each as provided in the Trust Agreement, the Series 2015 Bonds or portions thereof called for redemption will be due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon

presentation and surrender of the Series 2015 Bonds to be redeemed at the office specified in the notice of redemption. If there will be less than the full principal amount of a Series 2015 Bond called for redemption, the Authority will execute and deliver and the Trustee will authenticate, upon surrender of such Series 2015 Bond, and without charge to the Owner thereof, Series 2015 Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Series 2015 Bonds so surrendered in such Authorized Denominations as will be specified by the Owner.

If any Series 2015 Bond or any portion thereof will have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, will have been made or provided for by the Authority, then interest on such Series 2015 Bond or such portion will cease to accrue from such date, and from and after such date such Series 2015 Bond or such portion will no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof will have no rights in respect of such Series 2015 Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

Purchase in Lieu of Redemption. In lieu of redemption of any Series 2015 Bond, amounts on deposit in the Principal Fund or in the Redemption Fund may also be used and withdrawn by the Trustee at any time prior to selection of Series 2015 Bonds for redemption having taken place with respect to such amounts, upon a Written Order of the Authority for the purchase of such Series 2015 Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the Authority may in its discretion determine, but not in excess of the redemption price thereof plus accrued interest to the purchase date. All Series 2015 Bonds so purchased will be delivered to the Trustee under the Trust Agreement for cancellation.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS

Special Obligations

The Series 2015 Bonds will be special limited obligations of the Authority, payable from and secured as to the payment of the principal, redemption premium (if any) and interest thereon in accordance with their terms and the terms of the Trust Agreement, solely from the Trust Estate, which will consist primarily of principal and interest payments on the Local Obligations to be purchased by the Authority under the Trust Agreement and to be owned by the Authority as set forth in the Agency Indenture. The Series 2015 Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of, premium (if any) and interest on any Series of Series 2015 Bonds except from the Trust Estate. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of, premium (if any) and interest on the Series 2015 Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of, premium (if any) and interest on the Series 2015 Bonds. The payment of the principal of, premium (if any) and interest on the Series 2015 Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority.

Each series of Local Obligations will be special limited obligations of the Agency Participant and are payable, as to principal, redemption premium (if any) and interest thereon, exclusively from the Tax Revenues, and funds on deposit in certain funds and accounts established under and as specified in the Agency Indenture, and the Agency Participant is not obligated to pay such principal of and interest on the Local Obligations except from such Tax Revenues. Each Series of Local Obligations is payable from Tax Revenues on a parity with each other. Debt service on the Local Obligations will be subordinate to the

payment of debt service on the Senior Bonds. Each series of Local Obligations will be payable as set forth in the Agency Indenture, is not a debt of the City of Long Beach, the County, the State or any other political subdivision of the State, and neither said city, the State, the County nor any of the State's other political subdivisions is liable therefor, nor in any event shall a series of Local Obligations be payable out of any funds or properties other than those of the Agency Participant pledged therefor as provided in the Agency Indenture.

Each Local Obligation has its own payment schedule which, in the aggregate, has been sized to pay debt service on the Series 2015 Bonds. The Series 2015A Bonds will be secured solely by the payments made on the Series A Bonds and the Series 2015B Bonds will be secured solely by the payments made on the Series B Bonds. All of the obligations of the Agency Participant with respect to the Local Obligations are not general obligations of the Agency Participant or Former RDA, but are limited obligations of the Agency Participant and the Project Areas, payable solely from the Tax Revenues under, and to the extent described in, the Agency Indenture and the funds pledged therefor under the Agency Indenture.

In order to assist the Agency Participant, the County has accepted the irrevocable direction of the Agency Participant to transfer on or about each January 2 and June 1, commencing January 4, 2016, to an account of the Agency Participant, held by the Agency Trustee under the Agency Indenture, all amounts set forth in any duly approved ROPS with respect to principal and interest payments due on the Local Obligations and any senior obligations, including the Senior Bonds, and any deficiency in the reserve account for the Local Obligations. Such transfers to the Agency Trustee shall be made after the payment of unsubordinated pass-through obligations to local taxing entities, if any, as provided in Section 34183(a) of the California Health and Safety Code. The Authority has covenanted to take such actions as may be reasonable and necessary to compel the County to comply with the irrevocable direction of the Agency Participant to make such transfers. However, no assurance can be given that a court would order the County to continue to make such transfers if the County refused to do so. The Agency Participant remains obligated under the Agency Indenture to take all actions required under the Dissolution Act to include on its Recognized Obligation Payment Schedule for each six-month period (or twelve-month period if then applicable under the Dissolution Law (see "RISK FACTORS – State Budget" for a discussion of the Governor's proposal to transition successor agencies to an annual ROPS process instead of a biannual process)) all payments expected to be made to each Agency Trustee in order to satisfy the requirements of the Agency Indenture, including any amounts required to pay principal and interest payments due on the Local Obligations, deficiency in the reserve account for the Local Obligations to the debt service reserve requirement, and any Compliance Costs. See Appendix A under the caption "SECURITY FOR THE REFUNDING BONDS" for a discussion of the specific claim and lien on Tax Revenues for the Agency Participant and the Project Areas.

Upon the issuance of each series of Local Obligations, the amount on deposit in the reserve account established under the Agency Indenture will be equal to the debt service reserve requirement for such series of Local Obligations. No deposit need be made in any such reserve account so long as there will be on deposit therein a sum equal to the debt service reserve requirement. For information regarding the Agency Participant's reserve account, which may be cash funded or secured by a debt service reserve surety and secured on a stand-alone basis or in common with other parity bonds issued by the Agency Participant, see Appendix A under the heading "Reserve Account" under the caption "SECURITY FOR THE REFUNDING BONDS."

Tax Revenues

Under California law, the rate of *ad valorem* property taxes which may be levied with respect to property within a project area is generally limited to 1% of the "full cash" assessed value. In this Official

Statement and in Appendix A such taxes are referred to as the "general levy" and are allocated to the State, the County, the City of Long Beach, and all other taxing entities having jurisdiction over all or a portion of the Project Areas. The assessed values of property within such project area, as last equalized prior to adoption of the redevelopment plan, is the "base year" assessed values (the "Base Year").

Pursuant to subdivision (b) of Section 33670 of the Law and Section 16 of Article XVI of the Constitution of the State and as provided in the related redevelopment plan, taxes levied upon taxable property in the respective redevelopment project area each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving such related redevelopment plan, or the respective effective dates of ordinances approving amendments to such related redevelopment plan that added territory to the respective redevelopment project area, as applicable, are to be divided as follows:

(a) *To Taxing Agencies*: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the respective redevelopment project area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the related redevelopment plan, or the respective effective dates of ordinances approving amendments to the related redevelopment plan that added territory to the respective redevelopment project area, as applicable (each, a "base year valuation"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) *To the Respective Former RDA*: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion will be allocated to, and when collected will be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within the Plan Limit following the Delivery Date, when collected will be paid into a special fund of the former redevelopment agency. Section 34172 of the Dissolution Act provides that, for purposes of Section 16 of Article XVI of the State Constitution, the RPTTF attributable to the Agency Participant and the Project Areas will be deemed to be a special fund of the Agency Participant to pay the debt service on indebtedness incurred by the former redevelopment agencies.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the RPTTF. In addition, Section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above.

Taxes are due in two equal installments. Installments of taxes levied upon secured property become delinquent after December 10 and April 10. Taxes on unsecured property are due July 1 and become delinquent August 31. As of February 1, 2012, the allocation of tax increment revenue was dictated by the legislation adopted as AB 26. Revenue to successor agencies is now made on January 2 and June 1 of each fiscal year. All tax increment revenue is accumulated by the County Auditor-Controller in the RPTTF for allocation on these two dates. The tax increment revenue available for allocation on January 2 consists of revenues collected after June 1 of the previous fiscal year and for collections in November and December of the current fiscal year. The tax increment revenues available for allocation on June 1 include revenues collected from January 2 to June 1 of the current fiscal year.

From the amounts accumulated in the RPTTF for each allocation date, the County Auditor-Controller is to deduct its own administrative charges and is to calculate and deduct amounts (if not subordinated) owed to taxing entities for tax sharing agreements entered into pursuant to Section 33401 of the Law and for statutory tax sharing obligations required by Sections 33607.5 and 33607.7 of the Law that have not been subordinated to debt obligations, including debt service. The amount remaining after these reductions, if any, will be available for payment by the Agency Participant of debt obligations on a valid ROPS of the former redevelopment agency.

Prior to receiving revenues on January 2 and June 1, the Agency Participant must adopt a ROPS that lists the debt obligations of the former redevelopment agency that must be paid during the upcoming six month periods of January 1 through June 30 and July 1 through December 31 (or the upcoming twelve month period of January 1 through December 31 if then applicable under the Dissolution Law). There is provision in the legislation for the Agency Participant to request additional amounts in one ROPS period to allow it to make payments that may be beyond the revenues available in the upcoming allocation cycle. The ROPS must be approved by an Oversight Board that is established in the legislation with membership consisting of representatives from various taxing entities. The ROPS must also receive approval from the State Department of Finance (the "DOF").

The Agency Participant is entitled to receive tax revenues to cover the administrative costs of winding down the business of the former redevelopment agency. This amount is set by the legislation at a minimum $250,000 per year and a maximum that is 3% of the RPTTF allocated to the successor agency for each fiscal year. To the extent that revenues are insufficient to pay all of the approved ROPS obligations, the Agency Participant's administrative cost allowance will be reduced or eliminated.

As to the Agency Participant, if there are RPTTF amounts remaining after reductions for county administrative charges, pass-through obligations, ROPS obligations and the Agency Participant's administrative cost allowance, these remainder amounts are referred to as Residual Revenue. Residual Revenue for each ROPS cycle is proportionately allocated to the taxing entities and to the Educational Revenue and Augmentation Fund ("ERAF").

The Agency Participant has no power to levy and collect taxes, and any provision of law limiting property taxes or allocating additional sources of income to taxing agencies and having the effect of reducing the property tax rate must necessarily reduce the amount of tax increment revenues and, accordingly, Tax Revenues that would otherwise be available to pay debt service on the Local Obligations. Likewise, broadened property tax exemptions could have a similar effect (see "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" below).

Conversely, any increase in the present tax rate or assessed valuation, or any reduction or elimination of present property tax exemptions, or the satisfaction of enforceable obligations, would increase the Tax Revenues available to pay debt service on the Local Obligations (see "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" for discussion of the Constitutional constraints of increasing tax rates and assessed valuation).

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former RDA had the Former RDA not been dissolved pursuant to the operation of AB 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the RPTTF for the Agency Participant established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act further provides that any bonds authorized under its terms to be issued by the Agency Participant will be considered indebtedness incurred by the dissolved RDA, with the same legal effect as if the bonds had been issued prior to effective date of AB 26, in full conformity with the applicable provision of the Law that existed prior to that date, and debt service will be included in the Agency Participant's ROPS. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Recognized Obligation Payment Schedule."

The Dissolution Act further provides that bonds authorized under its terms to be issued by the Agency Participant will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the RPTTF attributable to the Agency Participant and the Project Areas, and that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the Local Obligations, are taxes allocated to the Agency Participant pursuant to the provisions of the Law and the State Constitution which provided for the allocation of tax increment revenues under the Law, as described in the foregoing paragraph.

See Appendix A under the caption "SECURITY FOR THE REFUNDING BONDS" for a discussion of the specific claim and lien on Tax Revenues for the Agency Participant and the Project Areas. The Agency Participant has no power to levy property taxes and must look specifically to the allocation of taxes as described above.

In accordance with the Dissolution Act, the Local Obligations will be payable from and secured by Tax Revenues which will generally include, moneys deposited, from time to time, in the RPTTF attributable to the Agency Participant and the Project Areas, as provided in paragraph (2) of subdivision (a) of the California Health and Safety Code Section 34183. Each Local Obligation will be payable from and secured by Tax Revenues subject to senior obligations, and any deficiency in the reserve account for the Local Obligations, certain deductions for unsubordinated pass-through payments to taxing entities, if any, and for debt service on bonds issued on a basis senior to the Series 2015 Bonds, including the Senior Bonds, and County collection charges. See Appendix A for a description of the lien of Tax Revenues for the Project Areas. The Agency Participant is not obligated to pay such principal of, premium (if any) and interest on the Local Obligations except from such Tax Revenues. See Appendix A for a description of the lien of Tax Revenues for the Project Areas, including a description of any superior claims and liens on such Tax Revenues. As provided in the Agency Indenture, if, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Tax Revenues will include all tax revenues allocated to the payment of indebtedness pursuant to the California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution, which prior to the adoption of the Dissolution Act were required to be deposited into the Former RDA's low and moderate income housing fund pursuant to Sections 33334.2, 33334.3 and 33334.6 of the Law.

The Dissolution Act eliminates the characterization of certain tax increment revenues as Housing Set-Aside. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Housing Set-Aside." All of the Local Obligations include a pledge of, or offset for a pledge of, any Housing Set-Aside. Accordingly, the Local Obligations will be payable from, and secured by, Tax Revenues, including amounts constituting the former Housing Set-Aside.

Taxes levied on the property within the Project Areas on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Project Areas, to the extent they constitute Gross Tax Revenues, as further described in Appendix A, will be deposited in the RPTTF for transfer by the County Auditor-Controller to the Agency Participant's Redevelopment Obligation Retirement Fund on January 2 and June 1 of each year to the extent required for payments listed in the Agency Participant's ROPS in accordance with the requirements of the Dissolution Act (see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Recognized Obligation Payment Schedule"). Monies deposited by the County Auditor-Controller into the Agency Participant's Redevelopment Obligation Retirement Fund will be transferred by the County pursuant to an irrevocable direction of the Agency Participant directing the County to transfer to the Debt Service Fund or similar fund established under the Agency Indenture and administered by the Agency Trustee in accordance with the Agency Indenture.

The Agency Participant has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period (or twelve-month period if then applicable under the Dissolution Law) to pay the principal of and interest on indebtedness including, without limitation, the Local Obligations (see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Tax Allocation Financing" and "– Recognized Obligation Payment Schedule" and "RISK FACTORS" in the forepart of this Official Statement). See also "LIMITATIONS ON TAX REVENUES" in the forepart of this Official Statement and "SPECIAL RISK FACTORS" in Appendix A.

Tax increment revenues are computed based upon the annual incremental assessed value of the Project Areas multiplied by a tax rate determined by the County Auditor-Controller. The tax rates which are applied to incremental taxable values consist of two components: the General Tax Rate of $1.00 per $100 of taxable values and the Override Tax Rate which is levied to pay voter approved indebtedness. The basic levy tax rate may not exceed 1% ($1.00 of $100 taxable value) in accordance with Article XIIIA. An amendment to the Constitution prohibits redevelopment agencies from receiving taxes generated by new Override Tax Rates, which are reflective of debt approved after December 31, 1988. Based upon the County Auditor-Controller's reliance to use the basic one percent tax rate in calculating the RPTTF allocation, a one percent levy is used in the revenue projections herein and in the Fiscal Consultant's Report. See Appendix A under the caption "THE PROJECT AREAS – Projected Tax Revenues" for a discussion of the tax rate assumptions utilized by the Fiscal Consultant in projecting Gross Tax Revenues for the Project Areas.

Section 34183(a)(1) of the Redevelopment Law requires the Auditor Controller to allocate all revenues attributable to tax rates levied to make annual repayments of the principal and interest on any bonded indebtedness for the acquisition or improvement of real property to the taxing entity levying the tax rate. Under the County's interpretation of this Section, revenues derived from over-ride tax rates levied for pension related obligations have been determined to not be for "annual repayments of the principal and interest on any bonded indebtedness for the acquisition or improvements of real property." As a result, tax increment revenues derived from over-ride tax rates levied for pension related obligations within the Project Areas are included in the revenues distributed from the RPTTF.

In Los Angeles County, there are thirteen cities that levy over-ride tax rates in order to fund pension fund obligations. However, the City of Long Beach is not one of these 13 cities.

Tax Allocation Financing

Prior to the enactment of AB 26, the Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopts the redevelopment plan becomes the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies thereafter received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such designated property tax allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations.

The Dissolution Act authorizes refunding bonds, including the Local Obligations, to be secured by a pledge of monies deposited from time to time in a RPTTF attributable to such Successor Agency and its project areas held by a county auditor-controller with respect to a successor agency, which are equivalent to the tax increment revenues that were formerly allocated under the Law to the redevelopment agency and formerly authorized under the Law to be used for the financing of redevelopment projects, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the county auditor-controller. Under the Agency Indenture, Tax Revenues consist of the amounts deposited from time to time in the RPTTF attributable to the Agency Participant and the Project Areas established pursuant to and as provided in the Dissolution Act, subject to certain deductions for unsubordinated pass-through payments to taxing entities, unsubordinated contractual obligations to third parties and County collection charges. See Appendix A under the captions describing Pass-Through Agreements and Statutory Pass-Through Amounts under the caption "SECURITY FOR THE REFUNDING BONDS" for a discussion of the specific claim and lien on Tax Revenues for the Agency Participant and the Project Areas. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" in the forepart of this Official Statement. See also "SPECIAL RISK FACTORS" in Appendix A.

The Law authorized redevelopment agencies to make payments to school districts and other taxing agencies to alleviate any financial burden or detriments to such taxing agencies caused by a redevelopment project as described in Appendix A under the caption "SECURITY FOR THE REFUNDING BONDS – Statutory Pass-Through Amounts." Negotiated agreements for this purpose are generally described as pass-through or tax sharing agreements ("Pass-Through Agreements" in the forepart of this Official Statement). Additionally, Section 33607.5 and 33607.7 of the Law required mandatory tax sharing applicable to redevelopment projects adopted after January 1, 1994, or amended thereafter in certain manners specified in such statutes (the "Statutory Pass-Through Amounts" in the forepart of this Official Statement). The Dissolution Act requires the county auditor-controller to distribute from the RPTTF amounts required to be distributed under the Pass-Through Agreements and for Statutory Pass-Through Amounts to the taxing entities for each six-month period (or twelve-month period if then applicable under the Dissolution Law) before amounts are distributed by the county auditor-controller from the RPTTF to the Agency Participant's Redevelopment Obligation Retirement Fund each January 2 and June 1, unless (i) pass-through payment obligations have previously been made subordinate to debt service payments for the bonded indebtedness of the dissolved agency, as succeeded by the Agency Participant, (ii) the Agency Participant has reported, no later than the December 1 and May 1 preceding the January 2 or June 1 distribution date, that the total amount available from the RPTTF allocation to the Agency Participant's Redevelopment Obligation Retirement Fund, from other funds

transferred from the dissolved agency, and from funds that have or will become available through asset sales and all redevelopment operations is insufficient to fund each of the Agency Participant's enforceable obligations, pass-through payments, and each of the Agency Participant's administrative cost allowance for the applicable six-month period (or twelve-month period if then applicable under the Dissolution Law), and (iii) the State Controller has concurred with the Agency Participant that there are insufficient funds for such purposes for the applicable six-month period (or twelve-month period if then applicable under the Dissolution Law).

If the requirements stated in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed for such six-month period (or twelve-month period if then applicable under the Dissolution Law). To provide for calculated shortages to be paid to the Agency Participant for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the Agency Participant's enforceable obligations, pass-through payments, and the Agency Participant's administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Agency Participant for administrative costs for the applicable six-month period (or twelve-month period if then applicable under the Dissolution Law) in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts remaining to be distributed to taxing entities under Pass-Through Agreements and for Statutory Tax Sharing Amounts, if such amounts have been subordinated to the payment of debt service on such bonded indebtedness, and if that amount is exhausted, from amounts available for distribution for administrative, but only after the amounts described in the previous two sentences and the amounts available for distribution for administrative costs have been exhausted.

The Dissolution Act provides for a procedure by which the Agency Participant may make Statutory Tax Sharing Amounts subordinate to the Local Obligations. The Agency Participant has not undertaken the procedure required to subordinate its Statutory Tax Sharing Amounts to the payment of debt service on the Local Obligations. See Appendix A under the captions describing Pass-Through Agreements and Statutory Pass-Through Amounts under the caption "SECURITY FOR THE REFUNDING BONDS."

The Agency Participant cannot guarantee that this process prescribed by the Dissolution Act of administering the tax increment revenues and the subordinations provided in the Law and the Pass-Through Agreements will effectively result in adequate tax increment revenues for the payment of principal of and redemption premium (if any) and interest on the Local Obligations when due. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Recognized Obligation Payment Schedule." See also Appendix A under the captions describing Pass-Through Agreements and Statutory Pass-Through Amounts under the caption "SECURITY FOR THE REFUNDING BONDS" for additional information regarding the Pass-Through Agreements and the Statutory Tax Sharing Amounts applicable to the Agency Participant and the revenues derived from the Project Areas.

Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described above. See "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" in the forepart of this Official Statement.

Housing Set-Aside

Pre-Dissolution Housing Set-Aside Requirement. Before it was amended by the Dissolution Act, the Redevelopment Law generally required each redevelopment agency to set aside not less than 20% of all tax increment generated in each project area into a low and moderate income housing fund to be used for the purpose of increasing, improving and/or preserving the supply of low and moderate income housing. These tax increment revenues were commonly referred to as "Housing Set-Aside."

Impact of Dissolution Act. The Dissolution Act eliminates the characterization of certain tax increment revenues as Housing Set-Aside. All of the Local Obligations include a pledge of, or offset for a pledge of, any Housing Set-Aside. Accordingly, the Local Obligations will be payable from, and secured by, Tax Revenues, including amounts constituting the former Housing Set-Aside. See also, "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Housing Set-Aside."

Recognized Obligation Payment Schedule

Before each six-month period (or twelve-month period if then applicable under the Dissolution Law), the Dissolution Act requires Successor Agencies to prepare and approve, and submit to the successor agency's oversight board and the DOF for approval, a ROPS pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. As defined in the Dissolution Act, "enforceable obligation" includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and amounts borrowed from the Low and Moderate Income Housing Fund. A reserve may be included on the ROPS and held by the successor agency when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following six-month period (or twelve-month period if then applicable under the Dissolution Law).

The Dissolution Act provides that, commencing on the date the first ROPS is valid, only those payments listed in the ROPS may be made by the successor agency from the funds specified in the ROPS.

The ROPS must be submitted by the Agency Participant, after approval by the Oversight Board, to the county administrative officer, the county auditor-controller, the DOF, and the State Controller no later than 90 days before the date of the next January 2 or June 1 property tax distribution. If successor agency does not submit an Oversight Board-approved ROPS by such deadlines, the successor agency will be subject to a civil penalty equal to $10,000 per day for every day the schedule is not submitted to the DOF. Additionally, the Agency Participant's administrative cost allowance is reduced by 25% if the successor agency does not submit an Oversight Board-approved ROPS by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the ROPS for subsequent six-month periods (or twelve-month periods if then applicable under the Dissolution Law).

The Dissolution Act requires the DOF to make a determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than 45 days after the ROPS is submitted. Within 5 business days of the determination by the DOF, successor agencies may request additional review by the department and an opportunity to meet and confer on disputed items, if any. The DOF will notify successor agencies and the county auditor-controller as to the outcome of its review at least 15 days before the January 2 or June 1 date of property tax distribution, as applicable. Additionally,

the county auditor-controller may review a submitted ROPS and object to the inclusion of any items that are not demonstrated to be enforceable obligations and may object to the funding source proposed for any items, provided that the county auditor-controller must provide notice of any such objections to successor agencies, the Oversight Board, and the DOF at least 60 days prior to the January 2 or June 1 date of property tax distribution, as applicable.

In connection with the allocation and distribution by the county auditor-controller of property tax revenues deposited in the RPTTF, under the Dissolution Act the county auditor-controller must prepare estimates of the amounts of (i) property tax to be allocated and distributed and (ii) the amounts of pass-through payments to be made in the upcoming six-month period (or twelve-month period if then applicable under the Dissolution Law), and provide those estimates to the entities receiving the distributions and the DOF no later than October 1 and April 1 of each year, as applicable. If, after receiving such estimate from the county auditor-controller, the Agency Participant determines and reports, no later than December 1 or May 1, as applicable (*e.g.*, by December 1, 2015 with respect to the ROPS for January 2, 2016 through June 30, 2016), that the total amount available from the RPTTF allocation to the Agency Participant's Redevelopment Obligation Retirement Fund, from other funds transferred from a dissolved agency, and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the payment of pass-through obligations, for the Agency Participant's enforceable obligations listed on the ROPS, and for the Agency Participant's administrative cost allowance, the county auditor-controller must notify the State Controller and the DOF no later than 10 days from the date of the Agency Participant's notification. If the State Controller concurs that there are insufficient funds to pay required debt service, the Dissolution Act provides for certain adjustments to be made to the estimated distributions.

The Dissolution Act provides that any bonds authorized under its terms to be issued by a successor agency will be considered indebtedness incurred by the related dissolved Former RDA, with the same legal effect as if the bonds had been issued prior to effective date of AB 26, in full conformity with the applicable provision of the Law that existed prior to that date, and debt service will be included in the Agency Participant's ROPS. Additionally, if an enforceable obligation provides for an irrevocable commitment of property tax revenue and where allocation of revenues is expected to occur over time, the Dissolution Act provides that a successor agency may petition the DOF to provide written confirmation that its determination of such enforceable obligation as approved in a ROPS is final and conclusive, and reflects the department's approval of subsequent payments made pursuant to the enforceable obligation. If the confirmation is granted by the DOF, then the DOF's review of such payments in each future ROPS will be limited to confirming that they are required by the prior enforceable obligation.

The Agency Participant has covenanted under the Agency Indenture to take all actions required under the Dissolution Act to include on the respective ROPS for each six-month period (or twelve-month period if then applicable under the Dissolution Law) all payments to the Agency Trustee to satisfy the requirements of the Agency Indenture and the Local Obligations, any deficiency in the reserve account established pursuant to the Local Obligations, any amounts required under an indenture or fiscal agent agreement securing parity indebtedness to replenish the reserve account established thereunder, if any, to its required level and any Compliance Costs related thereto.

The Agency Participant has further covenanted under the Agency Indenture to comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Agency Participant covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Agency Participant with its covenants under the Agency Indenture. Further, the Agency Participant will take all actions required under the Dissolution Act to include scheduled debt service on the Local Obligations, as well as any amounts required under the Agency Indenture including to replenish the reserve account in ROPS for each six-month period (or

twelve-month period if then applicable under the Dissolution Law) so as to enable the County Auditor-Controller to distribute from the RPTTF to the Agency Participant's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Agency Participant to pay the principal of, premium (if any) and interest on, the Local Obligations coming due in the respective six-month period (or twelve-month period if then applicable under the Dissolution Law). These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Agency Participant as a reserve until the next six-month period (or twelve-month period if then applicable under the Dissolution Law), as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of the principal of, premium (if any), and interest under the Agency Indenture, when the next property tax allocation is projected to be insufficient to pay all obligations due under the Agency Indenture for the next payment due in the following six-month period (or twelve-month period if then applicable under the Dissolution Law).

Local Obligations and the Agency Indenture

Subject only to the provisions of the Agency Indenture (including any obligations of the Agency Participant payable on a basis senior to or on a parity with the lien of its Local Obligations under the Agency Indenture, including the Senior Bonds) permitting the application thereof for the purposes and on the terms and conditions set forth in the Agency Indenture, all of the Tax Revenues and all amounts on deposit from time to time in the funds and accounts established under the Agency Indenture (other than the Rebate Fund and Expense Account held in connection with the Series 2015A Bonds) will be pledged to the payment of the principal of and interest on the Outstanding Series 2015 Bonds as provided in the Agency Indenture. The Agency Participant will irrevocably grant to the Agency Trustee for the benefit of the Owners of the Outstanding Series 2015 Bonds (subject to any obligations of the Agency Participant payable on a basis senior to or on a parity with the lien of its Local Obligations under the Agency Indenture, including the Senior Bonds) a first charge and lien on, and a security interest in, and will pledge and assign, the Tax Revenues, whether held by the Agency Participant, the County Auditor-Controller, the County Treasurer and Tax Collector or the Agency Trustee, and all amounts in the funds and accounts established under the Agency Indenture (other than the Rebate Fund and Expense Account held in connection with the Series 2015B Bonds) with respect to the Local Obligations.

Pursuant to the laws of the State, including California Health and Safety Code Sections 34183 and 34170.5(b), the County Auditor-Controller is obligated to deposit the Tax Revenues into the RPTTF attributable to the Agency Participant and the Project Areas. The Agency Participant shall take all steps to ensure that the County Auditor-Controller (1) deposits the Tax Revenues into the RPTTF, (2) allocates funds for the principal and interest payments due on the Outstanding Series 2015 Bonds, any deficiency in the related reserve account pursuant to each valid ROPS in accordance with the Dissolution Act and as provided in the Agency Indenture and any deficiency in the related reserve account pursuant to each valid ROPS in accordance with the Dissolution Act and as provided in the Agency Indenture, and any Compliance Costs, and (3) make the transfers to the Agency Trustee required thereunder.

In order to assist the Agency Participant, the County has accepted the irrevocable direction of the Agency Participant to transfer on or about each January 2 and June 1 to an account of the Agency Participant, held by the Agency Trustee under the Agency Indenture, all amounts set forth in any duly approved ROPS with respect to principal and interest payments due on the Local Obligations and any senior and parity obligations, including the Senior Bonds, and any deficiency in the reserve account for the Local Obligations and parity obligations related thereto. The Authority has covenanted to take such actions as may be reasonable and necessary to compel the County to comply with the irrevocable direction of the Agency Participant to make such transfers. However, no assurance can be given that a court would order the County to continue to make such transfers if the County refused to do so. The

Agency Participant remains obligated under the Agency Indenture to take all actions required under the Dissolution Act to include on its Recognized Obligation Payment Schedule for each six-month period (or twelve-month period if then applicable under the Dissolution Law) all payments expected to be made to the Agency Trustee in order to satisfy the requirements of the Agency Indenture, including any amounts required to pay principal and interest payments due on the Local Obligations, the Senior Bonds, parity obligations, any deficiency in the reserve account for the Local Obligations, the Senior Bonds and parity obligations to the debt service reserve requirement, and any Compliance Costs (as defined in this Official Statement).

As to each of the Local Obligations, in accordance with the Dissolution Act, the Agency Participant may pledge to the refunding bonds or other indebtedness the revenues pledged to the bonds or other indebtedness being refunded, and that pledge, when made in connection with the issuance of such refunding bonds or other indebtedness, shall have the same lien priority as the pledge of the bonds or other obligations to be refunded, and shall be valid, binding, and enforceable in accordance with its terms. The Agency Participant has repeated such prior pledges in connection with the issuance of the Local Obligations.

As provided in the Agency Indenture, the Agency Participant will take all actions required under the Dissolution Act to include on its ROPS for each six-month period (the second of which may include only claims for insufficient receipts under the January 1 ROPS), or twelve-month period if then applicable under the Dissolution Law, all payments expected to be made to the Agency Trustee in order to satisfy the requirements of the Agency Indenture, including any amounts required to pay principal and interest payments due on the Local Obligations, parity obligations, any deficiency in the reserve account for the Local Obligations and parity obligations to the debt service reserve requirement, and any Compliance Costs (as defined in this Official Statement). The Agency Participant shall include in its ROPS the amounts described below to be transmitted to the Agency Trustee for the applicable six month period (or twelve month period if then applicable under the Dissolution Law). See Appendix A under the caption "SECURITY FOR THE REFUNDING BONDS." The Agency Participant shall submit an Oversight Board-approved ROPS to the County Auditor-Controller and the DOF (with a copy to the Authority) at least ninety (90) days prior to the January 2 RPTTF distribution and at least ninety (90) days prior to the June 1 RPTTF distribution, as applicable.

Further, in accordance with California Health and Safety Code Section 34183(b) on or before each May 1 and December 1, the Agency Participant shall determine and report to the County Auditor-Controller and the Authority any insufficiencies in the RPTTF to fund payments in accordance with the Agency Indenture, and cooperate with the County Auditor-Controller for its distribution of funds in accordance with California Health and Safety Code Section 34183.

All Tax Revenues received by the Agency Participant (1) during the period commencing on June 2 of the prior calendar year and ending January 2 of the then current calendar year in excess of the amount required, as provided in this section, to be deposited under the Agency Indenture on January 2, and (2) during the period commencing on January 3 of the then current calendar year and ending June 1 of such calendar year in excess of the amount required, as provided in this section, to be deposited under the Agency Indenture on June 1, shall, immediately following the deposit with the Trustee of the amounts required to be so deposited as provided in this section on each such date, be released from the pledge, security interest and lien under the Agency Indenture for the security of the Outstanding Series 2015 Bonds, and may be applied by the Agency Participant for any lawful purpose of the Agency Participant, including but not limited to the payment of subordinate debt, or the payment of any amounts due and owing to the United States of America pursuant to the Agency Indenture. Prior to the payment in full of the principal of, premium (if any) and interest on the Outstanding Series 2015 Bonds and the payment in full of all other amounts payable under the Agency Indenture and under any Supplemental Indentures, the

Agency Participant shall not have any beneficial right or interest in the moneys on deposit under the Agency Indenture, except as may be provided in the Agency Indenture and in any Supplemental Indenture.

Reserve Account

Upon the issuance of the Local Obligations, the Reserve Policy will be deposited into the reserve account established under the Agency Indenture in an amount equal to the debt service reserve requirement for the Local Obligations. For information regarding the reserve account relating to the Agency Indenture and the Project Areas, see Appendix A under the heading "Reserve Account" under the caption "SECURITY FOR THE REFUNDING BONDS."

Defaults and Remedies

In addition to the terms specifying the pledge and security for payment of the Local Obligations, the Agency Indenture specifies events of default which generally include payment defaults and certain covenant defaults with respect to the related bonds and the commencement by the Agency Participant of bankruptcy proceedings. Upon such event, and in general terms, the Agency Trustee may, or at the Written Request of the Authority, as owner of the Local Obligations, shall, subject to terms for indemnification of the Agency Trustee, take legal action to protect and enforce any of the rights vested in the Agency Trustee or the Authority, as owner of the Local Obligations, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in the Agency Indenture.

In some instances, the provider of a policy of municipal bond insurance, or reserve fund surety policy, for the Local Obligations shall be deemed to be the sole bondowner for purposes of direction of remedies and consent rights.

No delay or omission of the Agency Trustee or of any Owner to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein; and every power and remedy given by the provisions of the Agency Indenture to the Agency Trustee and to the Authority, as owner of the Local Obligations, may be exercised from time to time and as often as may be deemed expedient.

Any moneys received by the Agency Trustee pursuant to the provisions of the Agency Indenture shall, after payment of all fees and expenses of the Agency Trustee, and the reasonable fees and expenses of its outside counsel, if any, incurred in connection with the performance of the Agency Trustee's duties under the Agency Indenture, be applied to the payment of the Authority, as owner of the unpaid principal, interest and redemption premium, if any, and any of the Local Obligations which shall have become due.

Copies of the Local Obligations and the Agency Indenture may be obtained upon request from the Agency Trustee, U.S. Bank National Association at: 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Corporate Trust Administration.

Reserve Policy

Upon issuance of the 2015 Bonds, AGM will issue a municipal bond debt service reserve insurance policy for the Local Obligations as described herein. See Appendix A under the heading "Reserve Account" under the caption "SECURITY FOR THE REFUNDING BONDS." The following disclosure has been provided by AGM.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings.

On November 13, 2014, KBRA assigned an insurance financial strength rating of "AA+" (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). On February 18, 2015, Moody's published a credit opinion under its new financial guarantor ratings methodology maintaining its existing rating and outlook on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Capitalization of AGM.

At March 31, 2015, AGM's policyholders' surplus and contingency reserve were approximately $3,730 million and its net unearned premium reserve was approximately $1,702 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference.

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (filed by AGL with the SEC on February 26, 2015); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 (filed by AGL with the SEC on May 8, 2015).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2015 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Reserve Policy—– Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters.

AGM or one of its affiliates may purchase a portion of the Series 2015 Bonds offered under this Official Statement and such purchases may constitute a significant portion of the Series 2015 Bonds offered. AGM or such affiliate may hold such the Series 2015 Bonds for investment or may sell or otherwise dispose of such Bonds at any time or from time to time.

AGM makes no representation regarding the Series 2015 Bonds or the advisability of investing in the Series 2015 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Reserve Policy."

Approval by Oversight Board and Department of Finance

Before the issuance of refunding bonds under the Dissolution Act, a Successor Agency must obtain the approval of the Oversight Board, by resolution. Such Oversight Board resolution (as with all Oversight Board resolutions) does not become effective unless it has been approved, or deemed approved, by the DOF. The issuance of the Local Obligations by the Agency Participant has been approved by the Oversight Board. Additionally, on June 12, 2015 the DOF issued a determination letter with respect to the Oversight Board's resolution (the "DOF Letter") indicating the DOF's approval of the Oversight Board's approval of the issuance of the Local Obligations over which it had jurisdiction. The DOF Letter conditioned such approval on the understanding that the Series 2015 Bonds will meet the limitations in Health and Safety Code Section 34177.5.

Pursuant to Health and Safety Code Section 34177.5(f), once the DOF has given its approval to the Oversight Board resolution approving the issuance of the Local Obligations, the scheduled payments on the Local Obligations must be listed on the Successor Agency's ROPS (see "Recognized Obligation Payment Schedule" above) and will not be subject to further review and approval by the DOF or the State Controller. Furthermore, pursuant to Health and Safety Code Section 34177.5(f), once the Local Obligations are issued with an Oversight Board's approval, such Oversight Board will not be permitted to unilaterally approve any amendments to or early termination of the bonds, indebtedness, or enforceable obligation.

The Dissolution Act also provides that, notwithstanding any other State law, an action to challenge the issuance of bonds under the Dissolution Act must be brought within 30 days after the date on which the Oversight Board adopts the resolution approving the issuance of the bonds by the Successor Agency. More than 30 days have expired between the adoption of the Oversight Board resolution approving the issuance of the Local Obligations and the date of this Official Statement. During this interim, none of the Authority, the County or the Agency Participant has received notice of any action challenging the issuance of the Local Obligations.

Due Diligence Reviews

Pursuant to the Dissolution Act, the Agency Participant was required to retain an independent accountant to conduct two reviews, known as due diligence reviews (each, a "DDR"): one for the Housing Fund and the other for all of the other funds and accounts (the "Other Funds"). The purpose of the DDRs was to determine the unobligated balance (the "Unobligated Balance"), if any, of the Housing Fund and the Other Funds, as of June 30, 2012, so that such Unobligated Balance would be distributed to the taxing agencies. Pursuant to the specific procedure for determining the Unobligated Balances set forth in the Dissolution Act, legally restricted funds (including bond proceeds), value of assets that are not cash or cash equivalents (such as land and equipment) and amounts that are needed to satisfy obligations listed on an approved ROPS were excluded from the Unobligated Balance.

With respect to each DDR, the Agency Participant was required to and did submit such DDR, after review and approval by the Oversight Board, to the DOF. The DOF issued determination letters confirming the Unobligated Balances from the Housing Fund and the Other Funds to be remitted to the County Auditor-Controller. The Agency Participant issued payments to the County Auditor-Controller for the required amounts.

Because the Agency Participant has made the remittances required by the DOF's final determination concerning the DDRs, as well as certain other amounts previously required to be remitted pursuant to the Dissolution Act, the DOF issued a "Finding of Completion" to the Agency Participant. Upon receipt of such Finding of Completion, the Agency Participant in receipt of such determination is authorized to proceed with actions permitted under certain provisions of the Dissolution Act, such as the disposition of real property assets following Oversight Board and DOF approval of a Long Range Property Management Plan.

Additional Bonds

The Trust Agreement does not authorize the issuance of additional bonds or parity debt. There is limited authority under the Agency Indenture for the Agency Participant to issue additional bonds. The Dissolution Act in its current form does not permit a successor agency issuing bonds or incurring other indebtedness for purposes other than refunding existing enforceable obligations or outstanding bonds of the agency resulting in savings. See "SECURITY FOR THE REFUNDING BONDS – Parity Debt Limited to Refunding Bonds" in Appendix A for a description of the conditions precedent for the issuance of indebtedness on a parity basis with the Local Obligations.

Covenants of the Agency Participant

The following is a general description of covenants and terms that will be included in Agency Indenture. This description is intended to be general and a summary statement of terms which necessarily vary.

Punctual Payment. The Agency Participant will agree under the Agency Indenture to punctually pay the principal of, premium (if any) and interest on the Local Obligations in conformity with the terms of the Local Obligations and of the Agency Indenture and will faithfully satisfy, observe and perform all conditions, covenants and requirements of the Local Obligations and of the Agency Indenture.

Against Encumbrances. The Agency Participant will agree under the Agency Indenture to not mortgage or otherwise encumber, pledge or place any charge upon any of the Tax Revenues from the Project Areas, except as provided in the Agency Indenture, and will not issue any obligation or security superior to or on a parity with then Outstanding Series 2015 Bonds payable in whole or in part from the Tax Revenues (other than additional bonds or other parity indebtedness in accordance with the Agency Indenture).

Payment of Claims. Subject to the terms of the Dissolution Act, the Agency Participant will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Agency Participant or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Local Obligations; provided that the Agency Indenture will not be required to make any such payments so long as the Agency Participant in good faith will contest the validity of any such claims.

Protection of Security and Rights of Owners. The Agency Participant will agree under the Agency Indenture to preserve and protect the security of the Local Obligations and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Series 2015 Bonds by the Agency Participant, such Series 2015 Bonds will be incontestable by the Agency Participant.

Amendment of Redevelopment Plan. Plan amendments are limited by the terms of the Dissolution Act and generally require the report of an independent consultant which demonstrates that Tax Revenues will not be materially reduced by such proposed amendment.

Tax Revenues. The Agency Participant will agree under the Agency Indenture to comply with applicable requirements of the Law to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary ROPS. The Agency Participant will represent and agree under the Agency Indenture that the pledge, payment and setting aside of Tax Revenues as provided for in the Agency Indenture is not subject to any limitation contained in Article XIIIB of the Constitution of the State of California.

The Agency Participant will further agree under the Agency Indenture that, for so long as the receipt of Tax Revenues is subject to a limit under the Law, it will annually review the total amount of Tax Revenues remaining available to be received by the Agency Participant under the Redevelopment Plan's cumulative tax increment limitation, as well as future cumulative Annual Debt Service. The expiration date of the Redevelopment Plan is as described in Appendix A under the caption "THE REDEVELOPMENT PLAN – Financial Limitations." For purposes of the projections in the forepart of this Official Statement (with respect to debt service coverage) and in Appendix A and in the Fiscal Consultant's Report appearing in Appendix B, it is assumed that all Redevelopment Plan limits will be enforced. For information regarding the Agency Participant and covenants with respect to such limitations under the Agency Indenture, see Appendix A under the description of project area plan limitations under the caption "THE REDEVELOPMENT PLAN." See also, Appendix A under the caption "THE PROJECT AREAS – Estimated Debt Service Coverage" for projections of debt service coverage on the Local Obligations.

Tax Covenants; Rebate Fund. As may be relevant to the Series 2015A Bonds, the Agency Participant will agree under the Agency Indenture to not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on any of the Series 2015A Bonds under Section 103 of the Code, and to pay from time to time its share of amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Series 2015A Bonds from time to time.

Compliance with the Dissolution Act. The Agency Participant has further covenanted under the Agency Indenture that it will comply with all requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Agency Participant covenants and agrees to file all required statements and seek all necessary successor agency or oversight board approvals required under the Dissolution Act to assure compliance by the Agency Participant with its covenants under the Agency Indenture. Further, the Agency Participant will take all actions required under the Dissolution Act to include scheduled debt service on the Local Obligations, as well as any amounts required under the Agency Indenture including to replenish the reserve account in ROPS for each six-month period (or twelve-month period if then applicable under the Dissolution Law) so as to enable the County Auditor-Controller to distribute from the RPTTF to the Agency Participant's Redevelopment Obligation Retirement Fund on each January 2 and June 1 any additional amounts required for the Agency Participant to pay the principal of, premium (if any), and interest on, the Local Obligations coming due in the respective six-month period (or twelve-

month period if then applicable under the Dissolution Law). These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Agency Participant as a reserve until the next six-month period (or twelve-month period if then applicable under the Dissolution Law), as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of the principal of, premium (if any) and interest due under the Agency Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under the Agency Indenture for the next payment due in the following six-month period (or twelve-month period if then applicable under the Dissolution Law).

Credits to Redevelopment Obligation Retirement Fund. The Agency Participant will agree under the Agency Indenture to credit all Tax Revenues withdrawn from the RPTTF by the County Auditor-Controller and remitted to the Agency Trustee for the payment of the Local Obligations to the Redevelopment Obligation Retirement Fund established pursuant to Section 34170.5 of the California Health and Safety Code.

Limited Obligations of the Agency Participant

The Local Obligations are not a debt of the County, the City of Long Beach, the State or any of its political subdivisions, and neither the City referenced in this Official Statement, the State nor any of its political subdivisions, other than the Agency Participant, is liable in any way for the Local Obligations. The principal of, premium (if any) and interest on the Local Obligations are payable solely from the Tax Revenues under, and to the extent described in, the Agency Indenture and the funds pledged therefor under the Agency Indenture, as applicable. The Local Obligations are limited obligations of the Agency Participant and the Project Areas payable solely from and secured by the Tax Revenues to be derived from the Project Areas, and from the amounts on deposit in certain funds as further described in Appendix A. Payment of the principal of, premium (if any) and interest on the Local Obligations is subordinate to payment of principal of, premium (if any) and interest on the Senior Bonds. The Agency Participant will covenant and agree under the Agency Indenture to not issue obligations with a lien on Tax Revenues on a basis senior to or on a parity with the lien of its Local Obligations (except for refunding bonds) in accordance with the Agency Indenture. The Local Obligations are issued pursuant to the Agency Indenture.

LIMITATIONS ON TAX REVENUES

Property Tax and Spending Limitations

Article XIIIA of the California Constitution. Section 1(a) of Article XIIIA of the California Constitution limits the maximum *ad valorem* tax on real property to one percent of full cash value, to be collected by the counties and apportioned according to law. Section 2 of Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under full cash value or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the California Legislature to implement Article XIIIA provides that notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above.

In the general elections of 1986, 1988, and 1990, the voters of the State approved various measures which further amended Article XIIIA. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the full cash value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reassessment under Article XIIIA. This amendment will reduce the tax increment of the Agency Participant. Other amendments permitted the Legislature to allow persons over 55 who sell their residence and on or after November 5, 1986, to buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence, and permitted the Legislature to authorize each county under certain circumstances to adopt an ordinance making such transfers or assessed value applicable to situations in which the replacement dwelling purchased or constructed after November 8, 1988, is located within that county and the original property is located in another county within California.

In the June 1990 election, the voters of the State approved additional amendments to Article XIIIA permitting the State Legislature to extend the replacement dwelling provisions applicable to persons over 55 to severely disabled homeowners for replacement dwellings purchased or newly constructed on or after June 5, 1990, and to exclude from the definition of "new construction" triggering reassessment improvements to certain dwellings for the purpose of making the dwelling more accessible to severely disabled persons. In the November 1990 election, the voters approved the amendment of Article XIIIA to permit the State Legislature to exclude from the definition of "new construction" seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Both the California Supreme Court and the United States Supreme Court have upheld the constitutionality of Article XIIIA.

Article XIIIB of the California Constitution. On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIIIB to the California Constitution. The principal effect of Article XIIIB is to limit the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity.

Appropriations subject to Article XIIIB include generally the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds.

Effective September 30, 1980, the California Legislature added Section 33678 to the Law which provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness will not be deemed the receipt by the agency of proceeds of taxes levied by or on behalf of the agency within the meaning of Article XIIIB or any statutory provision enacted in implementation thereof, including Section 33678 of the Law. The constitutionality of Section 33678 has been upheld by the Second and Fourth District Courts of Appeal in two decisions: *Bell Community Redevelopment Agency v. Woosely* and *Brown v. Community Redevelopment Agency of the City of Santa Ana*. On the basis of these decisions, the Agency Participant has not adopted an appropriations limit.

Proposition 218. On November 5, 1996, the voters of the State approved Proposition 218, the "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, which contain a number of provisions affecting the ability of the public agencies to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIIIC removes limitations on the initiative power in matters of local taxes, special taxes, assessments, fees and charges. While the matter is not free from doubt, it is likely that a court would hold that the initiative power cannot be used to reduce or repeal the levy of property taxes or to materially affect the collection and pledge of Tax Revenues.

The interpretation and application of the initiative provisions of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and while it is not possible at this time to predict with certainly the outcome of such determination, the Agency Participant does not believe that Proposition 218 will materially affect its ability to pay the principal of or interest on the Local Obligations.

Implementing Legislation

Legislation enacted by the California Legislature to implement Article XIIIA provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in Appendix A and in the Fiscal Consultant's Report appearing in Appendix B is shown at 100% of assessed value and all general tax rates reflect the $1.00 per $100 of taxable value. Tax rates for bond debt service and pension liability are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIIIA (new construction, change of ownership, 2% annual value growth) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of "base" revenue from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. Neither the Authority nor the Agency Participant is able to predict the nature or magnitude of future revenue sources which may be provided by the State to replace lost property tax revenues. Article XIIIA effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Redevelopment Plan Limits

The Project Areas are subject to certain dates for the termination of the Redevelopment Plan or the deadline for the receipt of tax increment for the repayment of debt that may be relevant to the payment of debt service on the Series 2015 Bonds. The expiration date of the Redevelopment Plan is as described in Appendix A under the caption "THE REDEVELOPMENT PLAN – Financial Limitations." For purposes of the projections in the forepart of this Official Statement (with respect to debt service coverage) and in Appendix A and in the Fiscal Consultant's Report appearing in Appendix B, it is assumed that all Redevelopment Plan limits will be enforced.

There is a question on the applicability of tax increment limits as to time and amounts established under redevelopment plans after the adoption of AB 26 and AB 1484. Further, under AB 1484 and by application of the ROPS structure, a successor agency's receipt of revenues for purposes of interpretation of the project area plan limit is a matter of potential dispute. This is because while under the redevelopment plans and prior law, practitioners considered all revenues of a project area for purposes of interpretation of the project area plan limit, the current constraint on a successor agency's receipt of revenues limited by ROPS yields an odd result which may require clarifying legislation and one not considered by the Fiscal Consultant. The DOF, in a letter dated April 2, 2014, has expressed its view to certain Successor Agencies that tax increment limits are no longer applicable. However, each of these matters remains subject to further guidance from the DOF, legislation and interpretation by the courts. If

the cumulative tax increment limit is deemed to no longer be applicable, covenants with respect to such limitations under the Agency Indenture will be terminated as inapplicable.

See "RISK FACTORS – State Budget" for a discussion of the Governor's proposal to eliminate plan limits.

Unitary Property

Assembly Bill 2890 (Statutes of 1986, Chapter 1457), which added Section 98.9 to the California Revenue and Taxation Code, provided that, commencing with the Fiscal Year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) was to be allocated county-wide as follows: (i) each tax rate area will receive the same amount from each assessed utility received in the previous fiscal year unless the applicable county-wide values are insufficient to do so, in which case values will be allocated to each tax rate area on a pro rata basis; and (ii) if values to be allocated are greater than in the previous fiscal year, each tax rate area will receive a pro rata share of the increase from each assessed utility according to a specified formula. Additionally, the lien date on State-assessed property was changed from March 1 to January 1.

Assembly Bill 454 (Statutes of 1987, Chapter 921) further modified the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provided for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provided for a new method of establishing tax rates on State-assessed property and distribution of property tax revenues derived from State-assessed property to taxing jurisdictions within each county as follows: for revenues generated from the 1% tax rate, each jurisdiction, including redevelopment project areas, will receive a percentage up to 102% of its prior year State-assessed unitary revenue; and if county-wide revenues generated for unitary property are greater than 102% of the previous year's unitary revenues, each jurisdiction will receive a percentage share of the excess unitary revenue generated from the application of the debt service tax rate to county-wide unitary taxable value, further, each jurisdiction will receive a percentage share of revenue based on the jurisdiction's annual debt service requirements and the percentage of property taxes received by each jurisdiction from unitary property taxes in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

The intent of Chapters 1457 and 921 was to provide redevelopment agencies with their appropriate share of revenue generated from the property assessed by the State Board of Equalization.

The Agency Participant has projected the amount of unitary revenues to be allocated for the fiscal year 2014-15 within the Project Areas. See Appendix A for such information. Neither the Authority nor the Agency Participant can predict the effect of any future litigation or settlement agreements on the amount of unitary tax revenues received or to be received nor the impact on unitary property tax revenues of any transfer of electrical transmission lines to tax-exempt agencies.

Assessed Value Appeals and Proposition 8 Adjustments

Pursuant to State law, property owners may apply for a reduction of their property tax assessment by filing a written appeal. After the applicant and the assessor have presented their arguments, the applicable local appeals board makes a final decision on the proper assessed value. The appeals board may rule in the assessor's favor, rule in the applicant's favor, or set its own opinion of the proper assessed value, which may be more or less than either the assessor's opinion or the applicant's opinion. Any reduction in the assessment ultimately granted applies to the year for which the application is made and may also affect the values in subsequent years. Refunds for taxpayer overpayment of property taxes may

include refunds for overpayment of taxes in years after that which was appealed. Current year values may also be adjusted as a result of a successful appeal of prior year values. Any taxpayer payment of property taxes that is based on a value that is subsequently adjusted downward will require a refund for overpayment.

Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date. A base year assessment appeal has significant future revenue impacts because a reduced base year assessment will then reduce the compounded value of the property prospectively. Except for the two percent inflation factor, the value of the property cannot be increased until a change of ownership occurs or additional improvements are added.

Section 51 of the Revenue and Taxation Code permits a reduction (a "Proposition 8 Adjustment") in the assessed value if the full cash value of the property has been reduced by damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under this code section may be initiated by the County Assessor or requested by the property owner. During the recent real estate market downturn which started in 2006 and appears to have ended in the past four years, the County Assessor's Office initiated proactive reviews of single family homes, condominiums, townhomes, multifamily and commercial and industrial properties, which result in Proposition 8 Adjustments for many properties in the County.

After a roll reduction is granted under this section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIIIA of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

The taxable value of unitary property may be contested by utility companies and railroads to the State Board of Equalization. Generally, the impact of utility appeals is on the statewide value of a utility determined by the State Board of Equalization. As a result, the successful appeal of a utility may not impact the taxable value of a project area but could impact a project area's allocation of unitary property tax revenues.

Any assessment appeal that is pending or which may be filed in the future, if successful, will result in a reduction of the assessed value of the subject property. A reduction of assessed valuation due to appeals, if significant, and the resulting property tax refunds could adversely impact the amount of Tax Revenues available to pay debt. See additional discussion on assessment appeals in Appendix A and in the Fiscal Consultant's Report appearing in Appendix B.

Additional Limitation on Tax Revenues

On November 8, 1988 the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the California Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on bonded indebtedness approved by the voters of the taxing entity after January 1, 1989 will be allocated to the taxing entity and not to the redevelopment agency. The Agency Participant does not project the receipt of any tax increment revenues as a result of general obligation bonds which may be approved on or after January 1, 1989.

RISK FACTORS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Series 2015 Bonds and the credit quality of the Local Obligations. The following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Series 2015 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available in future years, see "LIMITATIONS ON TAX REVENUES" in the forepart of this Official Statement. See also "SPECIAL RISK FACTORS" in Appendix A for a discussion of additional risk factors specific to the Agency Participant and the Project Areas.

Limited Special Obligations

The Series 2015 Bonds will be special obligations of the Authority, payable from and secured as to the payment of the principal, redemption premium (if any) and interest thereon in accordance with their terms and the terms of the Trust Agreement, solely from the Trust Estate, which will consist primarily of principal and interest payments on the Local Obligations to be purchased by the Authority under the Trust Agreement and to be owned by the Authority as set forth in the Agency Indenture. The Series 2015 Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of, premium (if any) and interest on any Series of Series 2015 Bonds except from the Trust Estate. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of, premium (if any) and interest on the Series 2015 Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of, premium (if any) and interest on the Series 2015 Bonds. The payment of the principal of, premium (if any) and interest on the Series 2015 Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority.

Risks of Real Estate Secured Investments Generally

The Owners and Beneficial Owners of the Series 2015 Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (a) adverse changes in local market conditions, such as changes in the market value of real property within and in the vicinity of the Project Areas, the supply of or demand for competitive properties in the Project Areas, and the market value of competitive properties in the event of sale or foreclosure, (b) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies, and (c) natural disasters (including, without limitation, earthquakes, fires, droughts and floods), which may result in uninsured losses.

Tax Revenues

Tax Revenues, which secure the Local Obligations, are determined by the incremental assessed value of taxable property in the Project Areas, the current rate or rates at which property in the Project Areas is taxed, and the percentage of taxes collected in the Project Areas. Several types of events which are beyond the control of the Agency Participant could occur and cause a reduction in available Tax Revenues and, potentially, Revenues under the Trust Agreement. A reduction of taxable values of property in the Project Areas or a reduction of the rate of increase in taxable values of property in the Project Areas caused by economic or other factors beyond the Agency Participant's control (such as a relocation out of the Project Areas by one or more major property owners, successful appeals by property owners for a reduction in a property's assessed value, a reduction in the rate of transfers of property, construction activity or other events that permit reassessment of property at lower values, or the destruction of property caused by natural or other disasters, including earthquakes) could occur, thereby causing a reduction in Tax Revenues and, potentially, Revenues under the Trust Agreement. This risk increases in proportion to the percent of total assessed value attributable to any single assessee in the Project Areas and in relation to the concentration of property in the Project Areas in terms of size or land use. Several of the Project Areas have a large concentration of ownership among the largest property taxpayers. See "THE PROJECT AREAS – General" and "SPECIAL RISK FACTORS – Concentration of Ownership" in Appendix A.

Any reduction in the tax rate applicable to property in the Project Areas, by reason of discontinuance of certain override tax levies in excess of the 1% basic levy, will reduce the Tax Revenues and, potentially, Revenues under the Trust Agreement. The tax rates which are applied to incremental taxable values consist of two components: the General Tax Rate of $1.00 per $100 of taxable values and the Override Tax Rate which is levied to pay voter approved indebtedness. The basic levy tax rate may not exceed 1% ($1.00 of $100 taxable value) in accordance with Article XIIIA. An amendment to the Constitution prohibits redevelopment agencies from receiving taxes generated by new Override Tax Rates, which are reflective of debt approved after December 31, 1988. As mentioned in the Fiscal Consultant's Report, many issues involved in the dissolution of redevelopment agencies have yet to be resolved including the continuation of plan limits, override revenues and the treatment of ERAF. Additionally approximately 100 lawsuits have been filed on various aspects of AB 26 and AB 1484 which could impact the dissolution of redevelopment agencies. The projections herein could be impacted as a result of future court decisions.

The Fiscal Consultant has based certain projections herein on assumptions with regard to the Project Areas, including growth in assessed values and tax increment revenue growth. These projections assume that assessed value will increase by 1.998% in fiscal year 2015-16 and 2% thereafter. A 2% growth rate is the maximum inflationary growth rate permitted by law. For summary information regarding such projections and projected growth rate of the Agency Participant, see Appendix A under the caption "THE PROJECT AREAS" and the Fiscal Consultant's Report appearing in Appendix B. There can be no assurance, however that assessed values will increase as projected, if at all.

Any reduction in assessed value in the Project Areas, reduction in tax rates or reduction in taxes collected would reduce the Tax Revenues available to pay debt service on the Local Obligations. See "RISK FACTORS" and "LIMITATIONS ON TAX REVENUES – Property Tax Administrative Costs." See also Appendix A under the caption "THE PROJECT AREA" hereto for a summary of historical assessed valuation of property in the project area, current assessment appeals and historical delinquencies.

Successor Agency Powers and Resources Are Limited

Each Successor Agency was created pursuant to the Dissolution Act to wind down the affairs of a Former RDA. Its powers are limited to those granted under the Dissolution Act. It has no power to levy and collect property taxes. It does not have any legal authority to participate in redevelopment activities, except to complete work related to enforceable obligations, as defined in the Dissolution Act. Many Successor Agency actions are subject to the review or the directions of its Oversight Board and the DOF and, in some cases, the County Auditor-Controller and the State Controller. California Health and Safety Code Section 34173(e) states that that the liability of the Successor Agency, acting pursuant to the powers granted under the Dissolution Act, is limited to the extent of the total sum of property tax revenues it receives pursuant to the Dissolution Act and the value of assets transferred to it as a Successor Agency for the Former RDA.

Prior to dissolution, each Former RDA retained funds on hand, accumulated from prior years, that were available for use if short-term cash flow issues arose. In the event of a delay in the receipt of tax increment in any given year, such Former RDA could (though it was not obligated to) use such other available funds to make payments on debt obligations when due. Under the Dissolution Act, a Successor Agency is required to seek prior approval from its Oversight Board (and, therefore, the DOF because all Oversight Board actions are subject to DOF's review) in order to pay an enforceable obligation from a source of funds that is different than the one identified on the ROPS. As the result of procedures already completed under the Dissolution Act, such as the due diligence reviews (see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS – Due Diligence Reviews"), the Successor Agency virtually has no alternative resources available to make payment on enforceable obligations if there is a significant delay with respect to scheduled RPTTF disbursements or if the amount from RPTTF disbursements is not sufficient for the required payment on the enforceable obligations.

The Dissolution Act expressly provides that a Former RDA's original sponsoring city and the Successor Agency are separate public entities. The liabilities of the Former RDA are not transferred to any respective Former RDA's original sponsoring city by the virtue of its election to serve as the Successor Agency. The liabilities of the Successor Agency are not the liabilities of the Former RDA's original sponsoring city.

Limited Application of Tax Revenues in Project Areas

Debt service payable on the Series 2015 Bonds has been calculated based on the assumption that the Agency Participant and the Project Areas will generate sufficient Tax Revenues to timely pay debt service on the Local Obligations with respect to the Project Areas and that the aggregate of the debt service on all Local Obligations will be available in an amount sufficient to timely pay debt service on the Series 2015 Bonds. Accordingly, if there should be a substantial decline in the amount of Tax Revenues available with respect to the Agency Participant or the Project Areas causing a default in the payment of the Local Obligations, and should the debt service reserve account established for the Local Obligations become depleted as a result of such default or defaults in the payment of the Local Obligations, the Authority may be unable to pay debt service on the Series 2015 Bonds.

Change in Law

In addition to the other limitations on Tax Revenues, the California electorate or Legislature could adopt a constitutional or legislative property tax decrease with the effect of reducing Tax Revenues payable to the Agency Participant. There is no assurance that the California electorate or Legislature will not at some future time approve additional limitations that could reduce the Tax Revenues and adversely affect the security of the Local Obligations.

Reduction in Inflationary Rate

As described in greater detail below, Article XIIIA of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. See "LIMITATIONS ON TAX REVENUES" for a discussion of how this measure or other initiative measures adopted by the California electorate could reduce Tax Revenues and, potentially, Revenues under the Trust Agreement.

Levy and Collection

The Agency Participant has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues, and accordingly, could have an adverse impact on the ability of the Agency Participant to pay debt service on the Local Obligations. Likewise, the County has not implemented a Teeter Plan with respect to the collection and distribution of taxes and delinquencies in the payment of property taxes could have an adverse effect on the Agency Participant's ability to make timely debt service payments. See "Property Tax Collection Procedures" below.

Property Tax Collection Procedures

In California, property which is subject to *ad valorem* taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state-assessed public utilities' property and property the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured properties are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. Collections are the responsibility of the County Treasurer and Tax Collector.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition property on the secured roll with respect to which taxes are due is delinquent on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector.

Historically, property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB 813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A ten percent (10%) penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer, (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer, and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

The County has not implemented a Teeter Plan with respect to the collection and distribution of taxes. See Appendix A under the caption "THE PROJECT AREAS" hereto for a summary of historical assessed valuation of property in the Project Areas, current assessment appeals and historical delinquencies.

Natural Disasters; Seismic Hazards

Natural disasters, including floods and earthquakes, could damage improvements and/or property in the Project Areas, or impair the ability of landowners within the Project Areas to further develop their properties or to pay property taxes.

There are several identified faults within close proximity to or within the boundaries of the Project Areas, including the Southern Segment of the San Andreas Fault that could potentially result in damage to buildings, roads, bridges, and property within the Project Areas in the event of an earthquake. For summary information regarding natural disasters and seismic hazards concerning the Project Areas, see Appendix A under the caption "SPECIAL RISK FACTORS – Natural Disasters; Seismic Hazards." If an earthquake or other natural disaster were to substantially damage or destroy taxable property within the Project Areas, the assessed valuation of such property would be reduced. Such a reduction of assessed valuations could result in a reduction of the Tax Revenues that secure the Local Obligations.

Hazardous Substances

An environmental condition that may result in the reduction in the assessed value of parcels would be the discovery of hazardous substances that would limit the beneficial use of a property within the Project Areas. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act" is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Project Areas be affected by a hazardous substance, would be to reduce the marketability and value of the property by the costs of remedying the condition, since the purchaser, upon becoming an owner, will become obligated to remedy the condition just as is the seller.

Assessment Appeals

Property taxable values may be reduced as a result of a successful appeal of the taxable value determined by the County Assessor. An appeal may result in a reduction to the Assessor's original taxable value and a tax refund to the applicant property owner. A reduction in taxable values within the Project Areas and the refund of taxes which may arise out of successful appeals by property owners will affect the amount of Tax Revenues, and, potentially, Revenues. The Agency Participant has in the past experienced reductions in Tax Revenues as a result of assessment appeals. The actual impact to tax increment is dependent upon the actual revised value of assessments resulting from values determined by the County Assessment Appeals Board or through litigation and the ultimate timing of successful appeals. See "THE PROJECT AREAS – Assessment Appeals" in Appendix A for a discussion of historical assessment appeals in the Project Areas.

Litigation

Certain litigation may affect the distribution of property tax revenues or other monies to the Agency Participant, which may affect the amounts available to pay debt service on the Series 2015 Bonds. See "LITIGATION" and APPENDIX A – "SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH – LITIGATION" herein.

Economic Risks

The Agency Participant's ability to make payments on the Local Obligations will be partially dependent upon the economic strength of the Project Areas. If there is a decline in the general economy of the Project Areas, the owners of property may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of tax increment revenues. In the event of decreased values, Tax Revenues and, potentially, Revenues may decline as a result.

State Budget

AB 26 and AB 1484 were enacted by the State Legislature and Governor as trailer bills necessary to implement provisions of the State's budget acts for its fiscal years 2011-12 and 2012-13, respectively, as efforts to address structural deficits in the State general fund budget. In general terms, these bills implemented a framework to transfer cash assets previously held by redevelopment agencies to cities, counties, and special districts to fund core public services, with assets transferred to schools offsetting State general fund costs (then projected savings of $1.5 billion). There can be no assurance that additional legislation will not be enacted in the future to additionally implement provisions relating to the State budget or otherwise that may affect successor agencies or tax increment revenues, including Tax Revenues.

On June 20, 2014, the Governor signed into law the State budget for fiscal year 2014-15 (the "2014-15 Budget"). The following information is drawn from the State Department of Finance's summary of the 2014-15 Budget. The 2014-15 Budget is based on revenue projections previously included in the Governor's May revision to the proposed budget for fiscal year 2014-15. For fiscal year 2013-14, the 2014-15 Budget projects total State general fund revenues of $102.2 billion, and total State general fund expenditures of $100.7 billion. The 2014-15 Budget projects that the State will end the 2013-14 fiscal year with a $2.9 billion general fund surplus. For fiscal year 2014-15, the 2014-15 Budget projects total State general fund revenues of $109.4 billion and total State general fund expenditures of $108 billion, leaving the State with a projected general fund surplus for fiscal year 2014-15 of approximately $2.1 billion. This projected reserve is a combination of $449 million in the State's general

fund traditional reserve, and an authorized deposit of $1.6 billion into the Budget Stabilization Account established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

On January 9, 2015, the Governor announced his proposed budget for fiscal year 2015-16 (the "Proposed Budget"). As part of the Proposed Budget, the Governor has proposed legislation that would:

(i) Transition all successor agencies from a biannual ROPS process to an annual ROPS process beginning January 1, 2016 when the successor agencies transition to a countywide oversight board.

(ii) Establish a "Last and Final" ROPS process beginning September 2015. The Last and Final ROPS will be available only to successor agencies that have a Finding of Completion, are in agreement with the Department of Finance on what items qualify for payment, and meet other specified conditions. If approved by the Department of Finance, the Last and Final ROPS will be binding on all parties and the successor agency will no longer submit a ROPS to the Department of Finance or the oversight board. The county auditor-controller will remit the authorized funds to the successor agency in accordance with the approved Last and Final ROPS until each remaining enforceable obligation has been fully paid.

(iii) Clarify that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations.

May Revision. On May 14, 2015, the Governor released the May revision (the "May Revision") to the Proposed Budget. The following information is drawn from the State Department of Finance's summary of Proposed Budget, as revised by the May Revision.

The May Revision continues to project the expansion of the State and national economies, as well as an overall increase of $6.7 billion to State general fund revenues attributable primarily to higher capital gains tax collections. The May Revision allocates only a small portion of these additional revenues to new spending areas, and instead allocates the bulk towards education funding, an additional deposit to the State Budget Stabilization Account ("BSA") of approximately $633 million and additional payments towards outstanding State special fund loans.

After accounting for transfers to the BSA, the May Revision projects year-end general fund revenues for State fiscal year 2014-15 to be approximately $111.3 billion, approximately $3.3 billion higher than projected in the Proposed Budget. State general fund expenditures are also expected to increase by approximately $2.8 billion, for a year-end total of approximately $114.5 billion. The May Revision projects that the State will end fiscal year 2014-15 with a surplus of approximately $3 billion, composed of a $1.4 billion balance in the general fund reserve and a $1.6 billion balance in the BSA. For State fiscal year 2015-16, the May Revision projects State general fund revenues of approximately $115 billion, approximately $1.7 billion higher than previously projected. The May Revision would authorize State general fund expenditures of approximately $115.3 billion, an increase of approximately $2 billion from the expenditures set forth in the Proposed Budget. The State is projected to end fiscal year 2015-16 with a general fund surplus of approximately $4.6 billion, composed of a $1.1 billion balance in the general fund reserve and $3.5 billion in the BSA.

The May Revision includes revised estimates of the minimum funding guarantees for schools for State fiscal year 2014-15. The State fiscal year 2014-15 minimum funding guarantee is set at approximately $66.3 billion, an increase of approximately $3.1 billion from the revised level included in the Proposed Budget. For State fiscal year 2015-16, the May Revision revises the minimum funding

guarantee at approximately $68.4 billion, an increase of approximately $2.7 billion from the level included in the Proposed Budget.

With respect to redevelopment, the May Revision proposes the following additional amendments to those discussed with respect to the Proposed Budget above: (1) redevelopment successor agencies that enter into a written agreement with DOF to remit unencumbered cash to the county auditor-controller will receive a finding of completion, which provides successor agencies with additional fiscal tools and reduced State oversight; (2) successor agencies that receive a finding of completion may expend a portion of proceeds of bonds issued in 2011, which proceeds are currently frozen; (3) pension or State Water Project override revenues that are not pledged to or not needed for redevelopment debt service will be returned to the entity that levies the override; (4) agreements relating to State highway improvements and money loaned to successor agencies to pay costs associated with redevelopment dissolution litigation will be considered enforceable obligations; and (5) reentered agreements entered into after the passage of AB 1484 are unenforceable unless entered into for the purpose of providing administrative support.

The Fiscal Year 2015-16 Budget was signed by the Governor on June 24, 2015 (the "Final 2015-16 Budget"). The proposed amendments to the Dissolution Act described in the Proposed Budget and the May Revision were not included in the Final 2015-16 Budget or the trailer bill package enacted in connection with the Final 2015-16 Budget. It is uncertain whether some or all of the amendments to the Dissolution Act described in the Proposed Budget and the May Revision will be enacted in the future.

The full text of each Assembly Bill cited above may be obtained from the "Official California Legislative Information" website maintained by the Legislative Counsel of the State of California pursuant to State law, at the following web link: http://www.leginfo.ca.gov/bilinfo.html. Information about the State budget and State spending is available at various State maintained websites. Text of the 2014-15 Budget, the Proposed Budget, the May Revision and other documents related to the State budget may be found at the website of the State Department of Finance, www.dof.ca.gov. A nonpartisan analysis of the budget is posted by the Legislative Analyst's Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov.

None of the websites or webpages referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. Neither the Authority nor the Agency Participant can make any representation whatsoever as to the accuracy or completeness of any of the information on such websites.

Certain litigation is challenging some of the terms of the Dissolution Act, and it is anticipated that there will be additional future legislation in this area. The Agency Participant cannot predict what measures may be proposed or implemented for the current fiscal year or in the future.

Direct and Overlapping Indebtedness

The ability of land owners within the Project Areas to pay property tax installments as they come due could be affected by the existence of other taxes and assessments, imposed upon the land. In addition, other public agencies whose boundaries overlap those of the Project Areas could, without consent of the Agency Participant, and in certain cases without the consent of the owners of the land within the Project Areas, impose additional taxes or assessment liens on the property to finance public improvements. See "Bankruptcy and Foreclosure" below.

Bankruptcy and Foreclosure

The payment of property taxes by owners may be limited by bankruptcy, insolvency, or other laws generally affecting creditor's rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the issuance of the Series 2015 Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings would not cause the property tax obligation of a landowner to become extinguished, such bankruptcy could result in a delay in collection of Tax Revenues, and would increase the likelihood of a delay or default in payment of the principal of and interest on the Local Obligations.

Future Legislation and Initiatives

Article XIIIA, Article XIIIB and Proposition 218 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the Agency Participant or the Agency Participant's ability to expend revenues. In addition, there are currently a number of proposed legislative changes to the Dissolution Act which, if adopted, would also affect revenues of the Agency Participant or the Agency Participant's ability to expend revenues. The nature and impact of these measures cannot currently be anticipated.

TAX MATTERS

Series 2015A Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2015A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E – "FORM OF OPINIONS OF BOND COUNSEL."

To the extent the issue price of any maturity of the Series 2015A Bonds is less than the amount to be paid at maturity of such Series 2015A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2015A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2015A Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2015A Bonds is the first price at which a substantial amount of such maturity of the Series 2015A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2015A Bonds accrues daily over the term to maturity of such Series 2015A Bonds on the basis of a constant interest rate compounded semiannually (with

straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2015A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2015A Bonds. Beneficial Owners of the Series 2015A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2015A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2015A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2015A Bonds is sold to the public.

Series 2015A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2015A Bonds. The Authority and the Agency Participant have each made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2015A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2015A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2015A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2015A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2015A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2015A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2015A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, the Obama Administration's budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the Series 2015A Bonds to some extent for high income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2015A Bonds. Prospective purchasers of the Series 2015A Bonds should

consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2015A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2015A Bonds ends with the issuance of the Series 2015A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Beneficial Owners regarding the tax-exempt status of the Series 2015A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2015A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2015A Bonds, and may cause the Authority or Beneficial Owners to incur significant expense.

Series 2015B Bonds

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Series 2015B Bonds that acquire their Series 2015B Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2015B Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series 2015B Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series 2015B Bonds pursuant to this offering for the issue price that is applicable to such Series 2015B Bonds (i.e., the price at which a substantial amount of the Series 2015B Bonds are sold to the public) and who will hold their Series 2015B Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Series 2015B Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal

income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Series 2015B Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series 2015B Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2015B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2015B Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Series 2015B Bonds in light of their particular circumstances. For a description of certain California personal income tax matters, see the information set forth on the cover page of this Official Statement.

U.S. Holders

Interest. Interest on the Series 2015B Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Series 2015B Bonds is less than the amount to be paid at maturity of such Series 2015B Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2015B Bonds), the difference may constitute original issue discount ("OID"). U.S. Holders of Series 2015B Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Series 2015B Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Series 2015B Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series 2015B Bond.

Sale or Other Taxable Disposition of the Series 2015B Bonds. Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Series 2015B Bond, will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2015B Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2015B Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Series 2015B Bond (generally, the purchase price paid by the U.S. Holder for the Series 2015B Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Series 2015B Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series 2015B Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's

holding period for the Series 2015B Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding. Payments on the Series 2015B Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Series 2015B Bonds may be subject to backup withholding at the current rate of 28% with respect to "reportable payments," which include interest paid on the Series 2015B Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2015B Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "FATCA," payments of principal of, and interest on, any Series 2015B Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, as such term is defined in the Code, which is related to the Authority through stock ownership and (2) a bank which acquires such Series 2015B Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Series 2015B Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the Series 2015B Bonds. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "FATCA," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Series 2015B Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Series 2015B Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that at the time of such individual's death, payments of interest with respect to such Series 2015B Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "FATCA," under current U.S. Treasury Regulations, payments of principal and interest on any Series 2015B Bonds to a holder that is not a United States person will not be subject to any backup

withholding tax requirements if the beneficial owner of the Series 2015B Bond or a financial institution holding the Series 2015B Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 28%.

FATCA – U.S. Holders and Non-U.S. Holders. Sections 1471 through 1474 of the Code, impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Series 2015B Bonds and sales proceeds of Series 2015B Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2016 and (ii) certain "pass-thru" payments no earlier than January 1, 2017. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series 2015B Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Series 2015B Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

CONTINUING DISCLOSURE

In accordance with the Continuing Disclosure Agreement to be delivered concurrently with the delivery of the Series 2015 Bonds, the Agency Participant will covenant and agree for the benefit of Owners of the Series 2015 Bonds, with assistance from the Authority, to provide certain financial information and, with assistance from the Authority, operating data relating to the Project Areas by not later than 180 days after the end of the Agency Participant's fiscal year (presently September 30), in each year commencing with its report for the 2014-15 fiscal year (each an "Annual Report"). The Agency Participant has also agreed to provide notices of the occurrence of certain enumerated events. Such Annual Report and notices will be filed by the Agency Participant or the Authority, as dissemination agent, on behalf of the Agency Participant, with the MSRB through EMMA.

The Authority has agreed to assist the Agency Participant in the preparation of annual updates of the information contained in the tables included in this Official Statement with respect to property tax revenues, collections, principal taxpayers, and, if applicable, plan limit calculations, and has agreed to advise the Agency Participant of any enumerated events of which it has knowledge. The Authority will act as Dissemination Agent and, unless otherwise filed by the Agency Participant, will file the Annual Reports, including audited financial statements, and notices with the MSRB through EMMA. In carrying

out the duties of Dissemination Agent, the Authority will adhere to the continuing disclosure procedures approved by the County Treasurer and Tax Collector found at the Los Angeles County Treasurer and Tax Collector website (http://ttc.lacounty.gov/Proptax/Investor_Info.asp). The information contained in such website is not incorporated into this Official Statement.

These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Commission Rule 15c2-12(b)(5) ("Rule 15c2-12"). The specific nature of the information to be contained in the Annual Report and the notices of enumerated events are set forth in APPENDIX F – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

The compliance of the Agency Participant with its past obligations under Rule 15c2-12 is described in Appendix A in the introductory section under the caption "Continuing Disclosure."

CERTAIN LEGAL MATTERS

The validity of the Series 2015 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. Bond Counsel, as such, has not undertaken any responsibility for the accuracy, completeness or fairness of this Official Statement. A complete copy of the proposed form of opinion of Bond Counsel is contained in APPENDIX E – "FORM OF OPINIONS OF BOND COUNSEL" attached hereto. Certain legal matters will be passed upon for the Authority by County Counsel as Counsel to the Authority. Certain legal matters will be passed upon for the Agency Participant by designated general counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California.

FINANCIAL STATEMENTS

Audited annual financial statements for the City of Long Beach for the fiscal year ended September 30, 2014, were prepared by KPMG, LLP. Excerpts of the Agency Participant's audited annual financial statements for the fiscal year ended September 30, 2014, are attached hereto as Appendix C. The Agency Participant has not requested, and the auditor has not provided, any update or review of such audited financial statements in connection with the inclusion thereof in Appendix C to this Official Statement.

FINANCIAL ADVISOR

KNN Public Finance, a division of Zions First National Bank, Oakland California (the "Financial Advisor") is serving as financial advisor to the Agency Participant and the Authority in connection with the execution and delivery of the Series 2015 Bonds. The Financial Advisor has not independently verified any of the data contained in this Official Statement or conducted a detailed investigation of the affairs of the Authority or the Agency Participant to determine the accuracy or completeness of this Official Statement. The Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained in this Official Statement.

VERIFICATION OF MATHEMATICAL ACCURACY

Causey Demgen & Moore P.C., independent accountants, upon delivery of the Series 2015 Bonds, will deliver a report on the mathematical accuracy of certain computations, contained in schedules prepared by the Underwriters, relating to the sufficiency of moneys and securities deposited into the Redemption Accounts to pay, when due, the principal, whether at maturity or upon prior prepayment, interest and redemption premium requirements of the Refunded Bonds.

The report of Causey Demgen & Moore P.C. will include the statement that the scope of its engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it, and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of its report.

LITIGATION

To the best knowledge of the Authority, there is no litigation pending (where service of process has been completed on the Authority) or threatened against the County or the Authority concerning the validity of the Series 2015 Bonds or challenging any action taken by the Authority in connection with the authorization of the Trust Agreement, the Bond Purchase Agreement, Local Obligations Purchase Contract or any other document relating to the Series 2015 Bonds to which the Authority is or is to become a party or the performance by the Authority of any of its obligations under any of the foregoing.

There is no action, suit or proceeding pending or, to the knowledge of any of the Agency Participant, threatened, restraining or enjoining the execution or delivery of the Local Obligations or Agency Indenture, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Agency Participant, its Oversight Board, or the City of Long Beach taken with respect to any of the foregoing. The Agency Participant is a defendant in actions for writs of mandamus, injunctive relief and related fees, and for alleged damages to persons and/or property and for other alleged liabilities arising out of matters usually incident to the operation of a former redevelopment agency (now a successor agency). However, the Agency Participant does not expect such pending or threatened litigation to result in a material adverse impact on the ability of the Agency Participant to make timely payments of debt service on its Local Obligations. See Appendix A under the caption "LITIGATION." The lawsuits described below relate to issues that may affect the distribution of property tax revenues or other monies to the Agency Participant under the Dissolution Act.

Prior to adoption of the Dissolution Act in 2011, redevelopment agencies were responsible for remitting the statutory pass-through payments to taxing agencies based on the allocation of moneys as provided by county auditor-controllers. Although the redevelopment agencies relied upon allocations provided by the County auditor controller, the redevelopment agencies were legally responsible for paying each taxing agency its allocated share. Following the adoption of the Dissolution Act, county auditor-controllers administer the allocation and payment of statutory pass-throughs directly.

In 2007, the Los Angeles Unified School District ("LAUSD") filed a lawsuit against the County and various cities, special districts and redevelopment agencies in the County, including the Agency Participant, alleging that the County Auditor-Controller and local redevelopment agencies improperly allocated and paid to cities, counties, and special districts an illegally inflated share of local property tax revenue. This lawsuit involves the method the County uses to calculate the allocation of Statutory Pass-Through Amounts among taxing agencies and does not challenge the total amount or calculation of the Statutory Pass-Through Amounts owed by redevelopment agencies.

In January 2011, the Los Angeles Community College District ("LACCD") filed a similar lawsuit against the County and various cities, special districts and redevelopment agencies in the County based on the same grounds. The court in the LACCD case determined the matter to be related to the LAUSD case and therefore the case has been placed on hold pending final resolution of LAUSD matter.

The trial court in the LAUSD litigation rendered judgment in favor of the County, cities, special districts and redevelopment agencies and, after the appellate court reversed such judgment and remanded the case back to the trial court, the trial court issued a statement of decision in favor of LAUSD on January 27, 2012, ruling that the amount of pass-through received by the County, cities and special

districts had been illegally inflated, and requiring the respondents to file a return on the writ explaining how they would comply with the court's order to return the improperly withheld funds to LAUSD. LAUSD appealed on September 7, 2012 to a portion of the court's statement of decision, specifically challenging the court's determination that while ERAF revenue received by schools is to be factored when calculating their pass-through shares, the ERAF revenue they are credited with shall not include amounts diverted under Revenue & Taxation Code sections 97.68 (the "Triple Flip") and 97.70 (the "VLF Swap") since their respective enactment in 2004. The appellate court agreed with LAUSD, reversed the trial court's ruling concluding that: "The property tax revenue that LAUSD received from the ERAF's should be deemed to include its share of the ERAF revenue that was diverted by the Triple Flip and the VLF Swap legislation, thus avoiding either a decrease in LAUSD's pass-through payment allocation, or an increase in a city or county's pass-through payment allocation." The appellate court remanded to the trial court on June 26, 2013. The County appealed, and the State Supreme Court denied the County's petition for review on this matter on October 2, 2013.

The County, LAUSD and other parties to the litigation are currently negotiating a methodology pursuant to which the Statutory Pass-Through Amounts could be allocated consistent with the appellate court decision. The County believes that a resolution with an approved calculation methodology is close to completion. LAUSD has sought return of Pass-Through Amounts to which it was entitled since 2004 in addition to correcting the allocation of pass-throughs in the future. LACCD, in its lawsuit, has sought the return of Pass-Through Amounts to which it was entitled from fiscal year 2007-08 through January 31, 2012. As discussed above, prior to the enactment of the Dissolution Act in 2011, redevelopment agencies were responsible for the payment of the Statutory Pass-Through Amounts based on allocations provided by county auditor-controllers. It is likely that the trial court could seek repayment of past due sums from the County, cities and special districts and/or from the redevelopment agencies who paid the wrong Statutory Pass-Through Amounts to the taxing agencies. The County and the school districts are also exploring the best way for the cities, special districts and former redevelopment agencies to repay the schools which filed these lawsuits. Additionally the trial court has determined that interest is owed on any past due amounts. It is unclear what liability, if any, the Agency Participant may have to LAUSD at this time or to other school districts within its boundaries, including Long Beach Unified School District. The County impounded approximately $18 million and $24 million in January and May, respectively, of 2015 pursuant to a court order and stipulation of the parties relating to the Pass-Through Amounts. The next status conference is set for July 9, 2015.

If the Agency Participant is found liable, under the Dissolution Act, it is unclear whether any amounts owed by the Agency Participant as a result of the LAUSD case would be senior or subordinate to the payment of debt service on the Local Obligations. Notwithstanding the foregoing, due to the amount of residual tax increment revenues generated from the Project Areas, neither of the Authority nor the Agency Participant expect the final judgment or similar resolution of either litigation to result in a material adverse impact on the ability of the Agency Participant to make timely payments of debt service on the Local Obligations when due. See Appendix A under the caption "THE PROJECT AREAS – Estimated Debt Service Coverage."

With respect to California successor agencies and the Dissolution Act in general, on August 1, 2012, Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, "Syncora") filed a lawsuit against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other county auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215) (the "Syncora Lawsuit") challenging the terms of the Dissolution Act. Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or

property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The Syncora Lawsuit was brought as a petition for writ of mandate, complaint for declaratory relief, inverse condemnation and injunctive relief. The injunctive relief sought included an injunction enjoining the respondents from implementing enforcing, and/or carrying out the Redistribution Provisions, ordering respondents to immediately return all money remitted by successor agencies to local taxing entities pursuant to the Redistribution Provisions, and ordering respondents to hold all future tax increment revenues in the RPTTF, or a similar fund, for the exclusive benefit of, and distribution to, the bondholders, until such a time when the bondholders are completely repaid. In August 2013, the court ordered Syncora's claims dismissed, without prejudice to refile, as premature claims for impairment of contract and an unconstitutional taking. The court noted that no redevelopment agency bonds are in default.

The original complaint alleged that the Dissolution Act, and specifically the "Redistribution Provisions" thereof (i.e., California Health and Safety Code Sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the "contract clauses" of the United States and California Constitutions (U.S. Const. art. 1, § 10, cl.1; Cal. Const. art. 1, § 9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the "Takings Clauses" of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders' and Syncora's contractual right to critical security mechanisms without just compensation. Specifically, the complaint alleges that the security mechanism created by the irrevocable pledge of tax increment revenues to repay the redevelopment agency debts was a critical feature of the redevelopment bonds' marketability. No assurance can be made that Syncora will not re-file its claim at a later date.

RATING

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, a part of McGraw Hill Financial ("Standard & Poor's") is has assigned its municipal bond rating of "AA-" to the Series 2015 Bonds. Such rating reflects only the views of Standard & Poor's, and does not constitute a recommendation to buy, sell or hold the any of the Series 2015 Bonds. Explanation of the significance of such rating may be obtained only from Standard and Poor's Ratings Services, 55 Water Street, New York, New York 10041. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of the rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series of Series 2015 Bonds to which such rating has been assigned.

UNDERWRITING

The Series 2015 Bonds are being purchased by Stifel Nicolaus & Company, Incorporated as representative of itself and Citigroup Global Markets Inc. (collectively, the "Underwriters"), pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement") by and between the Authority and the Underwriters. The Underwriters have agreed to purchase the Series 2015A Bonds from the Authority at an aggregate purchase price of $80,742,890.72 (consisting of the aggregate principal amount of the Series 2015A Bonds of $74,375,000.00, plus net original issue premium of $6,700,245.45 and less underwriters' discount of $332,354.73), pursuant to the terms of the Bond Purchase Agreement. The Underwriters have agreed to purchase the Series 2015B Bonds from the Authority at an aggregate purchase price of $80,862,396.09 (consisting of the aggregate principal amount of the Series 2015B Bonds of $81,445,000.00, less original issue discount of $178,075.60 and less underwriters' discount of

$404,528.31), pursuant to the terms of the Bond Purchase Agreement. The Bond Purchase Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters will be obligated to purchase all of the Series of Series 2015 Bonds offered under the Bond Purchase Agreement if any of such Series of Series 2015 Bonds offered thereunder are purchased.

The Underwriters may offer and sell the Series 2015 Bonds to certain dealers, institutional investors and others at prices lower than the public offering prices stated on the inside cover page hereof and such public offering prices may be changed from time to time by the Underwriters.

Citigroup Global Markets Inc., an underwriter of the Series 2015 Bonds, has entered into a retail distribution agreement with UBS Financial Services Inc. ("UBSFS"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS. As part of this arrangement, Citigroup Global Markets Inc. may compensate UBSFS for their selling efforts with respect to the Series 2015 Bonds.

ADDITIONAL INFORMATION

Included herein are brief summaries of certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Trust Agreement, the Local Obligations and the Agency Indenture may be obtained upon request from the Trustee at: 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Corporate Trust Administration. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement among the Authority, the Agency Participant and the purchasers or Owners of any of the Series 2015 Bonds.

This Official Statement and its distribution have been duly authorized by the Authority and the Agency Participant.

GLENN BYERS
ASSISTANT TREASURER AND TAX COLLECTOR
COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR
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APPENDIX A

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

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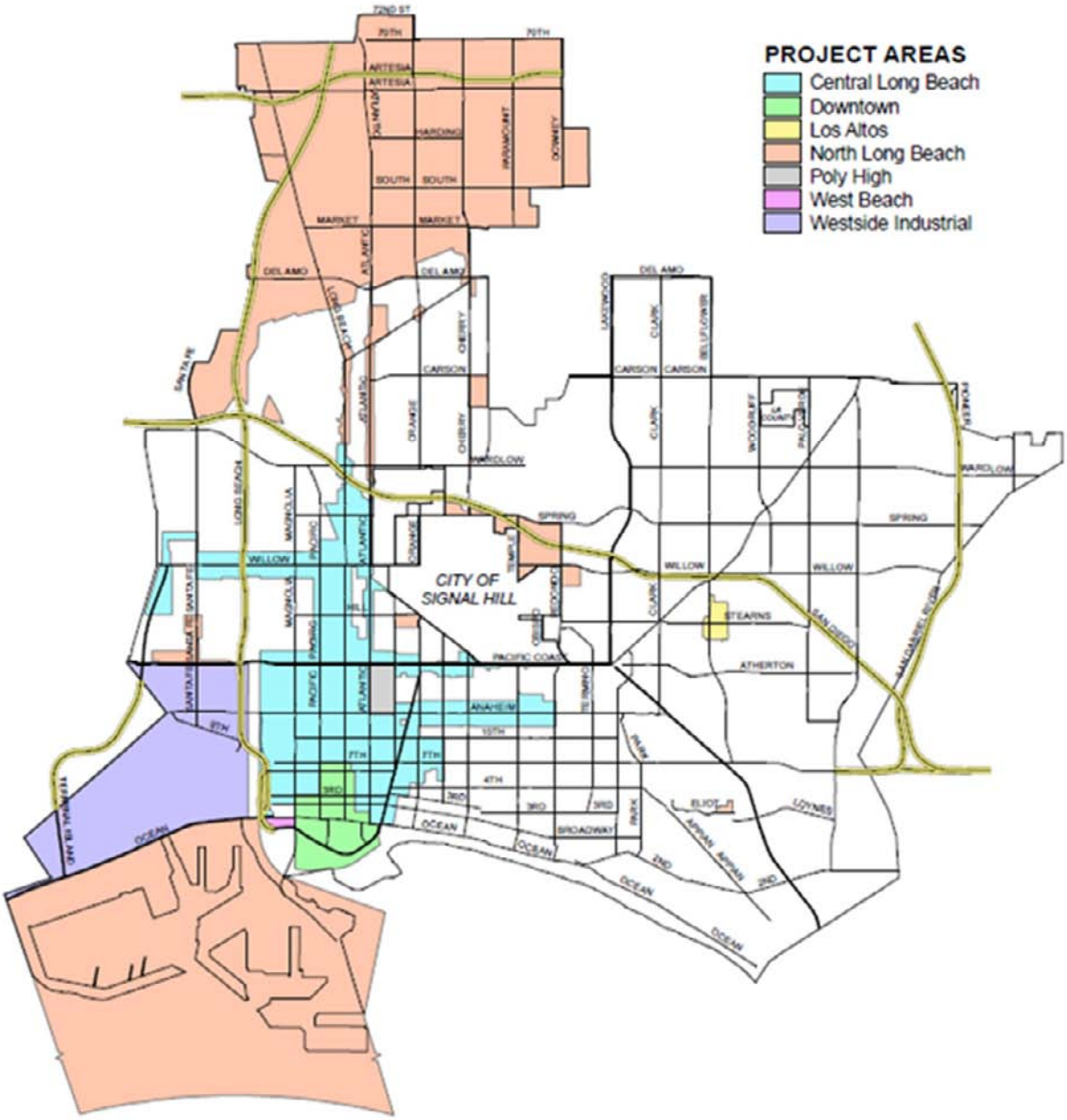
APPENDIX A

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH (COMBINED REDEVELOPMENT PROJECT AREAS)

The following information regarding the Successor Agency to the Redevelopment Agency of the City of Long Beach (the "Long Beach Successor"), the dissolved Redevelopment Agency of the City of Long Beach (the "Former Long Beach RDA"), seven redevelopment project areas of the Former Long Beach RDA (collectively referred to as the "Project Areas"), and the City of Long Beach (the "City") is presented as additional and specific information with respect to the Successor Agency to the Redevelopment Agency of the City of Long Beach, Tax Allocation Refunding Bonds, Series 2015A (the "Series 2015A Bonds") and the Successor Agency to the Redevelopment Agency of the City of Long Beach, Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable) (the "Series 2015B Bonds"; and, together with the Series 2015A Bonds, the "Long Beach Refunding Bonds") being purchased by the Authority, which are payable solely from Tax Revenues (as defined in this Appendix A) attributable to the Project Areas and all amounts on deposit from time to time in the funds and accounts (other than the Expense Account and the Rebate Fund) established under the Indenture of Trust, dated as of July 1, 2015 (the "Long Beach Indenture"), by and between the Long Beach Successor and U.S. Bank National Association, as trustee (the "Agency Trustee"), relating to the Long Beach Refunding Bonds. The information set forth in this Appendix A has been obtained from the Long Beach Successor, the City, Keyser Marston Associates, Inc., as fiscal consultant (the "Fiscal Consultant"), and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. Appendix B attached to this Official Statement includes the Fiscal Consultant's Report with respect to the Long Beach Successor. Terms defined in this Appendix A are in most instances specific to this Appendix A. Capitalized terms used in this Appendix A and not otherwise defined herein have the respective meanings assigned to them in the forepart of this Official Statement, in the Trust Agreement and in the Long Beach Indenture, as applicable. See APPENDIX D — "SUMMARY OF TRUST AGREEMENT" attached to this Official Statement.

CITY OF LONG BEACH
REDEVELOPMENT AREAS



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The information and expressions of opinions in this Appendix A are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Long Beach Successor since the date hereof. The taxing power of the City, the County of Los Angeles (the "County"), the State of California (the "State") or any political subdivision thereof is not pledged to the payment of the Long Beach Refunding Bonds. See the information under the captions "THE REFUNDING BONDS" in this Appendix A and "THE SERIES 2015 BONDS" in the forepart of this Official Statement.

Brief descriptions of the Long Beach Refunding Bonds, the Long Beach Indenture, the Long Beach Successor, the Former Long Beach RDA and the City are included in this Appendix A. Such descriptions and information do not purport to be comprehensive or definitive. All references in this Appendix A to the Long Beach Refunding Bonds, the Long Beach Indenture, the Law (as hereinafter defined), the Dissolution Act, the Constitution and the laws of the State as well as the proceedings of the Former Long Beach RDA and the Long Beach Successor are qualified in their entirety by reference to such documents. Copies of the proceedings of the Long Beach Successor referred to above, the Long Beach Indenture and other documents described in this Appendix A are available for inspection at the offices of the Long Beach Successor, at 333 West Ocean Boulevard, Long Beach, California 90802.

The City maintains a website. However, the information presented on that website is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Authority Bonds.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

General

The Former Long Beach RDA was established pursuant to the provisions of the Community Redevelopment Law, being Part 1 of Division 24 of the California Health and Safety Code (the "Law") by Ordinance No. C-4184 of the City Council of the City of Long Beach (the "Long Beach City Council") adopted on October 17, 1961. Unlike most redevelopment agencies, the Former Long Beach RDA was governed by a separate seven-member governing board whose members were appointed by the Mayor and affirmed by the City Council. Assembly Bill x1 26 ("AB x1 26") chaptered and effective on June 28, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("*Matosantos* Decision"), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; thereafter, such laws were amended further by Assembly Bill 1484 ("AB 1484") that was chaptered and effective on June 27, 2012, and such laws have been further amended by subsequent legislation (together AB x1 26, the *Matosantos* Decision, AB 1484, and subsequent amendments are referred to as the "Dissolution Act").

On January 17, 2012, pursuant to Resolution No. RES-12-0009 and Section 34173 of the Dissolution Act, the Long Beach City Council elected to serve as successor agency to the Former Long Beach RDA and further elected to retain the housing assets and functions of the Former Long Beach RDA pursuant to Section 34176 of the Dissolution Act. The Long Beach Successor is governed by a ten-member Board of Directors (the "Board") which consists of the members of the Long Beach City Council and the Mayor.

The City is a charter city and was incorporated in 1897. The City is located in southern Los Angeles County, California, adjacent to the Pacific Ocean and approximately 32 miles south of downtown Los Angeles. The City borders Orange County on the City's southeast edge. The City has a boundary of approximately 52 square miles. The City operates under the Council-Manager form of government. The nine City Council members are elected by districts within the City, whereas the Mayor is elected at large. The Council members

and the Mayor are elected to four year alternating terms. The Mayor presides over the meetings and deliberates during the meetings, but has no vote; however, the Mayor may veto the actions of the City Council except for parliamentary on procedural motion. The Long Beach City Council appoints a City Manager to administer the daily affairs of the City and to implement policies established by the Long Beach City Council. The population of the City of Long Beach has increased approximately 23% from 1980 through 2014. The annual population estimate of the City of Long Beach in 2014 is approximately 470,292. The City has no obligation with respect to the Long Beach Refunding Bonds, the Long Beach Indenture, the Series 2015 Bonds or the Trust Agreement.

The Redevelopment Plans and the Project Areas

The Long Beach Refunding Bonds are principally payable from Tax Revenues (as defined in this Appendix A) attributable to the Project Areas. The Project Areas consist of seven separate redevelopment projects. See "THE REDEVELOPMENT PLANS" and "THE PROJECT AREAS" in this Appendix A for detailed information regarding the seven Redevelopment Plans (defined below under the heading "THE REDEVELOPMENT PLANS"), the amendments to the Redevelopment Plans, and the Project Areas.

No Other Project Areas

Other than the Project Areas, there are no active redevelopment project areas approved by the City and the Former Long Beach RDA within its area of operation.

Tax Revenues

The Long Beach Refunding Bonds will be secured by a pledge of "Tax Revenues" as provided under the Long Beach Indenture.

As defined in the Long Beach Indenture, the term "Tax Revenues" means all taxes annually allocated within the Plan Limit and paid to the Long Beach Successor pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law, Section 16 of Article XVI of the Constitution of the State and other applicable state laws and as provided in the Redevelopment Plans available and deposited in the Redevelopment Property Tax Trust Fund ("RPTTF"), subject to the prior application and lien in favor of the Senior Bonds (defined below under the heading "— Senior Obligations") and to payments under Pass-Through Agreements, Statutory Pass-Through Amounts and 33676 Amounts (each as defined herein) (unless otherwise subordinated) and limited, in each case, to the extent of the project area specific portion of such Tax Revenues applicable and/or pledged to the payment of such obligations. If, and to the extent, that the provisions of Section 34172 or paragraph (2) of subdivision (a) of Section 34183 are invalidated by a final judicial decision, then Tax Revenues will include all tax revenues allocated to the payment of indebtedness pursuant to California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

Pursuant to the Dissolution Act, former tax increment revenues generated in the Project Areas are no longer required to be deposited into the Housing Fund (defined below). Accordingly, such revenues are now available and pledged to the repayment of the Long Beach Refunding Bonds to the extent not pledged to Senior Bonds. See "SECURITY FOR THE REFUNDING BONDS — Low and Moderate Income Housing Fund."

Purpose of Refunding

Proceeds of the Long Beach Refunding Bonds will be used (i) to refund a portion of the outstanding bonds of the Long Beach Successor relating to the Project Areas (the bonds being refunded are referred to in this Appendix A as the "Long Beach Refunded Bonds"), (ii) to acquire the Reserve Policy, and (iii) to pay the costs of issuing the Long Beach Refunding Bonds and of refunding the Long Beach Refunded Bonds, including the payment of premium with respect to a debt service reserve account surety bond. See "THE REFUNDING PLAN" in this Appendix A. The Long Beach Refunded Bonds were issued to finance and refinance certain improvements in, or benefiting, the Project Areas.

Security for the Refunding Bonds

Tax revenues generated from the incremental taxable value in the Project Areas were, prior to February 1, 2012, generally referred to as tax increment revenues. The Law provided that the tax increment revenues could be pledged by a redevelopment agency to the repayment of agency indebtedness. As used in this Appendix A and in the Fiscal Consultant's Report appearing in Appendix B, the former tax increment revenues, including unitary tax revenue and less County applied apportionment adjustments and reductions for amounts above the annual tax revenue limit are referred to as "Gross Revenues."

The Long Beach Refunding Bonds are payable from, and are secured by, the Tax Revenues, as defined above under the caption "— Tax Revenues" and amounts in certain funds and accounts held under the Long Beach Indenture. See "SECURITY FOR THE REFUNDING BONDS" in this Appendix A.

Senior Obligations

Assuming refunding of the Long Beach Refunded Bonds, payment of the principal of and interest on the Long Beach Refunding Bonds will be subordinate to:

1. Downtown Redevelopment Project Tax Allocation Refunding Bonds, Series 1992A, in the original principal amount of $81,020,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of December 1, 1992, between the Former Long Beach RDA and Agency Trustee, as successor trustee, of which $11,625,000 is currently outstanding (the "1992 Downtown Agency Bonds"), attributable to the Downtown Project, issued for the purpose of sale to, and in connection with the issuance by, the Long Beach Financing Authority (the "LBFA") of $126,245,000 aggregate principal amount of its Revenue Bonds Series 1992, of which $16,865,000 is currently outstanding (the "1992 Authority Bonds");

2. West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds, Series 1992, in the original principal amount of $36,470,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of December 1, 1992, between the Former Long Beach RDA and Agency Trustee, as successor trustee, of which $5,240,000 is currently outstanding (the "1992 Industrial Agency Bonds"), attributable to the Industrial Project, issued for the purpose of sale to, and in connection with the issuance by, the LBFA of the 1992 Authority Bonds;

3. Downtown Redevelopment Project Tax Allocation Refunding Bonds 2002 Series B, in the original principal amount of $25,920,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of December 1, 1992 as amended including by a Third Supplemental Indenture, dated as of November 1, 2002 (as amended, the "2002 Downtown Indenture"), each between the Former Long Beach RDA and Agency Trustee, as successor trustee, of which $22,615,000 is currently outstanding (the "2002B Downtown Agency Bonds"), attributable to the Downtown Project, issued for the purpose of sale to, and in connection with the issuance by, the Long Beach Bond Finance Authority (the "LBBFA") of

$47,780,000 aggregate principal amount of its Tax Allocation Revenue Bonds (Downtown and West Long Beach Industrial Redevelopment Project Areas) 2002 Series B, of which $41,005,000 is currently outstanding (the "2002B LBBFA Bonds");

4. A portion of the West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A (the "Non-Callable 2002 Industrial Agency Bonds"), in the original principal amount of $21,860,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of December 1, 1992 as amended by a First Supplemental Indenture, dated as of November 1, 2002 (as amended, the "2002 Industrial Indenture"), each between the Former Long Beach RDA and U.S. Bank National Association, as successor trustee, of which $18,390,000 is currently outstanding and $12,055,000 of which is not subject to redemption (the "Non-Callable 2002 Industrial Agency Bonds"), attributable to the Industrial Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2002B LBBFA Bonds;

5. A portion of the 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project), issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of May 1, 2002, between the Former Long Beach RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), thereafter amended by a First Supplemental Indenture, dated as of February 1, 2006 (as amended, the "2002 Subordinate Downtown Indenture"), between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as successor trustee, of which $6,850,000 is currently outstanding (the "Purchased 2002 Subordinate Downtown Agency Bonds"), attributable to the Downtown Project, of which an aggregate principal amount of $7,450,000 was purchased by the LBBFA in connection with the issuance of $35,045,000 aggregate principal amount of its Tax Allocation Revenue Bonds (Downtown and North Long Beach Redevelopment Project Areas) 2005 Series C, of which $31,895,000 is currently outstanding (the "2005C LBBFA Bonds");

6. A portion of the 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project), issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of May 1, 2002, between the Former Long Beach RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), thereafter amended by a First Supplemental Indenture, dated as of February 1, 2005 and a Second Supplemental Indenture, dated as of February 1, 2006 (as amended, the "2002 North Indenture"), each between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as successor trustee, of which $24,980,000 is currently outstanding (the "Purchased 2002 North Long Beach Agency Bonds"), attributable to the North Long Beach Redevelopment Project, of which an aggregate principal amount of $26,983,000 was purchased by the LBBFA in connection with the issuance of the 2005C LBBFA Bonds;

7. Taxable Recovery Zone Economic Development Bonds, 2010 Series A (North Long Beach Redevelopment Project), in the original principal amount of $22,235,000, issued by the Former Long Beach RDA pursuant to the 2002 North Indenture, as amended and supplemented by a Third Supplemental Indenture, dated as of May 1, 2010 (as amended, the "2010 North Indenture"), each between the Former Long Beach RDA and The Bank of New York Mellon Trust Company, N.A., as trustee, of which $22,235,000 is currently outstanding (the "2010 North Long Beach Recovery Zone Bonds"), attributable to the North Project; and

8. Taxable Build America Bonds, 2010 Series B (North Long Beach Redevelopment Project), in the original principal amount of $10,745,000, issued by the Former Long Beach RDA pursuant to the 2010 North Indenture, of which $8,325,000 is currently outstanding (the "2010 North Long Beach Build America Bonds"), attributable to the North Project.

The 1992 Downtown Agency Bonds, 1992 Industrial Agency Bonds, 2002B Downtown Agency Bonds, Non-Callable 2002 Industrial Agency Bonds, Purchased 2002 Subordinate Downtown Agency Bonds, Purchased 2002 North Long Beach Agency Bonds, 2010 North Long Beach Recovery Zone Bonds and 2010 North Long Beach Build America Bonds are referred to collectively as the "Senior Bonds" in this Appendix. The definition of Tax Revenues excludes revenues allocated to payment of principal and interest on the Senior Bonds.

Subordinate Obligations

The Long Beach Successor has certain other obligations that are payable from Tax Revenues on a basis subordinate to the Long Beach Refunding Bonds. See "SECURITY FOR THE REFUNDING BONDS — Other ROPS Obligations."

Litigation

There is no action, suit or proceeding pending with respect to which the Long Beach Successor has actual knowledge or has been served with process or, to the knowledge of the Long Beach Successor officials, threatened, restraining or enjoining the execution or delivery of the Long Beach Refunding Bonds or the Long Beach Indenture, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Long Beach Successor, its Oversight Board, or the City of Long Beach taken with respect to any of the foregoing. The Long Beach Successor is, from time to time, a defendant in actions for writs of mandamus, injunctive relief and related fees, and for alleged damages to persons and/or property and for other alleged liabilities arising out of matters usually incident to the operation of a redevelopment agency. The Long Beach Successor does not expect any such pending or threatened litigation to result in a material adverse impact on the ability of the Long Beach Successor to make timely payments of debt service on the Long Beach Refunding Bonds; however, certain litigation may affect the distribution of property tax revenues or other moneys to the Long Beach Successor under the Dissolution Act. See "LITIGATION" in the forepart of this Official Statement for a discussion of the Long Beach Successor's potential liability under lawsuits filed by the Los Angeles Unified School District, the Los Angeles Community College District, the Long Beach Unified School District and other litigation matters.

Financial Statements

The Long Beach Successor accounts for its financial transactions through a single Successor Agency Fund, not separately for each Project Area. Excerpts from the City's comprehensive annual financial report for the City's and Long Beach Successor's fiscal year ended September 30, 2014, which incorporates information about the Long Beach Successor and the LBBFA, were prepared by the certified public accounting firm of KPMG, LLP, and are attached to this Official Statement as part of Appendix C. The Long Beach Successor and LBBFA have not requested, and the auditor has not provided, any update or review of such excerpts of the comprehensive annual financial report included in Appendix C to this Official Statement.

Continuing Disclosure

The Long Beach Successor has covenanted to provide certain financial information and operating data by not later than one hundred eighty (180) days after the end of the Long Beach Successor's fiscal year (presently September 30), in each year commencing with its report for fiscal year 2014-15 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events as described in the forepart of this Official Statement under the caption "CONTINUING DISCLOSURE." Within the last five years, the Long Beach Successor has materially complied with its previous undertakings pursuant to Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934.

Pursuant to the Continuing Disclosure Agreement between the Authority and the Long Beach Successor, the Authority will act as Dissemination Agent and file the annual reports and notices related to the Long Beach Refunding Bonds with the MSRB through EMMA.

THE REFUNDING PLAN

Net proceeds of the Long Beach Refunding Bonds will be used to refund the following obligations of the Long Beach Successor:

1. A portion of the 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project), in the original principal amount of $26,820,000, issued by the Former Long Beach RDA pursuant to the 2002 Subordinate Downtown Indenture, a portion of which was purchased with proceeds of the 2005C LBBFA Bonds, as defined below, and of which $11,705,718 is currently outstanding (the "2002 Refunded Subordinate Downtown Agency Bonds"), attributable to the Downtown Project, held by and payable to the LBBFA in connection with its $77,715,000 aggregate principal amount of its Tax Allocation Revenue Bonds (Downtown, North Long Beach, Poly High and West Beach Redevelopment Project Areas) 2002 Series A, of which $18,600,000 is currently outstanding (the "2002A LBBFA Bonds");

2. A portion of the 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project), in the original principal amount of $40,290,000, issued by the Former Long Beach RDA pursuant to the 2002 North Indenture, a portion of which was purchased with proceeds of the 2005C LBBFA Bonds, as defined below, and of which $6,374,000 is currently outstanding (the "2002 Refunded North Long Beach Agency Bonds"), attributable to the North Project, held by and payable to the LBBFA in connection with its 2002A LBBFA Bonds;

3. 2002 Tax Allocation Bonds (West Beach Redevelopment Project), in the original principal amount of $8,895,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of May 1, 2002 (the "2002 West Beach Indenture"), between the Former Long Beach RDA and BNY Western Trust Company (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which $2,942,100 is currently outstanding (the "2002 West Beach Agency Bonds"), attributable to the West Beach Project, for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2002A LBBFA Bonds;

4. A portion of the West Long Beach Industrial Redevelopment Project Tax Allocation Refunding Bonds 2002 Series A (the "2002 Refunded Industrial Agency Bonds"), in the original principal amount of $21,860,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of December 1, 1992 as amended by a First Supplemental Indenture, dated as of November 1, 2002 (as amended, the "2002 Industrial Indenture"), each between the Former Long Beach RDA and U.S. Bank National Association, as successor trustee, of which $18,390,000 is currently outstanding and $6,335,000 of which is subject to redemption (the "2002 Refunded Industrial Agency Bonds"), attributable to the Industrial

Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of $47,780,000 aggregate principal amount of the 2002B LBBFA Bonds;

5. The 2005 Tax Allocation Bonds (Central Long Beach Redevelopment Project), in the original principal amount of $56,930,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of February 1, 2005 (the "2005 Central Indenture"), between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which $49,895,000 is currently outstanding (the "2005 Central Agency Bonds"), attributable to the Central Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of $74,050,000 aggregate principal amount of its Revenue Bonds (Redevelopment, Housing and Gas Utility Financings) 2005 Series A-1 (Current Interest Bonds) of which $63,825,000 is currently outstanding (the "2005A-1 LBBFA Bonds") and $114,985,000 aggregate initial principal amount of its Taxable Revenue Bonds (Redevelopment, Housing and Gas Utility Financings) 2005 Series B, of which $90,125,000 is currently outstanding (the "2005B LBBFA Bonds");

6. 2005 Tax Allocation Bonds (Los Altos Redevelopment Project), in the original principal amount of $4,685,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of February 1, 2005 (the "2005 Los Altos Indenture"), between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which $2,135,000 is currently outstanding (the "2005 Los Altos Agency Bonds"), attributable to the Los Altos Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2005A-1 LBBFA Bonds;

7. 2005 Subordinate Tax Allocation Bonds (Poly High Redevelopment Project), in the original principal amount of $2,557,752.60, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of February 1, 2005 (the "2005 Poly High Indenture"), by and between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which $3,052,015.20 accreted amount as of August 1, 2014 (the "2005 Poly High Agency Bonds"), attributable to the Poly High Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of $3,397,305.90 initial aggregate principal amount of its Revenue Bonds (Redevelopment, Housing and Gas Utility Financings) 2005 Series A-2 (Capital Appreciation Bonds) of which $2,842,831.20 is currently outstanding (the "2005A-2 LBBFA Bonds");

8. 2005 Subordinate Tax Allocation Bonds (West Beach Redevelopment Project), in the original principal amount of $839,553.30, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of February 1, 2005 (the "2005 Subordinate West Beach Indenture"), by and between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which $1,291,068.32 accreted amount as of August 1, 2014 (the "2005 Subordinate West Beach Agency Bonds"), attributable to the West Beach Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2005A-2 LBBFA Bonds;

9. 2005 Tax Allocation Bonds (Housing Projects), in the original principal amount of $55,665,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of February 1, 2005 (the "2005 Housing Indenture"), between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which $48,830,000 is currently outstanding

(the "2005 Housing Bonds"), issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2005B LBBFA Bonds; and

10. The 2005 Tax Allocation Bonds (North Long Beach Redevelopment Project), in the original principal amount of $64,080,000, issued by the Former Long Beach RDA pursuant to an Indenture of Trust, dated as of May 1, 2002, as amended and supplemented by the First Supplemental Indenture of Trust, dated as of February 1, 2005 (as amended, the "2005 North Long Beach Indenture"), each between the Former Long Beach RDA and The Bank of New York Trust Company, N.A. (now known as The Bank of New York Mellon Trust Company, N.A.), as trustee, of which $53,180,000 is currently outstanding (the "2005 North Long Beach Agency Bonds"), attributable to the North Project, issued for the purpose of sale to, and in connection with the issuance by, the LBBFA of the 2005A-1 LBBFA Bonds and 2005B LBBFA Bonds.

The 2002 Refunded Subordinate Downtown Agency Bonds, the 2002 Refunded North Long Beach Agency Bonds, the 2002 West Beach Agency Bonds, the refunded portion of the 2002 Refunded Industrial Agency Bonds, the 2005 Central Agency Bonds, the 2005 Los Altos Agency Bonds, 2005 Poly High Agency Bonds, 2005 Subordinate West Beach Agency Bonds, the 2005 Housing Bonds and the 2005 North Long Beach Agency Bonds are referred to collectively in this Appendix A as the "Refunded Bonds." The Refunded Bonds and the 2002A LBBFA Bonds, the refunded portion of the 2002B LBBFA Bonds, the 2005A-1 LBBFA Bonds, and the 2005B LBBFA Bonds are referred to collectively in this Appendix A as the "Refunded Obligations."

The Long Beach Successor is issuing the Long Beach Refunding Bonds to provide moneys (together with other available funds of the Long Beach Successor) necessary to refund and defease the Refunded Bonds in whole. On the date of issuance of the Long Beach Refunding Bonds, a portion of the proceeds will be transferred, pursuant to irrevocable escrow instructions (each an "Escrow Instruction"), to a prior trustee (each, a "Prior Trustee") for each respective series of Refunded Bonds.

The Long Beach Successor will apply moneys currently on deposit under the indentures in connection with the Long Beach Refunded Bonds to the corresponding Redemption Accounts. Proceeds deposited into the Redemption Accounts will be held uninvested, or invested in certain Federal Securities, by the Prior Trustee pursuant to the Escrow Instructions and applied at redemption as follows: (a) to pay interest and the redemption price of the 2002A LBBFA Bonds to be redeemed on July 24, 2015, (b) to pay interest and the redemption price of the 2002B LBBFA Bonds to be redeemed on July 24, 2015, (c) to pay interest and the redemption price of the 2005A-1 LBBFA Bonds to be redeemed on August 1, 2015, (d) to pay interest and the redemption price of the 2005B LBBFA Bonds to be redeemed on August 1, 2015, and (e) to pay principal and interest payments on the 2005A-2 LBBFA Bonds, as they accrue, through final maturity of the 2005A-2 LBBFA Bonds on August 1, 2024. The 2002A LBBFA Bonds are redeemable at a redemption price equal to 100% of their principal amount as specified in the Escrow Instructions, plus accrued interest. The portion of the 2002B LBBFA Bonds being redeemed are redeemable at a redemption price equal to 100% of their principal amount as specified in the Escrow Instructions, plus accrued interest. The 2005A-1 LBBFA Bonds are redeemable at a redemption price equal to 100% of their principal amount as specified in the Escrow Instructions, plus accrued interest. The 2005B LBBFA Bonds are redeemable at a redemption price equal to 102% of their principal amount as specified in the Escrow Instructions, plus accrued interest.

See "VERIFICATION OF MATHEMATICAL ACCURACY" in the forepart of this Official Statement. Upon deposit of such proceeds and other moneys into the Escrow Fund, the Long Beach Refunded Obligations will no longer be deemed outstanding.

The amounts held by the Prior Trustee for the respective Refunded Bonds in the Redemption Funds are pledged solely to the payment of amounts due and payable by the Long Beach Successor under the respective Refunded Bonds. The funds irrevocably deposited in the Redemption Funds for the Refunded Bonds will not be available for the payment of debt service on the Long Beach Refunding Bonds or the Series 2015 Bonds.

THE REFUNDING BONDS

Authority for Issuance

The Long Beach Refunding Bonds were authorized for issuance pursuant to the Long Beach Indenture and the Dissolution Act. The issuance of the Long Beach Refunding Bonds and the execution and delivery of the Long Beach Indenture were authorized by the Long Beach Successor pursuant to Resolution No. S.A. 01-2015 adopted on March 17, 2015 (the "Resolution"), and by the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Long Beach (the "Oversight Board") pursuant to Resolution No. O.B. 06-2015 adopted on March 30, 2015 (the "Oversight Board Action").

Written notice of the Oversight Board Action was provided to the State Department of Finance ("DOF") pursuant to the Dissolution Act. On June 12, 2015, which is within the time period allotted under the Dissolution Act for the DOF to review the Oversight Board's approving resolution, the DOF provided a letter to the Long Beach Successor stating that based on the DOF's review and application of the Law, the Oversight Board Action approving the Long Beach Refunding Bonds is approved by the DOF.

Description of the Refunding Bonds

The Long Beach Refunding Bonds will be designated the "Successor Agency to the Redevelopment Agency of the City of Long Beach, Tax Allocation Refunding Bonds, Series 2015A" in the aggregate principal amount of $74,375,000 and the "Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable)" in the aggregate principal amount of $81,445,000.

The Long Beach Refunding Bonds will be issued as fully registered bonds in denominations of $5,000, or any integral multiple thereof (not exceeding the principal amount of such Long Beach Refunding Bonds maturing at any one time). Each Series of Long Beach Refunding Bonds will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date, in which event they will bear interest from such Interest Payment Date, or unless otherwise provided for under the Long Beach Indenture. As defined in the Long Beach Indenture, the term "Interest Payment Date" will mean any February 1 or August 1 on which interest on any Series of Bonds is scheduled to be paid, commencing February 1, 2016, with respect to the Long Beach Refunding Bonds. Principal on the Long Beach Refunding Bonds will be due on August 1, as shown below.

The Series 2015A Bonds will mature on the dates and in the principal amounts, and shall bear interest at the rates, per annum, set forth in the table below.

Maturity Date (August 1)	Principal Amount	Interest Rate
2024	$ 5,960,000	5.000%
2029	6,490,000	5.000
2030	6,835,000	5.000
2031	7,200,000	5.000
2032	6,465,000	5.000
2033	6,780,000	5.000
2034	7,120,000	5.000
2035	7,480,000	5.000
2040*	20,045,000	4.000

* Term Bond.

The Series 2015B Bonds will mature on the dates and in the principal amounts, and shall bear interest at the rates, per annum, set forth in the table below.

Maturity Date (August 1)	Principal Amount	Interest Rate
2016	$ 5,735,000	1.074%
2017	5,930,000	1.524
2018	5,795,000	2.063
2019	6,675,000	2.644
2020	6,875,000	2.994
2021	4,930,000	3.353
2022	5,750,000	3.683
2023	8,825,000	3.890
2024	7,810,000	4.000
2025	5,405,000	4.000
2028*	17,715,000	4.550

* Term Bond.

Redemption of Long Beach Refunding Bonds

Optional Redemption of Series 2015A Bonds. The Series 2015A Bonds maturing prior to August 1, 2029 will not be subject to optional redemption. The Series 2015A Bonds maturing on or after August 1, 2029 will be subject to optional redemption on any date on and after August 1, 2025, in integral multiples of $5,000, from any source of available funds, at the times, at the redemption prices and in the manner provided in the Long Beach Indenture, at the direction of the Long Beach Successor, so as to cause such Callable Authority Bonds as are specified by the Long Beach Successor to be mandatorily redeemed pursuant to the Trust Agreement from the Prepayment resulting from the optional redemption of such Series 2015A Bonds.

In order to effect such optional redemption of Series 2015A Bonds, the Long Beach Successor will deliver to the Trustee (i) a Written Request of the Agency specifying (A) the maturity or maturities, and the principal amount or amounts (or portion thereof), of the Callable Authority Bonds to be mandatorily redeemed from such Prepayment, (B) the date on which such Callable Authority Bonds are to be mandatorily redeemed from such Prepayment (which redemption date will be a date on which such Callable Authority Bonds are subject to mandatory redemption pursuant to the Trust Agreement), (C) the amount of each mandatory sinking

fund installment for the Authority Bonds to be Outstanding after the date of such mandatory redemption from such Prepayments, and (D) the amount of the Prepayment (or redemption price) necessary to cause such mandatory redemption of such Callable Authority Bonds, and (ii) a Cash Flow Certificate of an Independent Financial Consultant (A) demonstrating that, if such Prepayment is allocated and applied to the redemption of Series 2015A Bonds as provided in the Long Beach Indenture, the debt service on the Series 2015A Bonds, together with the debt service payable on all other Local Obligations (as defined in the Trust Agreement), payable on each Interest Payment Date after such redemption date will be sufficient, but not materially more than sufficient, to pay debt service on the Authority Bonds to be Outstanding on such Interest Payment Date, (B) specifying the principal amount, as of such redemption date, of the Series 2015A Bonds, or portion thereof, to the optional redemption of which such Prepayment is to be allocated and applied as provided in the Long Beach Indenture, (C) specifying the amount of the redemption premium, if any, to be paid in connection with such optional redemption of such Series 2015A Bonds, or portion thereof, to which such Prepayment is to be allocated and applied as provided in the Long Beach Indenture, and (D) specifying the principal amount, and the amount of each mandatory sinking fund installment, as of such redemption date, of each Series 2015A Bond that will remain Outstanding if such Prepayment is allocated and applied to the redemption of Series 2015A Bonds on such redemption date as provided in the Long Beach Indenture, which Written Request of the Agency and Cash Flow Certificate of such Independent Financial Consultant will be delivered to the Trustee at least 35 days prior to such redemption date, or such later date as will be acceptable to the Trustee in the sole determination of the Trustee.

No later than three (3) Business Days preceding the date specified in a Written Request of the Agency delivered pursuant to the Long Beach Indenture as the date on which Callable Authority Bonds are to be mandatorily redeemed pursuant to the Trust Agreement, the Long Beach Successor will deliver to the Trustee an amount equal to the amount of the Prepayment specified in such Written Request of the Agency and, on such redemption date, the Trustee will pay such amount to the Authority Trustee, on behalf of the owners of such Callable Authority Bonds. Upon the payment by the Trustee to the Authority Trustee of such amount representing such Prepayment (i) the Series 2015A Bonds, or portion thereof, debt service on which would have, after such redemption date, been applied to the payment of debt service on such Callable Authority Bonds will, as of such redemption date, be deemed to have been optionally redeemed pursuant to the Long Beach Indenture, and for all purposes thereof will be considered to have been optionally redeemed, in an amount equal to the principal amount of such Series 2015A Bonds, or portion thereof, as of such redemption date, and (ii) the remainder of (A) such Prepayment, less (B) accrued interest, if any, thereon and such principal amount of such Series 2015A Bonds, or portion thereof, as of such redemption date, will be deemed to be, and for all purposes will be considered to be, the redemption premium paid in connection with such optional redemption of such Series 2015A Bonds, or portion thereof.

No Optional Redemption of Series 2015B Bonds. The Series 2015B Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption of Long Beach Refunding Bonds from Sinking Fund Installments. The Series 2015A Bonds maturing on August 1, 2040 are subject to mandatory redemption in part by lot on August 1 in each year commencing August 1, 2036, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

Series 2015A Term Bonds Maturing August 1, 2040

Sinking Fund Redemption Date (August 1)	Principal Amount To be Redeemed
2036	$3,700,000
2037	3,850,000
2038	4,005,000
2039	4,160,000
2040*	4,330,000

* Final Maturity

In the event that a Series 2015A Bond subject to mandatory redemption is redeemed in part prior to its stated maturity date from any moneys other than Principal Installments, the remaining Principal Installments for such Series 2015A Bond will be reduced as directed in a Written Request of the Agency, consistent with the related Cash Flow Certificate.

The Series 2015B Bonds maturing on August 1, 2028 are subject to mandatory redemption in part by lot on August 1 in each year commencing August 1, 2026, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption in accordance with the following schedule:

Series 2015B Term Bonds Maturing August 1, 2028

Sinking Fund Redemption Date (August 1)	Principal Amount To be Redeemed
2026	$5,630,000
2027	5,895,000
2028*	6,190,000

* Final Maturity

Selection of Bonds for Redemption and Payment of Redeemed Bonds

Whenever less than all the Outstanding Long Beach Refunding Bonds of any Series maturing on any one date are called for redemption at any one time, the Agency Trustee will select the Long Beach Refunding Bonds of such Series to be redeemed from the Outstanding Bonds of such Series maturing on such date not previously selected for redemption, by lot in any manner which the Agency Trustee deems fair.

If any Long Beach Refunding Bond or any portion thereof has been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, has been made or provided for by the Long Beach Successor, then interest on such Long Beach Refunding Bond or such portion will cease to accrue from such date, and from and after such date such Long Beach Refunding Bond or such portion will no longer be entitled to any lien, benefit or security under the Long Beach Indenture, and the Owner thereof will have no rights in respect of such Long Beach Refunding Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

Purchase in Lieu of Redemption

In lieu of redemption of any Bond pursuant to the Long Beach Indenture, amounts on deposit in the Term Long Beach Refunding Bonds Sinking Account may also be used and withdrawn by the Agency Trustee at any time prior to selection of Long Beach Refunding Bonds for redemption having taken place with respect to such amounts, upon a Written Request of the Agency, for the purchase of such Term Long Beach Refunding Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as the Long Beach Successor may in its discretion determine, but not in excess of par plus accrued interest. Any accrued interest payable upon the purchase of Long Beach Refunding Bonds will be paid from amounts held in the Tax Increment Fund for the payment of interest on the next following Interest Payment Date. Any Term Long Beach Refunding Bonds so purchased will be cancelled by the Agency Trustee forthwith and will not be reissued. The principal of any Term Long Beach Refunding Bonds so purchased by the Agency Trustee in any twelve-month period ending 60 days prior to any Sinking Account Payment Date in any year will be credited towards and will reduce the principal of such Term Long Beach Refunding Bonds required to be redeemed on such Sinking Account Payment Date in such year.

Debt Service Schedule

The following table sets forth the amount of debt service with respect to the Long Beach Refunding Bonds for each Bond Year:

Year Ended (August 1)	Series 2015A Bonds		Series 2015B Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	
2016	$	$ 3,596,484.44	$ 5,735,000.00	$ 2,769,039.37	$ 12,100,523.81
2017		3,518,300.00	5,930,000.00	2,647,248.96	12,095,548.96
2018		3,518,300.00	5,795,000.00	2,556,875.76	11,870,175.76
2019		3,518,300.00	6,675,000.00	2,437,324.90	12,630,624.90
2020		3,518,300.00	6,875,000.00	2,260,837.90	12,654,137.90
2021		3,518,300.00	4,930,000.00	2,055,000.40	10,503,300.40
2022		3,518,300.00	5,750,000.00	1,889,697.50	11,157,997.50
2023		3,518,300.00	8,825,000.00	1,677,925.00	14,021,225.00
2024	5,960,000.00	3,518,300.00	7,810,000.00	1,334,632.50	18,622,932.50
2025		3,220,300.00	5,405,000.00	1,022,232.50	9,647,532.50
2026		3,220,300.00	5,630,000.00	806,032.50	9,656,332.50
2027		3,220,300.00	5,895,000.00	549,867.50	9,665,167.50
2028		3,220,300.00	6,190,000.00	281,645.00	9,691,945.00
2029	6,490,000.00	3,220,300.00			9,710,300.00
2030	6,835,000.00	2,895,800.00			9,730,800.00
2031	7,200,000.00	2,554,050.00			9,754,050.00
2032	6,465,000.00	2,194,050.00			8,659,050.00
2033	6,780,000.00	1,870,800.00			8,650,800.00
2034	7,120,000.00	1,531,800.00			8,651,800.00
2035	7,480,000.00	1,175,800.00			8,655,800.00
2036	3,700,000.00	801,800.00			4,501,800.00
2037	3,850,000.00	653,800.00			4,503,800.00
2038	4,005,000.00	499,800.00			4,504,800.00
2039	4,160,000.00	339,600.00			4,499,600.00
2040	4,330,000.00	173,200.00			4,503,200.00
Total	$ 74,375,000.00	$ 62,534,884.44	$ 81,445,000.00	$22,288,359.79	$ 240,643,244.23

SECURITY FOR THE REFUNDING BONDS

General

Subject only to the provisions of the Long Beach Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Long Beach Indenture, all of the Tax Revenues and all amounts on deposit from time to time in the funds and accounts established under the Long Beach Indenture (other than the Expense Account and the Rebate Fund) will be pledged to the payment of the principal of and interest on the outstanding Long Beach Refunding Bonds and Additional Bonds (as defined below) (together, the "Bonds") as provided under the Long Beach Indenture on a basis subordinate to the Senior Bonds. The Long Beach Successor will irrevocably grant to the Agency Trustee for the benefit of the Owners of the Outstanding Bonds a first charge and lien on, and a security interest in, and will pledge and assign, the Tax Revenues, whether held by the Long Beach Successor, the County Auditor-Controller, the County Treasurer and Tax Collector or the Agency Trustee, and all amounts in the funds and accounts established under the Long Beach Indenture (other than the Expense Account and the Rebate Fund), including the "Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Increment Fund" (hereinafter called the "Tax Increment Fund"), which will be created by the Long Beach Successor. The Successor Agency will covenant and agree to maintain the Tax Increment Fund with the Agency Trustee so long as any Bonds will be Outstanding under the Long Beach Indenture.

Pursuant to the laws of the State of California, including California Health and Safety Code Sections 34183 and 34170.5(b), the County Auditor-Controller is obligated to deposit the Tax Revenues into the RPTTF. The Long Beach Successor has agreed under the Long Beach Indenture to take all steps to ensure that the County Auditor-Controller (1) deposits the Tax Revenues into the RPTTF, (2) allocates funds for the principal and interest payments due on the Senior Bonds, Outstanding Bonds and any deficiency in the Reserve Account and the reserve accounts under the indentures for the Senior Bonds pursuant to each valid Recognized Obligation Payment Schedule (each "ROPS," as further described in this Appendix A) in accordance with the Dissolution Act and as provided in the Long Beach Indenture, and (3) makes the transfers to the Agency Trustee under the Long Beach Indenture.

The Long Beach Successor will take all actions required under the Dissolution Act to include on its ROPS the amounts described below to be transmitted to the Agency Trustee for the applicable six-month period in order to satisfy the requirements of the Long Beach Indenture, including any amounts required to pay principal and interest payments due on the Senior Bonds, Outstanding Bonds, any Compliance Costs, any deficiency in the Reserve Account of the Tax Increment Fund to the full amount of the Reserve Account Requirement and any deficiency in the reserve accounts under the indentures for the Senior Bonds. The Long Beach Successor will submit the ROPS to its Oversight Board (and on and after July 1, 2016 to the County oversight board established pursuant to Section 34179(j)) for review and approval pursuant to the Dissolution Act and the Oversight Board-approved ROPS will be submitted to the County Auditor-Controller and the DOF at least ninety (90) days prior to the January 2 RPTTF distribution and at least ninety (90) days prior to the June 1 RPTTF distribution (or otherwise submit such schedules annually in accordance with the Law and shall submit a copy of the Recognized Obligation Payment Schedule to the Department of Finance in the manner provided for by the Department of Finance), as applicable. See "RISK FACTORS — State Budget" in the forepart of this Official Statement for a discussion of the Governor's proposal to transition successor agencies to an annual ROPS process instead of a biannual process.

Expected Compliance Costs, if any, will be included in each ROPS, based upon information compiled by the Long Beach Successor and the Authority and provided to the Long Beach Successor on or before the fifth Business Day of each August. On or before the fifth Business Day of each August, the Agency Trustee will report to the Long Beach Successor and the Authority its expected Compliance Costs for the next succeeding calendar year to be included on the Long Beach Successor's ROPS.

The amount due to the Agency Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on January 2 of the then current calendar year from Tax Revenues required to be deposited into the Tax Increment Fund shall equal 100% of the deposits required pursuant to the Long Beach Indenture and shall include any amounts required to pay Annual Debt Service due on the Outstanding Bonds, plus the amount of any deficiency in the Reserve Account, less the amounts, if any, on deposit in the Tax Increment Fund as of the date of submission for the ROPS pursuant to the Long Beach Indenture that are in excess of the amounts required to be applied to payment of principal of or interest or sinking account payments on the Outstanding Bonds in the then current calendar year. The amount due to the Agency Trustee from the County Auditor-Controller for deposit in the Tax Increment Fund on June 1 of the then current calendar year from Tax Revenues required to be deposited into the Tax Increment Fund shall equal the deposits required pursuant to the Long Beach Indenture and shall include any amounts required to pay principal and interest payments due on the Outstanding Bonds, plus the amount of any deficiency in the Reserve Account, less the amounts, if any, on deposit in the Tax Increment Fund as of the date of submission for the ROPS pursuant to the Long Beach Indenture that are in excess of the amounts required to be applied to payment of principal of or interest or sinking account payments on the Outstanding Bonds in the then current calendar year.

Tax Revenues received by the Long Beach Successor (1) during the period commencing on June 2 of the prior calendar year and ending January 2 of the then current calendar year in excess of the amount required, as provided in the Long Beach Indenture, to be deposited in the Tax Increment Fund on January 2, and (2) during the period commencing on January 3 of the then current calendar year and ending June 1 of such calendar year in excess of the amount required, as provided in the Long Beach Indenture, to be deposited in the Tax Increment Fund on June 1, shall, immediately following the deposit with the Agency Trustee of the amounts required to be so deposited as provided in the Long Beach Indenture on each such date, be released from the pledge, security interest and lien under the Long Beach Indenture for the security of the Outstanding Bonds, and may be applied by the Long Beach Successor for any lawful purpose of the Long Beach Successor, including but not limited to the payment of subordinate debt, or the payment of any amounts due and owing to the United States of America pursuant to the Long Beach Indenture. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Outstanding Bonds and the payment in full of all other amounts payable under the Long Beach Indenture and under any Supplemental Indentures, the Long Beach Successor shall not have any beneficial right or interest in the moneys on deposit in the Tax Increment Fund, except as may be provided in the Long Beach Indenture and in any Supplemental Indenture.

The Long Beach Successor covenants and agrees that, subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues, when and as received in accordance with the Long Beach Indenture, will be received by the Long Beach Successor in trust under the Long Beach Indenture and shall be deemed to be held by the Long Beach Successor as agent for the Agency Trustee and will, not later than five (5) Business Days following such receipt, be deposited by the Long Beach Successor with the Agency Trustee in the Tax Increment Fund and will be accounted for through and held in trust in the Tax Increment Fund, and the Long Beach Successor shall have no beneficial right or interest in any of such money, except only as provided in the Long Beach Indenture; provided that the Long Beach Successor shall not be obligated to deposit in the Tax Increment Fund in any calendar year an amount which exceeds the amounts required to be transferred to the Agency Trustee for deposit in the Tax Increment Fund pursuant to the Long Beach Indenture. All such Tax Revenues, whether received by the Long Beach Successor in trust or deposited with the Agency Trustee, all as provided in the Long Beach Indenture, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes set forth in the Long Beach Indenture, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Long Beach Successor.

In order to assure that funds required to be deposited with the Agency Trustee pursuant to the Long Beach Indenture are so deposited in a timely fashion, and to further secure the Bonds, the Long Beach Successor will irrevocably authorize and direct the County Treasurer and Tax Collector and the County Auditor-Controller to transfer any Successor Agency funds then held in, or later received by the County Treasurer and Tax Collector and the County Auditor-Controller for deposit in, the RPTTF, to the Agency Trustee for deposit into the Tax Increment Fund in the amounts provided for in the Long Beach Indenture.

Prior to enactment of the Dissolution Act, the Law authorized redevelopment agencies to make payments to school districts and other taxing agencies to alleviate any financial burden or detriments to such taxing agencies caused by a redevelopment project. The Former Long Beach RDA entered into two agreements for this purpose (the "Pass-Through Agreements") relating to the Los Altos Project. Additionally, Sections 33607.5 and 33607.7 of the Law required mandatory tax sharing applicable to redevelopment projects adopted after January 1, 1994, or amended thereafter in certain manners specified in such statutes (the "Statutory Pass-Through Amounts"). Further, certain education agencies receive payments from the RPTTF generated from the Project Areas pursuant to Section 33676 of the Law. The Dissolution Act provides for a procedure by which the Long Beach Successor may make Statutory Pass-Through Amounts subordinate to the Long Beach Refunding Bonds; however, the Long Beach Successor does not intend to undertake such procedure. Thus, such Statutory Pass-Through Amounts are senior to the Long Beach Refunding Bonds. The Long Beach Successor's obligations under the Pass-Through Agreements are subordinate to the Long Beach Refunding Bonds by the express terms of the Pass-Through Agreements; however estimated payments under the Pass-Through Agreements are deducted from the projections of Tax Revenues set forth in this Appendix and the Fiscal Consultant's Report attached to this Official Statement as Appendix B to reflect the cash flow provisions set forth in Health and Safety Code Section 34183(a)(1). See Tables A-6 and A-7 and Appendix B. See also "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS — Recognized Obligation Payment Schedule" in the forepart of this Official Statement and "SECURITY FOR THE REFUNDING BONDS — Pass-Through Agreements," "— Statutory Pass-Through Amounts" and — Section 33676 Election" in this Appendix A for additional information.

Reserve Account

There will be established pursuant to the Long Beach Indenture a separate reserve account known as the "Reserve Account" to be held in trust by the Agency Trustee with respect to the Long Beach Refunding Bonds. The Long Beach Successor is required to maintain moneys in the Reserve Account in an amount equal to the least of (a) 10% of the original aggregate principal amount of the Bonds (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service (the "Reserve Account Requirement"). Under the Long Beach Indenture, "Annual Debt Service" means for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds and any Additional Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the scheduled principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year). Under the Long Beach Indenture, "Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made. Under the Long Beach Indenture, "Average Annual Debt Service" means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

Upon issuance of the Long Beach Refunding Bonds, the Long Beach Successor will cause the Reserve Policy to be deposited in the Reserve Account in an amount equal to the Reserve Account Requirement.

In the event that the amount on deposit in the Reserve Account at any time becomes less than the Reserve Requirement, the Agency Trustee upon receipt of actual knowledge will promptly notify the Long Beach Successor of such fact. As soon as possible following receipt of any such notice, subject only to the limitations of filing its ROPS in accordance with the Long Beach Indenture, the Long Beach Successor will transfer to the Agency Trustee an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. If there will then not be sufficient Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Long Beach Successor will be obligated to continue making transfers as Tax Revenues become available in the Tax Increment Fund (such transfers to be applied pro rata among accounts in the Reserve Account) until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No deposit need be made in the Reserve Account so long as there will be on deposit therein a sum equal to the Reserve Account Requirement.

Establishment and Maintenance of Accounts for Use of Moneys in the Tax Increment Fund

Subject to the prior application and lien in favor of the Senior Bonds, all Tax Revenues in the Tax Increment Fund will be set aside by the Agency Trustee in each Bond Year when and as received in the following respective special accounts within the Tax Increment Fund (each of which will be created and each of which the Long Beach Successor will covenant to cause to be maintained with the Agency Trustee so long as the Bonds will be Outstanding under the Long Beach Indenture), in the following order of priority (except as otherwise provided in subsection (b) below):

(1) Interest Account;
(2) Principal Account;
(3) Term Bonds Sinking Account;
(4) Reserve Account; and
(5) Expense Account.

All moneys in each of such accounts will be held in trust by the Agency Trustee and will be applied, used and withdrawn only for the purposes authorized thereto in the Long Beach Indenture.

Interest Account. The Agency Trustee will set aside from the Tax Increment Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. All moneys in the Interest Account will be used and withdrawn by the Agency Trustee solely for the purpose of paying the interest on the Bonds as it will become due and payable (including accrued interest on any Long Beach Refunding Bonds purchased or redeemed prior to maturity).

Principal Account. The Agency Trustee will set aside from the Tax Increment Fund and deposit in the Principal Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of principal becoming due and payable on all Outstanding Serial Bonds (defined in the Long Beach Indenture) on the Principal Payment Date in such Bond Year. No deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of principal of all Outstanding Serial Bonds becoming due and payable on the Principal Payment Date in such Bond Year. All money in the Principal Account will be used and withdrawn by the Agency Trustee solely for the purpose of paying principal of the Serial Bonds as they will become due and payable.

In the event that there will be insufficient money in the Tax Increment Fund to pay in full all such principal and Sinking Account Installments due in such Bond Year, then the money available in the Tax Increment Fund will be applied pro rata to the payment of such principal and Sinking Account Installments in the proportion which all such principal and Sinking Account Installments bear to each other.

Term Bonds Sinking Account. The Agency Trustee will deposit in the Term Bonds Sinking Account an amount of money which, together with any money contained therein, is equal to the Sinking Account Installments payable on the Sinking Account Payment Date in such Bond Year. No deposit need be made in the Term Bonds Sinking Account if the amount contained therein is at least equal to the aggregate amount of all Sinking Account Installments required to be made on the Sinking Account Payment Date in such Bond Year. All moneys in the Term Bonds Sinking Account will be used and withdrawn by the Agency Trustee solely for the purpose of purchasing or redeeming the Term Bonds in accordance with the Long Beach Indenture.

Reserve Account. The Agency Trustee will set aside from the Tax Increment Fund and deposit in the Reserve Account such amount as may be necessary to maintain on deposit therein an amount equal to the

Reserve Account Requirement. No deposit need be made into the Reserve Account so long as there will be on deposit therein an amount equal to the Reserve Account Requirement. All money in or credited to the Reserve Account will be used and withdrawn by the Agency Trustee solely for the purpose of replenishing the Interest Account, the Principal Account or the Term Bonds Sinking Account in such order, in the event of any deficiency in any of such accounts occurring on any Interest Payment Date, Principal Payment Date or Sinking Account Payment Date, or for the purpose of paying the interest on or the principal of the Bonds in the event that no other money of the Long Beach Successor is lawfully available therefor, or for the retirement of all Bonds then Outstanding, except that for so long as the Long Beach Successor is not in default under the Long Beach Indenture, any amount in the Reserve Account in excess of the Reserve Account Requirement will be transferred to the Tax Increment Fund. On any date on which Bonds are defeased in accordance with the Long Beach Indenture, the Agency Trustee will, if so directed in a Written Request of the Agency, transfer any moneys in the Reserve Account in excess of the Reserve Requirement resulting from such defeasance to the entity or fund so specified in such Written Request of the Agency, to be applied to such defeasance. If at any time the Agency Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds and any Additional Bonds or withdraws funds from the Reserve Account to pay principal and interest on the Bonds and any Additional Bonds, the Agency Trustee will notify the Authority and the Long Beach Successor in writing of such failure or withdrawal, as applicable.

Amounts drawn under the Reserve Policy will be available only for the payment of scheduled principal and interest on the Long Beach Refunding Bonds, when due.

The Agency Trustee will ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of the Long Beach Indenture and to provide notice to Assured Guaranty Municipal Corp. ("AGM") in accordance with the terms of the Reserve Policy at least five Business Days prior to each date upon which interest or principal, respectively, is due on the Long Beach Refunding Bonds. Where deposits are required to be made by the Long Beach Successor with the Agency Trustee to the debt service fund for the Long Beach Refunding Bonds, more often than semi-annually, the Agency Trustee will be instructed to give notice to AGM of any failure of the Long Beach Successor to make timely payment in full of such deposits within two Business Days of the date due.

Expense Account. The Agency Trustee will set aside from the Tax Increment Fund and deposit in the Expense Account such amount as may be necessary to pay from time to time Compliance Costs. All moneys in the Expense Account will be applied to the payment of Compliance Costs, upon presentation of a Written Request of the Agency setting forth the amounts, purposes, the names of the payees and a statement that the amounts to be paid are proper charges against the Expense Account. So long as any of the Bonds authorized under the Long Beach Indenture, or any interest thereon, remain unpaid, the moneys in the Expense Account will be used for no purpose other than those required or permitted by the Long Beach Indenture and the Law.

Parity Debt Limited to Refunding Bonds

The Long Beach Successor may, at any time after the issuance and delivery of the Long Beach Refunding Bonds, issue Additional Bonds payable from the Tax Revenues and secured by a lien and charge upon the Tax Revenues equal to and on a parity with the lien and charge securing the Outstanding Bonds, subject to the terms of the Long Beach Indenture. The Long Beach Indenture provides that any Additional Bonds payable from the Tax Revenues and secured by a lien and charge upon the Tax Revenues equal to and on a parity with the lien and charge securing the Long Beach Refunding Bonds may only be issued for purposes of refunding bonds or other indebtedness of the Long Beach Successor or the Former Long Beach RDA (including, without limitation, refunding Bonds outstanding under the Long Beach Indenture) in accordance with the Law. The Long Beach Indenture permits the refunding of the Senior Bonds on a basis senior to or on a parity with the Long Beach Refunding Bonds to the extent such refunding would be permitted by Section 34177.5(a)(1) of the Dissolution Act.

Nothing contained in the Long Beach Indenture will limit the issuance of any tax allocation bonds of the Long Beach Successor payable from Tax Revenues and secured by a lien and charge on Tax Revenues if, after the issuance and delivery of such tax allocation bonds, none of the Long Beach Refunding Bonds theretofore issued hereunder will be Outstanding, nor will anything contained in the Long Beach Indenture prohibit the issuance of any tax allocation bonds or other indebtedness by the Long Beach Successor secured by a pledge of tax increment revenues (including Tax Revenues) subordinate to the pledge of Tax Revenues securing the Long Beach Refunding Bonds.

Investment of Moneys in Funds and Accounts

Moneys in the Tax Increment Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder, upon the Written Request of the Authority (for so long as the Authority Trustee will be owner of Bonds) on behalf of the Long Beach Successor, will be invested by the Agency Trustee in Permitted Investments. Moneys in the Interest Account representing accrued interest paid to the Long Beach Successor upon the initial sale and delivery of any Bonds and in the Reserve Account, upon the Written Request of the Authority, will be invested by the Agency Trustee in Permitted Investments. Permitted Investments purchased with amounts on deposit in the Reserve Account will have an average aggregate weighted term to maturity of not greater than five (5) years; provided, however, that if such investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Account may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. The obligations in which moneys in the Tax Increment Fund and the Interest Account, the Principal Account, the Term Bonds Sinking Account and the Expense Account thereunder are so invested will mature prior to the date on which such moneys are estimated to be required to be paid out under the Long Beach Indenture. Any interest, income or profits from the deposits or investments of all other funds and accounts held by the Agency Trustee (other than the Expense Account and the Rebate Fund) will be deposited in the Tax Increment Fund. For purposes of determining the amount on deposit in any fund or account held by the Agency Trustee under the Long Beach Indenture, all Permitted Investments credited to such fund or account will be valued at the lower of cost or the market price thereof (excluding accrued interest and brokerage commissions, if any); provided that Permitted Investments credited to the Reserve Account will be valued at market value (exclusive of accrued interest and brokerage commissions, if any), and any deficiency in the Reserve Account resulting from a decline in market value will be restored to the Reserve Account Requirement no later than the next Bond Year. Amounts in the funds and accounts held by the Agency Trustee under the Long Beach Indenture will be valued at least annually on the first day of August, after the principal payment has been made.

Covenants of the Long Beach Successor With Respect To Tax Revenues

In accordance with the Long Beach Indenture, the Long Beach Successor will comply with all requirements of the Law to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary ROPS.

The Long Beach Successor will annually review the total amount of tax increment revenues remaining available to be received by the Long Beach Successor under the Redevelopment Plan's cumulative tax increment limitations (being the applicable limitations over the several plans constituting the Redevelopment Plan), as well as future cumulative annual debt service. If remaining tax increment revenues allocable within the Redevelopment Plan's cumulative tax increment limit (being the applicable limits over the several plans constituting the Redevelopment Plan) are less than one hundred five percent (105%) of all future debt service on the Senior Bonds and the Bonds and any other obligations of the Long Beach Successor payable from tax increment revenues, then all tax increment revenues not needed to pay current or any past due debt service on the Senior Bonds and the Bonds, plus amounts required to correct any deficiency in the Reserve Account as necessary to reach the full amount of the Reserve Account Requirement and amounts required to correct any deficiency in the reserve accounts under the indentures for the Senior Bonds, will be deposited into an Agency

Trustee-held escrow account and invested in Defeasance Securities. Such fund must be used only to pay debt service on the Senior Bonds and the Bonds.

Notwithstanding the foregoing, if legislation is adopted by the legislature of the State of California eliminating the effective limit on the amount of taxes which can be allocated to the Long Beach Successor pursuant to the Law and the Redevelopment Plan, the deposit of Tax Revenues attributable to any redevelopment plan of the Redevelopment Plan required by the paragraph above for the purpose of paying the payment of debt service on the Senior Bonds, and any parity debt thereof, and the Refunding Bonds and any Additional Bonds will no longer be required.

See "THE REDEVELOPMENT PLANS — Project Area Plan Limitations" and "SPECIAL RISK FACTORS — Subordinate Lien Risks." See also "RISK FACTORS — State Budget" in the forepart of this Official Statement for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations.

The Long Beach Successor has further covenanted under the Long Beach Indenture to comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Long Beach Successor covenants and agrees to file all required statements and seek all necessary successor agency or an oversight board approvals required under the Dissolution Act to assure compliance by the Long Beach Successor with its covenants under the Long Beach Indenture. Further, the Long Beach Successor will take all actions required under the Dissolution Act to include on its ROPS for each six-month period (or twelve-month period if then applicable under the Dissolution Law) all payments expected to be made to the Agency Trustee in order to satisfy the requirements of the Long Beach Indenture, plus any amounts required to pay principal and interest payments due on the Senior Bonds, Outstanding Bonds, any deficiency in the Reserve Account to the full amount of the Reserve Account Requirement, any deficiency in the reserve accounts under the indentures for the Senior Bonds, any Compliance Costs, and any required debt service, reserve set-asides, and any other payments required under the Long Beach Indenture or similar documents pursuant to Section 34171(d)(1)(A) of the California Health and Safety Code, so as to enable the County Auditor-Controller to distribute from the RPTTF amounts to the Agency Trustee for deposit in the Tax Increment Fund on each January 2 and June 1 (or in full on such single deposit date as may be established under the Dissolution Law) amounts required for the Long Beach Successor to pay the principal of, premium, if any, and the interest on the Outstanding Bonds coming due in the respective six-month period (or twelve-month period if then applicable under the Dissolution Law). These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Long Beach Successor as a reserve until the next six-month period (or twelve-month period if then applicable under the Dissolution Law), as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment of principal of, premium, if any, and the interest under the Long Beach Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under the Long Beach Indenture for the next payment due in the following six-month period (or twelve-month period if then applicable under the Dissolution Law).

See "RISK FACTORS — State Budget" in the forepart of this Official Statement for a discussion of the Governor's proposal to transition successor agencies to an annual ROPS process instead of a biannual process. For additional covenants of the Long Beach Successor with respect to the Long Beach Refunding Bonds, see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS — Covenants of the Agency Participant" in the forepart of this Official Statement.

Limited Obligations

The Long Beach Successor will not be required to advance any money derived from any source of income other than the Tax Revenues for the payment of the principal of, and the interest on the Bonds. The Bonds are special obligations of the Long Beach Successor and are payable, as to interest thereon and principal thereof, exclusively from the Tax Revenues, and the Long Beach Successor is not obligated to pay them except

from the Tax Revenues. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the principal of, and the interest on the Bonds, to the extent set forth in the Long Beach Indenture. The Bonds are not a debt of the City, the County, the State of California or any other political subdivision of the State, and neither said City, said State, said County nor any of the State's other political subdivisions is liable therefor, nor in any event will the Bonds be payable out of any funds or properties other than those of the Long Beach Successor pledged therefor as provided in the Long Beach Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Long Beach Successor nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Tax Revenues

Under State law, the rate of *ad valorem* property taxes which may be levied with respect to property within a project area is generally limited to 1% of the "full cash" assessed value. In this Appendix A such taxes are referred to as the "general levy" and are allocated to the State, the County, the City and all other taxing entities having jurisdiction over all or a portion of the Project Areas. The assessed values of property within the Project Areas, as last equalized prior to adoption of the Redevelopment Plan, become the "base year" assessed values.

As discussed above, the Long Beach Successor has no power to levy and collect taxes, and any provision of law limiting property taxes or allocating additional sources of income to taxing agencies and having the effect of reducing the property tax rate must necessarily reduce the amount of gross tax increment revenues and, accordingly, Tax Revenues that would otherwise be available to pay debt service on the Long Beach Refunding Bonds. Likewise, broadened property tax exemptions could have a similar effect. Additionally, gross tax increment revenues and, accordingly, Tax Revenues will be reduced each year by a collection fee charged by the County. See "RISK FACTORS" and "LIMITATIONS ON TAX REVENUES" in the forepart of this Official Statement.

Conversely, any increase in the present tax rate or assessed valuation, or any reduction or elimination of present property tax exemptions, would increase the Tax Revenues available to pay debt service on the Long Beach Refunding Bonds. See "LIMITATIONS ON TAX REVENUES" in the forepart of this Official Statement for discussion of the Constitutional constraints of increasing tax rates and assessed valuation.

As described below under "— Pass-Through Agreements," "Statutory Pass-Through Amounts" and "Section 33676 Election," the Long Beach Successor pays a portion of the former tax increment revenues to other Taxing Agencies under Pass-Through Agreements and as Statutory Pass-Through Amounts and 33676 Amounts. See also "RISK FACTORS" and "LIMITATIONS ON TAX REVENUES — Redevelopment Plan Limits" in the forepart of this Official Statement.

Pass-Through Agreements

Prior to 1994, under the Law, a redevelopment agency could enter into an agreement to pay former tax increment revenues to any affected taxing agency that has territory located within a redevelopment project in an amount which in the redevelopment agency's determination is appropriate to alleviate any financial burden or detriment caused by the redevelopment project. These Pass-Through Agreements normally provided for payment or pass-through of tax increment revenue directed to the affected taxing agency, and, therefore, are commonly referred to as pass-through agreements or tax sharing agreements.

The Former Long Beach RDA entered into Pass Through Agreements with the County, the Los Angeles County Flood Control District ("County Flood") and the County Office of Education ("COE"), providing for the allocation of former tax increment revenues generated by the Los Altos Project in the following amounts: 49.44% to the County and County Flood and 0.4% to COE. The Pass-Through

Agreements are expressly subordinate to the Long Beach Refunding Bonds by their terms; however, pursuant to Section 34183(a)(1) and (b) of the Dissolution Act, payments due under the Pass-Through Agreements are distributed by the County Auditor-Controller unless the Long Beach Successor takes certain affirmative actions specified in Health and Safety Code Section 34183(b). The Long Beach Successor cannot guarantee that the process prescribed by the Dissolution Act will effectively result in adequate Tax Revenues for the payment of principal and accreted value (if any) of and interest on the Long Beach Refunding Bonds when due. Accordingly, estimated payments under the Pass-Through Agreements are deducted from the projections of Tax Revenues set forth in this Appendix and the Fiscal Consultant's Report attached to this Official Statement as Appendix B to reflect the cash flow provisions set forth in Health and Safety Code Section 34183(a)(1). See Tables A-6 and A-7 and Appendix B.

The Pass-Through Agreements provide that, to the extent that the Former Long Beach RDA incurred indebtedness related to the financing of a project authorized under the Los Altos Plan, the County allocations would be deferred for 25 years after such incurrence of indebtedness. After the 25-year period passes, the County taxing entities would begin to receive their respective share of increment and the Former Long Beach RDA was to establish a schedule for the repayment of the deferral (with accrued simple interest) to the County. Although the Former Long Beach RDA incurred debt with respect to the Los Altos Project, the County has been disbursing the County Shares (defined in the Pass-Through Agreements) to the County and County Flood, commencing with the June 2013 RPTTF distribution, and therefore the pass through shares are no longer deferred. Approximately 49.68% of the annual Los Altos tax levy (net of County administrative fees and a 20% Housing Set Aside credit) is being deducted from the RPTTF taxes for the County and County Flood tax sharing. In fiscal year 2013-14, the deduction totaled $269,372. The County is not disbursing RPTTF moneys to COE under the Pass-Through Agreements and the Long Beach Successor anticipates that payments under this Pass-Through will commence June 4, 2020.

For more information about the Pass-Through Agreements, see the Fiscal Consultant's Report attached to this Official Statement as Appendix B.

Statutory Pass-Through Amounts

Assembly Bill 1290 (Chapter 942, Statutes of 1993) ("AB 1290"), effective January 1, 1994, eliminated the statutory authority for negotiated pass-through agreements and provided a formula for mandatory tax sharing, applicable to projects adopted after January 1, 1994 or amended after that date to add territory or make certain other amendments. These payments, which are to begin the fiscal year following the year a redevelopment plan was adopted (if after January 1, 1994) or the fiscal year following the year that a redevelopment plan's original plan limitations would have taken effect (in the case of pre-1994 redevelopment plans), are calculated using the increase in revenue less the amount of revenue generated by the project area in the year that the redevelopment plan was adopted or the former limit would have been reached, as applicable. Under the Dissolution Act, in particular Section 34183, the County Auditor-Controller is obligated to remit these Statutory Pass-Through Amounts to the affected taxing entities from the Long Beach Successor's RPTTF for each ROPS period.

As further described herein under "THE REDEVELOPMENT PLANS," the North Plan and the Central Plan were both adopted after January 1, 1994 and are therefore subject to Statutory Pass-Through Amounts. Also, the City adopted ordinances amending the Redevelopment Plans for the West Beach Project, the Poly High Project and the Industrial Project to eliminate the time limit on the incurrence of debt, triggering the requirement to pay the Statutory Pass-Through Amounts from tax increment generated in these Project Areas. These tax sharing payments continue so long as tax increment is available to repay indebtedness in the applicable Project Areas. The Statutory Pass-Through Amounts are determined by specific formulas under the Law; and post-dissolution, these payment obligations of the Long Beach Successor to affected taxing entities are administered by the County Auditor-Controller under the Dissolution Act.

Generally speaking, under the Law as amended by AB 1290 and as the obligation continues under the Dissolution Act, the Long Beach Successor is required to pay to the affecting taxing entities percentages of tax increment generated in the Project Areas as the Statutory Pass-Through Amounts, as follows:

1. following the adoption of the redevelopment plan or expiration of the existing time limit to incur debt (as applicable) and thereafter, 25% of tax increment revenues (after deducting moneys required to be deposited into the Housing Fund); plus,

2. for the eleventh year following the triggering event and thereafter, 21% of revenues in excess of tenth year revenue; plus,

3. for the thirty-first year following the triggering event and thereafter, 14% of revenues in excess of thirtieth year revenues.

The payments of the Statutory Pass-Through Amounts to the affected taxing entities are allocated among each affected taxing entity in proportion to the share of property taxes each affected taxing entity received in the year funds are allocated. As indicated, amounts specified as payable to affected taxing entities are computed after deducting the amounts required to be deposited into the Housing Fund. For more information about the Statutory Pass-Through Amounts, see the Fiscal Consultant's Report attached to this Official Statement as Appendix B.

The Long Beach Successor has not undertaken the required procedure to subordinate the Statutory Pass-Through Amounts and thus, such Statutory Pass-Through Amounts are senior to the payment of debt service on the Long Beach Refunding Bonds.

Section 33676 Election

Prior to the enactment of AB 1290, redevelopment project areas adopted between January 1, 1985 and January 1, 1994 were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenue payments set forth under Section 33676 of the Law ("33676 Amounts"). The annual payments represent that portion of property taxes that are, or otherwise would be, calculated annually pursuant to subdivision (f) of Section 110.1 of the Revenue and Taxation Code (and referred to as the 2% inflation allocation). The Long Beach Unified School District and Long Beach Community College District are entitled to receive 33676 Amounts from the Los Altos Project Area. As with Statutory Pass-Through Amounts, the County Auditor-Controller administers the payment of 33676 Amounts. The 33676 Amounts are deducted from the tax revenues included in the definition of Tax Revenues under the Long Beach Indenture. "THE PROJECT AREAS — Projected Tax Revenues" in this Appendix A.

Low and Moderate Income Housing Fund

The Redevelopment Plan provided that a portion of all taxes that are allocated to the Long Beach Successor pursuant to the Law were deposited into a separate Low and Moderate Income Housing Fund (the "Housing Fund") and encumbered and expended by the Former Long Beach RDA for the purpose of increasing and improving the community's supply of housing available at an affordable housing cost to persons and families of low and moderate income. Pursuant to the Dissolution Act, former tax increment revenues generated in the Project Areas are no longer required to be deposited into the Housing Fund previously established pursuant to Section 33334.3 of the Law. Accordingly, former tax increment revenues generated from the Project Areas previously required to be deposited in the Housing Fund are now available and pledged to the repayment of the Long Beach Refunding Bonds and any Additional Bonds, except to the extent pledged to and applied to payments under Senior Bonds.

Other ROPS Obligations

The Long Beach Successor has various significant enforceable obligations that are, or will be, listed on the Long Beach Successor's ROPS and paid from moneys deposited in the Long Beach Successor's RPTTF from time to time. The Long Beach Successor has determined that these obligations are either subordinate to the Long Beach Refunding Bonds or not secured by a pledge of Tax Revenues.

THE REDEVELOPMENT PLANS

General

The Project Areas include the West Beach Project ("West Beach Project"), the Poly High Redevelopment Project ("Poly High Project"), the Downtown Redevelopment Project ("Downtown Project"), the West Long Beach Industrial Redevelopment Project ("Industrial Project"), the Los Altos Redevelopment Project ("Los Altos Project"), the North Long Beach Redevelopment Project ("North Project"), and the Central Long Beach Redevelopment Project ("Central Project"). The Project Areas exist pursuant to separate Redevelopment Plans with separate time and financial limits, as described in more detail below. A description of each of the Redevelopment Plans, each of the amendments to the Redevelopment Plans and the financial and time limitations set forth in such Redevelopment Plans is set forth below. See "THE PROJECT AREAS" in this Appendix A for additional information regarding the Project Areas, including information on land use, assessed valuation, property ownership and Tax Revenues generated within the Project Areas.

The West Beach Project

The Redevelopment Plan for the West Beach Project ("West Beach Plan") was adopted on July 21, 1964 by Ordinance No. C-4451. The West Beach Plan was subsequently amended as follows:

- By Ordinance No. C-4785 on December 24, 1968, to change certain land use restrictions set forth in the West Beach Plan.

- By Ordinance No. C-6309 on November 11, 1986, to add a cumulative tax increment limit, a time limit on the incurrence of debt, and a time limit on the exercise of eminent domain authority in the West Beach Project Area in accordance with Section 33333.4 of the Law."

- By Ordinance No. C-7296 on December 13, 1994, to further restrict the time limit to incur debt and on the effectiveness of the West Beach Plan and to add a time limit on the repayment of debt within the West Beach Project Area.

- By Ordinance No. C-7886 on November 11, 2003, to eliminate the time limit to incur debt pursuant to Senate Bill ("SB") 211.

- By Ordinance No. C-7914 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.

- By Ordinance No. C-7964 on January 18, 2005, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1096.

- By Ordinance No. ORD-06-0062 on December 19, 2006 to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one additional year each pursuant to SB 1096

The West Beach Project Area includes approximately 21 acres located adjacent to the Downtown Project Area and within walking distance of the Long Beach Civic Center. The West Beach Project Area is

bounded on the north by Ocean Boulevard, on the east by Magnolia Avenue, on the south by Seaside Boulevard and on the west by the Los Angeles River Flood Control Channel. The property within the West Beach Project Area lies within Planned District (PD) 6, which primarily permits office and commercial uses.

The Poly High Project

The Redevelopment Plan for the Poly High Project ("Poly High Plan") was adopted on April 3, 1973 by Ordinance No. C-5063. The Poly High Plan was subsequently amended as follows:

- By Ordinance No. C-5138 on August 20, 1974, to change certain land use and parking requirements set forth in the Poly High Plan.
- By Ordinance No. C-5275 on December 14, 1976, to further change certain land use and parking requirements set forth in the Poly High Plan.
- By Ordinance No. C-6311 on November 11, 1986, to add a cumulative tax increment limit, a time limit on the incurrence of debt, and a time limit on the exercise of eminent domain authority in the Poly High Project Area in accordance with Section 33333.4 of the Law.
- By Ordinance No. C-7295 on December 13, 1994, to add a time limit on the repayment of debt within the Poly High Project Area in accordance with Section 33333.6 of the Law.
- By Ordinance No. C-7576 on November 17, 1998, to impose a time limit on the use of eminent domain in the Poly High Project Area.
- By Ordinance No. C-7597 on March 16, 1999, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt in accordance with Section 33333.6 of the Law.
- By Ordinance No. C-7885 on November 11, 2003, to eliminate the time limit to incur debt pursuant to SB 211.
- By Ordinance No. C-7913 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.
- By Ordinance No. C-7963 on January 18, 2005, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1096.
- By Ordinance No. C-7971 on February 8, 2005, to modify land use provisions in the Poly High Plan and increase the cumulative tax increment limit to $25,000,000.
- By Ordinance No. ORD-06-0061 on December 18, 2006, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one additional year each pursuant to SB 1096.

The Poly High Project Area encompasses approximately 87 acres from Pacific Coast Highway to the north, Martin Luther King Jr. Avenue to the east, Anaheim Street to the south and Atlantic Avenue to the west. The Poly High Project Area includes the Long Beach Polytechnic High School campus, which encompasses approximately 26.5 acres, as well as residential and commercial uses.

The Downtown Project

The Redevelopment Plan for the Downtown Project ("Downtown Plan") was adopted on June 17, 1975 by Ordinance No. C-5187. The Downtown Plan was subsequently amended as follows:

- By Ordinance No. C-6310 on November 11, 1986, to add a cumulative tax increment limit, a time limit on the incurrence of debt, and a time limit on the exercise of eminent domain authority in the Downtown Project Area in accordance with Section 33333.4 of the Law.

- By Ordinance No. C-6331 on December 23, 1986, to change certain land use restrictions set forth in the Downtown Plan.

- By Ordinance No. C-7292 on December 13, 1994, to further restrict the time limit to incur debt and add a time limit on the repayment of debt within the Downtown Project Area in accordance with Section 33333.6 of the Law.

- By Ordinance No. 7557 on September 1, 1998 to extend eminent domain authority within the Downtown Project.

- By Ordinance No. 7596 on March 16, 1999 to extend the time limits on effectiveness, receipt of tax increment and repayment of debt in accordance with Section 33333.6 of the Law.

- By Ordinance No. C-7910 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.

- By Ordinance No. C-7965 on January 18, 2005, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1096.

The Downtown Project contains 421 acres generally extending from the shoreline on the south to Seventh Street on the north and from Alamitos and Elm Avenues on the east to Magnolia and Pacific Avenues on the west. The original business district, historic shopping district and former waterfront amusement area were located in the Downtown Project Area. Now, this Project Area contains over three million square feet of Class A office space, a regional shopping mall, a 30-acre park, four first class hotels, the Convention and Entertainment Center, and the City and County Civic Center complex, among other uses.

The Industrial Project

The Redevelopment Plan for the Industrial Project ("Industrial Plan") was adopted on July 1, 1975 by Ordinance No. C-5188. The Industrial Plan was subsequently amended as follows:

- By Ordinance No. C-6312 on November 11, 1986, to add a cumulative tax increment limit, a time limit on the incurrence of debt, and a time limit on the exercise of eminent domain authority in the Industrial Project Area in accordance with Section 33333.4 of the Law.

- By Ordinance No. C-7297 on December 13, 1994, to amend the time to incur debt and the termination date of the Industrial Plan and to add a time limit on the repayment of debt within the Industrial Project Area in accordance with Section 33333.6 of the Law.

- By Ordinance No. C-7887 on November 11, 2003, to eliminate the time limit to incur debt pursuant to SB 211.

The Industrial Project Area consists of approximately 1,368 acres and is bounded on the north by Pacific Coast Highway, on the south by Seaside Boulevard and Ocean Boulevard, on the east by the Los Angeles River Flood Control Channel, and on the west by the City boundary. The portion of the Industrial Project Area north of Anaheim Street (approximately 350 acres) includes industrial, and commercial land uses. The portion of the Industrial Project Area south of Anaheim Street (approximately 1,018 acres) is within the Long Beach Harbor District and is primarily owned by the Harbor Department of the City.

The Los Altos Project

The Redevelopment Plan for the Los Altos Project ("Los Altos Plan") was adopted on December 10, 1991 by Ordinance No. C-6954. The Los Altos Plan was subsequently amended as follows:

- By Ordinance No. C-7294 on December 13, 1994, to amend the time to incur debt and the termination date of the Los Altos Plan and to add a time limit on the repayment of debt within the Los Altos Project Area in accordance with Section 33333.6 of the Law.

- By Ordinance No. C-7911 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.

The Los Altos Project Area consists of approximately 45 acres generally bounded by Twenty-Third Street on the north, Marwick Avenue on the east, Briton Drive/Abbyfield Street on the south and Bellflower Boulevard on the west. The Los Altos Project Area includes commercial and retail uses.

The North Project

The Redevelopment Plan for the North Project ("North Plan") was adopted on July 16, 1996 by Ordinance No. C-7412. The North Plan was subsequently amended as follows:

- By Ordinance No. C-7912 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.

- By Ordinance No. ORD-08-0028 on October 14, 2008, to extend eminent domain authority within certain portions of the North Project Area.

The North Project Area consists of 10 non-contiguous areas totaling approximately 7,540 acres of land and 4,967 acres of water for a total size of approximately 12,507 acres. The majority of the North Project Area consists of (a) a residential area bordered by the cities of Compton and Paramount to the north, the city of Lakewood to the east and the city of Carson to the west and (b) approximately two-thirds of the Port of Long Beach.

The Central Project

The Central Project Area was first established with the adoption of a redevelopment plan on September 21, 1993 under AB 598, special legislation enacted in response to the civil disturbances that occurred between April 30 and May 2, 1992, resulting in significant damage in the Central Project Area. After adoption of the original Central Project, an economic recession caused property values to fall across the State, including within the Central Project Area. The assessed value of real property in the Central Project Area fell below the base year value and remained there. As a result, the Central Project Area did not produce tax increment. To correct the situation, the Long Beach City Council terminated the original redevelopment plan for the Central Project on March 6, 2001 by Ordinance No. C-7737.

The current Redevelopment Plan for the Central Project ("Central Plan") was adopted on March 6, 2001 by Ordinance No. C-7738. The Central Plan was subsequently amended as follows:

- By Ordinance No. C-7909 on April 6, 2004, to extend the time limits on effectiveness, receipt of tax increment and repayment of debt by one year each pursuant to SB 1045.

The Central Project Area consists of approximately 2,619 acres, generally located in the southern portion of the City, south of the I-405 (San Diego) freeway, north of the downtown Long Beach, east of the I-710 (Long Beach) Freeway and west of Redondo Avenue. The Central Project Area includes major north-south portions of Long Beach Boulevard, Pacific Avenue and Atlantic Avenue, major east-west sections of Willow Street, Pacific Coast Highway, Anaheim Street and Seventh Street, and surrounding residential neighborhoods.

As used in this Appendix, the West Beach Plan, the Poly High Plan, the Downtown Plan, the Industrial Plan, the Los Altos Plan, the North Plan, and the Central Plan are referred to collectively as the "Redevelopment Plans." For more information about the Project Areas, see "THE PROJECT AREAS" in this Appendix A.

Project Area Plan Limitations

The time and financial limits under the Redevelopment Plans, as modified under the plan amendment actions noted above, are summarized below:

Component Area	Plan Expiration	Last Date to Incur New Debt	Last Date to Repay Debt with Tax Increment	Tax Increment Limit	Limit on Total Bond Debt	Estimated Taxes Received Through FY2013-14
West Beach	1/1/2012	n/a	1/1/2022	$63,000,000	None	$45,981,199
Poly High	4/3/2016	n/a	4/3/2026	$25,000,000	None	$12,944,738
Downtown	6/17/2017	1/1/2004	6/17/2027	$879,300,000	None	$345,968,337
Industrial	7/1/2015	n/a	7/1/2025	$1,174,000,000	None	$250,042,046
Los Altos	12/10/2032	12/10/2011	12/10/2042	$562,200,000	$291,084,000	$10,478,824
North	7/16/2027	7/16/2016	7/16/2042	None	$2,000,000,000	$497,773,202
Central	3/6/2032	3/6/2021	3/6/2047	None	$2,000,000,000	$197,041,665

Cumulative Tax Increment Limit

The Fiscal Consultant projects that, if assessed values increase by 1% in fiscal year 2015-16 and by 2% in fiscal year 2016-17 and thereafter, the West Beach Project would reach the $63,000,000 limit on the amount of cumulative tax increment the Long Beach Successor may receive from the West Beach Project in fiscal year 2020-21, prior to the January 1, 2022 deadline on the receipt of tax revenues and repayment of debt for that Project Area. Based on the same assumptions, the Poly High Project would reach its $25,000,000 cumulative tax increment limit in fiscal year 2025-26, prior to the April 3, 2026 deadline on the receipt of tax revenues and repayment of debt for the Poly High Project. See "THE PROJECT AREAS — Projected Tax Revenues" in this Appendix A and the Fiscal Consultant's Report attached to this Official Statement as Appendix B.

The Long Beach Refunding Bonds mature on August 1, 2040 and the final debt service payments are anticipated to be made from RPTTF revenues received in fiscal year 2039-40 and generated from fiscal year 2039-40 assessed values. Further, as described in the table above, the Downtown Project and the Industrial Project will reach the time limits on repayment of debt and receipt of tax increment set forth in the Downtown Plan and the Industrial Plan, respectively, prior to the final maturity of the Long Beach Refunding Bonds. The Fiscal Consultant estimates that the Downtown Project, Industrial Project and Los Altos Project will not reach the cumulative limit on tax increment revenues applicable to such Project Areas before the applicable time limit on repayment of debt and receipt of tax increment or the final maturity of the Long Beach Refunding Bonds (as applicable) unless assessed values in those Project Areas grow by the annual percentages shown in the following table:

Component Area	Required Annual Growth to Reach Revenue Limit	Applicable Deadline
Downtown Project	10%	6/17/2027[(1)]
Industrial Project	33%	7/1/2025[(1)]
Los Altos Project	19%	8/1/2040[(2)]

(1) Deadline for repayment of debt and receipt of tax revenues.
(2) Final Maturity of the Long Beach Refunding Bonds.

The North Project and the Central Project were adopted after January 1, 1994 and are therefore not subject to cumulative tax revenue limits.

There is a question on the applicability of tax increment limits as to time and amounts established under redevelopment plans after the adoption of AB x1 26 and AB 1484. The matter remains subject to further guidance from the DOF, legislation and interpretation by the courts. See "RISK FACTORS — State Budget" in the forepart of this Official Statement for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations. If the Project Areas cumulative tax increment limit is deemed to no longer be applicable, no interruption of tax increment revenue will occur. For purposes of the projections in this Appendix A in that portion of the Fiscal Consultant's Report with respect to the Long Beach Successor appearing in Appendix B, it is assumed that all redevelopment plan limits will be enforced.

Impact of Enforcement of Plan Limits

If the financial and time limitations described under the headings "— Project Area Plan Limitations" and "— Cumulative Tax Increment Limit" above are enforced, beginning in fiscal year 2028-29 and continuing until final maturity of the Long Beach Refunding Bonds on August 1, 2040, Tax Revenues will be limited to revenues generated from the Los Altos Project Area, North Project Area and Central Project Area. This will affect the concentration of ownership in the Project Areas from which Tax Revenues are available during these years. See tables 4.5, 4.6 and 4.7 to the Fiscal Consultant's Report appearing in Appendix B.

Financial Limitations

See "LIMITATIONS ON TAX REVENUES" in the forepart of this Official Statement for a discussion of certain matters which limit Tax Revenues or impact the use thereof.

THE PROJECT AREAS

General

The County Auditor-Controller is responsible for the aggregation of the assessed values assigned by the County Assessor for properties within the boundaries of the Project Areas. The reported current year Project Areas assessed value, less the frozen Base Year assessed value, becomes the basis for determining the computed gross property tax revenue allocable to the RPTTF. The reported assessed value of property within the combined Project Areas for fiscal year 2014-15 is as follows.

	Fiscal Year 2014-15	% of Total
Secured Value	$ 15,969,353,018	90.37%
Unsecured Value	1,701,922,590	9.63
Total Current Year Value	$ 17,671,275,608	100.00
Base Year Value	5,297,407,870	29.98
Incremental Value	$ 12,373,867,738	70.02%

Source: County of Los Angeles and Keyser Marston Associates, Inc.

The reported assessed value of property for fiscal year 2014-15 is shown for each of the Project Areas separately in the following table:

	West Beach	Poly High	Downtown	Industrial	Los Altos	North	Central
Secured Value	$ 211,704,129	$ 103,303,563	$ 2,140,161,075	$ 1,830,710,734	$114,395,256	$7,535,445,096	$4,033,633,165
Unsecured Value	41,272,031	2,012,874	210,955,831	399,504,048	14,543,590	881,051,006	152,583,210
Total Current Year Value	$ 252,976,160	$ 105,316,437	$ 2,351,116,906	$ 2,230,214,782	$128,938,846	$8,416,496,102	$4,186,216,375
Base Year Value	(4,055,538)	(5,346,849)	(122,152,442)	(161,823,376)	(39,896,120)	(3,089,949,386)	(1,874,184,159)
Incremental Value	$ 248,920,622	$ 99,969,588	$ 2,228,964,464	$ 2,068,391,406	$89,042,726	$5,326,546,716	$2,312,032,216
% of Total Incremental Value	98.40%	94.92%	94.80%	92.74%	69.06%	63.29%	55.23%

Source: County of Los Angeles and Keyser Marston Associates, Inc.

Land Use

The following table illustrates the land use of property in the Project Areas.

TABLE A-1
COMBINED PROJECT AREAS
LAND USE STATISTICS
(Fiscal Year 2014-15)

Land Use	Parcels	2014-15 Net Taxable Value	Percent of Total
Residential	28,041	$ 7,549,400,896	42.72%
Commercial	2,747	3,082,664,465	17.44
Industrial	1,024	1,158,792,665	6.56
Governmental/Exempt	1,158	-	0.00
Institutional	190	136,559,312	0.77
Miscellaneous	7	10,378,718	0.06
Recreational	25	20,325,672	0.12
Vacant	1,194	257,803,596	1.46
SBE Non-Unitary	5	646,160,132	3.66
Cross Reference Roll[(1)]	2,244	3,107,267,562	17.58
Unsecured	6,721	1,701,922,590	9.63
TOTAL	**43,356**	**$ 17,671,275,608**	**100.00%**

(1) Includes mineral rights, possessory interest and other miscellaneous secured assessments (the parcel numbers for which are not necessarily tied to a specific geographic parcel map location, unlike values on the secured roll).

Source: Keyser Marston Associates, Inc.

Ten Largest Taxpayers

The ten largest taxpayers in the Project Areas represent approximately 19.42% of the total Project Areas' value for fiscal year 2014-15 and are comprised primarily of commercial land uses. When compared against the incremental assessed value of the Project Areas, these ten largest taxpayers represent approximately 27.74% of the total incremental assessed value within the Project Areas.

TABLE A-2
COMBINED PROJECT AREAS
MAJOR PROPERTY TAXPAYERS
(Fiscal Year 2014-15[1])

	Property Owner	Primary Land Use	FY 2014-15 Assessed Valuation	Percent of Total	Percent of Incremental	Project Area
1	Hanjin America Inc.[2]	PI[3] – Shipping Terminal	$ 756,164,414	4.28%	6.11%	North, Industrial
2	International Transportation Service Inc. [2]	PI – Shipping Terminal	466,970,565	2.64	3.77	North
3	Pacific Maritime Services LLC[2]	PI – Shipping Terminal	409,817,504	2.32	3.31	North
4	SSA Terminals LLC[2]	PI – Shipping Terminal	378,037,460	2.14	3.06	North, Industrial
5	OOCL LLC and LBCT LLC[2]	PI – Shipping Terminal	350,048,754	1.98	2.83	North
6	Tesoro Logistics Operations, LLC, Tesoro Refining and Marketing Co., Tesoro Sierra Properties LLC[2]	PI – Oil Refining and Industrial – Mineral Processing	339,378,298	1.92	2.74	Central, North, Industrial
7	Tidelands Oil Production Co. [2]	PI – Oil Refining	332,782,611	1.88	2.69	Industrial
8	2009 CUSA Community Owner LLC	Residential – Multi Family	143,997,640	0.81	1.16	Downtown
9	AGNL Clinic LP[2]	Commercial – Office	135,237,202	0.77	1.09	West Beach
10	John Hancock Life Insurance Co. [2]	Commercial – Office	120,113,848	0.68	0.97	Downtown
			$ 3,432,548,296	19.42%	27.74%	

Total Project Area Value:	$ 17,671,275,608
Project Area Incremental Value:	$ 12,373,867,738

(1) Fiscal Year ending June 30.
(2) Currently has assessment appeals on file. See "— Assessment Appeals" below.
(3) "PI" refers to possessory interests.
Source: County of Los Angeles and Keyser Marston Associates, Inc.

Assessed Valuation

The following table sets forth the taxable assessed valuations for the Project Areas and the incremental taxable values for the last ten fiscal years. According to the County, the total assessed valuation of the Project Areas for fiscal year 2014-15 is $17,671,275,608.

TABLE A-3
COMBINED PROJECT AREAS
ASSESSED VALUATIONS AND INCREMENTAL TAX VALUES
(Fiscal Years 2005-06 to 2014-15)

Fiscal Year Ending June 30	Assessed Value	Less: Base Year Value	Value Over Base Year
2006	$ 12,065,953,568	$5,324,065,043	$ 6,741,888,525
2007	13,590,600,203	5,324,065,043	8,266,535,160
2008	15,078,794,603	5,320,207,004	9,758,587,599
2009	16,264,127,353	5,318,104,774	10,946,022,579
2010	15,653,016,962	5,311,088,093	10,341,928,869
2011	14,974,994,003	5,304,763,378	9,670,230,625
2012	14,925,851,616	5,298,458,000	9,627,393,616
2013	15,454,095,921	5,296,969,919	10,157,126,002
2014	16,917,995,962	5,296,872,899	11,621,123,063
2015	17,671,275,608	5,297,407,870	12,373,867,738

Source: County of Los Angeles and Keyser Marston Associates, Inc.

For projections of growth in incremental assessed valuation and Gross Tax Increment Revenues, see "— Projected Tax Revenues" below.

For information about assessment appeals, see "— Assessment Appeals."

Levy and Collections

The prior year allocation of tax increment revenues and the County Auditor-Controller's distribution of property taxes to the RPTTF are a reflection of actual property tax collections experienced within the Project Areas. Based on the Fiscal Consultant's review of the County's year-end tax ledgers from fiscal year 2009-10 to fiscal year 2013-14, the property taxes collected within the Project Areas averaged 98.6%. The County has not adopted the "Teeter Plan" alternative method for collection of taxes and, therefore, the receipt of property taxes is subject to delinquencies.

TABLE A-4
COMBINED PROJECT AREAS
TAX LEVY AND COLLECTIONS
(Fiscal Years 2009-10 to 2013-14)

Fiscal Year Ending June 30	Computed Levy[1]	Actual Based on Collections Rate[2]	Percent of Collections
2010	105,529,287	100,071,931	94.8%
2011	98,735,280	95,461,071	96.7
2012	98,235,400	97,203,062	98.9
2013	103,186,163	103,494,154	100.3
2014	115,154,997	117,449,804	101.9

(1) Computed Levy based on reported incremental value multiplied by the tax rate to compute gross tax increment. Computed Levy also includes Unitary Taxes, if any, as reported by the County Auditor-Controller.

(2) Amounts represent the annual tax increment revenues allocable up to fiscal year 2010-11 and prior to the dissolution of the Former Long Beach RDA under AB x1 26. For purposes of identifying the collection of property taxes, amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes, prior year redemption payments, escaped assessments and any mid-year adjustments made by the County.

Source: County of Los Angeles; Keyser Marston Associates, Inc.

Assessment Appeals

There are two basic types of assessment appeals provided for under California law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the County Assessor following a change in ownership or completion of new construction. If the base year value assigned by the County Assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs. The second type of appeal, commonly referred to as a Proposition 8 appeal, can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value.

Property taxable values determined by the County Assessor may be subject to an appeal by the property owner. Assessment appeals are annually filed with the County Assessment Appeals Board for a hearing and resolution. The resolution of an appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the property owner. A property owner can file for a regular assessment appeal with the County between July 2 and November 30. Revenue and Taxation Code Section 1604 allows up to two years for an assessment appeal to be decided. Nine of the top ten taxpayers within the Project Areas have filed assessment appeals that are currently pending. Additional appeals to assessed values in the Project Areas may be filed from time to time in the future. The Long Beach Successor cannot predict the extent of these appeals or their likelihood of success.

The Fiscal Consultant researched the status of assessment appeals filed by property owners in the Project Areas based upon the latest information available from the County Appeals Board database through the first quarter of 2015. The Fiscal Consultant's estimates are based upon the historical averages of successful appeals and amounts of value reductions. Actual appeals, reductions and refunds may vary from historical averages. The Fiscal Consultant's estimated reductions in values are reflected in its projections.

The following table, showing appeal data for fiscal years 2009-09 through 2014-15, summarizes the potential losses that are incorporated into the Fiscal Consultant's projections:

TABLE A-5
COMBINED PROJECT AREAS
ASSESSED VALUATION APPEALS
(Fiscal Year 2008-09 to 2014-15[1])

Total No. of Appeals	No. of Resolved Appeals	No. of Successful Appeals	Average Reduction	No. of Appeals Pending	Est. No. of Pending Appeals Allowed
6,264	4,776	1,574	24.48%	1,488	490

Fiscal Year Ending June 30	Combined Value Under Pending Appeals[2]	Fiscal Consultant Estimated Reduction on Pending Appeals Allowed (2014-15 AV)
2015	$ 4,837,923,000	$ 390,389,000
2014	4,661,518,000	376,154,000
2013	3,370,295,000	271,961,000
2012	2,921,160,000	235,717,000
Prior to 2012	3,733,434,000	301,263,000
Total	$ 19,524,330,000	$ 1,575,484,000

(1) Fiscal Year ending June 30.
(2) Reflects the total assessed value of the property subject to appeal and does not reflect the applicant's opinion of value.
Source: County of Los Angeles and Keyser Marston Associates, Inc.

Tax refunds payable from resolved appeals (to the extent applicants are not delinquent in their property tax payments) are deducted by the County Auditor-Controller from current year gross property taxes before the County's allocation to the RPTTF.

Actual resolution of appeals are determined by a number of factors including vacancy and rental rates, circumstances of hardship and other real estate comparables, all of which are unique to the individual assessment. Therefore, actual reductions, if any, may be higher or lower than the reductions incorporated in the Fiscal Consultant's projections. An appeal may be withdrawn by the applicant, the Appeals Board may deny or modify the appeal at hearing or by stipulation, or the final value may be adjusted to an amount other than the stated opinion of value. See "— Assessed Valuation" above, for a summary of historical assessed property valuations in the Project Areas. For more information about appeals and the Fiscal Consultant's assumptions, see the Fiscal Consultant's Report attached to this Official Statement as Appendix B.

Projected Tax Revenues

The following table shows the current and projected valuation of taxable property in the Project Areas and the projected Tax Revenues. Such projections are estimates only and no assurance can be given that such projections will be achieved. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available in future years, see "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" in the forepart of this Official Statement and "SPECIAL RISK FACTORS" in this Appendix A.

TABLE A-6
COMBINED PROJECT AREAS
PROJECTION OF PROJECT AREAS TAX REVENUES
ASSUMES VALUE GROWTH
(000s Omitted)

Year Ending August 1	Total Taxable Value[1]	Taxable Value Over Base	Gross Tax Increment Revenue[2]	Unitary Tax Revenue	Gross Revenues	County Admin. Charges[3]	Pass-Through Obligations[4]	Gross Tax Revenues	Senior Bonds Debt Service	Tax Revenues[5]
2016	$17,579,487	$12,282,079	$122,787	$1,693	$124,480	$(2,215)	$(22,072)	$100,193	$(14,608)	$85,585
2017	17,884,059	12,586,651	125,831	1,693	127,525	(2,268)	(23,017)	102,239	(14,626)	87,613
2018	18,194,722	12,897,314	128,937	1,693	130,630	(2,323)	(23,980)	104,326	(14,032)	90,294
2019	18,511,598	13,214,190	132,104	1,693	133,797	(2,379)	(24,963)	106,455	(14,056)	92,398
2020	18,834,812	13,537,404	135,334	1,693	137,028	(2,436)	(25,968)	108,623	(14,952)	93,671
2021[6]	19,164,490	13,867,082	137,836	1,693	139,530	(2,494)	(26,703)	110,333	(14,969)	95,364
2022[7]	19,500,761	14,203,353	139,217	1,693	140,910	(2,504)	(27,583)	110,824	(14,311)	96,512
2023	19,558,446	14,265,093	142,606	1,684	144,290	(2,563)	(28,633)	113,094	(5,742)	107,352
2024	19,903,422	14,610,069	146,054	1,684	147,738	(2,624)	(29,704)	115,410	(6,679)	108,731
2025	20,255,297	14,961,945	149,570	1,684	151,255	(2,686)	(30,796)	117,772	(4,831)	112,941
2026[8]	20,614,211	13,026,797	129,515	637	130,153	(2,265)	(27,601)	100,287	(4,795)	95,492
2027[9]	18,366,310	13,240,128	132,348	628	132,976	(2,300)	(28,617)	102,059	(4,748)	97,311
2028	15,797,516	10,793,487	107,879	138	108,017	(1,877)	(29,858)	76,282	(4,699)	71,583
2029	16,090,015	11,085,985	110,802	138	110,940	(1,928)	(31,124)	77,888	(4,653)	73,235
2030	16,388,364	11,384,334	113,783	138	113,921	(1,980)	(32,416)	79,525	(4,603)	74,923
2031	16,692,680	11,688,650	116,824	138	116,961	(2,033)	(33,733)	81,196	(4,549)	76,647
2032	17,003,082	11,999,052	119,925	138	120,063	(2,087)	(35,076)	82,900	(2,593)	80,307
2033	17,319,692	12,315,663	123,088	138	123,226	(2,142)	(36,566)	84,518	(2,539)	81,979
2034	17,642,635	12,638,605	126,315	138	126,453	(2,199)	(38,085)	86,169	(2,490)	83,678
2035	17,972,036	12,968,006	129,606	138	129,744	(2,256)	(39,635)	87,852	(2,431)	85,422
2036	18,308,025	13,303,996	132,962	138	133,100	(2,315)	(41,216)	89,570	(2,376)	87,194
2037	18,650,734	13,646,705	136,386	138	136,524	(2,374)	(42,828)	91,321	(2,309)	89,012
2038	19,000,298	13,996,268	139,878	138	140,016	(2,435)	(44,473)	93,108	(2,247)	90,860
2039	19,356,852	14,352,822	143,440	138	143,578	(2,498)	(46,150)	94,930	(2,179)	92,752
2040	19,720,538	14,716,508	147,073	138	147,211	(2,561)	(47,861)	96,789	(2,113)	94,676

(1) Real property consists of land and improvements. Taxable values reflect the values reported by the County for fiscal year 2014-15, increased for inflation at 1.998% for fiscal year 2015-16 and 2% for fiscal year 2016-17 and annually thereafter. Values for fiscal year 2015-16 and thereafter are decreased by $390,389,000 from the value provided on Table A-3 for assumed projected value loss due to pending assessment appeals. See "— Assessment Appeals." Personal Property values are held constant at fiscal year 2014-15 level.

(2) Gross Tax Increment Revenue is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Figure for fiscal year 2014-15 includes an assumed $15.7 million reduction for tax refunds related to assumed assessed value reductions due to identified pending assessment appeals. Gross Tax Increment

is net of any inflationary payments pursuant to Health & Safety Code Section 33676 (Los Altos Project) and any revenue forfeitures from cumulative tax increment limits projected to be reached (see footnotes 5 and 7 for the West Beach Project and the Poly High Project).

(3) County Administrative Charges include charges under SB 2557 and AB x1 26. The Fiscal Consultant estimates the charges at 1.18% of Gross Revenues.

(4) Includes projected payments under the Pass-Through Agreements and Statutory Pass-Through Amounts. See "SECURITY FOR THE REFUNDING BONDS—Pass-Through Agreements" and "—Statutory Pass-Through Amounts" in this Appendix. As discussed above under the caption "SECURITY FOR THE REFUNDING BONDS—Pass-Through Agreements" the Pass-Through Agreements are subordinate by their terms; however, Health and Safety Code Section 34183(a)(1) provides for payment of amounts due under the Pass-Through Agreements prior to debt service on the Long Beach Successor's obligations, including the Long Beach Refunding Bonds, unless the Long Beach Successor complies with the procedures set forth in Health and Safety Code Section 34183(b). See Table 1 in the Fiscal Consultant's Report attached to this Official Statement as Appendix B.

(5) Tax Revenues reflect RPTTF generated from the Project Areas that are available to the Long Beach Successor for payment of debt service on the Long Beach Refunding Bonds and unsecured enforceable obligations.

(6) The Fiscal Consultant projects the West Beach Project will reach the cumulative tax increment limit in fiscal year 2020-21.

(7) The West Beach Project reaches the time limit on the receipt of tax revenue and repayment of debt on January 1, 2022.

(8) The Industrial Project reaches the time limit on the receipt of tax revenue and repayment of debt on July 1, 2025 and the Poly High Project reaches the time limit on the receipt of tax revenue and repayment of debt on April 3, 2026. The Fiscal Consultant projects the Poly High Project will reach the cumulative tax increment cap in fiscal year 2025-26 as well.

(9) The Downtown Project reaches the time limit on the receipt of tax revenue and repayment of debt on June 17, 2027.

Source: Keyser Marston Associates, Inc.

The following table shows the current and projected valuation of taxable property in the Project Areas and the projected Tax Revenues assuming no growth in the total assessed valuation of property within the Project Areas.

TABLE A-7
COMBINED PROJECT AREAS
PROJECTION OF PROJECT AREAS TAX REVENUES
ASSUMES NO VALUE GROWTH
(000s Omitted)

Year Ending August 1	Total Taxable Value[1]	Taxable Value Over Base	Gross Tax Increment Revenue[2]	Unitary Tax Revenue	Gross Revenues	County Admin. Charges[3]	Pass-Through Obligations[4]	Gross Tax Revenues	Senior Bonds Debt Service	Tax Revenues[5]
2016	$17,280,888	$11,983,480	$119,803	$1,693	$121,496	$(2,162)	$(21,146)	$98,187	$(14,608)	$83,579
2017	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187	(14,626)	83,561
2018	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187	(14,032)	84,155
2019	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187	(14,056)	84,131
2020	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187	(14,952)	83,236
2021	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187	(14,969)	83,219
2022[6]	17,280,888	11,983,480	117,450	1,693	119,143	(2,162)	(20,520)	96,461	(14,311)	82,150
2023	17,031,329	11,737,977	117,348	1,684	119,032	(2,118)	(20,800)	96,114	(5,742)	90,372
2024	17,031,329	11,737,977	117,348	1,684	119,032	(2,118)	(20,800)	96,114	(6,679)	89,435
2025	17,031,329	11,737,977	117,348	1,684	119,032	(2,118)	(20,800)	96,114	(4,831)	91,282
2026[7]	17,031,329	9,745,532	97,423	637	98,061	(1,694)	(17,742)	78,625	(4,795)	73,830
2027[8]	14,776,259	9,650,077	96,469	628	97,097	(1,676)	(17,651)	77,770	(4,748)	73,022
2028	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(4,699)	51,199
2029	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(4,653)	51,246
2030	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(4,603)	51,296
2031	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(4,549)	51,350
2032	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(2,593)	53,306
2033	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(2,539)	53,360
2034	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(2,490)	53,408
2035	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(2,431)	53,468
2036	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(2,376)	53,523
2037	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(2,309)	53,589
2038	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(2,247)	53,651
2039	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(2,179)	53,720
2040	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899	(2,113)	53,785

(1) Real property consists of land and improvements. Taxable values reflect the values reported by the County for fiscal year 2014-15 and are not increased for inflation. Values for fiscal year 2015-16 and thereafter are decreased by $390,389,000 from the value provided on Table A-3 for assumed projected value loss due to pending assessment appeals. See "— Assessment Appeals." Personal Property values are held constant at fiscal year 2014-15 level.

(2) Gross Tax Increment Revenue is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Figure for fiscal year 2014-15 includes an assumed $15.7 million reduction for tax refunds related to assumed assessed value reductions due to identified pending assessment appeals. Gross Tax Increment Revenue is net of any inflationary payments pursuant to Health & Safety Code Section 33676 (Los Altos Project) and any revenue forfeitures from cumulative tax increment limits projected to be reached (see footnote 5 for the West Beach Project).

(3) County Administrative Charges include charges under SB 2557 and AB x1 26. The Fiscal Consultant estimates the charges at 1.89% of Gross Revenues.

(4) Includes projected payments under the Pass-Through Agreements and Statutory Pass-Through Amounts. See "SECURITY FOR THE REFUNDING BONDS—Pass-Through Agreements" and "—Statutory Pass-Through Amounts" in this Appendix. As discussed above under the caption "SECURITY FOR THE REFUNDING BONDS—Pass-Through Agreements" the Pass-Through Agreements are subordinate by their terms; however, Health and Safety Code Section 34183(a)(1) provides for payment of amounts due under the Pass-Through Agreements prior to debt service on the Long Beach Successor's obligations, including the Long Beach Refunding Bonds, unless the Long Beach Successor complies with the procedures set forth in Health and Safety Code Section 34183(b). See Table 1 in the Fiscal Consultant's Report attached to this Official Statement as Appendix B.

(5) Tax Revenues reflect RPTTF generated from the Project Areas that are available to the Long Beach Successor for payment of debt service on the Long Beach Refunding Bonds and unsecured enforceable obligations.

(6) The West Beach Project reaches the time limit on the receipt of tax revenue and repayment of debt on January 1, 2022. The Fiscal Consultant projects the West Beach Project will reach the cumulative tax increment limit in fiscal year 2021-22.

(7) The Industrial Project reaches the time limit on the receipt of tax revenue and repayment of debt on July 1, 2025 and the Poly High Project reaches the time limit on the receipt of tax revenue and repayment of debt on April 3, 2026.

(8) The Downtown Project reaches the time limit on the receipt of tax revenue and repayment of debt on June 17, 2027.

Source: Keyser Marston Associates, Inc.

Estimated Debt Service Coverage

The following table sets forth the debt service and coverage ratio for the Long Beach Refunding Bonds and the Senior Bonds. There can be no assurance that such projected Tax Revenues will be realized. Such projections assume the issuance of the Long Beach Refunding Bonds and the refunding and defeasance of the Long Beach Refunded Bonds. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available in future years, "LIMITATIONS ON TAX REVENUES" and "RISK FACTORS" in the forepart of this Official Statement and "SPECIAL RISK FACTORS" in this Appendix A.

TABLE A-8
COMBINED PROJECT AREAS
ESTIMATED DEBT SERVICE COVERAGE – ASSUMES VALUE GROWTH
(000s Omitted)

Year Ending August 1	Gross Tax Revenues[1]	Senior Bonds Debt Service	Refunding Bonds Debt Service	Aggregate Senior Bonds and Refunding Bonds Debt Service[2]	Aggregate Debt Service Coverage On Senior Bonds and Refunding Bonds
2016	$100,193	$14,608	$12,101	$26,708	375%
2017	102,239	14,626	12,096	26,722	383
2018	104,326	14,032	11,870	25,902	403
2019	106,455	14,056	12,631	26,687	399
2020	108,623	14,952	12,654	27,606	393
2021	110,333	14,969	10,503	25,472	433
2022	110,824	14,311	11,158	25,469	435
2023	113,094	5,742	14,021	19,764	572
2024	115,410	6,679	18,623	25,302	456
2025	117,772	4,831	9,648	14,479	813
2026	100,287	4,795	9,656	14,451	694
2027	102,059	4,748	9,665	14,413	708
2028	76,282	4,699	9,692	14,391	530
2029	77,888	4,653	9,710	14,363	542
2030	79,525	4,603	9,731	14,333	555
2031	81,196	4,549	9,754	14,303	568
2032	82,900	2,593	8,659	11,252	737
2033	84,518	2,539	8,651	11,190	755
2034	86,169	2,490	8,652	11,142	773
2035	87,852	2,431	8,656	11,087	792
2036	89,570	2,376	4,502	6,878	1302
2037	91,321	2,309	4,504	6,813	1340
2038	93,108	2,247	4,505	6,752	1379
2039	94,930	2,179	4,500	6,678	1422
2040	96,789	2,113	4,503	6,616	1463

(1) Gross Tax Revenues are Tax Revenues prior to deduction of debt service on the Senior Bonds.
(2) Totals may not add due to rounding.
Source: Keyser Marston Associates, Inc. and Stifel Nicolaus & Company, Incorporated.

The following table sets forth the debt service and coverage ratio for the Long Beach Refunding Bonds, assuming no growth in total assessed valuation of property within the Project Areas.

TABLE A-9
COMBINED PROJECT AREAS
ESTIMATED DEBT SERVICE COVERAGE – ASSUMES NO VALUE GROWTH
(000s Omitted)

Year Ending August 1	Gross Tax Revenues[1]	Senior Bonds Debt Service	Refunding Bonds Debt Service	Aggregate Senior Bonds and Refunding Bonds Debt Service[2]	Aggregate Debt Service Coverage On Senior Bonds and Refunding Bonds
2016	$98,187	$14,608	$12,101	$26,708	368%
2017	98,187	14,626	12,096	26,722	367
2018	98,187	14,032	11,870	25,902	379
2019	98,187	14,056	12,631	26,687	368
2020	98,187	14,952	12,654	27,606	356
2021	98,187	14,969	10,503	25,472	385
2022	96,461	14,311	11,158	25,469	379
2023	96,114	5,742	14,021	19,764	486
2024	96,114	6,679	18,623	25,302	380
2025	96,114	4,831	9,648	14,479	664
2026	78,625	4,795	9,656	14,451	544
2027	77,770	4,748	9,665	14,413	540
2028	55,899	4,699	9,692	14,391	388
2029	55,899	4,653	9,710	14,363	389
2030	55,899	4,603	9,731	14,333	390
2031	55,899	4,549	9,754	14,303	391
2032	55,899	2,593	8,659	11,252	497
2033	55,899	2,539	8,651	11,190	500
2034	55,899	2,490	8,652	11,142	502
2035	55,899	2,431	8,656	11,087	504
2036	55,899	2,376	4,502	6,878	813
2037	55,899	2,309	4,504	6,813	820
2038	55,899	2,247	4,505	6,752	828
2039	55,899	2,179	4,500	6,678	837
2040	55,899	2,113	4,503	6,616	845

(1) Gross Tax Revenues are Tax Revenues prior to deduction of debt service on the Senior Bonds.
(2) Totals may not add due to rounding.
Source: Keyser Marston Associates, Inc. and Stifel Nicolaus & Company, Incorporated.

Historical Residual RPTTF Revenues

The table below sets forth the residual RPTTF revenues which were distributed to taxing entities for each of the Long Beach Successor's Recognized Obligation Payment Schedule ("ROPS") periods since July 1, 2012.

TABLE A-10
COMBINED PROJECT AREAS
HISTORICAL RESIDUAL RPTTF REVENUES

ROPS Period	Property Tax Deposits (RPTTF)	County Administrative Distributions	Pass-Through Distributions	Actual Enforceable Obligations Payments	Residual RPTTF Revenues
July 1, 2012 to December 31, 2012	$ 41,439,829.98	$ (99,943.13)	$ (5,250,246.93)	$ (33,446,016.00)	$ 2,643,623.92
January 1, 2013 to June 30, 2013	56,372,014.74	(1,893,793.97)	(10,614,163.93)	(1,489,067.00)	42,374,989.84
July 1, 2013 to December 31, 2013	59,493,575.64	(270,312.52)	(8,051,734.92)	(20,405,070.00)	30,766,458.20
January 1, 2014 to June 30, 2014	50,935,573.16	(1,918,995.91)	(7,277,272.84)	(9,790,885.00)	31,948,419.41
July 1, 2014 to December 31, 2014	68,975,348.06	(454,980.41)	(9,391,875.49)	(26,417,197.31)	32,711,294.85
January 1, 2015 to June 30, 2015	54,581,393.78	(1,938,829.05)	(9,668,735.22)	(20,229,825.00)	22,744,004.51
July 1, 2015 to December 31, 2015	70,110,345.01	(269,808.22)	(12,493,117.06)	(3,163,553.00)	54,183,866.73

Source: Los Angeles County Auditor-Controller.

As the Long Beach Successor continues to wind down its affairs pursuant to the Dissolution Act, residual RPTTF revenues are expected to increase as enforceable obligations are retired. This will be offset to some extent by the Project Areas reaching their respective plan limits affecting the Long Beach Successor's eligibility to receive tax revenues from such project areas. However, see the caption "RISK FACTORS — State Budget" in the forepart of this Official Statement for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations.

Property Tax and Spending Limitations

Section 1(a) of Article XIIIA of the California Constitution limits the maximum *ad valorem* tax on real property to one percent of full cash value, to be collected by the counties and apportioned according to law. For a summary of this and other California constitutional property tax and spending limitations, see "LIMITATIONS ON TAX REVENUES — Property Tax and Spending Limitations" in the forepart of this Official Statement.

Unitary Property

The Fiscal Consultant projects that the amount of unitary revenues to be allocated to the Long Beach Successor for fiscal year 2014-15 within the Project Areas is approximately $1,693,000. The Long Beach Successor cannot predict the effect of any future litigation or settlement agreements on the amount of unitary tax revenues received or to be received by the Long Beach Successor. In addition, the Long Beach Successor cannot predict the impact on unitary property tax revenues of any transfer of electrical transmission lines to tax-exempt agencies, although the Long Beach Successor does not expect any transfer to have a material adverse effect on Tax Revenues.

SPECIAL RISK FACTORS

The following summaries are provided as additional detail supplemental to the information under the section entitled "RISK FACTORS" in the forepart of this Official Statement. Such information should be considered by prospective investors in evaluating the Series 2015 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Series 2015 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. For additional information, see the section entitled "RISK FACTORS" in the forepart of this Official Statement.

Tax Revenues

Tax Revenues, which secure the Long Beach Refunding Bonds, are determined by the incremental assessed value of taxable property in the Project Areas, the current rate or rates at which property in the Project Areas is taxed, and the percentage of taxes collected in the Project Areas. Several types of events which are beyond the control of the Long Beach Successor could occur and cause a reduction in available Gross Tax Increment Revenues and, accordingly, Tax Revenues. A reduction of taxable values of property in the Project Areas or a reduction of the rate of increase in taxable values of property in the Project Areas caused by economic or other factors beyond the Long Beach Successor's control (such as successful appeals by property owners for a reduction in a property's assessed value, a reduction in the rate of transfers of property, construction activity or other events that permit reassessment of property at lower values, or the destruction of property caused by natural or other disasters, including earthquakes) could occur, thereby causing a reduction in Tax Revenues. This risk increases in proportion to the percent of total assessed value attributable to any single assessee in the Project Areas and in relation to the concentration of property in such Project Areas in terms of size or land use (see "THE PROJECT AREAS — General" in this Appendix A). Any reduction in Tax Revenues from the Project Areas could have an adverse effect on the Long Beach Successor's ability to meet its obligations under the Long Beach Indenture and the Long Beach Successor's ability to pay the principal of and interest on the Long Beach Refunding Bonds.

As mentioned in the Fiscal Consultant's Report, many issues involved in the dissolution of redevelopment agencies have yet to be resolved including the continuation of plan limits, override revenues and the treatment of ERAF. Additionally approximately 100 lawsuits have been filed on various aspects of AB x1 26 and AB 1484 which could impact the dissolution of redevelopment agencies. The projections in this Appendix A could be impacted as a result of future court decisions.

Projected Tax Revenues

The Fiscal Consultant has based its projections on certain assumptions with regard to the Project Areas, growth in assessed values and Tax Revenue growth. These projections assume that assessed values will increase for inflation at 1% for fiscal year 2015-16 and at 2% for fiscal year 2016-17 and annually thereafter. These projections also assume that for fiscal year 2015-16 and thereafter, real property values are decreased by $341.6 million and personal property values are decreased by $48.7 million for projected value loss due to pending assessment appeals. A 2% growth rate is the maximum inflationary growth rate permitted by law. In the last ten fiscal years, the years in which less than 2% growth was realized included fiscal years 2004-05, 2010-11, 2011-12 and 2014-15. There can be no assurance that assessed values will increase as projected, if at all. See "THE PROJECT AREAS" in this Appendix A for a discussion of these assumptions.

Any reduction in assessed values in the Project Areas, reduction in tax rates or reduction in taxes collected would reduce the Tax Revenues available to pay debt service on the Long Beach Refunding Bonds. See "RISK FACTORS" and "LIMITATIONS ON TAX REVENUES" in the forepart of this Official Statement. See also "THE PROJECT AREAS" in this Appendix A for a summary of historical assessed valuation of property in the Project Areas, current assessment appeals and historical delinquencies and recent transactions involving the top five property owners that could affect assessed values in the Project Areas.

Redevelopment Plan Limits

There is a question on the applicability of tax increment limits as to time and amounts established under redevelopment plans after the adoption of AB x1 26 and AB 1484. The matter remains subject to further guidance from the DOF, legislation and interpretation by the courts. If the Project Areas cumulative tax increment limit is deemed to no longer be applicable, no interruption of tax increment revenue will occur. For purposes of the projections in this Appendix A in that portion of the Fiscal Consultant's Report with respect to the Long Beach Successor appearing in Appendix B, it is assumed that all redevelopment plan limits will be enforced.

If the plan limits are enforced, Tax Revenues will be limited to tax revenues generated from the Los Altos Project Area, North Project Area and Central Project Area commencing in fiscal year 2028-29 and continuing through final maturity of the Long Beach Refunding Bonds on August 1, 2040. For information regarding the concentration of ownership in the Los Altos Project Area, North Project Area and Central Project Area, see tables 4.5, 4.6 and 4.7 to the Fiscal Consultant's Report appearing in Appendix B. As shown in tables A-6 and A-7, although Tax Revenues are projected to decrease substantially in Fiscal Years 2026-27 and 2027-28, debt service coverage is not projected to be reduced due to a corresponding reduction in aggregate debt service on the Long Beach Refunding Bonds commencing in Fiscal Years 2026-27 and 2027-28. See tables A-8 and A-9.

Senior, Parity and Subordinate Debt

The Long Beach Successor may refund the Senior Bonds on a basis senior to the Long Beach Refunding Bonds if permitted by Section 34177.5(a)(1) of the Dissolution Act. The Long Beach Indenture permits the issuance by the Long Beach Successor of certain refunding indebtedness which may have a lien upon the Tax Revenues on parity with the lien of the Long Beach Refunding Bonds. Other than refundings of the Senior Bonds, the Long Beach Successor has covenanted not to issue any additional obligations with a lien on former tax increment revenues senior to the lien of the Long Beach Refunding Bonds. See "SECURITY FOR THE REFUNDING BONDS — Parity Debt Limited to Refunding Bonds" in this Appendix A for a description of the conditions precedent to issuance of such additional obligations. The Long Beach Indenture does not limit the issuance of tax allocation bonds or other indebtedness secured by a pledge of tax increment revenues subordinate to the pledge of Tax Revenues securing the Long Beach Refunding Bonds.

Concentration of Ownership

The ten largest property taxpayers in the Project Areas, based upon the fiscal year 2014-15 locally assessed tax roll reported by the County Assessor, owned approximately 19.42% of the total Project Areas value and approximately 27.74% of the total incremental assessed value within the Project Areas. Concentration of ownership presents a risk in that if one or more of the largest property owners were to default on their taxes, or were to successfully appeal the tax assessments on property within the Project Areas, a substantial decline in Tax Revenues could result. See "THE PROJECT AREAS — Ten Largest Taxpayers" in this Appendix A for more information (including recent transactions) about these ten largest property taxpayers and see "THE PROJECT AREAS — Assessment Appeals" for information as to pending appeals of tax assessments.

Possessory Interests

The top seven taxpayers in the Project Areas (representing 17.16% of the total assessed value and 24.51% of the incremental value for fiscal year 2014-15) hold possessory interests, primarily relating to operation of shipping terminals at the Port of Long Beach (representing 13.36% of the total assessed value and 19.08% of the incremental value) and, to a lesser extent, oil development (representing 3.80% of the total assessed value and 5.43% of the incremental value). See Table A-2, above. The Port operations are subject to geographic competition including the expansion of other west coast ports and the Panama Canal, as well as

fluctuations in the global economy. Additionally, fluctuations in the value of oil could affect the value of the possessory interests relating to oil development in the Project Areas. To the extent operations at the Port decline or terminate, assessed values in the Project Areas, including possessory interests relating to Port operations, could be affected.

Natural Disasters; Seismic Hazards

Natural disasters, including floods and earthquakes, could damage improvements and/or property in the Project Areas, or impair the ability of landowners within the Project Areas to develop their properties or to pay property taxes.

The City, like most regions in the State of California, is located in an area of seismic activity and, therefore, could be subject to potentially destructive earthquakes. Regionally, the City is influenced by earthquake activity in Southern California, which is part of the North Pacific tectonic plate. The San Andreas Fault system forms the interface boundary between the North Pacific and North American (tectonic) Plates. The full length of this fault system extends from about 800 miles north of San Francisco, south to the Gulf of California. Movement of these tectonic plates results in earthquake activity in Southern California.

The occurrence of severe seismic activity in the City could result in substantial damage to property located in the Project Areas, and could lead to successful appeals for reduction of assessed values of such property. Such a reduction of assessed valuations could result in a reduction of the Tax Revenues that secure the Long Beach Refunding Bonds.

The property within the Project Areas may also be at risk from other events of force majeure, such as damaging storms, floods, fires and explosions, strikes, sabotage, riots and spills of hazardous substances, among other events. The Successor Agency cannot predict what force majeure events may occur in the future.

Subordinate Lien Risks

The Long Beach Refunding Bonds are payable from Tax Revenues on a basis junior and subordinate to the Senior Bonds. In the event of default or insufficiency of Tax Revenues that affects payment under the Senior Bonds, the municipal bond insurers and/or owners of such bonds will have the right to direct rights and remedies including acceleration of the principal amount of such bonds, which would adversely affect the availability of Tax Revenues to the Long Beach Refunding Bonds. Additionally, several of the indentures for the Senior Bonds contain covenants requiring the escrow of Tax Revenues from the Project Areas relating to such bonds in the event certain thresholds are met. The Long Beach Successor projects that based on the Fiscal Consultant's calculations of Tax Revenues, the Long Beach Successor is not anticipated to reach the cumulative tax increment limit any Project Areas from which Senior Bonds were issued prior to the last day the Successor Agency is eligible to receive tax increment revenues from these Project Areas. Accordingly, the Long Beach Successor does not anticipate that it will be required to escrow tax increment with respect to any Project Areas subject to Senior Bonds.

APPENDIX B

FISCAL CONSULTANT'S REPORT

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KEYSER MARSTON ASSOCIATES

FISCAL CONSULTANT REPORT

LONG BEACH REDEVELOPMENT PROJECTS

- West Beach
- Poly High
- Downtown
- West Long Beach Industrial
- Los Altos
- North Long Beach
- Central Long Beach

Prepared for the:
COUNTY OF LOS ANGELES
REDEVELOPMENT REFUNDING AUTHORITY
and
LONG BEACH SUCCESSOR AGENCY

May 15, 2015

FISCAL CONSULTANT REPORT

LONG BEACH REDEVELOPMENT PROJECTS

- **West Beach**
- **Poly High**
- **Downtown**
- **West Long Beach Industrial**
- **Los Altos**
- **North Long Beach**
- **Central Long Beach**

Prepared for the

COUNTY OF LOS ANGELES
REDEVELOPMENT REFUNDING AUTHORITY

and

LONG BEACH SUCCESSOR AGENCY

Prepared by:

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May 15, 2015

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1. INTRODUCTION

Keyser Marston Associates, Inc. (KMA) is Fiscal Consultant to the County of Los Angeles Redevelopment Refunding Authority (CLARRA) and has been retained by the CLARRA for the anticipated issuance of Refunding Tax Allocation Bonds associated with the Redevelopment Project Areas administered by the Long Beach Successor Agency (Agency). The CLARRA and the Agency are proposing to refund selected tax allocation bonds that were secured by property tax increment revenues generated by these Project Areas and whose tax revenues are now allocated to the Redevelopment Property Tax Trust Fund (RPTTF) of the Agency. Seven Project Areas comprise this Fiscal Consultant Report:

1. West Beach Project
2. Poly High Project
3. Downtown Project
4. West Long Beach Industrial Project
5. Los Altos Project
6. North Long Beach Project
7. Central Long Beach Project

In an effort to reduce the amount of State financial aid to school districts, the California State Legislature enacted Chapter 5, Statutes of 2011-12 First Extraordinary Session (ABx1 26, Blumenfeld) that effectively dissolved redevelopment agencies throughout the State. ABx1 26 was legally challenged but upheld by the State Supreme Court at the end of 2011, resulting in the dissolution of all redevelopment agencies on February 1, 2012. The law was amended in June 2012 with the passage of AB 1484 in an effort to clarify some of the ambiguities contained in ABx1 26.

The former Long Beach Redevelopment Agency was dissolved and the Successor Agency was established to wind down the Redevelopment Agency's affairs. The former practice of allocating tax increment revenues was modified by the dissolution legislation to require that the County Auditor-Controller deposit former tax increment revenues into the RPTTF of the Agency. Property taxes in the RPTTF are allocated twice yearly for the payment of (1) certain county administrative costs; (2) contractual and statutory pass–through payments; (3) enforceable obligations of the Agency, as identified by dollar amounts on a Recognized Obligation Payment Schedule (ROPS) that is approved by the Agency's Oversight Board and the State Department of Finance (DOF); and (4) administrative costs of the Agency.

The distributions are to be paid twice a year on June 1st and January 2nd. After the distributions noted above, ABx1 26 requires County Auditor-Controllers to distribute any remaining RPTTF revenues as property taxes to local government agencies whose tax bases overlap the respective redevelopment project areas. Cash and other assets of the dissolved

Community Redevelopment Agency were also redistributed (unless the asset was contractually committed to a third party prior to June 28, 2011).

Since allocations of former tax increment revenues to the Agency are now based on scheduled payments on approved enforceable obligations listed on a valid ROPS for each six-month filing period, it is difficult to forecast the annual amount of net property tax that will be received by the Agency, given the DOF oversight and approval.

The revenue projections contained on Tables 1 and 2 represent the maximum amount of former tax increment revenues that would have been allocated prior to ABx1 26 (but not necessarily the amount that would be allocable from the RPTTF to the Agency since that is restricted by the amount approved to pay enforceable oobligations). The County and DOF procedures are subject to change as a reflection of policy revisions or administrative, regulatory, legislative and/or judicial mandates in the future.

Prior to the passage of ABx1 26, the California Community Redevelopment Law (CRL) and Article 16, Section 16 of the California Constitution, authorized the former redevelopment agencies to receive that portion of property tax revenue generated from the increase of the current year taxable values over the base year taxable values that existed at the time of adoption of a redevelopment project. This portion of property tax revenue was referred to as tax increment revenue. The CRL provided that the tax increment revenue could be pledged by redevelopment agencies for the repayment of bonded indebtedness.

This Fiscal Consultant Report has been prepared to reflect the maximum amount of future property tax revenues that could be allocated from the analyzed Project Areas to the Agency based upon reported FY 2014-15 Project Area assessed values of the Los Angeles County Assessor and tax revenue information of the County Auditor-Controller. The projected taxable values and resulting tax revenues for the Project Areas are based on assumptions determined by a review of the taxable value history of the Project Areas and the property tax assessment and property tax apportionment procedures of the County. The tables contained in this Report include a review of the Project Area's Redevelopment Plan limits, a review of the combined historic assessed value trends, major property tax payers, distribution of assessed values by identified land use types, historic property tax allocations, and potential valuation impacts and tax refunds resulting from current assessment appeals. Projections of tax revenues allocable to the RPTTF from the combined Project Areas reflecting both a growth scenario and no growth scenario in future assessed values.

2. REVIEW OF THE PROJECT AREAS

2.1 Redevelopment Plan Limitations

The CRL previously required the former redevelopment agencies to impose specific time limitations on the incurrence of debt, the Redevelopment Plan effectiveness and the collection of tax increment revenue to repay debt. The Redevelopment Plans also provided for a maximum tax revenue allocation limit over the life of the respective Project Areas. The following Redevelopment Plan limitations are presently in effect after dissolution of the Redevelopment Agency and apply to each of the Project Areas reviewed in this analysis:

	Repayment of Indebtedness	Bond Debt Limit	Tax Revenue Receipt Limit	Taxes Received (thru FY2013-14)
West Beach	January 1, 2022	NA	$63,000,000	$45,981,199
Poly High	April 3, 2026	NA	$25,000,000	$12,944,738
Downtown	June 17, 2027	NA	$879,300,000	$345,968,337
West Long Beach Industrial	July 1, 2025	NA	$1,174,000,000	$250,042,046
Los Altos	December 10, 2042	$291,084,000	$562,200,000	$10,478,824
North Long Beach	July 16, 2042	$2,000,000,000	None	$497,773,202
Central Long Beach	March 6, 2047	$2,000,000,000	None	$197,041,665

Based on a 1.998% Real Property assessed value increase for FY 2015-16 and a 2% Real Property assessed value increase commencing in FY 2016-17, the West Beach Project could reach its $63,000,000 limit prior to its January 1, 2022 final date to receive tax revenues for the repayment of West Beach Project indebtedness. The Poly High Project could also reach its $25,000,000 limit prior to its April 3, 2026 final date to receive tax revenues for the repayment of Poly High Project indebtedness.

The final maturity date of the refunding bonds proposed to be refinanced is assumed to be 2040 and paid from tax revenues generated from FY 2039-40 values. Based on the tax revenue models for the Downtown, West Long Beach Industrial and Los Altos Project Areas[1] and

[1] The North Project and the Central Project were adopted after January 1, 1994 (post AB 1290) and therefore do not have cumulative tax revenue limits.

the cumulative amount of estimated tax revenues allocated to them through FY 2013-14, KMA estimates that annual Real Property value growth would have to reach the following percentages to reach the respective repayment of indebtedness and tax revenue receipt limits:

	Annual % Value Growth to Reach Plan Revenue Limits
Downtown	10%
West Long Beach Industrial	33%
Los Altos	19%

There is a question of whether redevelopment plan limits remain effective after adoption of ABx1 26 and AB 1484. The matter remains subject to ongoing legislative cleanup efforts and interpretation by the courts. For purposes of the attached projections, it is assumed that all Redevelopment Plan limits will be enforced.

2.2 Review of Obligations

- ***SB 211 Triggered Statutory Pass Through – West Beach, Poly High and West Long Beach Industrial Project Areas***

A statutory pass through obligation was triggered when the former Redevelopment Agency adopted a summary ordinance reflecting its election to eliminate the debt incurrence time limitations for qualifying Redevelopment Plans adopted before the passage of AB 1290. This election was allowed under legislation enacted under SB 211 and implemented by the Redevelopment Agency's action to eliminate the debt incurrence time limit of the West Beach, Poly High and West Long Beach Industrial Project Areas.

On November 11, 2003, the Redevelopment Agency's Board of Directors approved amendments to the three Redevelopment Plans eliminating the time limit for establishing debt. As a result of this election, the three Project Areas were required to make statutory pass through payments to the affected taxing entities pursuant to Health and Safety Code §33607.5 and §33607.7.

The statutory pass through allocations reflect the following formulas: (Tier 1) commencing in FY 2004-05, 25% of the tax increment in excess of the FY 2003-04 adjusted base value are passed through to the entities (net of a 20% Housing set aside factor) and (Tier 2) commencing in FY 2014-15, an additional 21% of the tax increment in excess of the FY 2013-14 adjusted base value is passed through to all taxing entities except for the City (net of a 20% housing set aside factor).

- ***AB 1290 Statutory Pass Through – North Long Beach and Central Long Beach Project Areas***

The North Long Beach and Central Long Beach Project Areas are subject to the statutory pass-through requirements of AB 1290 which provided for specific formulas for payments to be made by the Agency to affected taxing entities as follows: (1) from the first fiscal year in which the Agency receives tax increment until the last fiscal year in which the Agency receives the tax increment, 25% of the tax increments are passed-through to the entities (net of a 20% Housing set aside credit); (2) commencing in the 11th year, an additional 21% of the tax increment in excess of the 10th year tax increment is passed-through to the entities (net of a 20% housing set aside credit); and (3) commencing in the 31st year, an additional 14% of the tax increment in excess of the 30th year tax increment is passed-through to the entities (net of a 20% housing set aside credit).

- ***County Pass-Through Agreements – Los Altos***

At the time of the adoption of the Los Altos Project Area, the Redevelopment Agency entered into tax sharing agreements with Los Angeles County, County Flood Control District and the County Office of Education. The agreements required the Redevelopment Agency to share tax increment revenues with these County taxing entities commencing six years after the receipt of tax increment from the Los Altos Project Area.

To the extent that the Redevelopment Agency incurred indebtedness related to the financing of a project authorized under the Los Altos Redevelopment Plan, the County allocations would be deferred for 25 years after such incurrence of indebtedness. After the 25-year time period passes, the County taxing entities would begin to receive their respective share of increment and the Redevelopment Agency was to establish a schedule for the repayment of the deferral (principal and simple interest) to the County. It is KMA's understanding from Agency staff that the Agency's incurrence of debt occurred June 5, 1995 when a promissory note and loan agreement was established between the City Treasurer of Long Beach and the Agency. As such, the deferral is assumed to continue until June 4, 2020, after which time the County taxing entities would commence receipt of their respective tax sharing allocations.

However, the County Auditor-Controller is no longer deferring the County and Count Flood Control District shares when computing the semi-annual RPTTF pass through. Deductions of the County and County Flood Control District have been made to the semi-annual RPTTF tax revenues commencing with the June 2013 RPTTF. Approximately 49.68% of the annual Los Altos tax levy (net of County administrative fees and a 20% Housing Set Aside credit) is being deducted from the RPTTF taxes for the County and County Flood tax sharing. In FY 2013-14, the deduction totaled $269,372.

As to the pass through for the County Office of Education, the County Auditor-Controller has not deducted this pass through in the RPTTF summaries and the issue is under County review as of this writing. For purposes of the tax revenue projections in Tables 1 and 2, KMA has assumed that the County Office of Education share will not be deferred.

- ***H&S 33676 School District Payments – Los Altos***

Pursuant to Health and Safety Code Section 33676, affected taxing entities may elect and school districts shall elect to receive a portion of annual tax increment revenues resulting from the annual inflationary increase allowed under Proposition 13. According to Agency staff, such payments are made to the Long Beach Unified School District and the Long Beach Community College District. For the January semi-annual RPTTF for Los Altos, the County Auditor-Controller deducted $29,664 (January 2013 RPTTF), $31,618 (January 2014 RPTTF) and $32,250 (estimated January 2015 RPTTF), representing an average annual increase of 4.27%. For purposes of the tax revenue projection for Los Altos, this deduction is incorporated in subsequent fiscal years at an annual increase of 4.27%.

- ***County Administrative Fees***

Chapter 466, Statutes of 1990, (referred to as SB 2557) permits the County to withhold a portion of annual tax revenues for the recovery of County charges related to property tax administration services to cities in an amount equal to their property tax administration costs proportionately attributable to cities. SB 2557, and subsequent legislation under SB 1559 (Statutes of 1992), permitted counties to charge all jurisdictions, including redevelopment agencies, on a year-to-year basis. In addition to SB 2557 fees, the County may impose charges allowed by ABx1 26. The County's total administrative charge for the Project Areas, as reported for FY 2013-14, amounts to 1.76% of the total gross tax revenue allocation for the period.

	SB 2557 & ABx1 26 Admin Fees	% of RPTTF Deposit
West Beach	$30,224	1.80%
Poly High	17,213	1.90%
Downtown	398,579	1.70%
West Long Beach Industrial	286,113	2.02%
Los Altos	14,898	2.15%
North Long Beach	922,926	1.62%
Central Long Beach	434,550	1.98%
Total FY 2013-14 Fees	$2,104,503	1.76%

The tax revenue projections assume that the County property tax administration will continue to be annually charged at respective percentage factors of the Project Areas' gross tax revenue in subsequent fiscal years.

3. REVIEW OF PROJECT ASSESSED VALUES

3.1 Current Year Assessed Values

The Project Area assessed values are prepared by the County Assessor and, until 1997-98, had reflected a March 1st lien date. Commencing with the 1997-98 fiscal year, the property tax lien date was changed to January 1. Each property assessment is assigned a unique Assessor Parcel Number (APN) that correlates to assessment maps prepared by the County. The corresponding assessed values for each parcel are then encoded to Tax Rate Areas (TRAs) which are geographic subareas with common distribution of taxes and which are contained within the boundaries of the Project Area.

The County Auditor-Controller is responsible for the aggregation of the assessed values assigned by the County Assessor for properties within the boundaries of the Project Area. The reported current year Project Area assessed value, less the frozen Base Year assessed value, becomes the basis for determining the computed gross property tax revenue allocable to the RPTTF of Agency. The reported total Project Area values for FY 2014-15 are as follows:

All Project Areas	FY 2014-15	% of Total	% of Total
Secured Value	$15,969,353,018	90.37%	
Unsecured Value	1,701,922,590	9.63%	
Total Current Year Value	$17,671,275,608	100.0%	
Base Year Value	5,297,407,870		29.98%
Incremental Value	$12,373,867,738		70.02%

3.2 Real and Personal Property

Real Property, as referred to in this Report, is defined to represent secured land and improvement assessed values. Annual increases in the assessed value of Real Property are limited to an annual inflationary increase of up to 2%, as governed by Article XIIIA of the State Constitution (passed by voters as Proposition 13). Real Property values are also permitted to increase or decrease as a result of an assessable event, including change of ownership or new construction activity.

For property tax purposes, the Proposition 13 inflation factor is subject to the State's Consumer Price Index (CPI) inflation adjustment of up to 2% per year. The CPI adjustment is based on the change in the CPI from October to September. As of the January 1, 2015 property tax lien date for FY 2015-16, the State Board of Equalization has directed the County Assessor to apply a Proposition 13 inflation adjustment factor of 1.998%, which is only slightly less than the maximum 2% factor. As noted below, the annual CPI factor has been less than 2% only seven other times since the enactment of Proposition 13:

FY	Inflation Factor
1983-84	1.000%
1995-96	1.194%
1996-97	1.115%
1999-00	1.853%
2004-05	1.867%
2010-11	-0.237%
2011-12	0.753%
2014-15	0.454%
2015-16	1.998%

For purposes of the tax revenue projection for the Project Areas, an assumption has been made that commencing in FY 2016-17 the CPI factor will be 2%. The assessed value of Personal Property is not subject to the Proposition 13 inflation limits, rather it is subject to annual appraisal, either upward or downward. State assessed Non-Unitary properties assessed by the State Board of Equalization (SBE) also may be revalued annually and such assessments are not subject to the annual 2% inflation limitation of Article XIIIA.

3.3 Mineral Rights

Mineral Rights values represent the assessment of oil and gas producing properties within a Project Area. For FY 2014-15, Mineral Rights value totals $408,525,611, representing 2.3% of the combined Project Area assessed value. Nearly 81% of the combined Mineral Rights value is generated in the West Long Beach Industrial Project. The County Assessor appraises Mineral Rights using the income approach to value in which the anticipated net income stream over the remaining productive life of the property is converted into a capital sum. Typically, the net income stream is a declining one since the economic life of the property is not perpetual. Economic life of an oil or gas producing property is determined when the operating expense curve and the income curve meet, so determining the life of the field being assessed. Economic life of Mineral Rights is also affected by other external factors including market price and demand, the costs of operation and extraction, and the investment of capital into new technologies to increase production.

Mineral Rights values could increase from current year levels to the extent the productive life of the respective oil fields is extended as a result of the discovery of new deposits, improved extraction technology or the rising market price of oil. Similarly, declines in Mineral Rights values could occur if these factors are not present in future years. Therefore, since it is nearly impossible to accurately predict what the future Mineral Rights assessed values will be in the Project Areas, the future values are assumed, for purposes of the attached projections, to increase at 2% per year.

3.4 Possessory Interest

Possessory Interest values are private property interests in publicly owned Real Property. A Possessory Interest constitutes a private right to the possession and use of publicly owned property for a period of time less than perpetuity. In appraising a Possessory Interest, the County Assessor seeks to value the present worth of the return a property will yield to the holder of the Possessory Interest over the effective term of their possession.

For FY 2014-15, Possessory Interest value totals $2,680,176,814, representing 15.17% of the combined Project Area assessed value. Nearly 73% of the combined Possessory Interest value is generated in the North Long Beach Project and 18% from the West Long Beach Industrial Project, both areas encompassing areas in the Port of Long Beach.

The County Assessor appraises the Possessory Interest using one of more of the following appraisal techniques: the sales comparison, the income approach or the cost approach. For purposes of the attached projections and based upon KMA's discussions with the County Assessor's appraisal staff, a transfer of ownership will result in additional possessory interest value added to the future year reported values in the North Long Beach Project Area. The future possessory interest values are re-evaluated annually by the Assessor, but for purposes of the attached projections are assumed to increase 2% per year.

3.5 Base Year Assessed Value

The County Auditor-Controller has adopted an administrative policy to annually review and revise the Base Year assessed values of redevelopment project areas to the extent that properties within a project area are acquired for public uses by tax-exempt public taxing agencies. The precedent for this action stems from the 1963 case of *Redevelopment Agency of the City of Sacramento vs. Malaki*, 216 Cal.Appl.2d 480, and subsequent related cases. The historic Base Year values of the Project Areas are incorporated in Table 3.

3.6 Historic Taxable Values

Aggregated historic to current year assessed values are summarized on Table 3 of the Project Areas covering fiscal years 2005-06 to 2014-15. The reported Base Year values and resulting Incremental Values are also shown, as annually reported by the County Auditor-Controller.

FY	Total Value	Base Value	Incremental Value
2014-15	17,671,275,608	5,297,407,870	12,373,867,738
2013-14	16,917,995,962	5,296,872,899	11,621,123,063
2012-13	15,454,095,921	5,296,969,919	10,157,126,002
2011-12	14,925,851,616	5,298,458,000	9,627,393,616
2010-11	14,974,994,003	5,304,763,378	9,670,230,625
2009-10	15,653,016,962	5,311,088,093	10,341,928,869
2008-09	16,264,127,353	5,318,104,774	10,946,022,579
2007-08	15,078,794,603	5,320,207,004	9,758,587,599
2006-07	13,590,600,203	5,324,065,043	8,266,535,160
2005-06	12,065,953,568	5,324,065,043	6,741,888,525

Between fiscal years 2005-06 and 2014-15, the taxable value increased by $5.6 billion. Over the ten year period examined, annual growth in the combined Project Areas' value averaged 4.3%. Over the ten-year period examined, secured values increased by $5.45 billion. The Project Areas have a combined incremental value of $12.37 billion for FY 2014-15. Over the ten year period examined, annual growth in total incremental value averaged nearly 7% per year.

3.7 Ten Largest Taxpayers

The ten largest taxpayers of the combined Project Areas are summarized on Table 4 and were identified by KMA based upon a review of the FY 2014-15 locally assessed secured and unsecured taxable valuations reported by the County Auditor-Controller. The summary includes the taxpayer name, secured and unsecured value, percentage share of the total reported and incremental assessed value, designated land use, and, in the footnotes, whether an assessment appeal has been filed.

The aggregate total taxable value for the ten largest taxpayers totaled $3.4 billion. The top ten taxpayers totaled 19.42% of the combined Project Area's taxable assessed value and 27.74% of the combined incremental value. The table below details the valuations of the top ten taxpayers.

Ten Largest Taxpayers

		2014-15 Assessed Value	% Total Value	% Incremental Value
	Project Area Total & Incremental Values:		*$17,671,275,608*	*$12,373,867,738*
1	Hanjin America Inc.	$756,164,414	4.28%	6.11%
2	International Transportation Service Inc.	466,970,565	2.64%	3.77%
3	Pacific Maritime Services LLC	409,817,504	2.32%	3.31%
4	SSA Terminals LLC	378,037,460	2.14%	3.06%
5	OOCL LLC and LBCT LLC	350,048,754	1.98%	2.83%
6	Tesoro Logistics Operations LLC, Tesoro Refining and Marketing Co., Tesoro Sierra Properties LLC	339,378,298	1.92%	2.74%
7	Tidelands Oil Production Co.	332,782,611	1.88%	2.69%
8	2009 CUSA Community Owner LLC	143,997,640	0.81%	1.16%
9	AGNL Clinic LP	135,237,202	0.77%	1.09%
10	John Hancock Life Insurance Co.	120,113,848	0.68%	0.97%
	Totals	$3,432,548,296	19.42%	27.74%

3.8 Land Use Composition by Value

A distribution of values by County Assessor-designated land use in the combined Project Areas was prepared based on a review of the FY 2014-15 assessed values. The distribution of value by land use is summarized on Table 5, which identifies the amount of reported assessed value represented by commercial and residential uses, unsecured valuations and other minor uses in the combined Project Areas. Land use designations assigned by the County Assessor do not necessarily follow City land use and zoning designations.

Category	No. of Parcels	Assessed Value	% of Total
Residential	28,041	$7,549,400,896	42.72%
Commercial	2,747	3,082,664,465	17.44%
Industrial	1,024	1,158,792,665	6.56%
Governmental/ Exempt	1,158	-	0.00%
Institutional	190	136,559,312	0.77%
Miscellaneous	7	10,378,718	0.06%
Recreational	25	20,325,672	0.12%
Vacant	1,194	257,803,596	1.46%
SBE Non-Unitary	5	646,160,132	3.66%
Possessory Interest/Mineral Rights	2,244	3,107,267,562	17.58%
Unsecured	6,721	1,701,922,590	9.63%
Totals	43,356	$17,671,275,608	100.0%

4. TAX ALLOCATION AND DISBURSEMENT

4.1 Tax Rates

The tax rates which are applied to incremental taxable values consist of two components: the General Tax Rate of $1.00 per $100 of taxable values and the Override Tax Rate which is levied to pay voter approved indebtedness. The basic levy tax rate may not exceed 1% ($1.00 of $100 taxable value) in accordance with Article XIIIA. An amendment to the State Constitution prohibits redevelopment agencies from receiving taxes generated by new Override Tax Rates, which are reflective of debt approved after December 31, 1988. Based upon the County Auditor-Controller's practice to use the basic one percent tax rate in calculating the RPTTF allocation, a one percent levy is used in the revenue projections presented on Tables 1 and 2.

4.2 Allocation of Taxes

Secured taxes are due in two equal installments. Installments of taxes levied upon secured property become delinquent after December 10 and April 10. Taxes on unsecured property are due March 1 and become delinquent August 31. The County Auditor-Controller is responsible for the aggregation of the taxable values assigned by the Assessor as of the lien date for property within the boundaries of redevelopment project areas. This results in the reported total current year Project Area taxable value and became the basis for determining tax revenues. RPTTF revenue determinations reflect actual collections within the Project Areas' TRAs. Although adjustments to taxable values for property within the Project Areas may occur throughout the fiscal year, such adjustments are not assumed in the tax revenue projection prepared by KMA.

4.3 Property Tax Delinquencies and Revenue Allocations

Tax revenues are allocated to the Agency based upon allocation formulas implemented under ABx1 26 and AB 1484, as discussed previously. The prior year allocation of tax revenues and the County Auditor Controller's distribution of property taxes to the RPTTF are a reflection of actual property tax collections experienced within the Project Area. Table 6 represents a 5-year historic comparison of property tax delinquencies as reported by the County's year-end tax ledgers between FY 2009-10 and FY 2013-14. The historic property taxes collected among the combined Project Areas averaged 98.6%.

Historic Property Tax Collection Rates

FY	Computed Levy (1)	Actual Based on Collections Rate (2)	Prior Year Collections
2009-10	105,529,287	100,071,931	94.8%
2010-11	98,735,280	95,461,071	96.7%
2011-12	98,235,400	97,203,062	98.9%
2012-13	103,186,163	103,494,154	100.3%
2013-14	115,154,997	117,449,804	101.9%
		Average % Collections:	98.6%

(1) Computed Levy based on reported incremental value multiplied by the tax rate to compute gross tax increment. Computed Levy also includes Unitary Taxes, if any, as reported by the County Auditor-Controller.

(2) Source: County Auditor-Controller year-end tax ledger detail. Amounts represent the annual current year tax increment revenues allocable up to FY 2010-11 and prior to dissolution of redevelopment agencies pursuant to ABx1 26. For purposes of identifying the collection of property taxes, amounts shown do not include deductions for administrative fees, tax refunds or pass through payments. Revenues are based on current year assessed values only and do not include supplemental taxes, prior year redemption payments, escaped assessments or mid-year adjustments made by the Assessor or Auditor-Controller.

Commencing in FY 2011-12 under the implementation of new allocation procedures required by ABx1 26 and AB 1484, the semi-annual payment RPTTF allocations from the Project Areas are also shown on Table 6 (prior to the County's deduction of County administrative fees, pass through payments, Agency enforceable obligation payments and Agency -administrative allowances).

5. ASSESSMENT APPEALS

Property taxable values determined by the County Assessor may be subject to an appeal by the property owner. Assessment appeals are annually filed with the County Assessment Appeals Board for a hearing and resolution. The resolution of an appeal may result in a reduction to the Assessor's original taxable value and a tax refund to the property owner. A property owner can file for a regular assessment appeal with the County between July 2 and November 30. Most appeals heard by an Assessment Appeals Board are scheduled within 12 to 18 months and residential appeals heard by a Hearing Officer are scheduled within six to nine months. Revenue and Taxation Code §1604, however, allows up to two years for an assessment appeal to be decided. As such, an open appeal on the same parcel for more than one fiscal year can occur and each appeal filing would be separately reported in the County's database.

KMA researched the status of assessment appeals filed by property owners in the Project Areas based upon the latest information available from the County Appeals Board database through the First Quarter of 2015. The results of this survey of properties having an outstanding or recently stipulated appeal are summarized as follows:

Total No. of Appeals 2008-09 to 2014-15	6,264
No. of Resolved Appeals	4,776
No. of Successful Appeals	1,574
Percent of Successful Appeals	32.956449%
Average Value Reduction of Successful Appeals	24.48484%
No. of Open/Pending Appeals	1,488
Est. No. of Open/Pending Appeals Allowed	490

	Contested Value	Opinion of Value [2]	Projected Reduction
FY 2014-15 Open/Pending Appeals	$4,837,923,000	$1,641,786,000	$390,389,000
FY 2013-14 Open/Pending Appeals	4,661,518,000	2,099,335,000	376,154,000
FY 2012-13 Open/Pending Appeals	3,370,295,000	1,360,801,000	271,961,000
FY 2011-12 Open/Pending Appeals	2,921,160,000	1,172,091,000	235,717,000
Prior FY 2011-12 Open/Pending Appeals	3,733,434,000	1,437,610,000	301,263,000
Total Est. Reduction Assumed	$19,524,330,000	$7,711,623,000	$1,575,484,000
	Projected Tax Refund		$15,755,000

Tax refunds payable from resolved appeals (to the extent applicants are not delinquent in their property tax payments) are deducted by the County Auditor-Controller from current year gross property taxes before the County's allocation to the RPTTF of Agency. For purposes of the attached projections, an estimate of the Project Area's FY 2014-15 property tax refund exposure resulting from an assumed resolution of outstanding prior year appeals found in this survey is assumed to be one percent of the projected valuation impact which is equal to $15.7 million [3]. The estimated reduction in value identified above is assumed to be reflected in the respective Project Area's aggregate assessed value commencing in FY 2015-16 and remain in effect over the term of the revenue projection.

Actual resolution of appeals are determined by a number of factors including vacancy and rental rates, circumstances of hardship and other real estate comparables, all of which are unique to the individual assessment. Therefore, actual reductions, if any, may be higher or lower than the reductions incorporated in the projection. An appeal may be withdrawn by the applicant, the

[2] Not all assessment appeal applications contained an applicant's opinion of value and the County database defaulted to zero opinion of value in such instances.
[3] Tax refund estimate represents a tax refund on multiple fiscal year filings of appeals on the same parcel.

Appeals Board may deny or modify the appeal at hearing or by stipulation, or the final value may be adjusted to an amount other than the stated opinion of value.

5.1 Actual Appeal Filing Outcomes

Every filed appeal does not result in an assessed value reduction. To measure the historic patterns of success rates from appeals filed in the Project Areas, KMA examined the County's First Quarter 2014 through First Quarter 2015 assessment appeal databases of closed or stipulated appeal records [4]. A total of 5,668 records for the period from FY 2008-09 through FY 2013-14 were identified (FY 2014-15 appeal filings are excluded from this statistical analysis because most of the appeals are open and pending resolution and therefore would not be appropriate for a historic trend). Based upon the distribution of appeals shown on the table below, historic statistical patterns for the period indicate that 27% of all appeal filings were reduced or stipulated, 16% of the appeal records are open, and 56% of the appeal records were withdrawn, denied, deemed invalid or the applicant failed to appear.

FY	Total Filings	Stipulated or Reduced	Denied, Invalid, Withdrawn or No Show	Open
2013-14	849	88	344	417
2012-13	981	197	600	184
2011-12	1,024	237	530	257
2010-11	943	450	440	53
2009-10	1,024	381	631	12
2008-09	847	204	632	11
Combined 2008-09 to 2013-14	5,668	1,557	3,177	934
		27%	56%	16%

5.2 Actual Overall Net Value Impact

A secondary historic analysis was conducted from the Project Areas parcel extraction to determine the assessed valuation reduction impact experienced from all prior year secured and unsecured resolved filings (i.e. excluding appeals with an "open" status designation). The average percentage reductions of assessed values resulting from stipulated appeals, combined with the unchanged assessed values from appeals withdrawn, denied, deemed invalid or not heard because of the non-appearance by the applicant, are reflected in the table below. The corresponding contested and resolved values[5] were then aggregated and the average percentage reductions were determined.

[4] The County first quarter 2015 appeal database does not contain complete appeal records going back to FY 2008-09 and therefore a full year (four quarters) of closed appeal records were analyzed for this historic statistical analysis.
[5] The resolved value of appeals withdrawn, denied, invalid or a no show is the same as the value contested since no reduction was approved by the Assessment Appeals Board.

The resulting historic percentage reductions experienced for the period analyzed are as follows:

FY	Total Contested AV	Total Resolved AV	Variance	% Reduction
2013-14	1,079,195,665	1,067,033,386	(12,162,279)	-1.13%
2012-13	1,902,107,276	1,829,511,996	(72,595,280)	-3.82%
2011-12	2,336,327,752	2,149,939,858	(186,387,894)	-7.98%
2010-11	3,327,018,099	3,092,216,809	(234,801,290)	-7.06%
2009-10	3,406,721,687	3,057,901,119	(348,820,568)	-10.24%
2008-09	2,610,970,377	2,425,118,945	(185,851,432)	-7.12%
Combined 2008-09 to 2013-14	14,662,340,856	13,621,722,113	(1,040,618,743)	-7.10%

For the historic period reviewed, properties that were the subject of assessment appeal filings resulted in an overall average value reduction of 7.1%. Therefore, the projected assessed value reductions and tax refunds estimated for this review and utilizing the approach discussed above represents a conservative scenario of future impacts resulting from the identified assessment appeal filings reported as of the First Quarter 2015.

6. TAX REVENUE PROJECTION

6.1 Property Tax Revenue

Property assessed values in excess of the amount resulting from the valuation shown on the assessment roll for the base year of the Project Areas is identified as Tax Revenue of the Project Areas (previously referred to as tax increment revenue). The base year for a given redevelopment project area represents the fiscal year in which taxable property was last equalized prior to the effective date of the ordinance approving a project area's redevelopment plan.

The projections of tax revenues shown on Tables 1 and 2 are based upon the reported FY 2014-15 assessed values. The application of the Proposition 13 inflationary increase to Real Property values results in the estimate of future assessed values, as no value has been added from any new developments in the projections. However, for purposes of this projection, projected values in FY 2015-16 are adjusted to reflect estimated valuation changes resulting from identified assessment appeals.

Projected Tax Revenues
With Growth (in Thousands)

FY	Total Taxable Value	Taxable Value Over Base	Gross Tax Increment Revenue	Unitary Tax Revenue	Gross Revenues	County Admin Fees	Senior Pass Through Payments	Pledged Tax Revenues
2014-15	17,671,276	12,373,868	107,952	1,693	109,645	(1,958)	(17,473)	90,213
2015-16	17,579,487	12,282,079	122,787	1,693	124,480	(2,215)	(22,072)	100,193
2016-17	17,884,059	12,586,651	125,831	1,693	127,525	(2,268)	(23,017)	102,239
2017-18	18,194,722	12,897,314	128,937	1,693	130,630	(2,323)	(23,980)	104,326
2018-19	18,511,598	13,214,190	132,104	1,693	133,797	(2,379)	(24,963)	106,455
2019-20	18,834,812	13,537,404	135,334	1,693	137,028	(2,436)	(25,968)	108,623
2020-21	19,164,490	13,867,082	137,836	1,693	139,530	(2,494)	(26,703)	110,333
2021-22	19,500,761	14,203,353	139,217	1,693	140,910	(2,504)	(27,583)	110,824
2022-23	19,558,446	14,265,093	142,606	1,684	144,290	(2,563)	(28,633)	113,094
2023-24	19,903,422	14,610,069	146,054	1,684	147,738	(2,624)	(29,704)	115,410
2024-25	20,255,297	14,961,945	149,570	1,684	151,255	(2,686)	(30,796)	117,772
2025-26	20,614,211	13,026,797	129,515	637	130,153	(2,265)	(27,601)	100,287
2026-27	18,366,310	13,240,128	132,348	628	132,976	(2,300)	(28,617)	102,059
2027-28	15,797,516	10,793,487	107,879	138	108,017	(1,877)	(29,858)	76,282
2028-29	16,090,015	11,085,985	110,802	138	110,940	(1,928)	(31,124)	77,888
2029-30	16,388,364	11,384,334	113,783	138	113,921	(1,980)	(32,416)	79,525
2030-31	16,692,680	11,688,650	116,824	138	116,961	(2,033)	(33,733)	81,196
2031-32	17,003,082	11,999,052	119,925	138	120,063	(2,087)	(35,076)	82,900
2032-33	17,319,692	12,315,663	123,088	138	123,226	(2,142)	(36,566)	84,518
2033-34	17,642,635	12,638,605	126,315	138	126,453	(2,199)	(38,085)	86,169
2034-35	17,972,036	12,968,006	129,606	138	129,744	(2,256)	(39,635)	87,852
2035-36	18,308,025	13,303,996	132,962	138	133,100	(2,315)	(41,216)	89,570
2036-37	18,650,734	13,646,705	136,386	138	136,524	(2,374)	(42,828)	91,321
2037-38	19,000,298	13,996,268	139,878	138	140,016	(2,435)	(44,473)	93,108
2038-39	19,356,852	14,352,822	143,440	138	143,578	(2,498)	(46,150)	94,930
2039-40	19,720,538	14,716,508	147,073	138	147,211	(2,561)	(47,861)	96,789

A “no growth” projection of the Tax Revenues is presented on Table 2 and does not assume any valuation growth from new developments or inflationary increases.

Projected Tax Revenues
No Growth (in Thousands)

FY	Total Taxable Value	Taxable Value Over Base	Gross Tax Increment Revenue	Unitary Tax Revenue	Gross Revenues	County Admin Fees	Senior Pass Through Payments	Pledged Tax Revenues
2014-15	17,671,276	12,373,868	107,952	1,693	109,645	(1,958)	(17,473)	90,213
2015-16	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187
2016-17	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187
2017-18	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187
2018-19	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187
2019-20	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187
2020-21	17,280,888	11,983,480	119,803	1,693	121,496	(2,162)	(21,146)	98,187
2021-22	17,280,888	11,983,480	117,450	1,693	119,143	(2,162)	(20,520)	96,461
2022-23	17,031,329	11,737,977	117,348	1,684	119,032	(2,118)	(20,800)	96,114
2023-24	17,031,329	11,737,977	117,348	1,684	119,032	(2,118)	(20,800)	96,114
2024-25	17,031,329	11,737,977	117,348	1,684	119,032	(2,118)	(20,800)	96,114
2025-26	17,031,329	9,745,532	97,423	637	98,061	(1,694)	(17,742)	78,625
2026-27	14,776,259	9,650,077	96,469	628	97,097	(1,676)	(17,651)	77,770
2027-28	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2028-29	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2029-30	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2030-31	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2031-32	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2032-33	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2033-34	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2034-35	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2035-36	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2036-37	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2037-38	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2038-39	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899
2039-40	12,478,129	7,474,100	74,709	138	74,847	(1,297)	(17,651)	55,899

As discussed at the beginning of this Report, the allocation of former tax increment revenues was modified by enactment of ABx1 26 and AB 1484, which requires the County Auditor-Controller to deposit tax revenues into the Agency's RPTTF twice yearly on January 2nd and June 1st. Any remaining RPTTF revenues not used to fund County administrative fees, pass through payments and Agency enforceable obligations are treated as property taxes and are distributed to affected taxing entities. It is therefore difficult to forecast with certainty the annual amount of net property tax that will be allocated to the Agency in all future fiscal years without a forecast of future enforceable obligations. Therefore, the revenue projections of this Report represent the gross amount of tax revenues that could be allocated to the RPTTF before consideration of enforceable obligations.

The projections assume that existing time and dollar limits on receipt of tax revenues for the Project Areas remain operative. As stated previously, there is a question as to whether redevelopment plan limits remain effective after adoption of ABx1 26 and AB 1484. The matter remains subject to further guidance from legislation and interpretation by the courts since DOF has advised County Auditor-Controllers that pursuant to its interpretation of the dissolution statutes, these redevelopment plan limits are no longer in force. If the projections were prepared consistent with the DOF interpretation, tax revenues for the Project Areas would continue to be fully available for debt service through the final payment date on the bonds irrespective of whether the time and dollar limits in the redevelopment plans are reached.

The projections do not reflect the potential future implementation by the County Auditor-Controller of Health and Safety Code §34187 that requires funds associated with retired enforceable obligations to be reallocated to taxing agencies as regular property taxes and not deposited into the RPTTF for the Agency (Health and Safety Code §34187(a)(2) does provide for retention of funds by the Agency to the extent needed for payment of enforceable obligations upon authorization by DOF). The County and DOF procedures are subject to change as a reflection of policy revisions or administrative, regulatory, legislative and/or judicial mandates in the future.

6.2 Unitary Tax Revenue

Commencing in 1988-89, the reporting of public utility values assessed by the State Board of Equalization (SBE) was modified pursuant to legislation enacted in 1986 (Chapter 1457) and 1987 (Chapter 921). Previously, property assessed by the SBE was assessed State-wide and was allocated according to the location of individual components of a utility in a TRA. Hence, public utility values located within a component area were fully reflected in the component area's annual taxable value. Since the County no longer included the taxable value of unitary properties as part of the reported taxable values in a redevelopment project, base year reductions were made equal to the amount of unitary taxable value that existed originally in the base year. The values of most public utility properties are now assessed as a single unit on a County-wide

basis (referred to as unitary values). Railroad properties and utility owned parcels not included by SBE in the unitary assessment are referred to as Non-Unitary assessments.

For fiscal year 2013-14, the allocation reported by the County Auditor-Controller reflected $1,693,000 in Unitary Taxes. Although the Unitary Tax has remained historically constant, it is subject to inflationary growth adjustments, assessment appeals, and value added from new facility construction. For purposes of the tax revenue projections, it is assumed that the Unitary Tax will stabilize at the reported FY 2013-14 amount in subsequent fiscal years.

7. CAVEAT

The projections reflect assumptions based on KMA's understanding of the assessment and tax apportionment procedures employed by the County. The County procedures are subject to change as a reflection of policy revisions or administrative, regulatory or legislative mandate. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections. Assumptions have also been made that legislatively-mandated payments to the State will not be required in future fiscal years and no changes to State legislation are enacted to change or eliminate the Agency's ability to receive tax revenue. These assumptions are based on existing State policies and are subject to future regulatory or legislative changes.

No assurances are provided by KMA as to the certainty of the projected tax revenues shown on the attached tables. Actual revenues may be higher or lower than what has been projected and are subject to valuation changes resulting from new developments or transfers of ownership not specifically identified herein, actual resolution of outstanding appeals, future filing of appeals, changes in assessor valuation standards, or the non-payment of taxes due. The accuracy or completeness of assessment appeals identified in the attached table are based solely upon information provided by the County Assessor's office as of the date of the original review of said data by KMA.

Attachments

Long Beach Successor Agency
All Project Areas
Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)
Table 1

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)														
Real Property (2)		15,271,581	15,228,576	15,533,147	15,843,810	16,160,687	16,483,900	16,813,578	17,149,850	17,248,807	17,593,783	17,945,658	18,304,571	16,973,690
Personal Property (3)		2,399,694	2,350,911	2,350,911	2,350,911	2,350,911	2,350,911	2,350,911	2,350,911	2,309,639	2,309,639	2,309,639	2,309,639	1,392,621
Total Projected Value		17,671,276	17,579,487	17,884,059	18,194,722	18,511,598	18,834,812	19,164,490	19,500,761	19,558,446	19,903,422	20,255,297	20,614,211	18,366,310
Taxable Value Over Base	5,297,408	12,373,868	12,282,079	12,586,651	12,897,314	13,214,190	13,537,404	13,867,082	14,203,353	14,265,093	14,610,069	14,961,945	13,026,797	13,240,128
Gross Tax Increment Revenue (4)		123,739	122,821	125,867	128,973	132,142	135,374	138,671	142,034	142,651	146,101	149,619	130,268	132,401
Unitary Tax Revenue		1,693	1,693	1,693	1,693	1,693	1,693	1,693	1,693	1,684	1,684	1,684	637	628
Appeal Tax Refund		(15,755)	-	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	(793)	(2,774)	-	-	-	(702)	-
H&S 33676 2% Payment (Los Altos)		(32)	(34)	(35)	(37)	(38)	(40)	(41)	(43)	(45)	(47)	(49)	(51)	(53)
Gross Revenues		109,645	124,481	127,525	130,630	133,797	137,028	139,530	140,910	144,290	147,738	151,255	130,153	132,976
Less:														
County Admin Fees (5)		(1,958)	(2,215)	(2,268)	(2,323)	(2,379)	(2,436)	(2,494)	(2,504)	(2,563)	(2,624)	(2,686)	(2,265)	(2,300)
Contractual Pass Through (6)		(305)	(329)	(337)	(345)	(354)	(363)	(372)	(381)	(390)	(399)	(409)	(419)	(429)
Statutory Pass Throughs		(17,168)	(21,744)	(22,680)	(23,635)	(24,609)	(25,606)	(26,331)	(27,202)	(28,243)	(29,304)	(30,387)	(27,182)	(28,189)
PLEDGED TAX REVENUE		90,213	100,193	102,239	104,326	106,455	108,623	110,333	110,824	113,094	115,410	117,772	100,287	102,059

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $341,605,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $48,783,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.
(6) Los Altos pass through with the County General, County Flood and County Office of Education.

Long Beach Successor Agency
All Project Areas
Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)
Table 1

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Taxable Values (1)														
Real Property (2)		14,624,945	14,917,444	15,215,793	15,520,109	15,830,511	16,147,121	16,470,064	16,799,465	17,135,454	17,478,163	17,827,726	18,184,281	18,547,967
Personal Property (3)		1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571
Total Projected Value		15,797,516	16,090,015	16,388,364	16,692,680	17,003,082	17,319,692	17,642,635	17,972,036	18,308,025	18,650,734	19,000,298	19,356,852	19,720,538
Taxable Value Over Base	5,297,408	10,793,487	11,085,985	11,384,334	11,688,650	11,999,052	12,315,663	12,638,605	12,968,006	13,303,996	13,646,705	13,996,268	14,352,822	14,716,508
Gross Tax Increment Revenue (4)		107,935	110,860	113,843	116,887	119,991	123,157	126,386	129,680	133,040	136,467	139,963	143,528	147,165
Unitary Tax Revenue		138	138	138	138	138	138	138	138	138	138	138	138	138
Appeal Tax Refund		-	-	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	-	-	-	-	-	-
H&S 33676 2% Payment (Los Altos)		(56)	(58)	(60)	(63)	(66)	(68)	(71)	(74)	(78)	(81)	(84)	(88)	(92)
Gross Revenues		108,017	110,940	113,921	116,961	120,063	123,226	126,453	129,744	133,100	136,524	140,016	143,578	147,211
Less:														
County Admin Fees (5)		(1,877)	(1,928)	(1,980)	(2,033)	(2,087)	(2,142)	(2,199)	(2,256)	(2,315)	(2,374)	(2,435)	(2,498)	(2,561)
Contractual Pass Through (6)		(439)	(449)	(459)	(470)	(481)	(492)	(503)	(515)	(526)	(538)	(550)	(562)	(575)
Statutory Pass Throughs		(29,420)	(30,675)	(31,956)	(33,263)	(34,595)	(36,074)	(37,582)	(39,121)	(40,690)	(42,290)	(43,923)	(45,588)	(47,287)
PLEDGED TAX REVENUE		76,282	77,888	79,525	81,196	82,900	84,518	86,169	87,852	89,570	91,321	93,108	94,930	96,789

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
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Values for FY 2015-16 and thereafter are decreased by $341,605,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $48,783,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.
(6) Los Altos pass through with the County General, County Flood and County Office of Education.

Long Beach Successor Agency
All Project Areas
Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)
Table 2

KEYSER MARSTON ASSOCIATES

N O G R O W T H

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)														
Real Property (2)		15,271,581	14,929,976	14,929,976	14,929,976	14,929,976	14,929,976	14,929,976	14,929,976	14,721,690	14,721,690	14,721,690	14,721,690	13,383,639
Personal Property (3)		2,399,694	2,350,911	2,350,911	2,350,911	2,350,911	2,350,911	2,350,911	2,350,911	2,309,639	2,309,639	2,309,639	2,309,639	1,392,621
Total Projected Value		17,671,276	17,280,888	17,280,888	17,280,888	17,280,888	17,280,888	17,280,888	17,280,888	17,031,329	17,031,329	17,031,329	17,031,329	14,776,259
Taxable Value Over Base	5,297,408	12,373,868	11,983,480	11,983,480	11,983,480	11,983,480	11,983,480	11,983,480	11,983,480	11,737,977	11,737,977	11,737,977	9,745,532	9,650,077
Gross Tax Increment Revenue (4)		123,739	119,835	119,835	119,835	119,835	119,835	119,835	119,835	117,380	117,380	117,380	97,455	96,501
Unitary Tax Revenue		1,693	1,693	1,693	1,693	1,693	1,693	1,693	1,693	1,684	1,684	1,684	637	628
Appeal Tax Refund		(15,755)	-	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	(2,352)	-	-	-	-	-
H&S 33676 2% Payment (Los Altos)		(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)
Gross Revenues		109,645	121,496	121,496	121,496	121,496	121,496	121,496	119,143	119,032	119,032	119,032	98,061	97,097
Less:														
County Admin Fees (5)		(1,958)	(2,162)	(2,162)	(2,162)	(2,162)	(2,162)	(2,162)	(2,162)	(2,118)	(2,118)	(2,118)	(1,694)	(1,676)
Contractual Pass Through (6)		(305)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)
Statutory Pass Throughs		(17,168)	(20,826)	(20,826)	(20,826)	(20,826)	(20,826)	(20,826)	(20,199)	(20,479)	(20,479)	(20,479)	(17,421)	(17,330)
PLEDGED TAX REVENUE		90,213	98,187	98,187	98,187	98,187	98,187	98,187	96,461	96,114	96,114	96,114	78,625	77,770

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.
Values for FY 2015-16 and thereafter are decreased by $341,605,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $48,783,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.
(6) Los Altos pass through with the County General, County Flood and County Office of Education.

Long Beach Successor Agency
All Project Areas
Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)
Table 2

KEYSER MARSTON ASSOCIATES

N O G R O W T H

		2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Taxable Values (1)														
Real Property (2)		11,305,558	11,305,558	11,305,558	11,305,558	11,305,558	11,305,558	11,305,558	11,305,558	11,305,558	11,305,558	11,305,558	11,305,558	11,305,558
Personal Property (3)		1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571	1,172,571
Total Projected Value		12,478,129	12,478,129	12,478,129	12,478,129	12,478,129	12,478,129	12,478,129	12,478,129	12,478,129	12,478,129	12,478,129	12,478,129	12,478,129
Taxable Value Over Base	5,297,408	7,474,100	7,474,100	7,474,100	7,474,100	7,474,100	7,474,100	7,474,100	7,474,100	7,474,100	7,474,100	7,474,100	7,474,100	7,474,100
Gross Tax Increment Revenue (4)		74,741	74,741	74,741	74,741	74,741	74,741	74,741	74,741	74,741	74,741	74,741	74,741	74,741
Unitary Tax Revenue		138	138	138	138	138	138	138	138	138	138	138	138	138
Appeal Tax Refund		-	-	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	-	-	-	-	-	-
H&S 33676 2% Payment (Los Altos)		(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)
Gross Revenues		74,847	74,847	74,847	74,847	74,847	74,847	74,847	74,847	74,847	74,847	74,847	74,847	74,847
Less:														
County Admin Fees (5)		(1,297)	(1,297)	(1,297)	(1,297)	(1,297)	(1,297)	(1,297)	(1,297)	(1,297)	(1,297)	(1,297)	(1,297)	(1,297)
Contractual Pass Through (6)		(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)
Statutory Pass Throughs		(17,330)	(17,330)	(17,330)	(17,330)	(17,330)	(17,330)	(17,330)	(17,330)	(17,330)	(17,330)	(17,330)	(17,330)	(17,330)
PLEDGED TAX REVENUE		55,899	55,899	55,899	55,899	55,899	55,899	55,899	55,899	55,899	55,899	55,899	55,899	55,899

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
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Values for FY 2015-16 and thereafter are decreased by $48,783,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.
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Long Beach Successor Agency

All Project Areas
Historical Values
Table 3

	Base Year Value	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average % Change
Secured												
Land	2,231,099,097	5,219,032,843	6,083,120,302	6,784,801,776	7,649,143,554	7,245,019,308	6,986,735,072	7,020,960,505	7,117,728,211	7,950,609,130	8,315,509,625	5.31%
Improvements	2,756,481,798	5,865,433,461	6,404,726,862	7,137,870,271	7,637,075,684	7,591,028,220	7,222,324,467	7,570,494,789	7,506,994,064	7,853,913,333	8,653,073,493	4.42%
Personal Prop/Fixt	125,067,649	94,348,548	127,153,207	127,649,582	89,958,348	125,001,940	126,954,071	124,371,953	161,947,592	46,141,379	165,568,484	6.45%
Exemptions	(411,345,128)	(656,635,645)	(670,692,761)	(772,548,354)	(683,017,398)	(878,763,614)	(924,359,916)	(1,185,957,666)	(940,465,066)	(536,483,538)	(1,164,798,584)	6.58%
Total Secured	4,701,303,416	10,522,179,207	11,944,307,610	13,277,773,275	14,693,160,188	14,082,285,854	13,411,653,694	13,529,869,581	13,846,204,801	15,314,180,304	15,969,353,018	4.74%
Unsecured												
Land	3,393,515	-	-	-	-	-	-	-	-	-	-	0.00%
Improvements	-	-	-	-	-	-	-	-	-	-	-	0.00%
Personal Prop/Fixt	596,476,714	1,543,774,361	1,646,292,593	1,801,021,328	1,570,967,165	1,570,731,108	1,563,340,309	1,395,982,035	1,607,891,120	1,603,815,658	1,701,922,590	1.09%
Exemptions	(3,765,775)	-	-	-	-	-	-	-	-	-	-	0.00%
Total Unsecured	596,104,454	1,543,774,361	1,646,292,593	1,801,021,328	1,570,967,165	1,570,731,108	1,563,340,309	1,395,982,035	1,607,891,120	1,603,815,658	1,701,922,590	1.09%
GRAND TOTAL	5,297,407,870	12,065,953,568	13,590,600,203	15,078,794,603	16,264,127,353	15,653,016,962	14,974,994,003	14,925,851,616	15,454,095,921	16,917,995,962	17,671,275,608	4.33%
Less Base Value		(5,324,065,043)	(5,324,065,043)	(5,320,207,004)	(5,318,104,774)	(5,311,088,093)	(5,304,763,378)	(5,298,458,000)	(5,296,969,919)	(5,296,872,899)	(5,297,407,870)	
Incremental Value:		6,741,888,525	8,266,535,160	9,758,587,599	10,946,022,579	10,341,928,869	9,670,230,625	9,627,393,616	10,157,126,002	11,621,123,063	12,373,867,738	6.98%
Percentage Change:			22.61%	18.05%	12.17%	-5.52%	-6.49%	-0.44%	5.50%	14.41%	6.48%	

Source: Los Angeles County Auditor-Controller
Prepared by: Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: HIST: 3/27/2015: GSH

Long Beach Successor Agency
All Project Areas
Top Ten Taxable Property Owners for FY 2014-15

Table 4

		Secured			Unsecured			Total				
		Value	Parcels	% of Secured Value	Value	Parcels	% of Unsecured Value	Value	% of Total Value	% of Incremental Value	Project Areas	Use Code
1	Hanjin America Inc.	$725,055,748	1	4.54%	$31,108,666	1	1.83%	$756,164,414	4.28%	6.11%	North, West LB	Possessory Interest - Shipping Terminal
2	International Transportation Service Inc.	$361,766,284	1	2.27%	$105,204,281	1	6.18%	$466,970,565	2.64%	3.77%	North	Possessory Interest - Shipping Terminal
3	Pacific Maritime Services LLC	$297,800,000	1	1.86%	$112,017,504	1	6.58%	$409,817,504	2.32%	3.31%	North	Possessory Interest - Shipping Terminal
4	SSA Terminals LLC	$258,835,149	2	1.62%	$119,202,311	8	7.00%	$378,037,460	2.14%	3.06%	West LB, North	Possessory Interest - Shipping Terminal
5	OOCL LLC and LBCT LLC	$271,613,230	1	1.70%	$78,435,524	1	4.61%	$350,048,754	1.98%	2.83%	North	Possessory Interest - Shipping Terminal
6	Tesoro Logistics Operations LLC, Tesoro Refining and Marketing Co., Tesoro Sierra Properties LLC	$212,321,669	12	1.33%	$127,056,629	11	7.47%	$339,378,298	1.92%	2.74%	Central, North, West LB	Possessory Interest -Oil Refining and Industrial - Mineral Processing
7	Tidelands Oil Production Co.	$332,782,611	8	2.08%	$0	-	0.00%	$332,782,611	1.88%	2.69%	West LB	Possessory Interest -Oil Refining
8	2009 CUSA Community Owner LLC	$143,997,640	2	0.90%	$0	-	0.00%	$143,997,640	0.81%	1.16%	Downtown	Residential -Multi Family
9	AGNL Clinic LP	$135,237,202	2	0.85%	$0	-	0.00%	$135,237,202	0.77%	1.09%	West Beach	Commercial -Office
10	John Hancock Life Insurance Co.	$120,113,848	1	0.75%	$0	-	0.00%	$120,113,848	0.68%	0.97%	Downtown	Commercial -Office
	Top Ten Property Owner Totals	$2,859,523,381	31		$573,024,915	23		$3,432,548,296				
	Project Area Totals:	$15,969,353,018		17.91%	$1,701,922,590		33.67%	$17,671,275,608	19.42%			
	Project Area Incremental Value:	$11,268,040,602		25.38%	$1,105,827,136		51.82%	$12,373,867,738		27.74%		

1 Pending appeals on one or more parcels assessed to Hanjin America Inc.: FY 2014-15 AV of $725,055,748 contested; FY 2013-14 AV of $721,778,873 contested; and FY 2012-13 AV of $707,626,347 contested.

2 Pending appeals on one or more parcels assessed to International Transportation Service Inc.: FY 2014-15 AV of $361,766,284 contested; FY 2013-14 AV of $360,131,289 contested; and FY 2012-13 AV of $353,069,892 contested.

3 Pending appeals on one or more parcels assessed to Pacific Maritime Services LLC: FY 2014-15 AV of $297,800,000 contested; FY 2013-14 AV of $297,800,000 contested; and FY 2012-13 AV of $297,800,000 contested.

4 Pending appeals on one or more parcels assessed to SSA Terminals LLC: FY 2014-15 AV of $258,835,149 contested; FY 2013-14 AV of $257,962,731 contested; and FY 2012-13 AV of $254,194,835 contested.

5 Pending appeals on one or more parcels assessed to OOCL LLC and LBCT LLC: FY 2014-15 AV of $271,613,230 contested; FY 2013-14 AV of $270,385,680 contested.

6 Pending appeals on one or more parcels assessed to Tesoro Logistics Operations LLC, Tesoro Refining and Marketing Co., Tesoro Sierra Properties LLC: FY 2014-15 AV of $161,533,820 contested; FY 2013-14 AV of $143,466,708 contested.

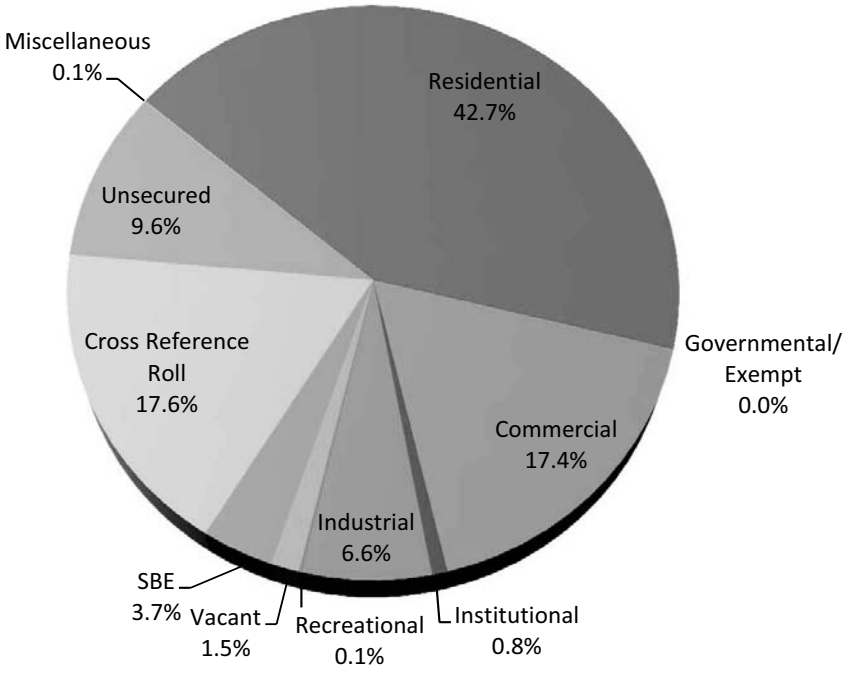
7 Pending appeals on one or more parcels assessed to Tidelands Oil Production Co. : FY 2014-15 AV of $332,782,611 contested; FY 2013-14 AV of $275,302,975 contested; and FY 2012-13 AV of $235,313,960 contested.

10 Pending appeals on one or more parcels assessed to John Hancock Life Insurance Co.: FY 2014-15 AV of $120,113,848 contested; FY 2013-14 AV of $125,513,856 contested; and FY 2012-13 AV of $123,052,800 contested.

Source: Los Angeles County Assessor Tax Rolls FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: 1LB_Top10_2014-15_Combined_2015-05-15: Top10 2014-15: 5/15/2015: GSH

Long Beach Successor Agency
All Project Areas
Project Area Land Use Categories for FY 2014-15
Table 5

Category	No. of Parcels	Net Taxable Value	% of Total
Residential	28,041	$7,549,400,896	42.72%
Commercial	2,747	3,082,664,465	17.44%
Industrial	1,024	1,158,792,665	6.56%
Governmental/ Exempt	1,158	-	0.00%
Institutional	190	136,559,312	0.77%
Miscellaneous	7	10,378,718	0.06%
Recreational	25	20,325,672	0.12%
Vacant	1,194	257,803,596	1.46%
Subtotal	34,386	$12,215,925,324	69.13%
SBE Non-Unitary	5	646,160,132	3.66%
Cross Reference Roll	2,244	3,107,267,562	17.58%
Unsecured	6,721	1,701,922,590	9.63%
Subtotal	8,970	$5,455,350,284	30.87%
TOTAL	**43,356**	**$17,671,275,608**	**100.0%**



Source: Los Angeles County Assessor Tax Roll and Use Codes FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: 1LB_Landuses_2014-15_Combined: Combined 2014-15: 3/27/2015: GSH

Long Beach Successor Agency
All Project Areas
Historical Receipts to Levy
Table 6

KEYSER MARSTON ASSOCIATES

	2009-10	2010-11	2011-12	2012-13	2013-14
I. Reported Assessed Value:					
Secured (1)	14,082,285,854	13,411,653,694	13,529,869,581	13,846,204,801	15,314,180,304
Unsecured (1)	1,570,731,108	1,563,340,309	1,395,982,035	1,607,891,120	1,603,815,658
II. Total Project Value	15,653,016,962	14,974,994,003	14,925,851,616	15,454,095,921	16,917,995,962
Less Secured Base Value (2)	(4,714,992,639)	(4,708,667,924)	(4,702,362,546)	(4,700,874,465)	(4,700,777,445)
Less Unsecured Base Value	(596,095,454)	(596,095,454)	(596,095,454)	(596,095,454)	(596,095,454)
Total Incremental Value	10,341,928,869	9,670,230,625	9,627,393,616	10,157,126,002	11,621,123,063
Tax Rate to Compute Tax Increment	1.0054%	1.0051%	1.0037%	1.0000%	0.9763%
III. Computed Gross Tax Increment:	103,979,052	97,191,946	96,629,920	101,571,260	113,460,211
Unitary Tax Revenue	1,550,235	1,543,334	1,605,480	1,614,903	1,694,787
Total Computed Levy	105,529,287	98,735,280	98,235,400	103,186,163	115,154,997
IV. Gross Tax Based on Collections Rate (3):					
Secured Tax Increment	89,324,829	84,893,654	86,942,953	89,978,193	104,401,484
Unsecured Tax Increment	9,196,867	9,024,083	8,654,628	11,901,792	11,355,015
Unitary Tax Revenue	1,550,235	1,543,334	1,605,481	1,614,170	1,693,305
Total Tax Based on Collections Rate	100,071,931	95,461,071	97,203,062	103,494,154	117,449,804
Variance From Computed Levy	(5,457,356)	(3,274,209)	(1,032,338)	307,990	2,294,806
% Collections per County	94.83%	96.68%	98.95%	100.30%	101.99%
V. Post-Dissolution Actual Gross Tax Increment Allocated (4):					
Gross T.I. Allocated July 1, 2011 to January 31, 2012			45,393,191		
RPTTF Gross Allocation June 2012 (February 1, 2012 to June 30, 2012)			41,439,830		
RPTTF Gross Allocation January				56,372,015	50,935,573
RPTTF Gross Allocation June				59,493,576	68,975,348
Post-Dissolution Allocated Levy			86,833,021	115,865,591	119,910,921

(1) Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

(2) Annual changes in the Base Year value are the result of acquisitions of privately held properties by public entities. Increases in the Base Year value are the result of dispositions of publicly held properties to private ownership. The County's practice stems from the case of Redevelopment Agency of the City of Sacramento vs. Malaki, 216 Cal. Appl. 2d 480 and subsequent related cases.

(3) Source: County Auditor-Controller year-end tax ledger detail. Amounts represent the annual tax increment revenues allocable to the Agency up to FY 2010-11 and prior to the dissolution of the Redevelopment Agency under AB 1x26. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes, prior year redemption payments, escaped assessments and any mid-year adjustments made by the County Auditor-Controller.

(4) Source: County Auditor-Controller monthly tax ledgers (November and December 2011 and January 2012). After the dissolution of the Redevelopment Agency, commencing February 1, 2012, the allocation to the Successor Agency of the former Redevelopment Agency was changed and a biannual allocation to the RPTTF is shown. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes and prior year redemptions.

Source: Los Angeles County Auditor-Controller
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: Levy: 3/27/2015: GSH

Long Beach Successor Agency
All Project Areas
Projection of Pending Assessment Appeals Impact
Table 7

KEYSER MARSTON ASSOCIATES

		Dbase	Total Contested Value	Applicant Opinion of Value	Total Resolved Value	Variance
ALL PROJECT AREAS	*Total No. of Appeals from 2008/09 to 2014/15*	6264				
	No. of Resolved Appeals	4776				
	No. of Successfully Resolved Appeals	1574	32.956449%			
	Average Reduction of Successful Appeals	24.48484%	$4,259,550,000	$1,738,652,000	$3,216,606,000	($1,042,944,000)
	Total No. of Pending Appeals	1488				
	Assumed No. of Pending Appeals Stipulated	490	No. Pending Appeals x % Successful All Project Areas			
	FY 2014-15 Open/Pending Appeals	(390,389,000)	4,837,923,000	1,641,786,000	4,447,534,000	(390,389,000)
	FY 2013-14 Open/Pending Appeals	(376,154,000)	4,661,518,000	2,099,335,000	4,285,364,000	(376,154,000)
	FY 2012-13 Open/PendingAppeals	(271,961,000)	3,370,295,000	1,360,801,000	3,098,334,000	(271,961,000)
	FY 2011-12 Open/PendingAppeals	(235,717,000)	2,921,160,000	1,172,091,000	2,685,443,000	(235,717,000)
	Prior 2011-12 Open/Pending Appeals	(301,263,000)	3,733,434,000	1,437,610,000	3,432,171,000	(301,263,000)
	Total Est. Reduction Assumed for Open/Pending Appeals	(1,575,484,000)	19,524,330,000	7,711,623,000	17,948,846,000	(1,575,484,000)
	Total Est. Tax Refund Open/Pending Appeals at 1%	(15,754,840)				
	Secured Total No. of Pending Appeals	973				
	Secured Assumed No. of Pending Appeals Stipulated	321	No. Pending Appeals x % Successful All Project Areas			
	Secured FY 2014-15 Open/Pending Appeals	(123,359,000)	1,528,739,000	635,408,000	1,405,380,000	(123,359,000)
	Secured FY 2013-14 Open/Pending Appeals	(97,379,000)	1,206,778,000	646,271,000	1,109,399,000	(97,379,000)
	Secured FY 2012-13 Open/PendingAppeals	(58,138,000)	720,475,000	393,369,000	662,337,000	(58,138,000)
	Secured FY 2011-12 Open/PendingAppeals	(49,585,000)	614,492,000	318,178,000	564,907,000	(49,585,000)
	Secured Prior 2011-12 Open/Pending Appeals	(19,407,000)	240,501,000	105,044,000	221,094,000	(19,407,000)
	Secured Total Est. Reduction Assumed for Open/Pending Appeals	($347,868,000)	$4,310,985,000	$2,098,270,000	$3,963,117,000	(347,868,000)
	Secured Total Est. Tax Refund Open/Pending Appeals at 1%	($3,478,680)				
	Possessory Interest Total No. of Pending Appeals	186				
	Possessory Interest Assumed No. of Pending Appeals Stipulated	61	No. Pending Appeals x % Successful All Project Areas			
	Possessory Interest FY 2014-15 Open/Pending Appeals	(185,410,000)	2,297,709,000	757,755,000	2,112,299,000	(185,410,000)
	Possessory Interest FY 2013-14 Open/Pending Appeals	(199,357,000)	2,470,551,000	1,168,846,000	2,271,194,000	(199,357,000)
	Possessory Interest FY 2012-13 Open/Pending Appeals	(166,202,000)	2,059,675,000	878,825,000	1,893,473,000	(166,202,000)
	Possessory Interest FY 2011-12 Open/Pending Appeals	(158,530,000)	1,964,603,000	799,523,000	1,806,073,000	(158,530,000)
	Possessory Interest Prior 2011-12 Open/Pending Appeals	(255,935,000)	3,171,694,000	1,265,066,000	2,915,759,000	(255,935,000)
	Possessory Interest Total Est. Reduction Assumed for Open/Pending Appeals	($965,434,000)	$11,964,232,000	$4,870,015,000	$10,998,798,000	(965,434,000)
	Possessory Interest Total Est. Tax Refund Open/Pending Appeals at 1%	($9,654,340)				
	Mineral Rights Total No. of Pending Appeals	55				
	Mineral Rights Assumed No. of Pending Appeals Stipulated	18	No. Pending Appeals x % Successful All Project Areas			
	Mineral Rights FY 2014-15 Open/Pending Appeals	(32,837,000)	406,930,000	19,428,000	374,093,000	(32,837,000)
	Mineral Rights FY 2013-14 Open/Pending Appeals	(27,971,000)	346,631,000	19,428,000	318,660,000	(27,971,000)
	Mineral Rights FY 2012-13 Open/Pending Appeals	(22,821,000)	282,810,000	19,428,000	259,989,000	(22,821,000)
	Mineral Rights FY 2011-12 Open/Pending Appeals	(21,154,000)	262,158,000	19,428,000	241,004,000	(21,154,000)
	Mineral Rights Prior 2011-12 Open/Pending Appeals	(19,995,000)	247,795,000	19,426,000	227,800,000	(19,995,000)
	Mineral Rights Total Est. Reduction Assumed for Open/Pending Appeals	($124,778,000)	$1,546,324,000	$97,138,000	$1,421,546,000	(124,778,000)
	Mineral Rights Total Est. Tax Refund Open/Pending Appeals at 1%	($1,247,780)				
	Unsecured Total No. of Pending Appeals	274				
	Unsecured Assumed No. of Pending Appeals Stipulated	90	No. Pending Appeals x % Successful All Project Areas			
	Unsecured FY 2014-15 Open/Pending Appeals	(48,783,000)	604,545,000	229,195,000	555,762,000	(48,783,000)
	Unsecured FY 2013-14 Open/Pending Appeals	(51,447,000)	637,558,000	264,790,000	586,111,000	(51,447,000)
	Unsecured FY 2012-13 Open/Pending Appeals	(24,800,000)	307,335,000	69,179,000	282,535,000	(24,800,000)
	Unsecured FY 2011-12 Open/Pending Appeals	(6,448,000)	79,907,000	34,962,000	73,459,000	(6,448,000)
	Unsecured Prior 2011-12 Open/Pending Appeals	(5,926,000)	73,444,000	48,074,000	67,518,000	(5,926,000)
	Unsecured Total Est. Reduction Assumed for Open/Pending Appeals	($137,404,000)	$1,702,789,000	$646,200,000	$1,565,385,000	(137,404,000)
	Unsecured Total Est. Tax Refund Open/Pending Appeals at 1%	($1,374,040)				

Source: Los Angeles County Assessment Appeals Board Database as of 1st Quarter 2015
Prepared by Keyser Marston Associates, Inc.
Filename: 1Q2015_Appeals_2015-05-14: 1Q2015 Appeals: 5/15/2015: GSH: Page 1 of 8

Tables 1.1 to 1.7

Growth Tax Revenue Projections
By Project Area

Long Beach Successor Agency
West Beach Project

Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)

Table 1.1

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Taxable Values (1)									
Real Property (2)		211,704	212,452	216,701	221,035	225,456	229,965	234,564	239,255
Personal Property (3)		41,272	41,272	41,272	41,272	41,272	41,272	41,272	41,272
Total Projected Value		252,976	253,724	257,973	262,307	266,728	271,237	275,836	280,527
Taxable Value Over Base	4,056	248,921	249,668	253,917	258,251	262,672	267,181	271,781	276,472
Gross Tax Increment Revenue (4)		2,489	2,497	2,539	2,583	2,627	2,672	2,718	2,765
Unitary Tax Revenue		9	9	9	9	9	9	9	9
Appeal Tax Refund		(72)	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	(793)	(2,774)
Gross Revenues		2,426	2,506	2,548	2,591	2,636	2,681	1,934	-
Less:									
County Admin Fees (5)		(44)	(45)	(46)	(47)	(47)	(48)	(49)	-
Statutory Pass Throughs		(333)	(361)	(377)	(392)	(408)	(425)	(149)	-
PLEDGED TAX REVENUE		2,050	2,099	2,126	2,153	2,180	2,208	1,735	-

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.

(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $3,418,000 for assumed projected Real Property value loss due to pending assessment appeals.

(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount
Values for FY 2015-16 and thereafter are decreased by $0 for assumed projected Personal Property value loss due to pending assessment appeals.

(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.

(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
Poly High Project

Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)

Table 1.2

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Taxable Values (1)													
Real Property (2)		103,257	100,717	102,731	104,786	106,881	109,019	111,199	113,423	115,692	118,006	120,366	122,773
Personal Property (3)		2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060
Total Projected Value		105,316	102,776	104,791	106,845	108,941	111,079	113,259	115,483	117,751	120,065	122,425	124,833
Taxable Value Over Base	5,347	99,970	97,429	99,444	101,498	103,594	105,732	107,912	110,136	112,405	114,718	117,078	119,486
Gross Tax Increment Revenue (4)		1,000	974	994	1,015	1,036	1,057	1,079	1,101	1,124	1,147	1,171	1,195
Unitary Tax Revenue		9	9	9	9	9	9	9	9	9	9	9	9
Appeal Tax Refund		(154)	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	-	-	-	-	(702)
Gross Revenues		856	984	1,004	1,024	1,045	1,067	1,089	1,111	1,134	1,157	1,180	503
Less:													
County Admin Fees (5)		(16)	(19)	(19)	(19)	(20)	(20)	(21)	(21)	(21)	(22)	(22)	(23)
Statutory Pass Throughs		(70)	(95)	(99)	(103)	(107)	(114)	(122)	(130)	(138)	(146)	(155)	-
PLEDGED TAX REVENUE		770	870	886	902	919	933	946	960	974	988	1,003	480

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.

(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $4,515,000 for assumed projected Real Property value loss due to pending assessment appeals.

(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $0 for assumed projected Personal Property value loss due to pending assessment appeals.

(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.

(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
Downtown Project

Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)

Table 1.3

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)														
Real Property (2)		2,130,120	2,119,642	2,162,035	2,205,276	2,249,381	2,294,369	2,340,256	2,387,061	2,434,802	2,483,499	2,533,168	2,583,832	2,635,508
Personal Property (3)		220,996	220,049	220,049	220,049	220,049	220,049	220,049	220,049	220,049	220,049	220,049	220,049	220,049
Total Projected Value		2,351,117	2,339,692	2,382,084	2,425,325	2,469,431	2,514,418	2,560,306	2,607,111	2,654,852	2,703,548	2,753,218	2,803,881	2,855,558
Taxable Value Over Base	122,152	2,228,964	2,217,539	2,259,932	2,303,173	2,347,278	2,392,266	2,438,153	2,484,958	2,532,699	2,581,396	2,631,065	2,681,729	2,733,405
Gross Tax Increment Revenue (4)		22,290	22,175	22,599	23,032	23,473	23,923	24,382	24,850	25,327	25,814	26,311	26,817	27,334
Unitary Tax Revenue		490	490	490	490	490	490	490	490	490	490	490	490	490
Appeal Tax Refund		(2,179)	-	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		20,601	22,666	23,090	23,522	23,963	24,413	24,872	25,340	25,817	26,304	26,801	27,308	27,824
Less:														
County Admin Fees (5)		(351)	(386)	(393)	(400)	(408)	(415)	(423)	(431)	(439)	(448)	(456)	(465)	(474)
Statutory Pass Throughs		-	-	-	-	-	-	-	-	-	-	-	-	-
PLEDGED TAX REVENUE		20,250	22,280	22,697	23,122	23,555	23,997	24,448	24,909	25,378	25,856	26,345	26,843	27,351

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $52,040,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $947,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
West Long Beach Industrial Project

Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)

Table 1.4

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Taxable Values (1)													
Real Property (2)		1,303,683	1,264,096	1,289,378	1,315,165	1,341,469	1,368,298	1,395,664	1,423,577	1,452,049	1,481,090	1,510,712	1,540,926
Personal Property (3)		926,532	914,959	914,959	914,959	914,959	914,959	914,959	914,959	914,959	914,959	914,959	914,959
Total Projected Value		2,230,215	2,179,055	2,204,337	2,230,124	2,256,428	2,283,257	2,310,623	2,338,536	2,367,008	2,396,049	2,425,671	2,455,885
Taxable Value Over Base	161,823	2,068,391	2,017,232	2,042,514	2,068,301	2,094,604	2,121,434	2,148,800	2,176,713	2,205,185	2,234,226	2,263,847	-
Gross Tax Increment Revenue (4)		20,684	20,172	20,425	20,683	20,946	21,214	21,488	21,767	22,052	22,342	22,638	-
Unitary Tax Revenue		1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	-
Appeal Tax Refund		(2,929)	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture (5)		-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		18,802	21,219	21,472	21,730	21,993	22,261	22,535	22,814	23,099	23,389	23,685	-
Less:													
County Admin Fees (5)		(380)	(429)	(434)	(439)	(444)	(450)	(455)	(461)	(466)	(472)	(478)	-
Statutory Pass Throughs		(2,276)	(3,148)	(3,239)	(3,332)	(3,427)	(3,524)	(3,622)	(3,723)	(3,826)	(3,930)	(4,037)	-
PLEDGED TAX REVENUE		16,146	17,643	17,799	17,959	18,122	18,288	18,457	18,630	18,807	18,986	19,170	-

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.

(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $64,373,000 for assumed projected Real Property value loss due to pending assessment appeals.

(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $11,573,000 for assumed projected Personal Property value loss due to pending assessment appeals.

(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.

(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
Los Altos Project

Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)

Table 1.5

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)														
Real Property (2)		114,395	112,460	114,710	117,004	119,344	121,731	124,165	126,649	129,182	131,765	134,401	137,089	139,830
Personal Property (3)		14,544	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349
Total Projected Value		128,939	126,809	129,058	131,352	133,692	136,079	138,514	140,997	143,530	146,114	148,749	151,437	154,179
Taxable Value Over Base	39,896	89,043	86,913	89,162	91,456	93,796	96,183	98,618	101,101	103,634	106,218	108,853	111,541	114,283
Gross Tax Increment Revenue (4)		890	869	892	915	938	962	986	1,011	1,036	1,062	1,089	1,115	1,143
Unitary Tax Revenue		2	2	2	2	2	2	2	2	2	2	2	2	2
Appeal Tax Refund		(82)	-	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	-	-	-	-	-	-
H&S 33676 2% Payment (Los Altos)		(32)	(34)	(35)	(37)	(38)	(40)	(41)	(43)	(45)	(47)	(49)	(51)	(53)
Gross Revenues		777	837	858	880	901	924	946	969	993	1,017	1,041	1,066	1,091
Less:														
County Admin Fees (5)		(17)	(18)	(18)	(19)	(19)	(20)	(20)	(21)	(21)	(22)	(22)	(23)	(24)
Contractual Pass Through (6)		(305)	(329)	(337)	(345)	(354)	(363)	(372)	(381)	(390)	(399)	(409)	(419)	(429)
Statutory Pass Throughs		-	-	-	-	-	-	-	-	-	-	-	-	-
PLEDGED TAX REVENUE		455	490	503	515	528	541	554	568	582	596	610	624	639

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $4,140,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $195,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.
(6) Los Altos pass through with the County General, County Flood and County Office of Education.

Long Beach Successor Agency
Los Altos Project

Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)

Table 1.5

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Taxable Values (1)														
Real Property (2)		142,627	145,479	148,389	151,357	154,384	157,472	160,621	163,834	167,110	170,452	173,861	177,339	180,885
Personal Property (3)		14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349
Total Projected Value		156,976	159,828	162,738	165,705	168,733	171,820	174,970	178,182	181,459	184,801	188,210	191,687	195,234
Taxable Value Over Base	39,896	117,079	119,932	122,842	125,809	128,836	131,924	135,074	138,286	141,563	144,905	148,314	151,791	155,338
Gross Tax Increment Revenue (4)		1,171	1,199	1,228	1,258	1,288	1,319	1,351	1,383	1,416	1,449	1,483	1,518	1,553
Unitary Tax Revenue		2	2	2	2	2	2	2	2	2	2	2	2	2
Appeal Tax Refund		-	-	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	-	-	-	-	-	-
H&S 33676 2% Payment (Los Altos)		(56)	(58)	(60)	(63)	(66)	(68)	(71)	(74)	(78)	(81)	(84)	(88)	(92)
Gross Revenues		1,117	1,143	1,170	1,197	1,224	1,252	1,281	1,310	1,340	1,370	1,400	1,432	1,463
Less:														
County Admin Fees (5)		(24)	(25)	(25)	(26)	(26)	(27)	(28)	(28)	(29)	(29)	(30)	(31)	(32)
Contractual Pass Through (6)		(439)	(449)	(459)	(470)	(481)	(492)	(503)	(515)	(526)	(538)	(550)	(562)	(575)
Statutory Pass Throughs		-	-	-	-	-	-	-	-	-	-	-	-	-
PLEDGED TAX REVENUE		654	669	685	701	717	733	750	767	785	802	820	838	857

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $4,140,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $195,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.
(6) Los Altos pass through with the County General, County Flood and County Office of Education.

Long Beach Successor Agency
North Long Beach Project
Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 1.6

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)														
Real Property (2)		7,495,103	7,455,098	7,604,200	7,756,284	7,911,409	8,069,638	8,231,030	8,395,651	8,563,564	8,734,835	8,909,532	9,087,723	9,269,477
Personal Property (3)		921,393	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128
Total Projected Value		8,416,496	8,342,225	8,491,327	8,643,411	8,798,537	8,956,765	9,118,158	9,282,779	9,450,692	9,621,963	9,796,660	9,974,850	10,156,605
Taxable Value Over Base	3,089,949	5,326,547	5,252,276	5,401,378	5,553,462	5,708,588	5,866,816	6,028,209	6,192,829	6,360,742	6,532,014	6,706,710	6,884,901	7,066,655
Gross Tax Increment Revenue (4)		53,265	52,523	54,014	55,535	57,086	58,668	60,282	61,928	63,607	65,320	67,067	68,849	70,667
Unitary Tax Revenue		94	94	94	94	94	94	94	94	94	94	94	94	94
Appeal Tax Refund		(9,668)	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		43,691	52,617	54,108	55,629	57,180	58,762	60,376	62,022	63,702	65,414	67,161	68,943	70,761
Less:														
County Admin Fees (5)		(706)	(851)	(875)	(899)	(924)	(950)	(976)	(1,003)	(1,030)	(1,058)	(1,086)	(1,115)	(1,144)
Statutory Pass Throughs		(9,525)	(12,756)	(13,296)	(13,847)	(14,408)	(14,981)	(15,566)	(16,162)	(16,770)	(17,390)	(18,022)	(18,667)	(19,325)
PLEDGED TAX REVENUE		33,460	39,010	39,937	40,883	41,847	42,831	43,834	44,858	45,902	46,967	48,053	49,161	50,291

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $186,184,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $34,265,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
North Long Beach Project
Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 1.6

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Taxable Values (1)														
Real Property (2)		9,454,867	9,643,964	9,836,843	10,033,580	10,234,252	10,438,937	10,647,715	10,860,670	11,077,883	11,299,441	11,525,430	11,755,938	11,991,057
Personal Property (3)		887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128
Total Projected Value		10,341,994	10,531,092	10,723,971	10,920,708	11,121,379	11,326,064	11,534,843	11,747,797	11,965,011	12,186,569	12,412,557	12,643,066	12,878,185
Taxable Value Over Base	3,089,949	7,252,045	7,441,142	7,634,022	7,830,758	8,031,430	8,236,115	8,444,894	8,657,848	8,875,061	9,096,619	9,322,608	9,553,117	9,788,235
Gross Tax Increment Revenue (4)		72,520	74,411	76,340	78,308	80,314	82,361	84,449	86,578	88,751	90,966	93,226	95,531	97,882
Unitary Tax Revenue		94	94	94	94	94	94	94	94	94	94	94	94	94
Appeal Tax Refund		-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		72,615	74,506	76,434	78,402	80,408	82,455	84,543	86,673	88,845	91,060	93,320	95,625	97,976
Less:														
County Admin Fees (5)		(1,174)	(1,205)	(1,236)	(1,268)	(1,300)	(1,333)	(1,367)	(1,401)	(1,436)	(1,472)	(1,509)	(1,546)	(1,584)
Statutory Pass Throughs		(20,201)	(21,094)	(22,005)	(22,934)	(23,881)	(24,848)	(25,834)	(26,840)	(27,865)	(28,912)	(29,979)	(31,067)	(32,178)
PLEDGED TAX REVENUE		51,240	52,207	53,194	54,200	55,227	56,274	57,342	58,432	59,543	60,676	61,833	63,012	64,215

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $186,184,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $34,265,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
Central Long Beach Project
Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 1.7

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)														
Real Property (2)		3,913,319	3,964,111	4,043,393	4,124,261	4,206,747	4,290,882	4,376,699	4,464,233	4,553,518	4,644,588	4,737,480	4,832,230	4,928,874
Personal Property (3)		272,898	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095
Total Projected Value		4,186,216	4,235,206	4,314,488	4,395,356	4,477,841	4,561,976	4,647,794	4,735,328	4,824,613	4,915,683	5,008,575	5,103,324	5,199,969
Taxable Value Over Base	1,874,184	2,312,032	2,361,022	2,440,304	2,521,172	2,603,657	2,687,792	2,773,610	2,861,144	2,950,428	3,041,499	3,134,391	3,229,140	3,325,785
Gross Tax Increment Revenue (4)		23,120	23,610	24,403	25,212	26,037	26,878	27,736	28,611	29,504	30,415	31,344	32,291	33,258
Unitary Tax Revenue		42	42	42	42	42	42	42	42	42	42	42	42	42
Appeal Tax Refund		(670)	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		22,492	23,652	24,445	25,254	26,079	26,920	27,778	28,654	29,547	30,457	31,386	32,334	33,300
Less:														
County Admin Fees (5)		(445)	(468)	(484)	(500)	(516)	(533)	(550)	(567)	(585)	(603)	(621)	(640)	(659)
Statutory Pass Throughs		(4,965)	(5,383)	(5,669)	(5,961)	(6,259)	(6,562)	(6,872)	(7,187)	(7,509)	(7,838)	(8,173)	(8,515)	(8,863)
PLEDGED TAX REVENUE		17,082	17,801	18,292	18,793	19,304	19,825	20,357	20,899	21,452	22,016	22,592	23,179	23,778

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $26,935,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $1,803,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
Central Long Beach Project
Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 1.7

KEYSER MARSTON ASSOCIATES

GROWTH PROJECTION

		2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Taxable Values (1)														
Real Property (2)		5,027,452	5,128,001	5,230,561	5,335,172	5,441,875	5,550,713	5,661,727	5,774,962	5,890,461	6,008,270	6,128,435	6,251,004	6,376,024
Personal Property (3)		271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095
Total Projected Value		5,298,546	5,399,095	5,501,655	5,606,267	5,712,970	5,821,808	5,932,822	6,046,056	6,161,556	6,279,365	6,399,530	6,522,099	6,647,119
Taxable Value Over Base	1,874,184	3,424,362	3,524,911	3,627,471	3,732,082	3,838,786	3,947,623	4,058,638	4,171,872	4,287,371	4,405,181	4,525,346	4,647,915	4,772,935
Gross Tax Increment Revenue (4)		34,244	35,249	36,275	37,321	38,388	39,476	40,586	41,719	42,874	44,052	45,253	46,479	47,729
Unitary Tax Revenue		42	42	42	42	42	42	42	42	42	42	42	42	42
Appeal Tax Refund		-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		34,286	35,291	36,317	37,363	38,430	39,519	40,629	41,761	42,916	44,094	45,296	46,521	47,772
Less:														
County Admin Fees (5)		(679)	(698)	(719)	(739)	(761)	(782)	(804)	(826)	(849)	(873)	(896)	(921)	(945)
Statutory Pass Throughs		(9,219)	(9,582)	(9,952)	(10,329)	(10,714)	(11,226)	(11,748)	(12,281)	(12,825)	(13,379)	(13,944)	(14,521)	(15,109)
PLEDGED TAX REVENUE		24,388	25,011	25,647	26,295	26,956	27,510	28,076	28,653	29,242	29,843	30,455	31,080	31,717

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. Valuation increases for inflation assumed at 1.998% in FY 2015-16 and 2% commencing in FY 2016-17.
Values for FY 2015-16 and thereafter are decreased by $26,935,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $1,803,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Tables 2.1 to 2.7

No Growth Tax Revenue Projections
By Project Area

Long Beach Successor Agency
West Beach Project

Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)

Table 2.1

KEYSER MARSTON ASSOCIATES

N O G R O W T H

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Taxable Values (1)									
Real Property (2)		211,704	208,286	208,286	208,286	208,286	208,286	208,286	208,286
Personal Property (3)		41,272	41,272	41,272	41,272	41,272	41,272	41,272	41,272
Total Projected Value		252,976	249,558	249,558	249,558	249,558	249,558	249,558	249,558
Taxable Value Over Base	4,056	248,921	245,503	245,503	245,503	245,503	245,503	245,503	245,503
Gross Tax Increment Revenue (4)		2,489	2,455	2,455	2,455	2,455	2,455	2,455	2,455
Unitary Tax Revenue		9	9	9	9	9	9	9	9
Appeal Tax Refund		(72)	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	(2,352)
Gross Revenues		2,426	2,464	2,464	2,464	2,464	2,464	2,464	112
Less:									
County Admin Fees (5)		(44)	(44)	(44)	(44)	(44)	(44)	(44)	(44)
Statutory Pass Throughs		(333)	(346)	(346)	(346)	(346)	(346)	(346)	280
PLEDGED TAX REVENUE		2,050	2,073	2,073	2,073	2,073	2,073	2,073	347

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.

(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.

Values for FY 2015-16 and thereafter are decreased by $3,418,000 for assumed projected Real Property value loss due to pending assessment appeals.

(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount

Values for FY 2015-16 and thereafter are decreased by $0 for assumed projected Personal Property value loss due to pending assessment appeals.

(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.

(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
Poly High Project

Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)

Table 2.2

KEYSER MARSTON ASSOCIATES

N O G R O W T H

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Taxable Values (1)													
Real Property (2)		103,257	98,742	98,742	98,742	98,742	98,742	98,742	98,742	98,742	98,742	98,742	98,742
Personal Property (3)		2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060
Total Projected Value		105,316	100,801	100,801	100,801	100,801	100,801	100,801	100,801	100,801	100,801	100,801	100,801
Taxable Value Over Base	5,347	99,970	95,455	95,455	95,455	95,455	95,455	95,455	95,455	95,455	95,455	95,455	95,455
Gross Tax Increment Revenue (4)		1,000	955	955	955	955	955	955	955	955	955	955	955
Unitary Tax Revenue		9	9	9	9	9	9	9	9	9	9	9	9
Appeal Tax Refund		(154)	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		856	964	964	964	964	964	964	964	964	964	964	964
Less:													
County Admin Fees (5)		(16)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
Statutory Pass Throughs		(70)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)
PLEDGED TAX REVENUE		770	855	855	855	855	855	855	855	855	855	855	855

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.

(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.

Values for FY 2015-16 and thereafter are decreased by $4,515,000 for assumed projected Real Property value loss due to pending assessment appeals.

(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.

Values for FY 2015-16 and thereafter are decreased by $0 for assumed projected Personal Property value loss due to pending assessment appeals.

(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.

(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
Downtown Project

Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)

Table 2.3

KEYSER MARSTON ASSOCIATES

NO GROWTH

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)														
Real Property (2)		2,130,120	2,078,080	2,078,080	2,078,080	2,078,080	2,078,080	2,078,080	2,078,080	2,078,080	2,078,080	2,078,080	2,078,080	2,078,080
Personal Property (3)		220,996	220,049	220,049	220,049	220,049	220,049	220,049	220,049	220,049	220,049	220,049	220,049	220,049
Total Projected Value		2,351,117	2,298,130	2,298,130	2,298,130	2,298,130	2,298,130	2,298,130	2,298,130	2,298,130	2,298,130	2,298,130	2,298,130	2,298,130
Taxable Value Over Base	122,152	2,228,964	2,175,977	2,175,977	2,175,977	2,175,977	2,175,977	2,175,977	2,175,977	2,175,977	2,175,977	2,175,977	2,175,977	2,175,977
Gross Tax Increment Revenue (4)		22,290	21,760	21,760	21,760	21,760	21,760	21,760	21,760	21,760	21,760	21,760	21,760	21,760
Unitary Tax Revenue		490	490	490	490	490	490	490	490	490	490	490	490	490
Appeal Tax Refund		(2,179)	-	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		20,601	22,250	22,250	22,250	22,250	22,250	22,250	22,250	22,250	22,250	22,250	22,250	22,250
Less:														
County Admin Fees (5)		(351)	(379)	(379)	(379)	(379)	(379)	(379)	(379)	(379)	(379)	(379)	(379)	(379)
Statutory Pass Throughs		-	-	-	-	-	-	-	-	-	-	-	-	-
PLEDGED TAX REVENUE		20,250	21,871	21,871	21,871	21,871	21,871	21,871	21,871	21,871	21,871	21,871	21,871	21,871

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.
Values for FY 2015-16 and thereafter are decreased by $52,040,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $947,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
West Long Beach Industrial Project

Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)

Table 2.4

NO GROWTH

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Taxable Values (1)													
Real Property (2)		1,303,683	1,239,310	1,239,310	1,239,310	1,239,310	1,239,310	1,239,310	1,239,310	1,239,310	1,239,310	1,239,310	1,239,310
Personal Property (3)		926,532	914,959	914,959	914,959	914,959	914,959	914,959	914,959	914,959	914,959	914,959	914,959
Total Projected Value		2,230,215	2,154,269	2,154,269	2,154,269	2,154,269	2,154,269	2,154,269	2,154,269	2,154,269	2,154,269	2,154,269	2,154,269
Taxable Value Over Base	161,823	2,068,391	1,992,445	1,992,445	1,992,445	1,992,445	1,992,445	1,992,445	1,992,445	1,992,445	1,992,445	1,992,445	-
Gross Tax Increment Revenue (4)		20,684	19,924	19,924	19,924	19,924	19,924	19,924	19,924	19,924	19,924	19,924	-
Unitary Tax Revenue		1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	1,047	-
Appeal Tax Refund		(2,929)	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture (5)		-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		18,802	20,971	20,971	20,971	20,971	20,971	20,971	20,971	20,971	20,971	20,971	-
Less:													
County Admin Fees (5)		(380)	(424)	(424)	(424)	(424)	(424)	(424)	(424)	(424)	(424)	(424)	-
Statutory Pass Throughs		(2,276)	(3,059)	(3,059)	(3,059)	(3,059)	(3,059)	(3,059)	(3,059)	(3,059)	(3,059)	(3,059)	-
PLEDGED TAX REVENUE		16,146	17,489	17,489	17,489	17,489	17,489	17,489	17,489	17,489	17,489	17,489	-

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.

(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.

Values for FY 2015-16 and thereafter are decreased by $64,373,000 for assumed projected Real Property value loss due to pending assessment appeals.

(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.

Values for FY 2015-16 and thereafter are decreased by $11,573,000 for assumed projected Personal Property value loss due to pending assessment appeals.

(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.

(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
Los Altos Project

Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)

Table 2.5

KEYSER MARSTON ASSOCIATES

NO GROWTH

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)														
Real Property (2)		114,395	110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255
Personal Property (3)		14,544	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349
Total Projected Value		128,939	124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604
Taxable Value Over Base	39,896	89,043	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708
Gross Tax Increment Revenue (4)		890	847	847	847	847	847	847	847	847	847	847	847	847
Unitary Tax Revenue		2	2	2	2	2	2	2	2	2	2	2	2	2
Appeal Tax Refund		(82)	-	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	-	-	-	-	-	-
H&S 33676 2% Payment (Los Altos)		(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)
Gross Revenues		777	816	816	816	816	816	816	816	816	816	816	816	816
Less:														
County Admin Fees (5)		(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
Contractual Pass Through (6)		(305)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)
Statutory Pass Throughs		-	-	-	-	-	-	-	-	-	-	-	-	-
PLEDGED TAX REVENUE		455	478	478	478	478	478	478	478	478	478	478	478	478

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.
Values for FY 2015-16 and thereafter are decreased by $4,140,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $195,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.
(6) Los Altos pass through with the County General, County Flood and County Office of Education.

Long Beach Successor Agency
Los Altos Project

Projection of Incremental Taxable Value & Tax Increment Revenue (000's Omitted)

Table 2.5

KEYSER MARSTON ASSOCIATES

NO GROWTH

		2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Taxable Values (1)														
Real Property (2)		110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255	110,255
Personal Property (3)		14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349	14,349
Total Projected Value		124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604	124,604
Taxable Value Over Base	39,896	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708	84,708
Gross Tax Increment Revenue (4)		847	847	847	847	847	847	847	847	847	847	847	847	847
Unitary Tax Revenue		2	2	2	2	2	2	2	2	2	2	2	2	2
Appeal Tax Refund		-	-	-	-	-	-	-	-	-	-	-	-	-
Less Plan Limit Forfeiture		-	-	-	-	-	-	-	-	-	-	-	-	-
H&S 33676 2% Payment (Los Altos)		(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)
Gross Revenues		816	816	816	816	816	816	816	816	816	816	816	816	816
Less:														
County Admin Fees (5)		(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
Contractual Pass Through (6)		(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)	(321)
Statutory Pass Throughs		-	-	-	-	-	-	-	-	-	-	-	-	-
PLEDGED TAX REVENUE		478	478	478	478	478	478	478	478	478	478	478	478	478

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.
Values for FY 2015-16 and thereafter are decreased by $4,140,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $195,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.
(6) Los Altos pass through with the County General, County Flood and County Office of Education.

Long Beach Successor Agency
North Long Beach Project
Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 2.6

KEYSER MARSTON ASSOCIATES

NO GROWTH

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)														
Real Property (2)		7,495,103	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920
Personal Property (3)		921,393	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128
Total Projected Value		8,416,496	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048
Taxable Value Over Base	3,089,949	5,326,547	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099
Gross Tax Increment Revenue (4)		53,265	51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061
Unitary Tax Revenue		94	94	94	94	94	94	94	94	94	94	94	94	94
Appeal Tax Refund		(9,668)	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		43,691	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155
Less:														
County Admin Fees (5)		(706)	(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)
Statutory Pass Throughs		(9,525)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)
PLEDGED TAX REVENUE		33,460	38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.
Values for FY 2015-16 and thereafter are decreased by $186,183,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $34,265,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
North Long Beach Project
Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 2.6

KEYSER MARSTON ASSOCIATES

NO GROWTH

		2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Taxable Values (1)														
Real Property (2)		7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920	7,308,920
Personal Property (3)		887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128	887,128
Total Projected Value		8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048	8,196,048
Taxable Value Over Base	3,089,949	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099	5,106,099
Gross Tax Increment Revenue (4)		51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061	51,061
Unitary Tax Revenue		94	94	94	94	94	94	94	94	94	94	94	94	94
Appeal Tax Refund		-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155	51,155
Less:														
County Admin Fees (5)		(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)	(827)
Statutory Pass Throughs		(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)	(12,227)
PLEDGED TAX REVENUE		38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101	38,101

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.
Values for FY 2015-16 and thereafter are decreased by $186,183,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $34,265,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
Central Long Beach Project
Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 2.7

KEYSER MARSTON ASSOCIATES

NO GROWTH

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)														
Real Property (2)		3,913,319	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384
Personal Property (3)		272,898	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095
Total Projected Value		4,186,216	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478
Taxable Value Over Base	1,874,184	2,312,032	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294
Gross Tax Increment Revenue (4)		23,120	22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833
Unitary Tax Revenue		42	42	42	42	42	42	42	42	42	42	42	42	42
Appeal Tax Refund		(670)	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		22,492	22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875
Less:														
County Admin Fees (5)		(445)	(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)
Statutory Pass Throughs		(4,965)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)
PLEDGED TAX REVENUE		17,082	17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.
Values for FY 2015-16 and thereafter are decreased by $26,935,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $1,803,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Long Beach Successor Agency
Central Long Beach Project
Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 2.7

KEYSER MARSTON ASSOCIATES

NO GROWTH

		2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Taxable Values (1)														
Real Property (2)		3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384	3,886,384
Personal Property (3)		271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095	271,095
Total Projected Value		4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478	4,157,478
Taxable Value Over Base	1,874,184	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294	2,283,294
Gross Tax Increment Revenue (4)		22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833	22,833
Unitary Tax Revenue		42	42	42	42	42	42	42	42	42	42	42	42	42
Appeal Tax Refund		-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenues		22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875	22,875
Less:														
County Admin Fees (5)		(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)	(453)
Statutory Pass Throughs		(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)	(5,103)
PLEDGED TAX REVENUE		17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320	17,320

(1) Taxable values as reported by the Los Angeles County Auditor Controller for FY 2014-15.
(2) Real Property consists of secured land and improvement value. No valuation increases are assumed.
Values for FY 2015-16 and thereafter are decreased by $26,935,000 for assumed projected Real Property value loss due to pending assessment appeals.
(3) Personal Property consists of secured fixtures and personal property, State assessed utility value and all unsecured values. Personal Property values are held constant to the reported amount.
Values for FY 2015-16 and thereafter are decreased by $1,803,000 for assumed projected Personal Property value loss due to pending assessment appeals.
(4) Projected Gross Tax Increment Revenue is based upon incremental values factored against the General Levy tax rate of $1.00 per $100 of taxable value. Assumed tax refund due to pending appeals is also incorporated in FY 2014-15. Pursuant to AB 1x26, all revenue derived from debt service override tax rates will be directed to the levying taxing entities.
(5) The County Administrative fee (allowed by SB 2557 and AB x1 26) is based on actual percentage charge against Gross Tax Increment Revenues and Unitary Taxes as reflected in the January 2014 and June 2014 (FY 2013-14) RPTTF of the County.

Tables 3.1 to 3.7

Historic Assessed Values
By Project Area

Long Beach Successor Agency

West Beach Project
Historical Values
Table 3.1

	Base Year 1963-64	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average % Change
Secured												
Land	1,512,680	24,569,777	36,591,661	37,117,493	43,163,552	42,874,694	39,913,854	39,965,914	40,105,231	44,847,334	43,493,170	6.55%
Improvements	2,042,360	86,800,149	89,840,584	122,295,395	125,457,675	123,596,634	107,548,282	107,601,731	103,794,764	110,160,658	168,210,959	7.63%
Personal Prop/Fixt	42,818	16,964	-	-	-	-	-	-	-	-	-	-100.00%
Exemptions	(4,000)	-	-	-	-	-	-	-	-	-	-	0.00%
Total Secured	3,593,858	111,386,890	126,432,245	159,412,888	168,621,227	166,471,328	147,462,136	147,567,645	143,899,995	155,007,992	211,704,129	7.40%
Unsecured												
Land	19,960	-	-	-	-	-	-	-	-	-	-	0.00%
Improvements	-	-	-	-	-	-	-	-	-	-	-	0.00%
Personal Prop/Fixt	442,840	26,003,990	35,943,311	35,802,335	37,781,300	37,885,927	31,992,051	28,155,224	30,725,201	18,504,729	41,272,031	5.27%
Exemptions	(1,120)	-	-	-	-	-	-	-	-	-	-	0.00%
Total Unsecured	461,680	26,003,990	35,943,311	35,802,335	37,781,300	37,885,927	31,992,051	28,155,224	30,725,201	18,504,729	41,272,031	5.27%
GRAND TOTAL	4,055,538	137,390,880	162,375,556	195,215,223	206,402,527	204,357,255	179,454,187	175,722,869	174,625,196	173,512,721	252,976,160	7.02%
Less Base Value		(4,055,538)	(4,055,538)	(4,055,538)	(4,055,538)	(4,055,538)	(4,055,538)	(4,055,538)	(4,055,538)	(4,055,538)	(4,055,538)	
Incremental Value:		133,335,342	158,320,018	191,159,685	202,346,989	200,301,717	175,398,649	171,667,331	170,569,658	169,457,183	248,920,622	7.18%
Percentage Change:			18.74%	20.74%	5.85%	-1.01%	-12.43%	-2.13%	-0.64%	-0.65%	46.89%	

Source: Los Angeles County Auditor-Controller
Prepared by: Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: HIST: 3/27/2015: GSH

Long Beach Successor Agency

Poly High Project
Historical Values
Table 3.2

	Base Year 1972-73	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average % Change
Secured												
Land	2,687,892	27,425,425	40,164,295	41,997,973	65,536,954	53,982,809	47,101,823	50,199,722	53,753,240	69,828,434	72,477,440	11.40%
Improvements	2,580,317	28,524,834	29,656,897	30,843,181	31,773,197	31,510,254	31,264,168	31,750,927	32,792,932	33,558,968	33,861,366	1.92%
Personal Prop/Fixt	47,220	42,039	40,979	34,910	39,200	38,540	37,853	50,883	50,569	47,667	46,740	1.18%
Exemptions	(228,800)	(2,198,045)	(2,242,003)	(2,286,840)	(2,332,573)	(2,379,222)	(2,373,579)	(2,391,450)	(2,439,276)	(2,488,058)	(3,081,983)	3.83%
Total Secured	5,086,629	53,794,253	67,620,168	70,589,224	95,016,778	83,152,381	76,030,265	79,610,082	84,157,465	100,947,011	103,303,563	7.52%
Unsecured												
Land	-	-	-	-	-	-	-	-	-	-	-	0.00%
Improvements	-	-	-	-	-	-	-	-	-	-	-	0.00%
Personal Prop/Fixt	260,220	2,717,566	1,581,804	2,140,248	2,294,432	2,062,728	2,228,250	1,742,106	2,073,926	1,927,193	2,012,874	-3.28%
Exemptions	-	-	-	-	-	-	-	-	-	-	-	0.00%
Total Unsecured	260,220	2,717,566	1,581,804	2,140,248	2,294,432	2,062,728	2,228,250	1,742,106	2,073,926	1,927,193	2,012,874	-3.28%
GRAND TOTAL	5,346,849	56,511,819	69,201,972	72,729,472	97,311,210	85,215,109	78,258,515	81,352,188	86,231,391	102,874,204	105,316,437	7.16%
Less Base Value		(5,426,680)	(5,426,680)	(5,426,680)	(5,426,680)	(5,397,173)	(5,346,849)	(5,346,849)	(5,346,849)	(5,346,849)	(5,346,849)	
Incremental Value:		51,085,139	63,775,292	67,302,792	91,884,530	79,817,936	72,911,666	76,005,339	80,884,542	97,527,355	99,969,588	7.74%
Percentage Change:			24.84%	5.53%	36.52%	-13.13%	-8.65%	4.24%	6.42%	20.58%	2.50%	

Source: Los Angeles County Auditor-Controller
Prepared by: Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: HIST: 3/27/2015: GSH

Long Beach Successor Agency

Downtown Project
Historical Values
Table 3.3

	Base Year 1974-75	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average % Change
Secured												
Land	52,499,137	327,768,759	408,070,547	523,929,927	612,213,717	602,364,375	553,508,017	535,377,302	532,623,228	581,404,453	608,242,679	7.11%
Improvements	48,110,585	1,018,675,761	1,165,143,108	1,463,287,931	1,575,421,526	1,564,623,536	1,485,500,287	1,503,598,326	1,525,108,053	1,623,373,975	1,669,500,940	5.64%
Personal Prop/Fixt	3,926,664	2,169,318	5,158,315	2,232,401	3,786,958	4,196,248	7,561,933	7,513,541	4,157,377	9,052,412	10,040,626	18.56%
Exemptions	(5,768,564)	(127,827,433)	(129,560,644)	(132,347,235)	(139,214,842)	(141,979,726)	(143,516,008)	(140,926,999)	(120,873,587)	(143,961,719)	(147,623,170)	1.61%
Total Secured	98,767,822	1,220,786,405	1,448,811,326	1,857,103,024	2,052,207,359	2,029,204,433	1,903,054,229	1,905,562,170	1,941,015,071	2,069,869,121	2,140,161,075	6.44%
Unsecured												
Land	-	-	-	-	-	-	-	-	-	-	-	0.00%
Improvements	-	-	-	-	-	-	-	-	-	-	-	0.00%
Personal Prop/Fixt	23,384,620	159,575,771	147,892,273	178,468,371	191,870,348	194,802,089	182,959,242	181,513,301	218,056,931	221,597,193	210,955,831	3.15%
Exemptions	-	-	-	-	-	-	-	-	-	-	-	0.00%
Total Unsecured	23,384,620	159,575,771	147,892,273	178,468,371	191,870,348	194,802,089	182,959,242	181,513,301	218,056,931	221,597,193	210,955,831	3.15%
GRAND TOTAL	122,152,442	1,380,362,176	1,596,703,599	2,035,571,395	2,244,077,707	2,224,006,522	2,086,013,471	2,087,075,471	2,159,072,002	2,291,466,314	2,351,116,906	6.10%
Less Base Value		(119,281,131)	(119,281,131)	(121,338,106)	(122,130,257)	(123,053,955)	(122,869,550)	(122,318,178)	(122,318,178)	(122,152,442)	(122,152,442)	
Incremental Value:		1,261,081,045	1,477,422,468	1,914,233,289	2,121,947,450	2,100,952,567	1,963,143,921	1,964,757,293	2,036,753,824	2,169,313,872	2,228,964,464	6.53%
Percentage Change:			17.16%	29.57%	10.85%	-0.99%	-6.56%	0.08%	3.66%	6.51%	2.75%	

Source: Los Angeles County Auditor-Controller
Prepared by: Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: HIST: 3/27/2015: GSH

Long Beach Successor Agency

West Long Beach Industrial Project
Historical Values
Table 3.4

	Base Year 1974-75	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average % Change
Secured												
Land	72,345,542	464,975,171	477,089,032	492,771,580	650,100,049	594,071,926	612,797,119	619,828,410	654,247,327	735,490,128	818,613,859	6.49%
Improvements	22,548,647	277,901,086	372,873,652	413,718,684	437,666,545	423,211,837	424,803,318	460,995,368	448,489,055	649,194,479	1,011,825,527	15.44%
Personal Prop/Fixt	14,950,361	6,781,004	9,248,815	6,885,359	2,597,601	2,072,001	2,287,093	2,269,069	57,669,235	703,190	654,348	-22.88%
Exemptions	(49,642)	(281,579)	(334,902)	(610,856)	(298,810)	-	(364,293)	(367,035)	(352,095)	(381,862)	(383,000)	3.48%
Total Secured	109,794,908	749,375,682	858,876,597	912,764,767	1,090,065,385	1,019,355,764	1,039,523,237	1,082,725,812	1,160,053,522	1,385,005,935	1,830,710,734	10.43%
Unsecured												
Land	-	-	-	-	-	-	-	-	-	-	-	0.00%
Improvements	-	-	-	-	-	-	-	-	-	-	-	0.00%
Personal Prop/Fixt	52,032,168	266,446,931	351,344,625	382,537,890	287,073,248	304,595,700	342,342,027	228,444,318	313,941,988	318,706,863	399,504,048	4.60%
Exemptions	(3,700)	-	-	-	-	-	-	-	-	-	-	0.00%
Total Unsecured	52,028,468	266,446,931	351,344,625	382,537,890	287,073,248	304,595,700	342,342,027	228,444,318	313,941,988	318,706,863	399,504,048	4.60%
GRAND TOTAL	161,823,376	1,015,822,613	1,210,221,222	1,295,302,657	1,377,138,633	1,323,951,464	1,381,865,264	1,311,170,130	1,473,995,510	1,703,712,798	2,230,214,782	9.13%
Less Base Value		(162,703,452)	(162,703,452)	(162,559,077)	(162,559,077)	(162,320,495)	(162,288,755)	(162,190,237)	(162,023,920)	(161,823,376)	(161,823,376)	
Incremental Value:		853,119,161	1,047,517,770	1,132,743,580	1,214,579,556	1,161,630,969	1,219,576,509	1,148,979,893	1,311,971,590	1,541,889,422	2,068,391,406	10.34%
Percentage Change:			22.79%	8.14%	7.22%	-4.36%	4.99%	-5.79%	14.19%	17.52%	34.15%	

Source: Los Angeles County Auditor-Controller
Prepared by: Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: HIST: 3/27/2015: GSH

Long Beach Successor Agency

Los Altos Project
Historical Values
Table 3.5

	Base Year 1991-92	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average % Change
Secured												
Land	11,383,231	36,741,056	46,620,912	47,553,314	54,357,556	55,847,162	56,197,351	56,384,411	56,755,944	57,927,715	58,848,693	5.37%
Improvements	23,675,658	44,816,988	43,852,135	44,716,990	47,142,552	48,080,436	47,900,654	48,135,254	52,211,820	53,358,958	55,546,563	2.41%
Personal Prop/Fixt	61,906	-	-	-	-	-	-	-	-	-	-	0.00%
Exemptions	-	(158,885)	(162,062)	(165,305)	(168,610)	(171,982)	(171,574)	-	-	-	-	-100.00%
Total Secured	35,120,795	81,399,159	90,310,985	92,104,999	101,331,498	103,755,616	103,926,431	104,519,665	108,967,764	111,286,673	114,395,256	3.85%
Unsecured												
Land	-	-	-	-	-	-	-	-	-	-	-	0.00%
Improvements	-	-	-	-	-	-	-	-	-	-	-	0.00%
Personal Prop/Fixt	4,787,325	12,280,408	13,107,820	13,147,252	13,002,868	13,093,149	11,943,915	13,144,691	13,061,692	15,105,293	14,543,590	1.90%
Exemptions	(12,000)	-	-	-	-	-	-	-	-	-	-	0.00%
Total Unsecured	4,775,325	12,280,408	13,107,820	13,147,252	13,002,868	13,093,149	11,943,915	13,144,691	13,061,692	15,105,293	14,543,590	1.90%
GRAND TOTAL	39,896,120	93,679,567	103,418,805	105,252,251	114,334,366	116,848,765	115,870,346	117,664,356	122,029,456	126,391,966	128,938,846	3.61%
Less Base Value		(39,896,120)	(39,896,120)	(39,896,120)	(39,896,120)	(39,896,120)	(39,896,120)	(39,896,120)	(39,896,120)	(39,896,120)	(39,896,120)	
Incremental Value:		53,783,447	63,522,685	65,356,131	74,438,246	76,952,645	75,974,226	77,768,236	82,133,336	86,495,846	89,042,726	5.76%
Percentage Change:			18.11%	2.89%	13.90%	3.38%	-1.27%	2.36%	5.61%	5.31%	2.94%	

Source: Los Angeles County Auditor-Controller
Prepared by: Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: HIST: 3/27/2015: GSH

Long Beach Successor Agency

North Long Beach Project
Historical Values
Table 3.6

	Base Year 1995-96	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average % Change
Secured												
Land	1,278,818,696	2,891,558,473	3,327,947,058	3,646,938,909	4,082,264,319	3,830,673,485	3,724,764,996	3,763,863,021	3,817,549,452	4,425,435,104	4,574,088,991	5.23%
Improvements	1,408,471,282	2,543,129,112	2,656,892,432	2,883,843,106	3,127,979,540	3,053,992,505	2,837,108,634	2,875,243,242	2,967,888,915	2,961,771,059	3,074,219,284	2.13%
Personal Prop/Fixt	23,734,372	33,425,094	36,611,957	37,027,528	30,120,743	35,180,424	32,956,508	26,775,672	11,640,506	31,834,734	34,512,307	0.36%
Exemptions	(17,316,315)	(112,327,369)	(118,656,467)	(111,579,622)	(129,757,275)	(130,318,116)	(134,596,768)	(138,009,027)	(110,820,946)	(132,224,791)	(147,375,486)	3.06%
Total Secured	2,693,708,035	5,355,785,310	5,902,794,980	6,456,229,921	7,110,607,327	6,789,528,298	6,460,233,370	6,527,872,908	6,686,257,927	7,286,816,106	7,535,445,096	3.87%
Unsecured												
Land	-	-	-	-	-	-	-	-	-	-	-	0.00%
Improvements	-	-	-	-	-	-	-	-	-	-	-	0.00%
Personal Prop/Fixt	396,341,951	964,047,071	981,692,808	1,068,214,533	912,229,781	885,865,930	864,891,183	825,057,949	897,063,510	862,297,274	881,051,006	-1.00%
Exemptions	(100,600)	-	-	-	-	-	-	-	-	-	-	0.00%
Total Unsecured	396,241,351	964,047,071	981,692,808	1,068,214,533	912,229,781	885,865,930	864,891,183	825,057,949	897,063,510	862,297,274	881,051,006	-1.00%
GRAND TOTAL	3,089,949,386	6,319,832,381	6,884,487,788	7,524,444,454	8,022,837,108	7,675,394,228	7,325,124,553	7,352,930,857	7,583,321,437	8,149,113,380	8,416,496,102	3.23%
Less Base Value		(3,104,508,715)	(3,104,508,715)	(3,103,171,935)	(3,103,903,810)	(3,096,318,229)	(3,091,560,109)	(3,089,747,631)	(3,089,768,639)	(3,089,818,081)	(3,089,949,386)	
Incremental Value:		3,215,323,666	3,779,979,073	4,421,272,519	4,918,933,298	4,579,075,999	4,233,564,444	4,263,183,226	4,493,552,798	5,059,295,299	5,326,546,716	5.77%
Percentage Change:			17.56%	16.97%	11.26%	-6.91%	-7.55%	0.70%	5.40%	12.59%	5.28%	

Source: Los Angeles County Auditor-Controller
Prepared by: Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: HIST: 3/27/2015: GSH

Long Beach Successor Agency

Central Long Beach Project
Historical Values
Table 3.7

	Base Year 2000-01	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Average % Change
Secured												
Land	811,851,919	1,445,994,182	1,746,636,797	1,994,492,580	2,141,507,407	2,065,204,857	1,952,451,912	1,955,341,725	1,962,693,789	2,035,675,962	2,139,744,793	4.45%
Improvements	1,249,052,949	1,865,585,531	2,046,468,054	2,179,164,984	2,291,634,649	2,346,013,018	2,288,199,124	2,543,169,941	2,376,708,525	2,422,495,236	2,639,908,854	3.93%
Personal Prop/Fixt	82,304,308	51,914,129	76,093,141	81,469,384	53,413,846	83,514,727	84,110,684	87,762,788	88,429,905	4,503,376	120,314,463	9.79%
Exemptions	(387,977,807)	(413,842,334)	(419,736,683)	(525,558,496)	(411,245,288)	(603,914,568)	(643,337,694)	(904,263,155)	(705,979,162)	(257,427,108)	(866,334,945)	8.56%
Total Secured	1,755,231,369	2,949,651,508	3,449,461,309	3,729,568,452	4,075,310,614	3,890,818,034	3,681,424,026	3,682,011,299	3,721,853,057	4,205,247,466	4,033,633,165	3.54%
Unsecured												
Land	3,373,555	-	-	-	-	-	-	-	-	-	-	0.00%
Improvements	-	-	-	-	-	-	-	-	-	-	-	0.00%
Personal Prop/Fixt	119,227,590	112,702,624	114,729,952	120,710,699	126,715,188	132,425,585	126,983,641	117,924,446	132,967,872	165,677,113	152,583,210	3.42%
Exemptions	(3,648,355)	-	-	-	-	-	-	-	-	-	-	0.00%
Total Unsecured	118,952,790	112,702,624	114,729,952	120,710,699	126,715,188	132,425,585	126,983,641	117,924,446	132,967,872	165,677,113	152,583,210	3.42%
GRAND TOTAL	1,874,184,159	3,062,354,132	3,564,191,261	3,850,279,151	4,202,025,802	4,023,243,619	3,808,407,667	3,799,935,745	3,854,820,929	4,370,924,579	4,186,216,375	3.53%
Less Base Value		(1,888,193,407)	(1,888,193,407)	(1,883,759,548)	(1,880,133,292)	(1,880,046,583)	(1,878,746,457)	(1,874,903,447)	(1,873,560,675)	(1,873,780,493)	(1,874,184,159)	
Incremental Value:		1,174,160,725	1,675,997,854	1,966,519,603	2,321,892,510	2,143,197,036	1,929,661,210	1,925,032,298	1,981,260,254	2,497,144,086	2,312,032,216	7.82%
Percentage Change:			42.74%	17.33%	18.07%	-7.70%	-9.96%	-0.24%	2.92%	26.04%	-7.41%	

Source: Los Angeles County Auditor-Controller
Prepared by: Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: HIST: 3/27/2015: GSH

Tables 4.1 to 4.7

Top Ten Taxable Property Owners
By Property Area

Long Beach Successor Agency
West Beach Project
Top Ten Taxable Property Owners for FY 2014-15
Table 4.1

KEYSER MARSTON ASSOCIATES

		Secured			Unsecured			Total			
		Value	Parcels	% of Secured Value	Value	Parcels	% of Unsecured Value	Value	% of Total Value	% of Incremental Value	Use Code
1	AGNL Clinic LP	$135,237,202	2	63.88%	$0	-	0.00%	$135,237,202	53.46%	54.33%	Comml Office
2	Legacy Partners I Long Beach Oceangate LLC and Legacy Partners II	$42,362,255	2	20.01%	$47,100	2	0.11%	$42,409,355	16.76%	17.04%	Comml Office
3	Eleven Golden Shore LP	$19,350,000	1	9.14%	$0	-	0.00%	$19,350,000	7.65%	7.77%	Comml Office
4	SFI Leasing	$0	-	0.00%	$18,102,399	1	43.86%	$18,102,399	7.16%	7.27%	Unsecured
5	Molina Medical Centers and Molina Healthcare Inc.	$6,269,011	1	2.96%	$6,695,757	3	16.22%	$12,964,768	5.12%	5.21%	Comml Office
6	400 Oceangate Ltd.	$8,485,661	2	4.01%	$0	-	0.00%	$8,485,661	3.35%	3.41%	Comml Office
7	Shimmick/ FCC Impregilo Joint Venture	$0	-	0.00%	$3,491,083	1	8.46%	$3,491,083	1.38%	1.40%	Unsecured
8	Long Beach Publishing Co.	$0	-	0.00%	$1,433,976	1	3.47%	$1,433,976	0.57%	0.58%	Unsecured
9	UTI United States Inc.	$0	-	0.00%	$1,384,816	1	3.36%	$1,384,816	0.55%	0.56%	Unsecured
10	Shmmick Construction Co.	$0	-	0.00%	$1,370,411	1	3.32%	$1,370,411	0.54%	0.55%	Unsecured
	Top Ten Property Owner Totals	$211,704,129	8		$32,525,542	10		$244,229,671			
	Project Area Totals:	$211,704,129		100.00%	$41,272,031		78.81%	$252,976,160	96.54%		
	Project Area Incremental Value:	$208,110,271		101.73%	$40,810,351		79.70%	$248,920,622		98.12%	

2 Pending appeals on one or more parcels assessed to Legacy Partners I Long Beach Oceangate LLC and Legacy Partners II : FY 2014-15 AV of $42,362,255 contested; FY 2013-14 AV of $40,400,000 contested.

5 Pending appeals on one or more parcels assessed to Molina Medical Centers and Molina Healthcare Inc.: FY 2013-14 AV of $6,240,680 contested.

Source: Los Angeles County Assessor Tax Rolls FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Top10_2014-15_WestBeach_2015-05-15: Top10 2014-15: 5/15/2015: GSH

Long Beach Successor Agency
Poly High Project
Top Ten Taxable Property Owners for FY 2014-15
Table 4.2

	Secured			Unsecured			Total			
	Value	Parcels	% of Secured Value	Value	Parcels	% of Unsecured Value	Value	% of Total Value	% of Incremental Value	Use Code
1 Participants in Long Beach Unit	$47,537,085	2	46.02%	$0	-	0.00%	$47,537,085	45.14%	47.55%	Mineral Rights
2 DNA Esther LLC	$8,424,392	1	8.15%	$0	-	0.00%	$8,424,392	8.00%	8.43%	Residential-Multi Family
3 Black, Stanley and Joyce Trs Black Family Trust	$5,767,751	2	5.58%	$0	-	0.00%	$5,767,751	5.48%	5.77%	Comml -Retail
4 Preston IV LLC	$4,790,180	1	4.64%	$0	-	0.00%	$4,790,180	4.55%	4.79%	Residential-Multi Family
5 Kaplan, Arthur et al	$4,581,452	1	4.43%	$0	-	0.00%	$4,581,452	4.35%	4.58%	Comml -Retail
6 Christ Second Baptist Church of Long Beach	$1,735,041	7	1.68%	$0	-	0.00%	$1,735,041	1.65%	1.74%	Residential-Multi Family & Institutional
7 Shree Ganesh Inc.	$1,051,982	1	1.02%	$0	-	0.00%	$1,051,982	1.00%	1.05%	Comml Motel
8 Seeling, Joseph W	$957,844	2	0.93%	$0	-	0.00%	$957,844	0.91%	0.96%	Residential-Multi Family
9 Tam, Shufu and Wai Ling Trs Tam Family Trust	$870,420	1	0.84%	$0	-	0.00%	$870,420	0.83%	0.87%	Comml -Retail
10 Pope, Michael and Porter, Alvin	$842,816	1	0.82%	$0	-	0.00%	$842,816	0.80%	0.84%	Residential-Multi Family
Top Ten Property Owner Totals	$76,558,963	19		$0	-		$76,558,963			
Project Area Totals:	$103,303,563		74.11%	$2,012,874		0.00%	$105,316,437	72.69%		
Project Area Incremental Value:	$98,216,934		77.95%	$1,752,654		0.00%	$99,969,588		76.58%	

1 Pending appeals on one or more parcels assessed to Participants in Long Beach Unit: FY 2014-15 AV of $47,537,085 contested; FY 2013-14 AV of $45,311,182 contested; and FY 2012-13 AV of $30,049,726 contested.

2 Pending appeals on one or more parcels assessed to DNA Esther LLC: FY 2014-15 AV of $8,424,392 contested; FY 2013-14 AV of $8,370,789 contested.

Source: Los Angeles County Assessor Tax Rolls FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Top10_2014-15_PolyHigh_2015-05-15: Top10 Poly: 5/15/2015: GSH

Long Beach Successor Agency
Downtown Project
Top Ten Taxable Property Owners for FY 2014-15
Table 4.3

	Secured			Unsecured			Total			
	Value	Parcels	% of Secured Value	Value	Parcels	% of Unsecured Value	Value	% of Total Value	% of Incremental Value	Use Code
1 2009 CUSA Community Owner LLC	$143,997,640	2	6.73%	$0	-	0.00%	$143,997,640	6.12%	6.46%	Residential -Multi Family
2 John Hancock Life Insurance Co.	$120,113,848	1	5.61%	$0	-	0.00%	$120,113,848	5.11%	5.39%	Commercial -Office
3 Lyon Promenade LLC and Lyon West Gateway LLC	$108,344,606	4	5.06%	$0	-	0.00%	$108,344,606	4.61%	4.86%	Residential -Multi Family & Commercial -Retail
4 GRE Shoreline Square LP	$99,381,868	1	4.64%	$1,256,079	1	0.60%	$100,637,947	4.28%	4.52%	Commercial -Office
5 Noble Utah Long Beach LLC	$97,392,681	1	4.55%	$0	-	0.00%	$97,392,681	4.14%	4.37%	Commercial -Hotel
6 Hyatt Long Beach Corporation	$76,437,003	1	3.57%	$13,356,007	2	6.33%	$89,793,010	3.82%	4.03%	Possessory Interest -Hotel
7 City Place Long Beach LLC	$77,670,022	9	3.63%	$0	-	0.00%	$77,670,022	3.30%	3.48%	Commercial -Retail
8 DDR Urban LP	$75,023,522	1	3.51%	$888,983	2	0.42%	$75,912,505	3.23%	3.41%	Possessory Interest -Retail
9 Sunstone Ocean LLC	$57,278,231	2	2.68%	$2,335,814	1	1.11%	$59,614,045	2.54%	2.67%	Commercial -Hotel
10 WRPV XI City Place Long Beach LLC	$51,236,638	5	2.39%	$0	-	0.00%	$51,236,638	2.18%	2.30%	Commercial -Retail
Top Ten Property Owner Totals	$906,876,059	27		$17,836,883	6		$924,712,942			
Project Area Totals:	$2,140,161,075		42.37%	$210,955,831		8.46%	$2,351,116,906	39.33%		
Project Area Incremental Value:	$2,041,393,253		44.42%	$187,571,211		9.51%	$2,228,964,464		41.49%	

2 Pending appeals on one or more parcels assessed to John Hancock Life Insurance Co.: FY 2014-15 AV of $120,113,848 contested; FY 2013-14 AV of $125,513,856 contested; and FY 2012-13 AV of $123,052,800 contested.

3 Pending appeals on one or more parcels assessed to Lyon Promenade LLC and Lyon West Gateway LLC: FY 2014-15 AV of $27,322,039 contested; FY 2013-14 AV of $27,196,172 contested; and FY 2012-13 AV of $22,199,242 contested.

4 Pending appeals on one or more parcels assessed to GRE Shoreline Square LP: FY 2014-15 AV of $99,381,868 contested; FY 2013-14 AV of $98,932,714 contested; and FY 2012-13 AV of $96,992,858 contested.

5 Pending appeals on one or more parcels assessed to Noble Utah Long Beach LLC: FY 2014-15 AV of $97,392,681 contested; FY 2013-14 AV of $96,276,446 contested; and FY 2012-13 AV of $92,828,096 contested.

6 Pending appeals on one or more parcels assessed to Hyatt Long Beach Corporation: FY 2013-14 AV of $76,091,549 contested; and FY 2012-13 AV of $74,599,559 contested.

8 Pending appeals on one or more parcels assessed to DDR Urban LP: FY 2014-15 AV of $75,023,522 contested; FY 2013-14 AV of $74,684,456 contested; and FY 2012-13 AV of $73,220,055 contested.

Source: Los Angeles County Assessor Tax Rolls FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Top10_2014-15_Downtown_2015-05-15: Top10 2014-15: 5/15/2015: GSH

Long Beach Successor Agency
West Long Beach Industrial Project
Top Ten Taxable Property Owners for FY 2014-15
Table 4.4

KEYSER MARSTON ASSOCIATES

		Secured			Unsecured			Total			
		Value	Parcels	% of Secured Value	Value	Parcels	% of Unsecured Value	Value	% of Total Value	% of Incremental Value	Use Code
1	SSA Terminals LLC and SSAT Long Beach LLC	$258,835,149	2	14.14%	$108,560,210	4	27.17%	$367,395,359	16.47%	17.76%	Possessory Interest-Shipping Terminals
2	Tidelands Oil Production Co.	$332,782,611	8	18.18%	$0	-	0.00%	$332,782,611	14.92%	16.09%	Mineral Rights
3	Tesoro Refining and Marketing Company LLC and Tesoro Logistics Operations LLC	$85,032,014	5	4.64%	$124,444,721	5	31.15%	$209,476,735	9.39%	10.13%	Possessory Interest -Oil Refining and Industrial - Mineral Processing
4	Total Terminals Intl LLC	$93,124,590	1	5.09%	$14,517,817	1	3.63%	$107,642,407	4.83%	5.20%	Possessory Interest-Shipping Terminals
5	Hanjin Shipping TEC LLC	$0	-	0.00%	$31,108,666	1	7.79%	$31,108,666	1.39%	1.50%	Unsecured
6	Plains West Coast Terminals LLC	$28,039,312	1	1.53%	$0	-	0.00%	$28,039,312	1.26%	1.36%	Commercial Shipping Terminals
7	Toyota Motor Sales USA Inc.	$24,959,818	1	1.36%	$2,299,961	3	0.58%	$27,259,779	1.22%	1.32%	Possessory Interest-Shipping Terminals
8	Petro-Diamond Terminal Co.	$23,875,296	2	1.30%	$40,479	1	0.01%	$23,915,775	1.07%	1.16%	Possessory Interest-Shipping Terminals
9	Vopak Terminal Long Beach Inc.	$10,322,517	1	0.56%	$11,099,024	1	2.78%	$21,421,541	0.96%	1.04%	Industrial -Light Mfg
10	Baker Cold Storage Inc.	$19,588,530	1	1.07%	$0	-	0.00%	$19,588,530	0.88%	0.95%	Industrial -Vacant Land
	Top Ten Property Owner Totals	$876,559,837	22		$292,070,878	16		$1,168,630,715			
	Project Area Totals:	$1,830,710,734		47.88%	$399,504,048		73.11%	$2,230,214,782	52.40%		
	Project Area Incremental Value:	$1,720,915,826		50.94%	$347,475,580		84.06%	$2,068,391,406		56.50%	

1 Pending appeals on one or more parcels assessed to SSA Terminals LLC and SSAT Long Beach LLC: FY 2014-15 AV of $258,835,149 contested; FY 2013-14 AV of $257,962,731 contested; and FY 2012-13 AV of $254,194,835 contested.

2 Pending appeals on one or more parcels assessed to Tidelands Oil Production Co. : FY 2014-15 AV of $332,782,611 contested; FY 2013-14 AV of $275,302,975 contested; and FY 2012-13 AV of $235,313,960 contested.

3 Pending appeals on one or more parcels assessed to Tesoro Refining and Marketing Company LLC and Tesoro Logistics Operations LLC: FY 2014-15 AV of $36,063,703 contested; FY 2013-14 AV of $72,030,225 contested.

4 Pending appeals on one or more parcels assessed to Total Terminals Intl LLC: FY 2014-15 AV of $93,124,590 contested; FY 2013-14 AV of $93,758,733 contested; and FY 2012-13 AV of $97,860,631 contested.

6 Pending appeals on one or more parcels assessed to Plains West Coast Terminals LLC: FY 2014-15 AV of $28,039,312 contested; FY 2013-14 AV of $27,912,590 contested; and FY 2012-13 AV of $27,365,285 contested.

7 Pending appeals on one or more parcels assessed to Toyota Motor Sales USA Inc. : FY 2014-15 AV of $24,959,818 contested; FY 2013-14 AV of $24,847,013 contested; and FY 2012-13 AV of $24,359,818 contested.

8 Pending appeals on one or more parcels assessed to Petro-Diamond Terminal Co. : FY 2013-14 AV of $23,424,022 contested.

9 Pending appeals on one or more parcels assessed to Vopak Terminal Long Beach Inc.: FY 2013-14 AV of $10,275,866 contested.

Source: Los Angeles County Assessor Tax Rolls FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Top10_2014-15_Westside_2015-05-15: Top10 2014-15: 5/15/2015: GSH

Long Beach Successor Agency
Los Altos Project
Top Ten Taxable Property Owners for FY 2014-15
Table 4.5

	Secured			Unsecured			Total			
	Value	Parcels	% of Secured Value	Value	Parcels	% of Unsecured Value	Value	% of Total Value	% of Incremental Value	Use Code
1 CP Venture Two LLC	$43,106,692	1	37.68%	$0	-	0.00%	$43,106,692	33.43%	48.41%	Comml Retail-Regional Shopping Center
2 Dayton Hudson Corporation	$14,012,870	1	12.25%	$0	-	0.00%	$14,012,870	10.87%	15.74%	Comml Retail-Department Store
3 North Los Altos Shopping Center	$12,843,339	5	11.23%	$0	-	0.00%	$12,843,339	9.96%	14.42%	Comml Retail-Regional Shopping Center
4 Carter Hale Stores Inc.	$12,735,426	1	11.13%	$0	-	0.00%	$12,735,426	9.88%	14.30%	Comml Retail-Department Store
5 Walgreen Company	$8,197,016	3	7.17%	$0	-	0.00%	$8,197,016	6.36%	9.21%	Comml -Retail
6 Farmers and Merchants Bank of Long Beach	$4,487,257	2	3.92%	$0	-	0.00%	$4,487,257	3.48%	5.04%	Comml Retail-Regional Shopping Center
7 DJG Properties LLC	$3,786,020	3	3.31%	$0	-	0.00%	$3,786,020	2.94%	4.25%	Comml -Office
8 Bristol Farms Inc.	$0	-	0.00%	$2,413,580	1	16.60%	$2,413,580	1.87%	2.71%	Unsecured
9 MV Properties LLC	$1,940,000	1	1.70%	$0	-	0.00%	$1,940,000	1.50%	2.18%	Comml -Auto Retail
10 Begonia Development Inc.	$1,887,473	1	1.65%	$0	-	0.00%	$1,887,473	1.46%	2.12%	Comml -Retail
Top Ten Property Owner Totals	$102,996,093	18		$2,413,580	1		$105,409,673			
Project Area Totals:	$114,395,256		90.04%	$14,543,590		16.60%	$128,938,846	81.75%		
Project Area Incremental Value:	$79,274,461		129.92%	$9,768,265		24.71%	$89,042,726		118.38%	

1 Pending appeals on one or more parcels assessed to CP Venture Two LLC: FY 2014-15 AV of $43,106,692 contested; FY 2013-14 AV of $36,455,000 contested.

5 Pending appeals on one or more parcels assessed to Walgreen Company: FY 2014-15 AV of $8,197,016 contested; FY 2013-14 AV of $8,159,973 contested.

10 Pending appeals on one or more parcels assessed to Begonia Development Inc.: FY 2013-14 AV of $1,878,944 contested.

Source: Los Angeles County Assessor Tax Rolls FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Top10_2014-15_LosAltos_2015-05-15: Top10 2014-15: 5/15/2015: GSH

Long Beach Successor Agency
North Long Beach Project
Top Ten Taxable Property Owners for FY 2014-15
Table 4.6

	Secured			Unsecured			Total			
	Value	Parcels	% of Secured Value	Value	Parcels	% of Unsecured Value	Value	% of Total Value	% of Incremental Value	Use Code
1 Hanjin America Inc.	$725,055,748	1	9.62%	$0	-	0.00%	$725,055,748	8.61%	13.61%	Possessory Interest - Shipping Terminal
2 International Transportation Service Inc.	$361,766,284	1	4.80%	$105,204,281	1	11.94%	$466,970,565	5.55%	8.77%	Possessory Interest - Shipping Terminal
3 Pacific Maritime Services LLC	$297,800,000	1	3.95%	$112,017,504	1	12.71%	$409,817,504	4.87%	7.69%	Possessory Interest - Shipping Terminal
4 OOCL LLC and LBCT LLC	$271,613,230	1	3.60%	$78,435,524	1	8.90%	$350,048,754	4.16%	6.57%	Possessory Interest - Shipping Terminal
5 Tesoro Logistics Operations LLC	$125,470,117	5	1.67%	$1,633,331	2	0.19%	$127,103,448	1.51%	2.39%	Possessory Interest -Oil Refining
6 TABC Inc.	$23,026,929	2	0.31%	$54,353,986	1	6.17%	$77,380,915	0.92%	1.45%	Industrial -Mfg
7 Omninet Freeway LP	$70,699,525	1	0.94%	$0	-	0.00%	$70,699,525	0.84%	1.33%	Comml -Office
8 Oxbow Carbon and Minerals LLC	$35,466,327	6	0.47%	$26,793,840	5	3.04%	$62,260,167	0.74%	1.17%	Possessory Interest -Oil & Gas Refining
9 Pacific Pipeline System LLC	$53,390,407	4	0.71%	$0	-	0.00%	$53,390,407	0.63%	1.00%	Industrial -Mfg and Comml -Office
10 Carnival Corporation	$47,381,924	3	0.63%	$4,264,177	1	0.48%	$51,646,101	0.61%	0.97%	Possessory Interest - Cruise Terminal
Top Ten Property Owner Totals	$2,011,670,491	25		$382,702,643	12		$2,394,373,134			
Project Area Totals:	$7,535,445,096		26.70%	$881,051,006		43.44%	$8,416,496,102	28.45%		
Project Area Incremental Value:	$4,841,728,061		41.55%	$484,818,655		78.94%	$5,326,546,716		44.95%	

1 Pending appeals on one or more parcels assessed to Hanjin America Inc.: FY 2014-15 AV of $725,055,748 contested; FY 2013-14 AV of $721,778,873 contested; and FY 2012-13 AV of $707,626,347 contested.
2 Pending appeals on one or more parcels assessed to International Transportation Service Inc.: FY 2014-15 AV of $361,766,284 contested; FY 2013-14 AV of $360,131,289 contested; and FY 2012-13 AV of $353,069,892 contested.
3 Pending appeals on one or more parcels assessed to Pacific Maritime Services LLC: FY 2014-15 AV of $297,800,000 contested; FY 2013-14 AV of $297,800,000 contested; and FY 2012-13 AV of $297,800,000 contested.
4 Pending appeals on one or more parcels assessed to OOCL LLC and LBCT LLC: FY 2014-15 AV of $271,613,230 contested; FY 2013-14 AV of $270,385,680 contested.
5 Pending appeals on one or more parcels assessed to Tesoro Logistics Operations LLC: FY 2014-15 AV of $125,470,117 contested; FY 2013-14 AV of $71,436,483 contested.
7 Pending appeals on one or more parcels assessed to Omninet Freeway LP: FY 2014-15 AV of $70,699,525 contested; and FY 2012-13 AV of $84,346,904 contested.
8 Pending appeals on one or more parcels assessed to Oxbow Carbon and Minerals LLC: FY 2014-15 AV of $3,428,326 contested; FY 2013-14 AV of $3,412,833 contested; and FY 2012-13 AV of $3,345,914 contested.
9 Pending appeals on one or more parcels assessed to Pacific Pipeline System LLC: FY 2014-15 AV of $43,633,341 contested; FY 2013-14 AV of $44,062,873 contested; and FY 2012-13 AV of $43,741,260 contested.

Source: Los Angeles County Assessor Tax Rolls FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Top10_2014-15_North_2015-05-15: Top10 2014-15: 5/15/2015: GSH

Long Beach Successor Agency
Central Project
Top Ten Taxable Property Owners for FY 2014-15
Table 4.7

	Secured			Unsecured			Total			
	Value	Parcels	% of Secured Value	Value	Parcels	% of Unsecured Value	Value	% of Total Value	% of Incremental Value	Use Code
1 Long Beach Memorial Medical Center	$43,295,043	23	1.07%	$4,768,874	7	3.13%	$48,063,917	1.15%	2.08%	Institutional -Hospital & Commercial -Office
2 LB Inv MC LLC	$46,792,223	13	1.16%	$0	-	0.00%	$46,792,223	1.12%	2.02%	Institutional -Hospital
3 KW CV Third Pacific LLC	$37,108,018	1	0.92%	$0	-	0.00%	$37,108,018	0.89%	1.60%	Commercial -Retail
4 Praxair Inc.	$0	-	0.00%	$35,829,632	2	23.48%	$35,829,632	0.86%	1.55%	Unsecured
5 HS Belmont LLC	$24,221,190	2	0.60%	$0	-	0.00%	$24,221,190	0.58%	1.05%	Commercial -Retail
6 American Store Properties LLC	$18,344,827	5	0.45%	$0	-	0.00%	$18,344,827	0.44%	0.79%	Commercial -Retail
7 Vons Companies Inc.	$14,661,283	1	0.36%	$2,666,555	1	1.75%	$17,327,838	0.41%	0.75%	Commercial -Retail
8 Masuda Investments LLC	$17,316,882	6	0.43%	$0	-	0.00%	$17,316,882	0.41%	0.75%	Residential -Multi Family
9 Beasley Investments LP	$17,180,238	14	0.43%	$0	-	0.00%	$17,180,238	0.41%	0.74%	Residential -Multi Family
10 ABS CA GL LLC	$16,377,000	1	0.41%	$0	-	0.00%	$16,377,000	0.39%	0.71%	Commercial -Retail
Top Ten Property Owner Totals	$235,296,704	66		$43,265,061	10		$278,561,765			
Project Area Totals:	$4,033,633,165		5.83%	$152,583,210		28.36%	$4,186,216,375	6.65%		
Project Area Incremental Value:	$2,278,401,796		10.33%	$33,630,420		128.65%	$2,312,032,216		12.05%	

2 Pending appeals on one or more parcels assessed to LB Inv MC LLC: FY 2014-15 AV of $46,233,192 contested; FY 2013-14 AV of $45,634,019 contested; and FY 2012-13 AV of $44,712,034 contested.

5 Pending appeals on one or more parcels assessed to HS Belmont LLC: FY 2014-15 AV of $21,833,304 contested; FY 2013-14 AV of $21,734,630 contested.

6 Pending appeals on one or more parcels assessed to American Store Properties LLC: FY 2014-15 AV of $15,301,105 contested.

7 Pending appeals on one or more parcels assessed to Vons Companies Inc.: FY 2014-15 AV of $14,661,283 contested; FY 2013-14 AV of $14,595,022 contested; and FY 2012-13 AV of $14,308,846 contested.

8 Pending appeals on one or more parcels assessed to Masuda Investments LLC: FY 2013-14 AV of $11,093,137 contested.

10 Pending appeals on one or more parcels assessed to ABS CA GL LLC: FY 2014-15 AV of $16,377,000 contested; FY 2013-14 AV of $8,188,000 contested.

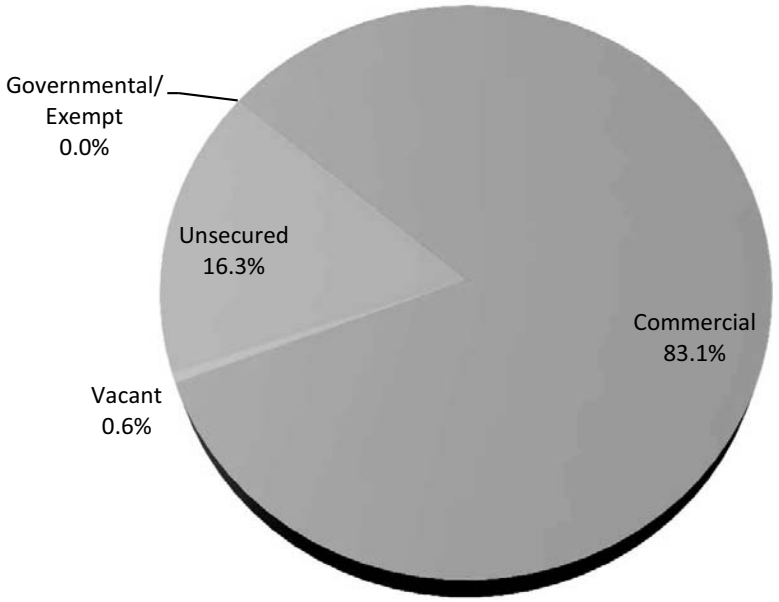
Source: Los Angeles County Assessor Tax Rolls FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Top10_2014-15_Central_2015-05-15: Top10 2014-15: 5/15/2015: GSH

Tables 5.1 to 5.7

Assessed Value by Land Use
By Project Area

Long Beach Successor Agency
West Beach Project
Project Area Land Use Categories for FY 2014-15
Table 5.1

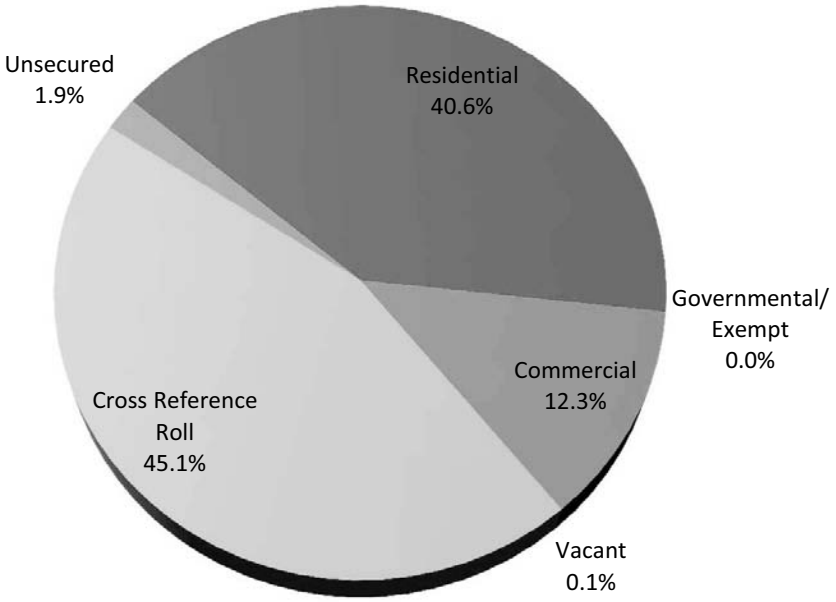
Category	No. of Parcels	Net Taxable Value	% of Total
Residential	-	$0	0.00%
Commercial	6	210,308,877	83.13%
Industrial	-	-	0.00%
Governmental/ Exempt	2	-	0.00%
Institutional	-	-	0.00%
Miscellaneous	-	-	0.00%
Recreational	-	-	0.00%
Vacant	2	1,395,252	0.55%
Subtotal	10	$211,704,129	83.69%
SBE Non-Unitary	-	-	0.00%
Cross Reference Roll	-	-	0.00%
Unsecured	146	41,272,031	16.31%
Subtotal	146	$41,272,031	16.31%
TOTAL	**156**	**$252,976,160**	**100.0%**



Source: Los Angeles County Assessor Tax Roll and Use Codes FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Landuses_2014-15_WestBeach: Combined 2014-15: 3/27/2015: GSH

Long Beach Successor Agency
Poly High Project
Project Area Land Use Categories for FY 2014-15
Table 5.2

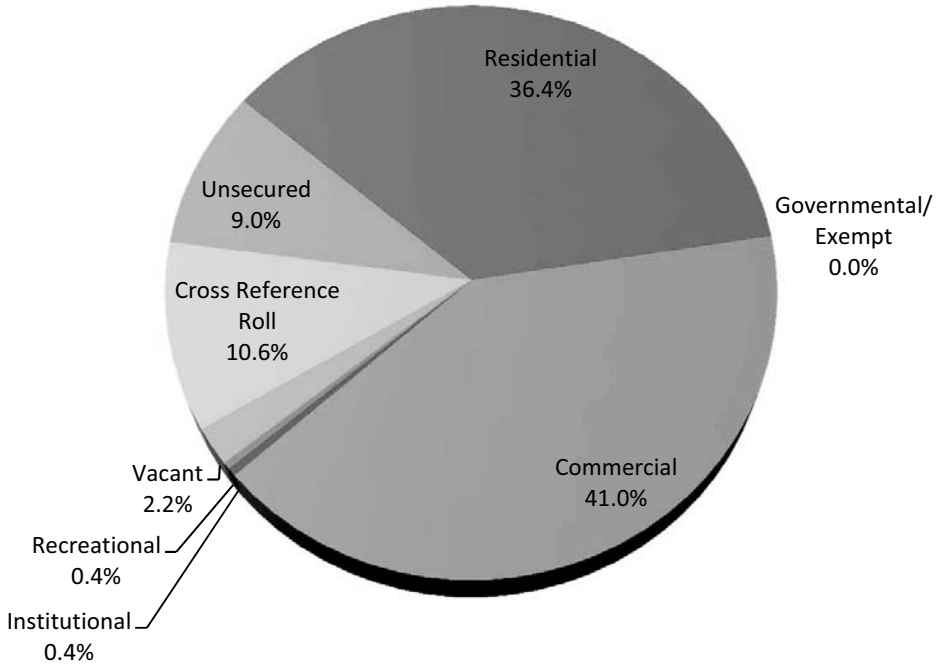
Category	No. of Parcels	Net Taxable Value	% of Total
Residential	110	$42,793,093	40.63%
Commercial	6	12,911,030	12.26%
Industrial	-	-	0.00%
Governmental/ Exempt	14	-	0.00%
Institutional	3	-	0.00%
Miscellaneous	-	-	0.00%
Recreational	-	-	0.00%
Vacant	2	62,355	0.06%
Subtotal	135	$55,766,478	52.95%
SBE Non-Unitary	-	-	0.00%
Cross Reference Roll	2	47,537,085	45.14%
Unsecured	39	2,012,874	1.91%
Subtotal	41	$49,549,959	47.05%
TOTAL	**176**	**$105,316,437**	**100.0%**



Source: Los Angeles County Assessor Tax Roll and Use Codes FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Landuses_2014-15_PolyHigh: Combined 2014-15: 3/27/2015: GSH

Long Beach Successor Agency
Downtown Project
Project Area Land Use Categories for FY 2014-15
Table 5.3

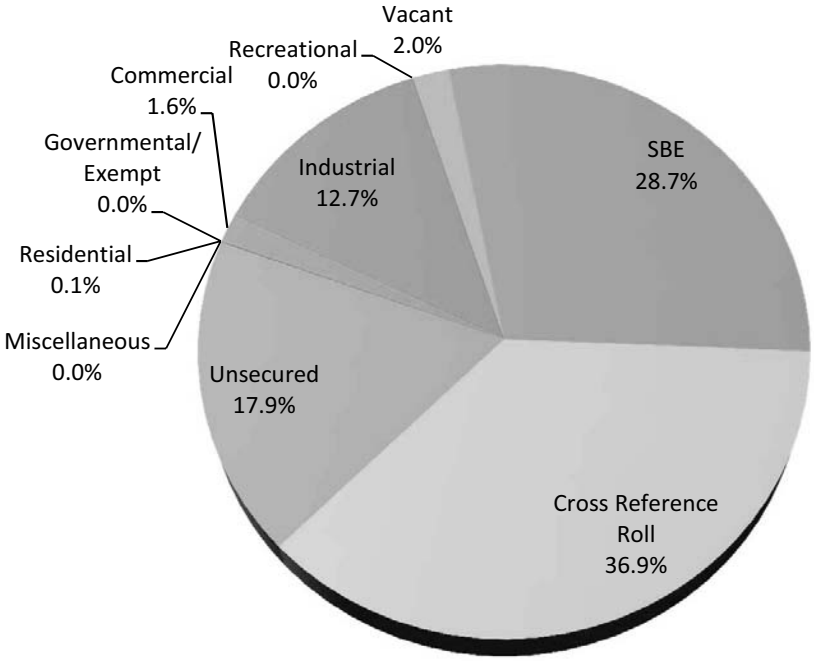
Category	No. of Parcels	Net Taxable Value	% of Total
Residential	2,161	$856,110,212	36.41%
Commercial	215	963,477,283	40.98%
Industrial	-	-	0.00%
Governmental/ Exempt	88	-	0.00%
Institutional	2	10,496,160	0.45%
Miscellaneous	-	-	0.00%
Recreational	4	9,229,107	0.39%
Vacant	37	51,110,286	2.17%
Subtotal	2,507	$1,890,423,048	80.41%
SBE Non-Unitary	-	-	0.00%
Cross Reference Roll	1,519	249,738,027	10.62%
Unsecured	2,283	210,955,831	8.97%
Subtotal	3,802	$460,693,858	19.59%
TOTAL	**6,309**	**$2,351,116,906**	**100.0%**



Source: Los Angeles County Assessor Tax Roll and Use Codes FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Landuses_2014-15_Downtown: Combined 2014-15: 3/27/2015: GSH

Long Beach Successor Agency
West Long Beach Industrial Project
Project Area Land Use Categories for FY 2014-15
Table 5.4

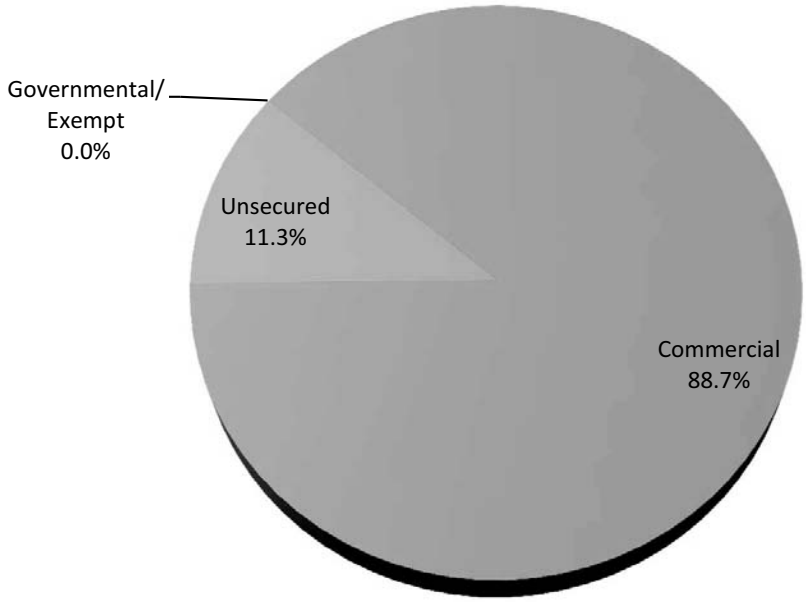
Category	No. of Parcels	Net Taxable Value	% of Total
Residential	10	$1,233,665	0.06%
Commercial	84	36,084,868	1.62%
Industrial	552	283,764,010	12.72%
Governmental/ Exempt	220	-	0.00%
Institutional	-	-	0.00%
Miscellaneous	1	382,497	0.02%
Recreational	1	322,354	0.01%
Vacant	275	44,774,832	2.01%
Subtotal	1,143	$366,562,226	16.44%
SBE Non-Unitary	1	640,158,990	28.70%
Cross Reference Roll	55	823,989,518	36.95%
Unsecured	421	399,504,048	17.91%
Subtotal	477	$1,863,652,556	83.56%
TOTAL	**1,620**	**$2,230,214,782**	**100.0%**



Source: Los Angeles County Assessor Tax Roll and Use Codes FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Landuses_2014-15_Westside: Combined 2014-15: 3/27/2015: GSH

Long Beach Successor Agency
Los Altos Project
Project Area Land Use Categories for FY 2014-15
Table 5.5

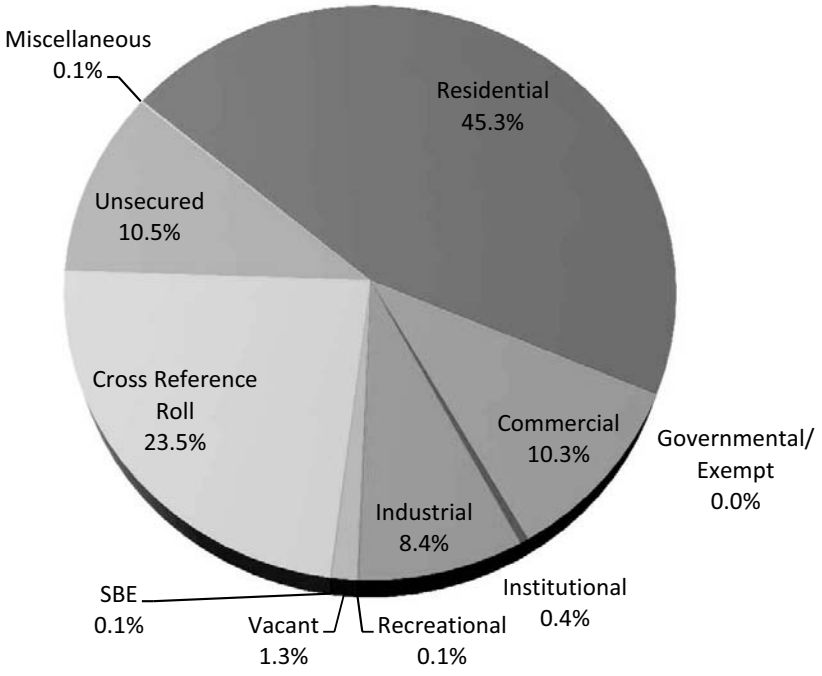
Category	No. of Parcels	Net Taxable Value	% of Total
Residential	-	$0	0.00%
Commercial	31	114,395,256	88.72%
Industrial	-	-	0.00%
Governmental/ Exempt	-	-	0.00%
Institutional	-	-	0.00%
Miscellaneous	-	-	0.00%
Recreational	-	-	0.00%
Vacant	-	-	0.00%
Subtotal	31	$114,395,256	88.72%
SBE Non-Unitary	-	-	0.00%
Cross Reference Roll	-	-	0.00%
Unsecured	89	14,543,590	11.28%
Subtotal	89	$14,543,590	11.28%
TOTAL	**120**	**$128,938,846**	**100.0%**



Source: Los Angeles County Assessor Tax Roll and Use Codes FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Landuses_2014-15_LosAltos: Combined 2014-15: 3/27/2015: GSH

Long Beach Successor Agency
North Long Beach Project
Project Area Land Use Categories for FY 2014-15
Table 5.6

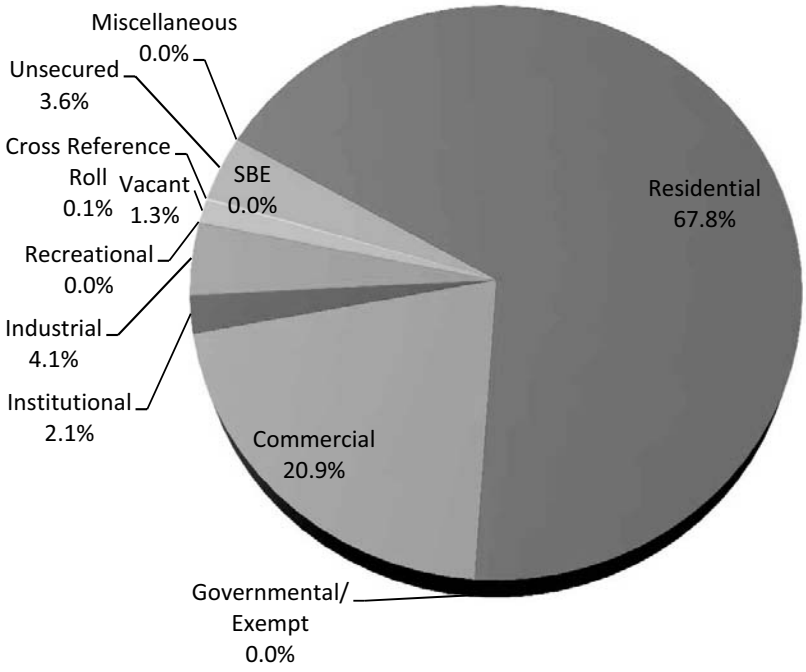
Category	No. of Parcels	Net Taxable Value	% of Total
Residential	15,132	$3,812,780,445	45.30%
Commercial	1,008	869,857,456	10.34%
Industrial	280	704,420,863	8.37%
Governmental/ Exempt	479	-	0.00%
Institutional	73	36,346,482	0.43%
Miscellaneous	5	9,956,496	0.12%
Recreational	12	9,122,806	0.11%
Vacant	399	107,071,986	1.27%
Subtotal	17,388	$5,549,556,534	65.94%
SBE Non-Unitary	3	6,001,042	0.07%
Cross Reference Roll	650	1,979,887,520	23.52%
Unsecured	1,989	881,051,006	10.47%
Subtotal	2,642	$2,866,939,568	34.06%
TOTAL	**20,030**	**$8,416,496,102**	**100.0%**



Source: Los Angeles County Assessor Tax Roll and Use Codes FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Landuses_2014-15_North: Combined 2014-15: 3/27/2015: GSH

Long Beach Successor Agency
Central Long Beach Project
Project Area Land Use Categories for FY 2014-15
Table 5.7

Category	No. of Parcels	Net Taxable Value	% of Total
Residential	10,628	$2,836,483,481	67.76%
Commercial	1,397	875,629,695	20.92%
Industrial	192	170,607,792	4.08%
Governmental/ Exempt	355	-	0.00%
Institutional	112	89,716,670	2.14%
Miscellaneous	1	39,716	0.00%
Recreational	8	1,651,414	0.04%
Vacant	479	53,388,885	1.28%
Subtotal	13,172	$4,027,517,653	96.21%
SBE Non-Unitary	1	100	0.00%
Cross Reference Roll	18	6,115,412	0.15%
Unsecured	1,754	152,583,210	3.64%
Subtotal	1,773	$158,698,722	3.79%
TOTAL	**14,945**	**$4,186,216,375**	**100.0%**



Source: Los Angeles County Assessor Tax Roll and Use Codes FY 2014-15
Prepared by Keyser Marston Associates, Inc.
Filename: LB_Landuses_2014-15_Central: Combined 2014-15: 3/27/2015: GSH

Tables 6.1 to 6.7

Historical Receipts to Levy
By Project Area

Long Beach Successor Agency
West Beach Project
Historical Receipts to Levy
Table 6.1

KEYSER MARSTON ASSOCIATES

	2009-10	2010-11	2011-12	2012-13	2013-14
I. Reported Assessed Value:					
Secured (1)	166,471,328	147,462,136	147,567,645	143,899,995	155,007,992
Unsecured (1)	37,885,927	31,992,051	28,155,224	30,725,201	18,504,729
II. Total Project Value	204,357,255	179,454,187	175,722,869	174,625,196	173,512,721
Less Secured Base Value (2)	(3,593,858)	(3,593,858)	(3,593,858)	(3,593,858)	(3,593,858)
Less Unsecured Base Value	(461,680)	(461,680)	(461,680)	(461,680)	(461,680)
Total Incremental Value	200,301,717	175,398,649	171,667,331	170,569,658	169,457,183
Tax Rate to Compute Tax Increment	1.0054%	1.0054%	1.0037%	1.0000%	1.0000%
III. Computed Gross Tax Increment:	2,013,863	1,763,484	1,723,025	1,705,697	1,694,572
Unitary Tax Revenue	6,967	7,154	7,843	7,983	8,897
Total Computed Levy	2,020,830	1,770,638	1,730,868	1,713,680	1,703,469
IV. Gross Tax Based on Collections Rate (3):					
Secured Tax Increment	1,635,778	1,444,006	1,445,065	1,403,061	1,514,141
Unsecured Tax Increment	364,467	305,915	269,502	295,244	179,314
Unitary Tax Revenue	6,967	7,154	7,843	7,983	8,897
Total Tax Based on Collections Rate	2,007,212	1,757,075	1,722,409	1,706,288	1,702,352
Variance From Computed Levy	(13,618)	(13,563)	(8,458)	(7,392)	(1,117)
% Collections per County	99.33%	99.23%	99.51%	99.57%	99.93%
V. Post-Dissolution Actual Gross Tax Increment Allocated (4):					
Gross T.I. Allocated July 1, 2011 to January 31, 2012			844,360		
RPTTF Gross Allocation June 2012 (February 1, 2012 to June 30, 2012)			465,288		
RPTTF Gross Allocation January				1,190,778	703,687
RPTTF Gross Allocation June				891,534	979,859
Post-Dissolution Allocated Levy			1,309,648	2,082,313	1,683,546

(1) Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

(2) Annual changes in the Base Year value are the result of acquisitions of privately held properties by public entities. Increases in the Base Year value are the result of dispositions of publicly held properties to private ownership. The County's practice stems from the case of Redevelopment Agency of the City of Sacramento vs. Malaki, 216 Cal. Appl. 2d 480 and subsequent related cases.

(3) Source: County Auditor-Controller year-end tax ledger detail. Amounts represent the annual tax increment revenues allocable to the Agency up to FY 2010-11 and prior to the dissolution of the Redevelopment Agency under AB 1x26. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes, prior year redemption payments, escaped assessments and any mid-year adjustments made by the County Auditor-Controller.

(4) Source: County Auditor-Controller monthly tax ledgers (November and December 2011 and January 2012). After the dissolution of the Redevelopment Agency, commencing February 1, 2012, the allocation to the Successor Agency of the former Redevelopment Agency was changed and a biannual allocation to the RPTTF is shown. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes and prior year redemptions.

Prepared by Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: WB: 3/27/2015: GSH

Long Beach Successor Agency
Poly High Project
Historical Receipts to Levy
Table 6.2

KEYSER MARSTON ASSOCIATES

	2009-10	2010-11	2011-12	2012-13	2013-14
I. Reported Assessed Value:					
Secured (1)	83,152,381	76,030,265	79,610,082	84,157,465	100,947,011
Unsecured (1)	2,062,728	2,228,250	1,742,106	2,073,926	1,927,193
II. Total Project Value	85,215,109	78,258,515	81,352,188	86,231,391	102,874,204
Less Secured Base Value (2)	(5,136,953)	(5,086,629)	(5,086,629)	(5,086,629)	(5,086,629)
Less Unsecured Base Value	(260,220)	(260,220)	(260,220)	(260,220)	(260,220)
Total Incremental Value	79,817,936	72,911,666	76,005,339	80,884,542	97,527,355
Tax Rate to Compute Tax Increment	1.0054%	1.0054%	1.0037%	1.0000%	1.0000%
III. Computed Gross Tax Increment:	802,503	733,066	762,866	808,845	975,274
Unitary Tax Revenue	8,432	8,428	8,840	8,911	9,464
Total Computed Levy	810,935	741,494	771,706	817,756	984,738
IV. Gross Tax Based on Collections Rate (3):					
Secured Tax Increment	762,863	705,862	735,515	775,311	944,753
Unsecured Tax Increment	17,846	19,765	14,011	19,054	16,476
Unitary Tax Revenue	8,432	8,428	8,840	8,905	9,449
Total Tax Based on Collections Rate	789,141	734,055	758,366	803,270	970,678
Variance From Computed Levy	(21,794)	(7,439)	(13,340)	(14,487)	(14,060)
% Collections per County	97.31%	99.00%	98.27%	98.23%	98.57%
V. Post-Dissolution Actual Gross Tax Increment Allocated (4):					
Gross T.I. Allocated July 1, 2011 to January 31, 2012			323,234		
RPTTF Gross Allocation June 2012 (February 1, 2012 to June 30, 2012)			297,120		
RPTTF Gross Allocation January				454,841	374,930
RPTTF Gross Allocation June				488,088	532,737
Post-Dissolution Allocated Levy			620,353	942,929	907,666

(1) Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

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(3) Source: County Auditor-Controller year-end tax ledger detail. Amounts represent the annual tax increment revenues allocable to the Agency up to FY 2010-11 and prior to the dissolution of the Redevelopment Agency under AB 1x26. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes, prior year redemption payments, escaped assessments and any mid-year adjustments made by the County Auditor-Controller.

(4) Source: County Auditor-Controller monthly tax ledgers (November and December 2011 and January 2012). After the dissolution of the Redevelopment Agency, commencing February 1, 2012, the allocation to the Successor Agency of the former Redevelopment Agency was changed and a biannual allocation to the RPTTF is shown. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes and prior year redemptions.

Prepared by Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: PH: 3/27/2015: GSH

Long Beach Successor Agency
Downtown Project
Historical Receipts to Levy
Table 6.3

KEYSER MARSTON ASSOCIATES

	2009-10	2010-11	2011-12	2012-13	2013-14
I. Reported Assessed Value:					
Secured (1)	2,029,204,433	1,903,054,229	1,905,562,170	1,941,015,071	2,069,869,121
Unsecured (1)	194,802,089	182,959,242	181,513,301	218,056,931	221,597,193
II. Total Project Value	2,224,006,522	2,086,013,471	2,087,075,471	2,159,072,002	2,291,466,314
Less Secured Base Value (2)	(99,669,335)	(99,484,930)	(98,933,558)	(98,933,558)	(98,767,822)
Less Unsecured Base Value	(23,384,620)	(23,384,620)	(23,384,620)	(23,384,620)	(23,384,620)
Total Incremental Value	2,100,952,567	1,963,143,921	1,964,757,293	2,036,753,824	2,169,313,872
Tax Rate to Compute Tax Increment	1.0054%	1.0037%	1.0037%	1.0000%	1.0000%
III. Computed Gross Tax Increment:	21,123,401	19,704,076	19,720,269	20,367,538	21,693,139
Unitary Tax Revenue	456,974	453,590	469,249	471,126	490,194
Total Computed Levy	21,580,375	20,157,666	20,189,518	20,838,664	22,183,332
IV. Gross Tax Based on Collections Rate (3):					
Secured Tax Increment	18,523,654	17,672,418	17,735,888	18,565,209	19,732,687
Unsecured Tax Increment	1,554,349	1,388,394	1,510,536	2,166,106	2,174,895
Unitary Tax Revenue	456,974	453,590	469,249	471,126	490,194
Total Tax Based on Collections Rate	20,534,977	19,514,402	19,715,673	21,202,440	22,397,776
Variance From Computed Levy	(1,045,398)	(643,264)	(473,845)	363,776	214,443
% Collections per County	95.16%	96.81%	97.65%	101.75%	100.97%
V. Post-Dissolution Actual Gross Tax Increment Allocated (4):					
Gross T.I. Allocated July 1, 2011 to January 31, 2012			8,911,159		
RPTTF Gross Allocation June 2012 (February 1, 2012 to June 30, 2012)			9,408,807		
RPTTF Gross Allocation January				10,467,192	10,281,036
RPTTF Gross Allocation June				12,001,021	13,138,328
Post-Dissolution Allocated Levy			18,319,966	22,468,213	23,419,363

(1) Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

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(3) Source: County Auditor-Controller year-end tax ledger detail. Amounts represent the annual tax increment revenues allocable to the Agency up to FY 2010-11 and prior to the dissolution of the Redevelopment Agency under AB 1x26. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes, prior year redemption payments, escaped assessments and any mid-year adjustments made by the County Auditor-Controller.

(4) Source: County Auditor-Controller monthly tax ledgers (November and December 2011 and January 2012). After the dissolution of the Redevelopment Agency, commencing February 1, 2012, the allocation to the Successor Agency of the former Redevelopment Agency was changed and a biannual allocation to the RPTTF is shown. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes and prior year redemptions.

Prepared by Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: DT: 3/27/2015: GSH

Long Beach Successor Agency
West Long Beach Industrial Project
Historical Receipts to Levy
Table 6.4

KEYSER MARSTON ASSOCIATES

	2009-10	2010-11	2011-12	2012-13	2013-14
I. Reported Assessed Value:					
Secured (1)	1,019,355,764	1,039,523,237	1,082,725,812	1,160,053,522	1,385,005,935
Unsecured (1)	304,595,700	342,342,027	228,444,318	313,941,988	318,706,863
II. Total Project Value	1,323,951,464	1,381,865,264	1,311,170,130	1,473,995,510	1,703,712,798
Less Secured Base Value (2)	(110,292,027)	(110,260,287)	(110,161,769)	(109,995,452)	(109,794,908)
Less Unsecured Base Value	(52,028,468)	(52,028,468)	(52,028,468)	(52,028,468)	(52,028,468)
Total Incremental Value	1,161,630,969	1,219,576,509	1,148,979,893	1,311,971,590	1,541,889,422
Tax Rate to Compute Tax Increment	1.0054%	1.0054%	1.0037%	1.0000%	1.0000%
III. Computed Gross Tax Increment:	11,679,206	12,261,798	11,532,311	13,119,716	15,418,894
Unitary Tax Revenue	1,006,040	993,673	1,017,425	1,019,774	1,047,158
Total Computed Levy	12,685,246	13,255,471	12,549,736	14,139,490	16,466,053
IV. Gross Tax Based on Collections Rate (3):					
Secured Tax Increment	9,434,256	9,253,215	9,716,308	10,834,619	13,136,977
Unsecured Tax Increment	2,459,524	2,880,019	2,534,352	2,769,605	3,044,083
Unitary Tax Revenue	1,006,040	993,673	1,017,425	1,019,102	1,046,914
Total Tax Based on Collections Rate	12,899,820	13,126,907	13,268,085	14,623,325	17,227,973
Variance From Computed Levy	214,574	(128,564)	718,349	483,835	761,921
% Collections per County	101.69%	99.03%	105.72%	103.42%	104.63%
V. Post-Dissolution Actual Gross Tax Increment Allocated (4):					
Gross T.I. Allocated July 1, 2011 to January 31, 2012			6,863,825		
RPTTF Gross Allocation June 2012 (February 1, 2012 to June 30, 2012)			4,545,670		
RPTTF Gross Allocation January				9,147,734	7,574,847
RPTTF Gross Allocation June				7,665,442	6,592,613
Post-Dissolution Allocated Levy			11,409,494	16,813,177	14,167,459

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(3) Source: County Auditor-Controller year-end tax ledger detail. Amounts represent the annual tax increment revenues allocable to the Agency up to FY 2010-11 and prior to the dissolution of the Redevelopment Agency under AB 1x26. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes, prior year redemption payments, escaped assessments and any mid-year adjustments made by the County Auditor-Controller.

(4) Source: County Auditor-Controller monthly tax ledgers (November and December 2011 and January 2012). After the dissolution of the Redevelopment Agency, commencing February 1, 2012, the allocation to the Successor Agency of the former Redevelopment Agency was changed and a biannual allocation to the RPTTF is shown. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes and prior year redemptions.

Prepared by Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: WLBI: 3/27/2015: GSH

Long Beach Successor Agency
Los Altos Project
Historical Receipts to Levy
Table 6.5

KEYSER MARSTON ASSOCIATES

	2009-10	2010-11	2011-12	2012-13	2013-14
I. Reported Assessed Value:					
Secured (1)	103,755,616	103,926,431	104,519,665	108,967,764	111,286,673
Unsecured (1)	13,093,149	11,943,915	13,144,691	13,061,692	15,105,293
II. Total Project Value	116,848,765	115,870,346	117,664,356	122,029,456	126,391,966
Less Secured Base Value (2)	(35,120,795)	(35,120,795)	(35,120,795)	(35,120,795)	(35,120,795)
Less Unsecured Base Value	(4,775,325)	(4,775,325)	(4,775,325)	(4,775,325)	(4,775,325)
Total Incremental Value	76,952,645	75,974,226	77,768,236	82,133,336	86,495,846
Tax Rate to Compute Tax Increment	1.0054%	1.0054%	1.0037%	1.0000%	1.0000%
III. Computed Gross Tax Increment:	773,694	763,857	780,560	821,333	864,958
Unitary Tax Revenue	761	860	1,142	1,203	1,601
Total Computed Levy	774,455	764,717	781,702	822,537	866,559
IV. Gross Tax Based on Collections Rate (3):					
Secured Tax Increment	677,457	682,142	688,476	730,082	685,091
Unsecured Tax Increment	79,134	69,971	82,723	82,524	105,064
Unitary Tax Revenue	761	860	1,142	1,203	1,585
Total Tax Based on Collections Rate	757,352	752,973	772,341	813,809	791,741
Variance From Computed Levy	(17,103)	(11,744)	(9,360)	(8,728)	(74,819)
% Collections per County	97.79%	98.46%	98.80%	98.94%	91.37%
V. Post-Dissolution Actual Gross Tax Increment Allocated (4):					
Gross T.I. Allocated July 1, 2011 to January 31, 2012			329,177		
RPTTF Gross Allocation June 2012 (February 1, 2012 to June 30, 2012)			299,319		
RPTTF Gross Allocation January				486,880	415,820
RPTTF Gross Allocation June				392,529	275,946
Post-Dissolution Allocated Levy			628,496	879,409	691,766

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(4) Source: County Auditor-Controller monthly tax ledgers (November and December 2011 and January 2012). After the dissolution of the Redevelopment Agency, commencing February 1, 2012, the allocation to the Successor Agency of the former Redevelopment Agency was changed and a biannual allocation to the RPTTF is shown. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes and prior year redemptions.

Prepared by Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: LA: 3/27/2015: GSH

Long Beach Successor Agency
North Long Beach Project
Historical Receipts to Levy
Table 6.6

KEYSER MARSTON ASSOCIATES

	2009-10	2010-11	2011-12	2012-13	2013-14
I. Reported Assessed Value:					
Secured (1)	6,789,528,298	6,460,233,370	6,527,872,908	6,686,257,927	7,286,816,106
Unsecured (1)	885,865,930	864,891,183	825,057,949	897,063,510	862,297,274
II. Total Project Value	7,675,394,228	7,325,124,553	7,352,930,857	7,583,321,437	8,149,113,380
Less Secured Base Value (2)	(2,700,085,878)	(2,695,327,758)	(2,693,515,280)	(2,693,536,288)	(2,693,585,730)
Less Unsecured Base Value	(396,232,351)	(396,232,351)	(396,232,351)	(396,232,351)	(396,232,351)
Total Incremental Value	4,579,075,999	4,233,564,444	4,263,183,226	4,493,552,798	5,059,295,299
Tax Rate to Compute Tax Increment	1.0054%	1.0054%	1.0037%	1.0000%	1.0000%
III. Computed Gross Tax Increment:	46,038,335	42,564,539	42,789,340	44,935,528	50,592,953
Unitary Tax Revenue	49,166	54,993	69,590	72,979	94,875
Total Computed Levy	46,087,501	42,619,532	42,858,930	45,008,507	50,687,828
IV. Gross Tax Based on Collections Rate (3):					
Secured Tax Increment	38,631,489	37,070,025	38,052,284	39,119,680	47,784,381
Unsecured Tax Increment	4,642,904	4,323,330	4,140,722	5,850,603	5,160,060
Unitary Tax Revenue	49,166	54,993	69,590	72,941	94,038
Total Tax Based on Collections Rate	43,323,559	41,448,348	42,262,596	45,043,224	53,038,479
Variance From Computed Levy	(2,763,942)	(1,171,184)	(596,334)	34,718	2,350,650
% Collections per County	94.00%	97.25%	98.61%	100.08%	104.64%
V. Post-Dissolution Actual Gross Tax Increment Allocated (4):					
Gross T.I. Allocated July 1, 2011 to January 31, 2012			20,089,107		
RPTTF Gross Allocation June 2012 (February 1, 2012 to June 30, 2012)			17,070,091		
RPTTF Gross Allocation January				25,474,492	21,722,715
RPTTF Gross Allocation June				25,727,642	35,360,181
Post-Dissolution Allocated Levy			37,159,198	51,202,134	57,082,896

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Prepared by Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: NO: 3/27/2015: GSH

Long Beach Successor Agency
Central Long Beach Project
Historical Receipts to Levy
Table 6.7

KEYSER MARSTON ASSOCIATES

	2009-10	2010-11	2011-12	2012-13	2013-14
I. Reported Assessed Value:					
Secured (1)	3,890,818,034	3,681,424,026	3,682,011,299	3,721,853,057	4,205,247,466
Unsecured (1)	132,425,585	126,983,641	117,924,446	132,967,872	165,677,113
II. Total Project Value	4,023,243,619	3,808,407,667	3,799,935,745	3,854,820,929	4,370,924,579
Less Secured Base Value (2)	(1,761,093,793)	(1,759,793,667)	(1,755,950,657)	(1,754,607,885)	(1,754,827,703)
Less Unsecured Base Value	(118,952,790)	(118,952,790)	(118,952,790)	(118,952,790)	(118,952,790)
Exemption Adjustment	-	-	-	-	(275,102,000)
Total Incremental Value	2,143,197,036	1,929,661,210	1,925,032,298	1,981,260,254	2,222,042,086
Tax Rate to Compute Tax Increment	1.0054%	1.0054%	1.0037%	1.0000%	1.0000%
III. Computed Gross Tax Increment:	21,548,050	19,401,126	19,321,549	19,812,603	22,220,421
Unitary Tax Revenue	21,895	24,636	31,391	32,928	42,598
Total Computed Levy	21,569,945	19,425,762	19,352,940	19,845,530	22,263,019
IV. Gross Tax Based on Collections Rate (3):					
Secured Tax Increment	19,659,332	18,065,986	18,569,417	18,550,231	20,603,453
Unsecured Tax Increment	78,643	36,689	102,782	718,656	675,124
Unitary Tax Revenue	21,895	24,636	31,391	32,911	42,228
Total Tax Based on Collections Rate	19,759,870	18,127,311	18,703,590	19,301,798	21,320,806
Variance From Computed Levy	(1,810,075)	(1,298,451)	(649,350)	(543,732)	(942,213)
% Collections per County	91.61%	93.32%	96.64%	97.26%	95.77%
V. Post-Dissolution Actual Gross Tax Increment Allocated (4):					
Gross T.I. Allocated July 1, 2011 to January 31, 2012			8,032,330		
RPTTF Gross Allocation June 2012 (February 1, 2012 to June 30, 2012)			9,353,535		
RPTTF Gross Allocation January				9,150,098	9,862,539
RPTTF Gross Allocation June				12,327,319	12,095,685
Post-Dissolution Allocated Levy			17,385,865	21,477,417	21,958,224

(1) Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

(2) Annual changes in the Base Year value are the result of acquisitions of privately held properties by public entities. Increases in the Base Year value are the result of dispositions of publicly held properties to private ownership. The County's practice stems from the case of Redevelopment Agency of the City of Sacramento vs. Malaki, 216 Cal. Appl. 2d 480 and subsequent related cases.

(3) Source: County Auditor-Controller year-end tax ledger detail. Amounts represent the annual tax increment revenues allocable to the Agency up to FY 2010-11 and prior to the dissolution of the Redevelopment Agency under AB 1x26. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes, prior year redemption payments, escaped assessments and any mid-year adjustments made by the County Auditor-Controller.

(4) Source: County Auditor-Controller monthly tax ledgers (November and December 2011 and January 2012). After the dissolution of the Redevelopment Agency, commencing February 1, 2012, the allocation to the Successor Agency of the former Redevelopment Agency was changed and a biannual allocation to the RPTTF is shown. Amounts shown do not include a deduction of administrative fees, tax refunds, pass through payments, nor do they include supplemental taxes and prior year redemptions.

Prepared by Keyser Marston Associates, Inc.
Filename: LB_Hist_2015-03-26: CTL: 3/27/2015: GSH

Table 7 continuation

Assessment Appeal Summaries
By Project Area

Long Beach Successor Agency
All Project Areas
Projection of Pending Assessment Appeals Impact
Table 7

		Dbase	Total Contested Value	Applicant Opinion of Value	Total Resolved Value	Variance
WEST BEACH	*Total No. of Appeals from 2008/09 to 2014/15*	28				
	No. of Resolved Appeals	23				
	No. of Successfully Resolved Appeals	7	30.434783%			
	Average Reduction of Successful Appeals	4.04073%	$207,413,000	$147,878,000	$199,032,000	($8,381,000)
	Secured Total No. of Pending Appeals	5				
	Secured Assumed No. of Pending Appeals Stipulated	2	No. Pending Appeals x % Successful All Project Areas			
	Secured FY 2014-15 Open/Pending Appeals	(3,418,000)	42,362,000	21,181,000	38,944,000	(3,418,000)
	Secured FY 2013-14 Open/Pending Appeals	(3,764,000)	46,641,000	25,500,000	42,877,000	(3,764,000)
	Secured FY 2012-13 Open/PendingAppeals	-	-	-	-	-
	Secured FY 2011-12 Open/PendingAppeals	-	-	-	-	-
	Secured Prior 2011-12 Open/Pending Appeals	-	-	-	-	-
	Secured Total Est. Reduction Assumed for Open/Pending Appeals	($7,182,000)	$89,003,000	$46,681,000	$81,821,000	(7,182,000)
	Secured Total Est. Tax Refund Open/Pending Appeals at 1%	($71,820)				

Source: Los Angeles County Assessment Appeals Board Database as of 1st Quarter 2015
Prepared by Keyser Marston Associates, Inc.
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Long Beach Successor Agency
All Project Areas
Projection of Pending Assessment Appeals Impact
Table 7

KEYSER MARSTON ASSOCIATES

		Dbase	Total Contested Value	Applicant Opinion of Value	Total Resolved Value	Variance
POLY HIGH	*Total No. of Appeals from 2008/09 to 2014/15*	24				
	No. of Resolved Appeals	12				
	No. of Successfully Resolved Appeals	6	50.000000%			
	Average Reduction of Successful Appeals	27.48858%	$41,821,000	$753,000	$30,325,000	($11,496,000)
	Secured Total No. of Pending Appeals	2				
	Secured Assumed No. of Pending Appeals Stipulated	1	No. Pending Appeals x % Successful All Project Areas			
	Secured FY 2014-15 Open/Pending Appeals	(679,000)	8,409,000	4,212,000	7,730,000	(679,000)
	Secured FY 2013-14 Open/Pending Appeals	(675,000)	8,371,000	4,193,000	7,696,000	(675,000)
	Secured FY 2012-13 Open/PendingAppeals	-	-	-	-	-
	Secured FY 2011-12 Open/PendingAppeals	-	-	-	-	-
	Secured Prior 2011-12 Open/Pending Appeals	-	-	-	-	-
	Secured Total Est. Reduction Assumed for Open/Pending Appeals	($1,354,000)	$16,780,000	$8,405,000	$15,426,000	(1,354,000)
	Secured Total Est. Tax Refund Open/Pending Appeals at 1%	($13,540)				
	Mineral Rights Total No. of Pending Appeals	10				
	Mineral Rights Assumed No. of Pending Appeals Stipulated	3	No. Pending Appeals x % Successful All Project Areas			
	Mineral Rights FY 2014-15 Open/Pending Appeals	(3,836,000)	47,537,000	2,003,000	43,701,000	(3,836,000)
	Mineral Rights FY 2013-14 Open/Pending Appeals	(3,656,000)	45,311,000	2,003,000	41,655,000	(3,656,000)
	Mineral Rights FY 2012-13 Open/Pending Appeals	(2,425,000)	30,050,000	2,003,000	27,625,000	(2,425,000)
	Mineral Rights FY 2011-12 Open/Pending Appeals	(2,165,000)	26,828,000	2,003,000	24,663,000	(2,165,000)
	Mineral Rights Prior 2011-12 Open/Pending Appeals	(1,916,000)	23,748,000	2,001,000	21,832,000	(1,916,000)
	Mineral Rights Total Est. Reduction Assumed for Open/Pending Appeals	($13,998,000)	$173,474,000	$10,013,000	$159,476,000	(13,998,000)
	Mineral Rights Total Est. Tax Refund Open/Pending Appeals at 1%	($139,980)				

Source: Los Angeles County Assessment Appeals Board Database as of 1st Quarter 2015
Prepared by Keyser Marston Associates, Inc.

Long Beach Successor Agency
All Project Areas
Projection of Pending Assessment Appeals Impact
Table 7

KEYSER MARSTON ASSOCIATES

		Dbase	Total Contested Value	Applicant Opinion of Value	Total Resolved Value	Variance
DOWNTOWN	*Total No. of Appeals from 2008/09 to 2014/15*	1867				
	No. of Resolved Appeals	1493				
	No. of Successfully Resolved Appeals	453	30.341594%			
	Average Reduction of Successful Appeals	12.70787%	$583,127,000	$323,276,000	$509,024,000	($74,103,000)
	Secured Total No. of Pending Appeals	302				
	Secured Assumed No. of Pending Appeals Stipulated	100	No. Pending Appeals x % Successful All Project Areas			
	Secured FY 2014-15 Open/Pending Appeals	(41,314,000)	511,990,000	144,409,000	470,676,000	(41,314,000)
	Secured FY 2013-14 Open/Pending Appeals	(40,826,000)	505,936,000	299,259,000	465,110,000	(40,826,000)
	Secured FY 2012-13 Open/PendingAppeals	(31,848,000)	394,685,000	255,955,000	362,837,000	(31,848,000)
	Secured FY 2011-12 Open/PendingAppeals	(36,304,000)	449,904,000	254,937,000	413,600,000	(36,304,000)
	Secured Prior 2011-12 Open/Pending Appeals	(7,338,000)	90,934,000	50,000,000	83,596,000	(7,338,000)
	Secured Total Est. Reduction Assumed for Open/Pending Appeals	($157,630,000)	$1,953,449,000	$1,004,560,000	$1,795,819,000	(157,630,000)
	Secured Total Est. Tax Refund Open/Pending Appeals at 1%	($1,576,300)				
	Possessory Interest Total No. of Pending Appeals	12				
	Possessory Interest Assumed No. of Pending Appeals Stipulated	4	No. Pending Appeals x % Successful All Project Areas			
	Possessory Interest FY 2014-15 Open/Pending Appeals	(8,578,000)	106,300,000	60,724,000	97,722,000	(8,578,000)
	Possessory Interest FY 2013-14 Open/Pending Appeals	(14,679,000)	181,911,000	111,248,000	167,232,000	(14,679,000)
	Possessory Interest FY 2012-13 Open/Pending Appeals	(12,114,000)	150,123,000	82,900,000	138,009,000	(12,114,000)
	Possessory Interest FY 2011-12 Open/Pending Appeals	(5,902,000)	73,137,000	52,000,000	67,235,000	(5,902,000)
	Possessory Interest Prior 2011-12 Open/Pending Appeals	(5,858,000)	72,590,000	51,202,000	66,733,000	(5,857,000)
	Possessory Interest Total Est. Reduction Assumed for Open/Pending Appeals	($47,130,000)	$584,061,000	$358,074,000	$536,931,000	(47,130,000)
	Possessory Interest Total Est. Tax Refund Open/Pending Appeals at 1%	($471,300)				
	Mineral Rights Total No. of Pending Appeals	10				
	Mineral Rights Assumed No. of Pending Appeals Stipulated	3	No. Pending Appeals x % Successful All Project Areas			
	Mineral Rights FY 2014-15 Open/Pending Appeals	(2,148,000)	26,623,000	175,000	24,475,000	(2,148,000)
	Mineral Rights FY 2013-14 Open/Pending Appeals	(2,100,000)	26,030,000	175,000	23,930,000	(2,100,000)
	Mineral Rights FY 2012-13 Open/Pending Appeals	(1,409,000)	17,459,000	175,000	16,050,000	(1,409,000)
	Mineral Rights FY 2011-12 Open/Pending Appeals	(1,258,000)	15,587,000	175,000	14,329,000	(1,258,000)
	Mineral Rights Prior 2011-12 Open/Pending Appeals	(1,125,000)	13,946,000	175,000	12,820,000	(1,126,000)
	Mineral Rights Total Est. Reduction Assumed for Open/Pending Appeals	($8,041,000)	$99,645,000	$875,000	$91,604,000	(8,041,000)
	Mineral Rights Total Est. Tax Refund Open/Pending Appeals at 1%	($80,410)				
	Unsecured Total No. of Pending Appeals	50				
	Unsecured Assumed No. of Pending Appeals Stipulated	16	No. Pending Appeals x % Successful All Project Areas			
	Unsecured FY 2014-15 Open/Pending Appeals	(947,000)	11,736,000	3,705,000	10,789,000	(947,000)
	Unsecured FY 2013-14 Open/Pending Appeals	(4,004,000)	49,624,000	38,942,000	45,620,000	(4,004,000)
	Unsecured FY 2012-13 Open/Pending Appeals	(96,000)	1,189,000	475,000	1,093,000	(96,000)
	Unsecured FY 2011-12 Open/Pending Appeals	-	-	-	-	-
	Unsecured Prior 2011-12 Open/Pending Appeals	(71,000)	878,000	435,000	807,000	(71,000)
	Unsecured Total Est. Reduction Assumed for Open/Pending Appeals	($5,118,000)	$63,427,000	$43,557,000	$58,309,000	(5,118,000)
	Unsecured Total Est. Tax Refund Open/Pending Appeals at 1%	($51,180)				

Source: Los Angeles County Assessment Appeals Board Database as of 1st Quarter 2015
Prepared by Keyser Marston Associates, Inc.
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Long Beach Successor Agency
All Project Areas
Projection of Pending Assessment Appeals Impact
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KEYSER MARSTON ASSOCIATES

		Dbase	Total Contested Value	Applicant Opinion of Value	Total Resolved Value	Variance
WEST LONG BEACH INDUSTRIAL	*Total No. of Appeals from 2008/09 to 2014/15*	333				
	No. of Resolved Appeals	178				
	No. of Successfully Resolved Appeals	61	34.269663%			
	Average Reduction of Successful Appeals	41.70221%	$531,473,000	$168,915,000	$309,837,000	($221,636,000)
	Secured Total No. of Pending Appeals	21				
	Secured Assumed No. of Pending Appeals Stipulated	7	No. Pending Appeals x % Successful All Project Areas			
	Secured FY 2014-15 Open/Pending Appeals	(4,933,000)	61,136,000	24,685,000	56,203,000	(4,933,000)
	Secured FY 2013-14 Open/Pending Appeals	(4,242,000)	52,571,000	17,047,000	48,329,000	(4,242,000)
	Secured FY 2012-13 Open/PendingAppeals	(2,208,000)	27,365,000	7,322,000	25,157,000	(2,208,000)
	Secured FY 2011-12 Open/PendingAppeals	(2,165,000)	26,829,000	7,324,000	24,664,000	(2,165,000)
	Secured Prior 2011-12 Open/Pending Appeals	(6,414,000)	79,487,000	21,489,000	73,072,000	(6,415,000)
	Secured Total Est. Reduction Assumed for Open/Pending Appeals	($19,963,000)	$247,388,000	$77,867,000	$227,425,000	(19,963,000)
	Secured Total Est. Tax Refund Open/Pending Appeals at 1%	($199,630)				
	Possessory Interest Total No. of Pending Appeals	57				
	Possessory Interest Assumed No. of Pending Appeals Stipulated	19	No. Pending Appeals x % Successful All Project Areas			
	Possessory Interest FY 2014-15 Open/Pending Appeals	(32,588,000)	403,854,000	167,637,000	371,266,000	(32,588,000)
	Possessory Interest FY 2013-14 Open/Pending Appeals	(37,332,000)	462,641,000	211,449,000	425,309,000	(37,332,000)
	Possessory Interest FY 2012-13 Open/Pending Appeals	(31,744,000)	393,386,000	176,319,000	361,642,000	(31,744,000)
	Possessory Interest FY 2011-12 Open/Pending Appeals	(24,412,000)	302,528,000	136,863,000	278,116,000	(24,412,000)
	Possessory Interest Prior 2011-12 Open/Pending Appeals	(24,233,000)	300,313,000	150,094,000	276,080,000	(24,233,000)
	Possessory Interest Total Est. Reduction Assumed for Open/Pending Appeals	($150,309,000)	$1,862,722,000	$842,362,000	$1,712,413,000	(150,309,000)
	Possessory Interest Total Est. Tax Refund Open/Pending Appeals at 1%	($1,503,090)				
	Mineral Rights Total No. of Pending Appeals	35				
	Mineral Rights Assumed No. of Pending Appeals Stipulated	12	No. Pending Appeals x % Successful All Project Areas			
	Mineral Rights FY 2014-15 Open/Pending Appeals	(26,852,000)	332,770,000	17,250,000	305,918,000	(26,852,000)
	Mineral Rights FY 2013-14 Open/Pending Appeals	(22,214,000)	275,290,000	17,250,000	253,076,000	(22,214,000)
	Mineral Rights FY 2012-13 Open/Pending Appeals	(18,987,000)	235,302,000	17,250,000	216,315,000	(18,987,000)
	Mineral Rights FY 2011-12 Open/Pending Appeals	(17,732,000)	219,743,000	17,250,000	202,011,000	(17,732,000)
	Mineral Rights Prior 2011-12 Open/Pending Appeals	(16,954,000)	210,100,000	17,250,000	193,146,000	(16,954,000)
	Mineral Rights Total Est. Reduction Assumed for Open/Pending Appeals	($102,739,000)	$1,273,205,000	$86,250,000	$1,170,466,000	(102,739,000)
	Mineral Rights Total Est. Tax Refund Open/Pending Appeals at 1%	($1,027,390)				
	Unsecured Total No. of Pending Appeals	42				
	Unsecured Assumed No. of Pending Appeals Stipulated	14	No. Pending Appeals x % Successful All Project Areas			
	Unsecured FY 2014-15 Open/Pending Appeals	(11,573,000)	143,416,000	46,112,000	131,843,000	(11,573,000)
	Unsecured FY 2013-14 Open/Pending Appeals	(3,947,000)	48,910,000	19,069,000	44,963,000	(3,947,000)
	Unsecured FY 2012-13 Open/Pending Appeals	(2,120,000)	26,267,000	8,682,000	24,147,000	(2,120,000)
	Unsecured FY 2011-12 Open/Pending Appeals	(462,000)	5,720,000	2,691,000	5,258,000	(462,000)
	Unsecured Prior 2011-12 Open/Pending Appeals	(1,795,000)	22,245,000	12,116,000	20,451,000	(1,794,000)
	Unsecured Total Est. Reduction Assumed for Open/Pending Appeals	($19,896,000)	$246,558,000	$88,670,000	$226,662,000	(19,896,000)
	Unsecured Total Est. Tax Refund Open/Pending Appeals at 1%	($198,960)				

Source: Los Angeles County Assessment Appeals Board Database as of 1st Quarter 2015
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Long Beach Successor Agency
All Project Areas
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KEYSER MARSTON ASSOCIATES

		Dbase	Total Contested Value	Applicant Opinion of Value	Total Resolved Value	Variance
LOS ALTOS	*Total No. of Appeals from 2008/09 to 2014/15*	47				
	No. of Resolved Appeals	34				
	No. of Successfully Resolved Appeals	15	44.117647%			
	Average Reduction of Successful Appeals	15.59862%	$106,971,000	$69,050,000	$90,285,000	($16,686,000)
	Secured Total No. of Pending Appeals	9				
	Secured Assumed No. of Pending Appeals Stipulated	3	No. Pending Appeals x % Successful All Project Areas			
	Secured FY 2014-15 Open/Pending Appeals	(4,140,000)	51,304,000	34,099,000	47,164,000	(4,140,000)
	Secured FY 2013-14 Open/Pending Appeals	(3,752,000)	46,494,000	36,000,000	42,742,000	(3,752,000)
	Secured FY 2012-13 Open/PendingAppeals	-	-	-	-	-
	Secured FY 2011-12 Open/PendingAppeals	-	-	-	-	-
	Secured Prior 2011-12 Open/Pending Appeals	-	-	-	-	-
	Secured Total Est. Reduction Assumed for Open/Pending Appeals	($7,892,000)	$97,798,000	$70,099,000	$89,906,000	(7,892,000)
	Secured Total Est. Tax Refund Open/Pending Appeals at 1%	($78,920)				
	Unsecured Total No. of Pending Appeals	4				
	Unsecured Assumed No. of Pending Appeals Stipulated	1	No. Pending Appeals x % Successful All Project Areas			
	Unsecured FY 2014-15 Open/Pending Appeals	(195,000)	2,415,000	1,191,000	2,220,000	(195,000)
	Unsecured FY 2013-14 Open/Pending Appeals	(159,000)	1,969,000	400,000	1,810,000	(159,000)
	Unsecured FY 2012-13 Open/Pending Appeals	-	-	-	-	-
	Unsecured FY 2011-12 Open/Pending Appeals	-	-	-	-	-
	Unsecured Prior 2011-12 Open/Pending Appeals	-	-	-	-	-
	Unsecured Total Est. Reduction Assumed for Open/Pending Appeals	($354,000)	$4,384,000	$1,591,000	$4,030,000	(354,000)
	Unsecured Total Est. Tax Refund Open/Pending Appeals at 1%	($3,540)				

Source: Los Angeles County Assessment Appeals Board Database as of 1st Quarter 2015
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Long Beach Successor Agency
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KEYSER MARSTON ASSOCIATES

		Dbase	Total Contested Value	Applicant Opinion of Value	Total Resolved Value	Variance
NORTH	*Total No. of Appeals from 2008/09 to 2014/15*	1863				
	No. of Resolved Appeals	1331				
	No. of Successfully Resolved Appeals	384	28.850488%			
	Average Reduction of Successful Appeals	27.38917%	$2,032,522,000	$738,622,000	$1,475,831,000	($556,691,000)
	Secured Total No. of Pending Appeals	293				
	Secured Assumed No. of Pending Appeals Stipulated	97	No. Pending Appeals x % Successful All Project Areas			
	Secured FY 2014-15 Open/Pending Appeals	(41,946,000)	519,822,000	240,070,000	477,876,000	(41,946,000)
	Secured FY 2013-14 Open/Pending Appeals	(27,338,000)	338,786,000	158,303,000	311,448,000	(27,338,000)
	Secured FY 2012-13 Open/PendingAppeals	(15,904,000)	197,098,000	77,095,000	181,194,000	(15,904,000)
	Secured FY 2011-12 Open/PendingAppeals	(6,148,000)	76,189,000	33,805,000	70,041,000	(6,148,000)
	Secured Prior 2011-12 Open/Pending Appeals	(5,538,000)	68,630,000	32,972,000	63,092,000	(5,538,000)
	Secured Total Est. Reduction Assumed for Open/Pending Appeals	($96,874,000)	$1,200,525,000	$542,245,000	$1,103,651,000	(96,874,000)
	Secured Total Est. Tax Refund Open/Pending Appeals at 1%	($968,740)				
	Possessory Interest Total No. of Pending Appeals	115				
	Possessory Interest Assumed No. of Pending Appeals Stipulated	38	No. Pending Appeals x % Successful All Project Areas			
	Possessory Interest FY 2014-15 Open/Pending Appeals	(144,237,000)	1,787,476,000	529,383,000	1,643,239,000	(144,237,000)
	Possessory Interest FY 2013-14 Open/Pending Appeals	(147,339,000)	1,825,919,000	846,138,000	1,678,580,000	(147,339,000)
	Possessory Interest FY 2012-13 Open/Pending Appeals	(122,344,000)	1,516,166,000	619,607,000	1,393,822,000	(122,344,000)
	Possessory Interest FY 2011-12 Open/Pending Appeals	(128,217,000)	1,588,938,000	610,660,000	1,460,721,000	(128,217,000)
	Possessory Interest Prior 2011-12 Open/Pending Appeals	(225,844,000)	2,798,791,000	1,063,769,000	2,572,946,000	(225,845,000)
	Possessory Interest Total Est. Reduction Assumed for Open/Pending Appeals	($767,982,000)	$9,517,290,000	$3,669,557,000	$8,749,308,000	(767,982,000)
	Possessory Interest Total Est. Tax Refund Open/Pending Appeals at 1%	($7,679,820)				
	Unsecured Total No. of Pending Appeals	124				
	Unsecured Assumed No. of Pending Appeals Stipulated	41	No. Pending Appeals x % Successful All Project Areas			
	Unsecured FY 2014-15 Open/Pending Appeals	(34,265,000)	424,634,000	165,243,000	390,369,000	(34,265,000)
	Unsecured FY 2013-14 Open/Pending Appeals	(37,587,000)	465,800,000	142,744,000	428,213,000	(37,587,000)
	Unsecured FY 2012-13 Open/Pending Appeals	(20,177,000)	250,042,000	44,941,000	229,865,000	(20,177,000)
	Unsecured FY 2011-12 Open/Pending Appeals	(5,949,000)	73,722,000	31,806,000	67,773,000	(5,949,000)
	Unsecured Prior 2011-12 Open/Pending Appeals	(4,016,000)	49,764,000	34,966,000	45,749,000	(4,015,000)
	Unsecured Total Est. Reduction Assumed for Open/Pending Appeals	($101,993,000)	$1,263,962,000	$419,700,000	$1,161,969,000	(101,993,000)
	Unsecured Total Est. Tax Refund Open/Pending Appeals at 1%	($1,019,930)				

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KEYSER MARSTON ASSOCIATES

		Dbase	Total Contested Value	Applicant Opinion of Value	Total Resolved Value	Variance
CENTRAL	*Total No. of Appeals from 2008/09 to 2014/15*	2102				
	No. of Resolved Appeals	1705				
	No. of Successfully Resolved Appeals	648	38.005865%			
	Average Reduction of Successful Appeals	20.35775%	$756,223,000	$290,158,000	$602,273,000	($153,950,000)
	Secured Total No. of Pending Appeals	341				
	Secured Assumed No. of Pending Appeals Stipulated	112	No. Pending Appeals x % Successful All Project Areas			
	Secured FY 2014-15 Open/Pending Appeals	(26,929,000)	333,717,000	166,751,000	306,788,000	(26,929,000)
	Secured FY 2013-14 Open/Pending Appeals	(16,783,000)	207,979,000	105,968,000	191,196,000	(16,783,000)
	Secured FY 2012-13 Open/PendingAppeals	(8,176,000)	101,327,000	52,997,000	93,151,000	(8,176,000)
	Secured FY 2011-12 Open/PendingAppeals	(4,968,000)	61,570,000	22,113,000	56,602,000	(4,968,000)
	Secured Prior 2011-12 Open/Pending Appeals	(117,000)	1,450,000	584,000	1,333,000	(117,000)
	Secured Total Est. Reduction Assumed for Open/Pending Appeals	($56,973,000)	$706,043,000	$348,413,000	$649,070,000	(56,973,000)
	Secured Total Est. Tax Refund Open/Pending Appeals at 1%	($569,730)				
	Possessory Interest Total No. of Pending Appeals	2				
	Possessory Interest Assumed No. of Pending Appeals Stipulated	1	No. Pending Appeals x % Successful All Project Areas			
	Possessory Interest FY 2014-15 Open/Pending Appeals	(6,000)	80,000	11,000	74,000	(6,000)
	Possessory Interest FY 2013-14 Open/Pending Appeals	(6,000)	79,000	11,000	73,000	(6,000)
	Possessory Interest FY 2012-13 Open/Pending Appeals	-	-	-	-	-
	Possessory Interest FY 2011-12 Open/Pending Appeals	-	-	-	-	-
	Possessory Interest Prior 2011-12 Open/Pending Appeals	-	-	-	(1,000)	(1,000)
	Possessory Interest Total Est. Reduction Assumed for Open/Pending Appeals	($13,000)	$159,000	$22,000	$146,000	(13,000)
	Possessory Interest Total Est. Tax Refund Open/Pending Appeals at 1%	($130)				
	Unsecured Total No. of Pending Appeals	54				
	Unsecured Assumed No. of Pending Appeals Stipulated	18	No. Pending Appeals x % Successful All Project Areas			
	Unsecured FY 2014-15 Open/Pending Appeals	(1,803,000)	22,344,000	12,943,000	20,541,000	(1,803,000)
	Unsecured FY 2013-14 Open/Pending Appeals	(5,750,000)	71,255,000	63,635,000	65,505,000	(5,750,000)
	Unsecured FY 2012-13 Open/Pending Appeals	(2,408,000)	29,836,000	15,080,000	27,428,000	(2,408,000)
	Unsecured FY 2011-12 Open/Pending Appeals	(38,000)	465,000	465,000	427,000	(38,000)
	Unsecured Prior 2011-12 Open/Pending Appeals	(45,000)	558,000	558,000	514,000	(44,000)
	Unsecured Total Est. Reduction Assumed for Open/Pending Appeals	($10,043,000)	$124,458,000	$92,681,000	$114,415,000	(10,043,000)
	Unsecured Total Est. Tax Refund Open/Pending Appeals at 1%	($100,430)				

Source: Los Angeles County Assessment Appeals Board Database as of 1st Quarter 2015
Prepared by Keyser Marston Associates, Inc.
Filename: 1Q2015_Appeals_2015-05-14: 1Q2015 Appeals: 5/15/2015: GSH: Page 8 of 8

APPENDIX C

AUDITED FINANCIAL STATEMENTS

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City of Long Beach

California

Comprehensive Annual

Financial Report

Fiscal Year Ended September 30, 2014

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City of Long Beach, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Prepared by the Department of Financial Management
John Gross, Director

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

PREPARED BY THE DEPARTMENT OF FINANCIAL MANAGEMENT

CITY OF LONG BEACH, CALIFORNIA

For the Fiscal Year Ended
September 30, 2014

John Gross
Director of Financial Management

Stephen W. Hannah
City Controller

Francine Wiegelman
Assistant City Controller

Marcie Medina
Assistant City Controller

Olivia Valero
Accounting Operations Officer

Michael Carrigg
Senior Accountant

Cathy Pingol
Senior Accountant

Mary Hebert
Senior Accountant

Lucy Hong
Senior Accountant

Kalpna Desai
Senior Accountant

Angie Tran
Accountant

Kim-Hang Nguyen
Accountant

Glenda Pakingan
Accountant

Amanda Johnson
Accountant

Alex Powers
Accountant

Georgia Will
Accountant

Maggie Hong
Accountant

Daniel Thurber
Investment Manager

Joanne Medina
Accounting Clerk

Cover Photography by *Hartono Tai*

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City of Long Beach
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2014

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INTRODUCTORY SECTION

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CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (562) 570-6711 • FAX (562) 570-6583

PATRICK H. WEST
CITY MANAGER

March 27, 2015

Honorable Mayor and City Council
City of Long Beach

In accordance with Section 302(e) of the City Charter, 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, 2014. This report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and was audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants.

This report contains management's representations concerning the City's finances, and management assumes full responsibility for the completeness and reliability of all of the information presented. To provide a reasonable basis for making these representations, City 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 the preparation of the City's financial statements in conformity with GAAP. As the cost of internal controls should not exceed anticipated benefits, 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. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's basic financial statements have been audited by KPMG LLP, an international public accounting firm fully licensed and qualified to perform audits of the State of California (State) and local governments within the State. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2014 are free of material misstatement. The independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended September 30, 2014 are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the City's basic financial statements is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the City's fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on those involving the administration of federal awards. The City's separately issued Single Audit report is available by contacting the City's Department of Financial Management.

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

The financial reporting entity for the City includes all the funds of the primary government, as legally defined, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

The City has seven independent fiscal entities that are considered blended component units and one discretely presented component unit. These entities vary widely in function and provide essential services. For a more detailed overview of the City's component units, see the MD&A and the Notes to the Basic Financial Statements.

Profile of the Government

The City, incorporated in 1897, is the seventh largest city in the state of California and is located in Southern California within Los Angeles County. The City occupies a land area of approximately 50 square miles, serves a population of over 469 thousand, and is one of the 40 largest cities in the United States. One of the nation's most demographically diverse cities, Long Beach has significant populations of Latino, Caucasian, African-American, and Asian residents. City Council members are elected from nine distinct districts. The strengths inherent in the City's diversity are reflected in its motto, "Many unique neighborhoods, one great city."

The City operates under a City Charter first adopted in 1921. The City Charter establishes the current Mayor-Council-City Manager form of government. The City is divided into nine Council Districts with Council members elected to represent their respective district for up to two four-year terms. The citizens, as a whole, elect a Mayor to serve up to two four-year terms. The citizens, as a whole, also elect a City Auditor, a City Prosecutor and a City Attorney to serve four-year terms; however, there are no term limits for these positions. The City Council and Mayor appoint a City Manager who serves at their discretion. The City Council is a policy-setting body that is responsible for, among other things, enacting ordinances, adopting the budget and appointing committees. The Mayor appoints, subject to confirmation by a majority vote of the City Council, the members of various commissions and boards to include:

- Citizen Police Complaint Commission
- Civil Service Commission
- Harbor Commission
- Parks and Recreation Commission
- Planning Commission
- Water Commission

The City Council either serves as, or confirms appointments of, the voting majority of the governing board for the Southeast Resource Recovery Facility (SERRF) Joint Powers Authority, Housing Authority of the City, Long Beach Community Investment Company, Long Beach Financing Authority, Long Beach Bond Finance Authority, and the Long Beach Public Transportation Company.

The City Manager is responsible for overseeing the administration of all City Manager-directed departments, to ensure that laws, ordinances, orders, resolutions, contracts, leases, and franchises are enforced and executed, and for appointing all City employees except for classified civil service employees, the City Clerk, elected officers, and their appointees.

The City provides a full range of municipal services, including police, fire, disaster preparedness, public health and environmental services, library, parks and recreation, social services, public works, waste management, planning and community development, gas, water, and towing services. The City operates and maintains a world-class international deep-water harbor, a nationally recognized convention center, beaches and marinas, and an award-winning airport. The City also administers oil extraction operations under a trust agreement with the State.

The annual budget serves as the foundation for the City's financial planning and budgetary control. The City Manager must submit a proposed budget to the Mayor on or before July 3rd and the Mayor must present that proposed budget along with recommendations to the City Council on or before August 2nd. The City Council is required to hold one or more public hearings on the proposed budget and to adopt a final budget on or before September 15. The budget is approved for each fund and department. The City Council adopted the fiscal year 2014 budget prior to September 15, 2013. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various 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, without City Council approval, provided that the total appropriations at the fund level and at the department level do not change. Transfers of appropriations between funds or departments require City Council approval. Total expenditures of each fund may not exceed fund appropriations, and total expenditures for each department may not exceed departmental appropriations. Appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

Local Economy

Fiscal year 2014 saw the City continue to experience steady economic growth. The City's commitment to create a healthy business environment through initiatives, such as the Clean and Safe Program, façade improvement, and events designed to connect local communities to their business corridors, both attracted new businesses to the City and also encouraged existing businesses to invest and expand their operations. Numerous development projects are underway for the construction of new retail, industrial buildings, medical buildings, a new automotive trade school and auto dealership facilities, and numerous residential units including a luxury apartment complex. The City's unemployment rate has dropped from 10.3 percent to 8.7 percent.

The Port of Long Beach (Harbor), a primary driver for the local economy, posted a 3 percent increase in trade for 2014, supporting $180 billion in economic activity. As cargo traffic through the ports of Long Beach and Los Angeles continue to grow, trades and transportation jobs are also to increase. The Harbor supports more than 30 thousand jobs in Long Beach, 316 thousand jobs throughout Southern California and 1.4 million jobs throughout the United States. It generates about $16 billion in annual trade-related wages statewide.

As an industry leader in the transit of goods from ship-to-store shelf, as well as in environmental sustainability, the Harbor's $4.5 billion capital improvement program is aimed at modernizing the efficiency of its cargo handling and transit facilities while minimizing the environmental impact of those operations. Forty-percent of the nation's imported containers transit through the Ports of Long Beach and Los Angeles. In 2015, imports through these local twin ports are expected to reach an all-time high. This speaks to the continued expansion taking place in the industry, not only locally but also in the overall economy. The Harbor's capital improvements include redevelopment of existing

terminals, building new wharfs, railroad system improvements and replacement of the Gerald Desmond Bridge that serves both as a major commuter route and conduit for the movement of cargo.

Another source of substantial economic activity and business opportunity is the Long Beach Airport. The Long Beach Airport hosts four airlines offering non-stop service to 13 cities, and serves nearly 3 million commercial airline passengers annually; ranking number 70 out of 560 US commercial service airports in passenger traffic. In addition, the Airport supports a healthy general aviation community with approximately 300 thousand annual flights. The Long Beach Airport provides 11,000 jobs and a regional economic boost of more than $8 billion.

To foster economic development, the City has been selected as one of 12 US cities to participate in the $45 million Bloomberg Philanthropies Innovation Teams Program, which theme is: "Economic Development for the 21st Century." The City will receive $3 million over three years to fund an innovation team that will focus on economic development and the implementation of innovative solutions for improving services, civic engagement, and neighborhoods and business districts. The program will provide the City with best practices information aimed at stimulating growth, creating jobs, and leveraging City resources through the online delivery of services.

The City's commitment to public safety is reflected in a downward trend in overall crime. Recent crime statistics for the City reflect the lowest number of reported violent crimes in 42 years. This includes a 19.6 percent reduction in violent crimes and a 4.3 percent reduction in property crimes over the last five years. The reduction in crime is attributed to an increase in community participation in crime prevention efforts and the professionalism and hard work of the men and women of the Long Beach Police and Fire Departments.

Financial Condition

The City ended the current fiscal year in a stronger financial position than the past year. In a special report released recently, Moody's Investors Service (a bond rating agency) identified the City as one of 34 large cities in the country that maintained their credit rating and have proven resilient in their credit quality despite the "systematic economic downturn and other challenges such as pension underfunding."

The general reasons that the City has been successful are:

- Tax-based growth, despite challenges;
- Strong financial management that supports revenue growth and improved reserves;
- Maintenance of manageable debts; and,
- Long-term liabilities are a moderate portion of budgets.

State of the City, Beginning Fiscal Year 2015:

The City is projecting a $3.1 million general fund surplus for fiscal year 2015. This continues the City's strong financial management. Prudent management of funds and surpluses has helped the City maintain financial stability. In the near future, expenses driven by the California Public Employees' Retirement System (CalPERS) rate increases, and other benefit costs, such as employee healthcare, are anticipated to outpace revenue growth. The recent drop in the price of oil also presents challenges to the City's operating and capital improvement budgets. The City's strong financial management is

expected to be able to meet these challenges. The annual surpluses from fiscal years 2013 and 2014, and the expected surpluses for fiscal year 2015, will aid in reducing the City's projected deficits in fiscal years 2016 and 2017.

Many Accomplishments:

Fiscal year 2014 has been a productive year for the City. With increased resources, a good economy and dedicated employees, significant accomplishments were achieved over the past year.

Sustainability:

- 84 percent of the City's beaches received "A" and "B" grades for water quality from Heal the Bay.
- The City saved 141 thousand kilowatt hours through energy efficiency projects.
- The (SERRF) waste-to-energy facility diverted 459 thousand tons of refuse from landfills, while generating $25 million in electric sales.
- Almost 27 thousand tons of recyclable material and more than three thousand gallons of motor oil were collected.
- About 20 percent of the City's fleet are alternative fuel vehicles; 65 percent of the vehicles ordered in 2014 were alternative fuel vehicles.
- The City planted one thousand trees in Port adjacent neighborhoods, and 400 drought tolerant replacement trees were planted in parks.

Housing and Community Improvements:

- The City assisted 566 persons through homeless prevention programs and more than one thousand homeless persons with housing placement.
- Provided more than $62 million in rental assistance to nearly seven thousand low-income families and provided rental assistance to 485 families through the Veterans Affairs Supportive Housing (VASH) Program.
- Provided 476 families with suitable affordable housing; Completed construction of 60 low-income senior apartments units and rehabilitation of 11 low-income senior apartment units.
- 891 tons of debris removed from streets and neighborhoods by three thousand volunteers participating in 104 cleanup events.

Economic and Workforce Development:

- 38 new Long Beach businesses received grant assistance to help defray start-up costs and 470 small businesses received counseling at the Small Business Development Center.
- Issued almost five thousand Enterprise Zone Credit Vouchers and placed 800 young adults in paid work experience opportunities.
- More than two thousand job seekers were served through Workforce Development grants with 52 percent finding permanent employment.

Technology and Financial Matters:

- Installed 225 video surveillance cameras across the City.
- The City launched "Go Long Beach" applications for the Long Beach Airport and Animal Care Services and implemented the Pulse Point mobile application to aid cardiac victims more quickly.
- Implemented the "BulletTrax" system, allowing the Police Department to enter bullets, fragments, and jackets into the National Integrated Ballistics Information System.

- Implemented a new web-based "RecConnect" system for class registration and facility reservations and completed installation of self-check-out kiosks in all City libraries.

Public Safety:

- The City had a 41-year low for violent crimes.
- For the year, response time to police priority calls was 4.7 minutes, one of the fastest for any large city, and 94.3 percent of 560 thousand emergency calls to the Police Communications Center were answered within 10 seconds.
- 152 arrests for gang injunction violations; 91 arrests made by the Human Trafficking Task Force Operations, and 22 minors were rescued; 30 arrests made and 55 firearms seized through the Prohibited Possessor Operation.
- 358 tons of narcotics and drug-related paraphernalia were destroyed at the SERRF plant.
- The Gas & Oil Department responded to nearly six thousand emergency calls for service.

Infrastructure and New Development:

- Reopened the Multi-Service Center (MSC) for homeless services after a $2 million renovation.
- Installed 94 thousand feet of new gas main pipeline and nearly two thousand new service pipelines.
- The Public Works Department resurfaced nine major and secondary streets, 19 lane miles of residential streets were paved, two miles of residential streets were slurry sealed, five traffic signals were installed, repainted 107 thousand linear feet of curbs, replaced more than seven thousand traffic signs, over one thousand street name signs, and constructed 5.8 miles of new bike lanes/routes.
- Replaced/repaired roofs at six branch libraries and four community centers and replaced HVAC unit at the Main Health Facility.
- Implemented an adaptive traffic signal control system for 18 traffic signals so they can adjust in real time to changing traffic conditions.
- The City completed one new park and 16 significant park improvements or improvement programs and started 17 park improvement projects.

Citywide Awards and Distinctions:

- Top 10 "Digital City" In America for the fourth consecutive year.
- Achieved a perfect score in the Human Rights Campaign's Municipal Equality Index (MEI) for Lesbian, Gay, and Bisexual and Transgender (LGBT) inclusion in municipal law and policy.
- Transportation Planning Award for the Mobility Element from the American Planning Association, California Chapter.
- Helen Putnam Award for Infrastructure and Transportation for the Long Beach Airport and a Top 10 airport Terminals of 2014 by Fodor's.
- Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).
- Achieved international accreditation for the Police Department's crime laboratory, the highest level attainable.

Pension and Other Post-Employment Benefits

The City provides to full-time employees retirement and disability benefits through CalPERS, a state run defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State. Benefit provisions and all other requirements are established by both State statute and City ordinance. On an annual basis, CalPERS recalculates the City's required pension contributions, and, consistent with City policy, the City makes those required contributions.

The City provides seasonal and temporary employees retirement and death and disability benefits through a Public Agency Retirement System (PARS) defined benefit single-employer retirement plan. The PARS plan is administered through a third-party administrator. The City's funding policy is to make the contribution as determined by the PARS plan's actuary.

Currently, the City administers a post-retirement health care benefits program where upon retirement from the City, retirees, their spouses, and eligible dependents are allowed to use the cash value of the employee's accumulated unused sick leave to pay for health, dental, vision, short- and long-term disability, and long-term care insurance.

Additional information on the pension arrangements and post-employment health care benefits can be found in Notes 13 and 14 of the Notes to the Basic Financial Statements in the accompanying Financial Section of this report.

Independent Audit

Section 803 of the City Charter requires the City Auditor, at least once in each fiscal year, to audit the financial activities of the City. Immediately upon completion of such audit, the City Auditor shall make and file with the City Clerk a written report thereof. The City Auditor has contracted with an independent certified public accounting firm to conduct the audit for the fiscal year ended September 30, 2014. The Independent Auditors' report has been included in this report.

Certificate of Achievement

For the seventh 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, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. 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.

Acknowledgments

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

Respectfully submitted,

PATRICK H. WEST
CITY MANAGER

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

Directory of City Officials
As of September 30, 2014

Dr. Robert Garcia
Mayor

Dr. Suja Lowenthal
Vice-Mayor
2nd District

Lena Gonzalez Councilmember 1st District	Dee Andrews Councilmember 6th District
Suzie A. Price Councilmember 3rd District	Roberto Uranga Councilmember 7th District
Patrick O'Donnell Councilmember 4th District	Al Austin Councilmember 8th District
Stacey Mungo Councilmember 5th District	Rex Richardson Councilmember 9th District

Elected Department Heads

City Attorney	Charles Parkin
City Auditor	Laura Doud
City Prosecutor	Douglas P. Haubert

Appointed by Council or Commission

City Clerk	Larry Herrera
Executive Director - Civil Service	Kandice Taylor-Sherwood
Acting Executive Director - Harbor	Jon W. Slangerup
General Manager - Water	Kevin L. Wattier

City Manager
Patrick H. West

Interim Assistant City Manager	Deputy City Manager
Jyl Marden	Reginald I. Harrison

Director of Financial Management	John Gross
Director of Health and Human Services	Kelly Colopy
Director of Development Services	Amy J. Bodek
Acting Director of the Long Beach Airport	Reginald I. Harrison
Director of Human Resources	Deborah Mills
Director of Library Services	Glenda Williams
Director of Long Beach Gas and Oil	Christopher J. Garner
Director of Parks, Recreation, and Marine	George Chapjian
Director of Public Works	Ara Maloyan
Interim Director of Technology Services	Chris Wilding
Director of Disaster Preparedness	Reginald I. Harrison
Fire Chief	Michael A. DuRee
Chief of Police	Jim McDonnell

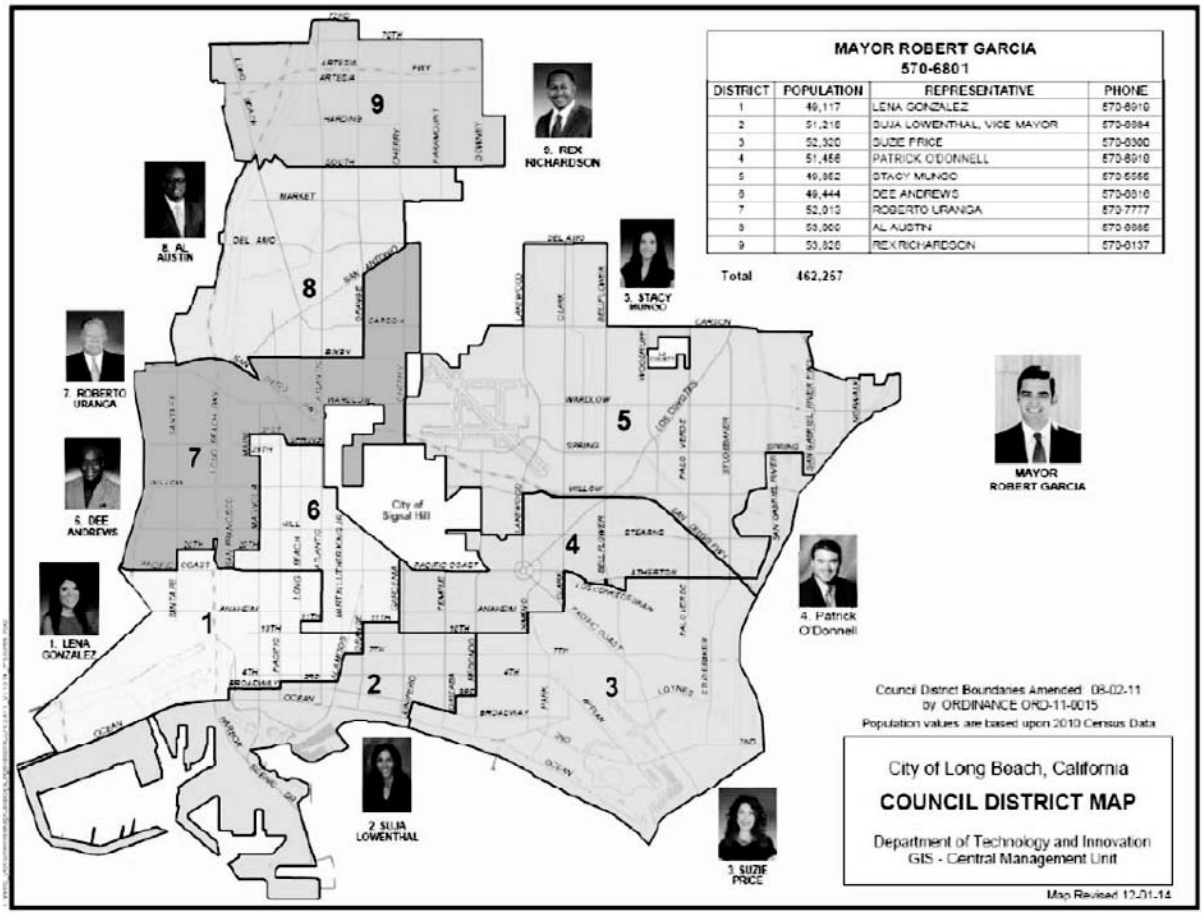
Council District 1
Lena Gonzalez

Council District 2
Dr Suja Lowenthal

Mayor
Dr. Robert Garcia

Council District 3
Suzie A. Price

Council District 4
Patrick O'Donnell



Council District 5
Stacey Mungo

Council District 6
Dee Andrews

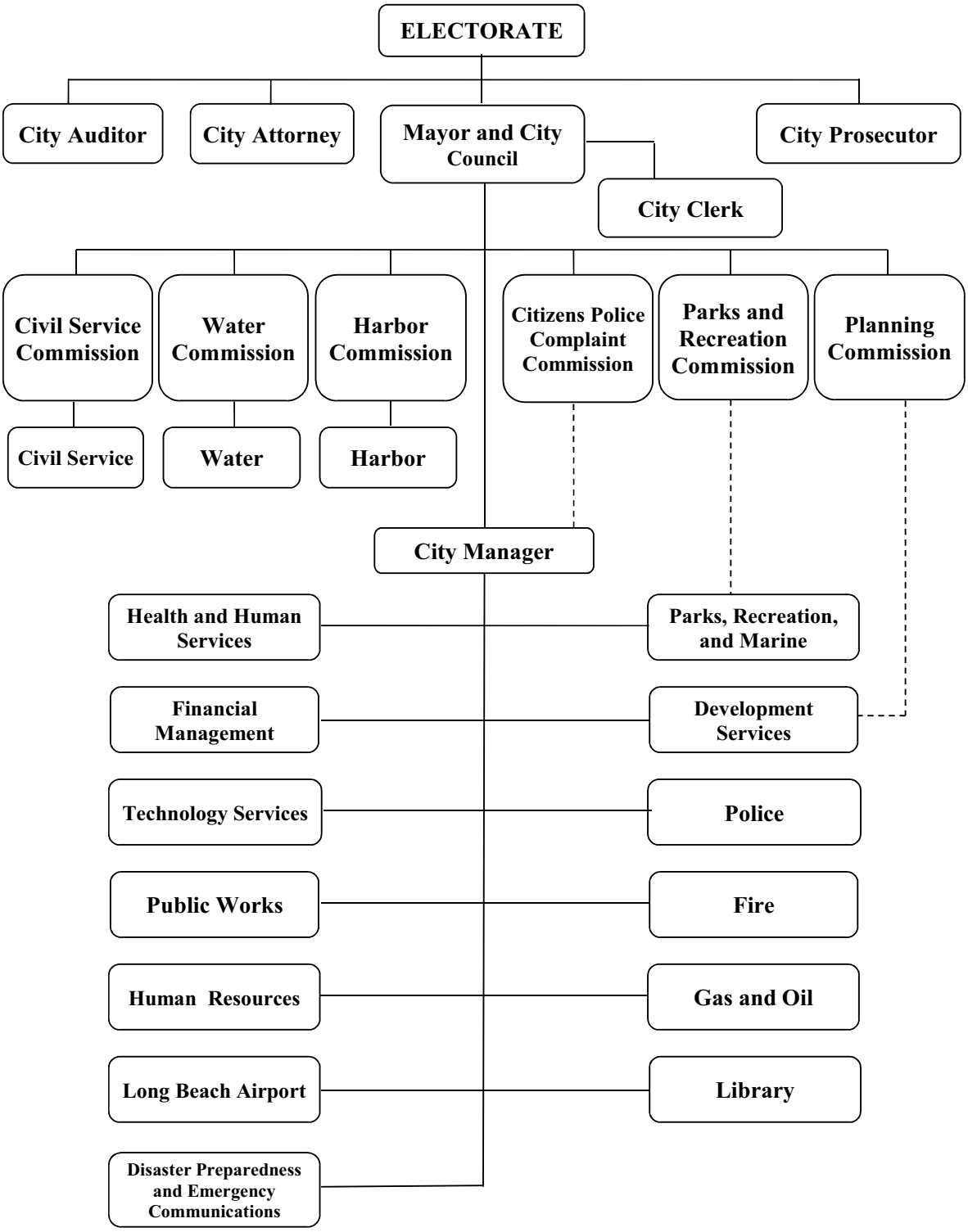
Council District 7
Roberto Uranga

Council District 8
Al Austin

Council District 9
Rex Richardson

LONG BEACH CITY GOVERNMENT
ORGANIZATIONAL CHART

As of September 30, 2014



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

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California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

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, 2014, 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 the Long Beach Public Transportation Company (the Company), which is the City's only discretely presented component unit. Those statements were audited by another auditor 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 auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor, 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, 2014, and the respective changes in financial position, and where applicable, cash flows thereof, and the budgetary

comparison for the General 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 on pages 3 through 22 and the schedules of funding progress on pages 119 and 120 to 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's basic financial statements. The accompanying information identified in the table of contents as the introductory section, additional financial section, other supplementary information, and the statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying additional financial section and the other supplementary information section are the responsibility of management and were derived from and relate 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 accompanying additional financial section and the other supplementary information section are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2015 on our consideration of the City'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KPMG LLP

Irvine, California
March 27, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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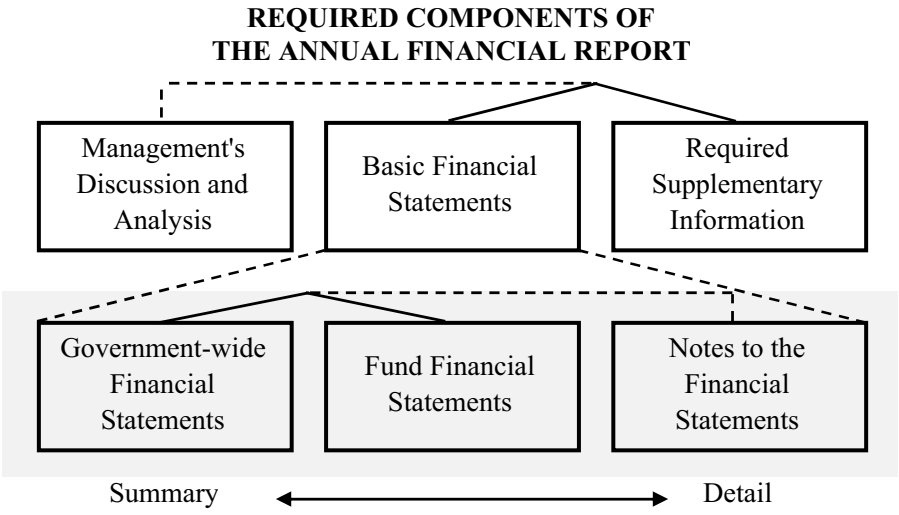
As the management team for the City of Long Beach (the City), we present to the readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014. We encourage readers to consider this information in conjunction with the information found in the letter of transmittal.

Financial Highlights

- The assets of the City exceeded its liabilities by $5.2 billion (*net position*). Of this amount, $3.9 billion represents net investment in capital assets, and $912.3 million represents resources that are subject to restrictions on how they may be used *(restricted net position)*. The remaining $365.0 million may be used to meet the City's ongoing governmental and business-type activity obligations to citizens and creditors.
- The City's financial activities during the fiscal year produced a 6.9 percent increase in total net position. The City's governmental activities net position increased $27.2 million, or 4.3 percent, and the City's business-type activities net position increased $311.1 million, or 7.3 percent.
- The aggregate ending fund balance of the City's governmental funds was $436.0 million, an increase of $1.0 million, or 0.2 percent, from the prior fiscal year end. Of these balances, $8.0 million are nonspendable, $293.8 million are restricted, $62.4 million are committed, $86.0 million are assigned, and a deficit balance of $14.2 million is unassigned.
- The fund balance of the General Fund was $118.3 million. This represents a $19.5 million, or 14.1 percent, decrease over the prior fiscal year end. Of this balance, $4.3 million is restricted, $61.1 million is committed, $49.5 million is assigned, and $3.4 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.



Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents consolidated information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. 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* presents information on how the government's net position changed during the most recent fiscal 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*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes, or expenses pertaining to earned but unused employee vacation and sick leave.

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 and Rainbow Harbor 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. Also included in the governmental activities of the government-wide financial statements are the Housing Authority of the City of Long Beach, the Long Beach Community Investment Company (Company), the Successor Agency to the Redevelopment Agency of the City of Long Beach (Agency), the Long Beach Financing Authority, and a portion of the Long Beach Bond Finance Authority (LBBFA).

The business-type activities portion of the government-wide financial statements also includes the Southeast Resource Recovery Facility (SERRF), a portion of LBBFA, and the Long Beach Capital Improvement Corporation. Although legally separate from the City, these component units are blended with the primary government because of their close governance by, or financial relationships with, the City.

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. All of 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) Statement No. 34 - *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. 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.

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 in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances 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 and major special revenue funds are 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. Proprietary funds provide the same type of information contained in the business-type activities portion of the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds: enterprise and internal service.

- ***Enterprise funds*** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the gas utility, tidelands operations, tideland oil revenue operations, and the Harbor, all of which are classified as major funds. The City also reports enterprise operations for the sewer and water utilities, airport, solid waste management operations, development services, towing operation, and land subsidence fund as non-major enterprise funds shown in the Additional Financial Information section of this report.

- ***Internal Service funds*** are used to accumulate and allocate certain support costs internally among the City's various functions. The City uses internal service funds to account for: the operation and financing of the Civic Center complex; information technology assets and services, lease-purchase of equipment and services; the operation, maintenance, and replacement of the City's vehicle fleet and related facilities; the City's risk-management and self-insurance programs, including workers' compensation and general liability, and employee benefits including compensated absences, payroll taxes, and health and retirement benefits. Because these services predominantly benefit governmental rather than business-type functions, they are incorporated into governmental activities in the government-wide financial statements. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of *combining statemen*ts in the Additional Financial Information section of this report.

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 *Agency Funds* such as special parking and business assessment districts. Fiduciary funds are *not* reflected in the accompanying government-wide financial statements because the resources of those funds are *not* available to support the City's programs. The fiduciary fund financial statements are presented on the economic resources measurement focus and the accrual basis of accounting. 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 and Other Supplementary Information section, along with information regarding capital assets. The following table provides a summary of the significant features of the financial statements as well as insight into how the information is compiled for statement presentation:

	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; except agency funds do not have a measurement 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 agency 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, 2014, the City's assets exceeded liabilities by $5.2 billion, an increase of $338.3 million, or 6.9 percent, over the prior fiscal year.

Net investment in capital assets accounted for $3.9 billion, or 75.5 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 $155.0 million, or 4.1 percent, from the prior fiscal year. The increase is attributable to activity within business-type activities, notably Harbor's continued investment in the Middle Harbor and Gerald Desmond Bridge projects.

Restricted net position amounted to $912.3 million, representing 17.5 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. This component of the City's net position increased $156.7 million, or 20.7 percent, from the prior fiscal year. $137.6 million of the increase is related to the Harbor's Middle Harbor and Gerald Desmond Bridge projects.

The remaining balance of $365.0 million, or 7.0 percent, is the net of the $53.2 million governmental activities unrestricted net position deficit and the $418.2 million business-type activities unrestricted net position balance that may be used to meet the City's obligations for business-type activities. This component of net position increased $26.6 million, or 7.9 percent, from the prior fiscal year. The change is largely attributable to activities within the Harbor fund including the issuance of debt and grant reimbursements related to the construction of the Gerald Desmond Bridge.

Net Position
September 30, 2014 and 2013
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and Other Assets	$ 1,027,291	$ 981,320	$ 1,995,590	$ 1,812,623	$ 3,022,881	$ 2,793,943
Capital Assets	669,476	687,620	4,990,320	4,551,387	5,659,796	5,239,007
Deferred Outflows	4,120	4,433	399,440	295,412	403,560	299,845
Total Assets and Deferred Outflows	1,700,887	1,673,373	7,385,350	6,659,422	9,086,237	8,332,795
Liabilities:						
Current Liabilities	169,240	171,965	340,116	374,629	509,356	546,594
Noncurrent Liabilities, Net	780,276	784,220	2,106,620	1,766,925	2,886,896	2,551,145
Deferred Inflows	85,577	78,618	382,853	273,174	468,430	351,792
Total Liabilities and Deferred Inflows	1,035,093	1,034,803	2,829,589	2,414,728	3,864,682	3,449,531
Net Position:						
Net Investment in Capital Assets	245,780	242,105	3,698,447	3,547,110	3,944,227	3,789,215
Restricted	473,181	457,993	439,163	297,694	912,344	755,687
Unrestricted	(53,167)	(61,528)	418,151	399,890	364,984	338,362
Total Net Position	$ 665,794	$ 638,570	$ 4,555,761	$ 4,244,694	$ 5,221,555	$ 4,883,264

Key Changes in the Statement of Net Position:

The City's current and other assets increased $228.9 million, or 8.2 percent, from the prior fiscal year. The increase for governmental activities and business-type activities was $46.0 million and $182.9 million, respectively. For governmental activities, the increase was primarily due to a $48.1 million increase in the balance of the City's investment pool. The change in business-type activities is attributed to the the issuance of $325.0 million note to help finance the Harbor's Gerald Desmond Bridge project.

Citywide, capital assets increased $420.8 million or 8.0 percent. This change includes a decrease in governmental activities capital assets of $18.1 million, or 2.6 percent, attributable to routine depreciation charges and an increase in business-type activities of $438.9 million, or 9.6 percent. The change in business-type activities resulted from ongoing construction and improvements to the Middle Harbor and Gerald Desmond Bridge projects along with the ongoing construction of utility infrastructure.

Deferred outflows increased $103.7 million or 34.6 percent. Governmental activities deferred outflows decreased $313 thousand while business-type activities increased $104.0 million. The net increase is attributable to the affect of the change in the price of natural gas on the City's commodity swap.

The City's current liabilities decreased $37.2 million, or 6.8 percent. Governmental activities decreased $2.7 million, or 1.6 percent, and business-type activities decreased $34.5 million or 9.2 percent. Significant factors contributing the business-type activities decrease include a reduction in the Tidelands Oil Revenue Fund of $13.7 million in amounts due to the State of California and a $5.6 million decrease in accounts payable. Finally, the Harbor's had a $22.9 million decrease in accounts payable balance at year end and is attributed to increased efficiency in processing payments for vendors and contractors.

The $335.8 million, or 13.2 percent, increase in noncurrent liabilities is predominantly related to the the issuance of $325.0 million note to help finance the Harbor's Gerald Desmond Bridge project.

Deferred inflows increased $116.6 million, or 33.2 percent. The increase in business-type activities of $109.7 million is attributable to changes in the fair value of derivatives.

Analysis of Changes in Net Position

The following table presents condensed information from the statement of activities for the fiscal years 2014 and 2013. 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. Specific factors related the change in net position for governmental and business-type activities can be found on pages 10 through 13.

Changes in Net Position
September 30, 2014 and 2013
(In Thousands)

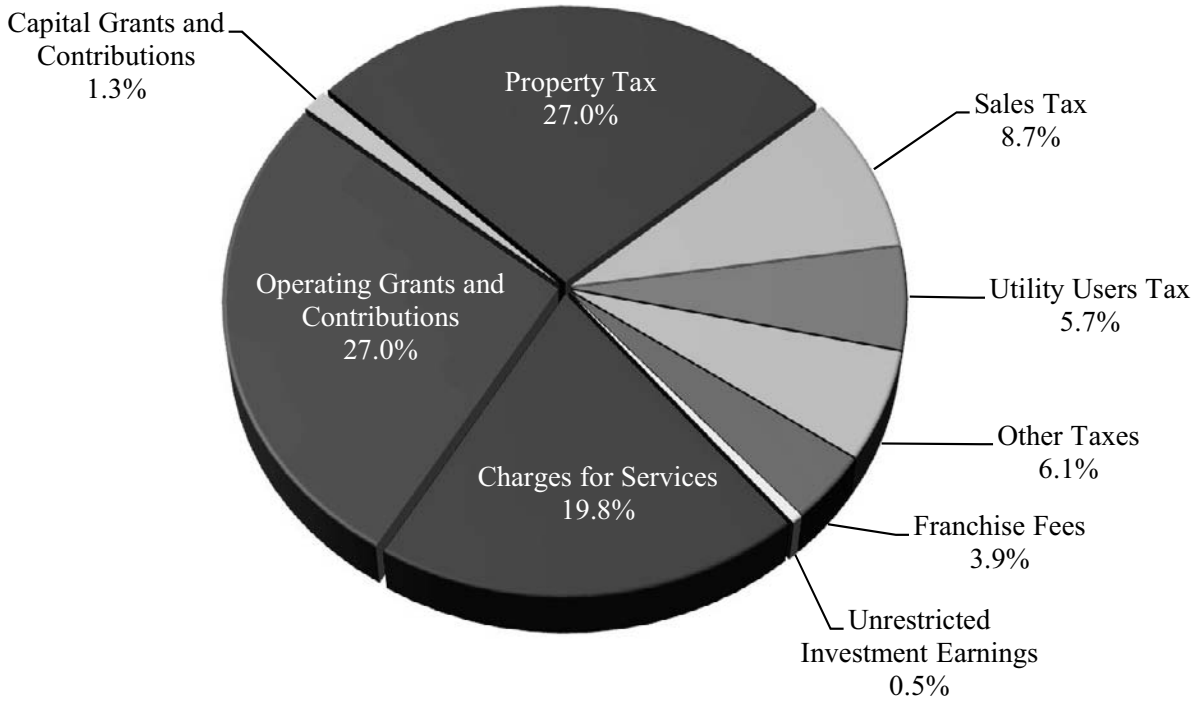
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	$ 134,852	$ 139,917	$ 1,140,320	$ 1,148,312	$ 1,275,172	$ 1,288,229
Operating Grants and Contributions	183,789	171,937	921	1,105	184,710	173,042
Capital Grants and Contributions	8,530	10,778	182,021	259,188	190,551	269,966
General Revenues:						
Taxes:						
Property	183,719	203,770	-	-	183,719	203,770
Sales	59,097	63,443	-	-	59,097	63,443
Utility Users	38,691	38,026	-	-	38,691	38,026
Other	41,504	39,762	-	-	41,504	39,762
Franchise Fees	26,175	25,243	-	-	26,175	25,243
Grants and Contributions Not Restricted to Specific Programs	-	150	-	-	-	150
Unrestricted Investment Earnings	3,688	3,417	6,365	5,557	10,053	8,974
Total Revenues	680,045	696,443	1,329,627	1,414,162	2,009,672	2,110,605
Expenses:						
Legislative and Legal	12,001	10,957	-	-	12,001	10,957
General Government	21,378	23,342	-	-	21,378	23,342
Public Safety	296,817	303,872	-	-	296,817	303,872
Public Health	41,877	41,966	-	-	41,877	41,966
Community and Cultural	153,206	166,507	-	-	153,206	166,507
Public Works	114,303	102,979	-	-	114,303	102,979
Oil Operations	4,869	7,101	-	-	4,869	7,101
Interest on Long-Term Debt	24,945	26,941	-	-	24,945	26,941
Gas	-	-	80,651	82,693	80,651	82,693
Water	-	-	93,297	89,767	93,297	89,767
Sewer	-	-	15,681	15,542	15,681	15,542
Airport	-	-	44,067	41,616	44,067	41,616
Development Services	-	-	15,753	15,404	15,753	15,404
Solid Waste Management	-	-	76,027	71,708	76,027	71,708
Towing	-	-	4,938	5,915	4,938	5,915
Tidelands	-	-	111,074	96,881	111,074	96,881
Tideland Oil Revenue	-	-	327,087	362,144	327,087	362,144
Subsidence	-	-	-	3	-	3
Harbor	-	-	233,410	195,335	233,410	195,335
Total Expenses	669,396	683,665	1,001,985	977,008	1,671,381	1,660,673
Increase (Decrease) in Net Position before Transfers	10,649	12,778	327,642	437,154	338,291	449,932
Capital Assets Transfers	2,365	4,786	(2,365)	(4,786)	-	-
Transfers	14,210	21,490	(14,210)	(21,490)	-	-
Total Change in Net Position	27,224	39,054	311,067	410,878	338,291	449,932
Net Position, Beginning of Year	638,570	608,162	4,244,694	3,847,251	4,883,264	4,455,413
Adjustments for GASB 65 implementation	-	(8,646)	-	(13,435)	-	(22,081)
Net Position, End of Year	$ 665,794	$ 638,570	$ 4,555,761	$ 4,244,694	$ 5,221,555	$ 4,883,264

Governmental activities

Governmental activities net position increased $27.2 million. Total revenues (excluding transfers) decreased $16.4 million, or 2.4 percent, most notably property and sales tax revenues, which decreased 9.8 percent and 6.9 percent, respectively. Expenses decreased $14.3 million, or 2.1 percent. These changes are further discussed in the paragraphs that follow. Capital asset transfers of $2.4 million from business-type activities pertain to a new utility customer billing system. The decrease in transfers is primarily attributable to the prior year $10.7 million transfer to the subsidence fund for repayment of borrowing in 2010 related to the states withholding of property taxes.

The following charts illustrate governmental activities revenues by source and program expenses and revenues by function.

Governmental Activities - Revenues by Source
For the Year Ended September 30, 2014



The three largest revenue sources for governmental activities are property taxes, operating grants and contributions, and charges for services. Exluding Transfers, these sources accounted for 73.8 percent of revenues. These primary sources of governmental revenues decreased $13.3 million, or 2.6 percent, from the previous year. Elements contributing to the change are a $20.1 million, or 9.8 percent, decrease in property tax revenues that mostly resulted from the prior fiscal year Countywide redistribution of unencumbered redevelopment agency balances, a decreases in charges for services of $5.1 million, or 3.6 percent, and an increase of $11.9 million, or 6.9 percent, in operating grants and contributions.

Capital grants and contributions decreased 20.9 percent, or $2.2 million, as reimbursements from grantor agencies that include the County of Los Angeles, the State, and the Metropolitan Transportation Authority decreased. These revenue sources help fund park development and traffic mitigation projects.

Sales tax revenues decreased 6.9 percent or $4.3 million. $1.6 million is attributable to one-time receipt of a "true up" in the prior year. Other taxes, inclusive of business license taxes, increased 4.4 percent or $1.7 million.

Governmental activities expenses, excluding transfers, decreased 2.1 percent, or $14.3 million. Community and cultural expenses decreased $13.3 million or 8.0 percent primarily resulting from the continued wind down of redevelopment activities.

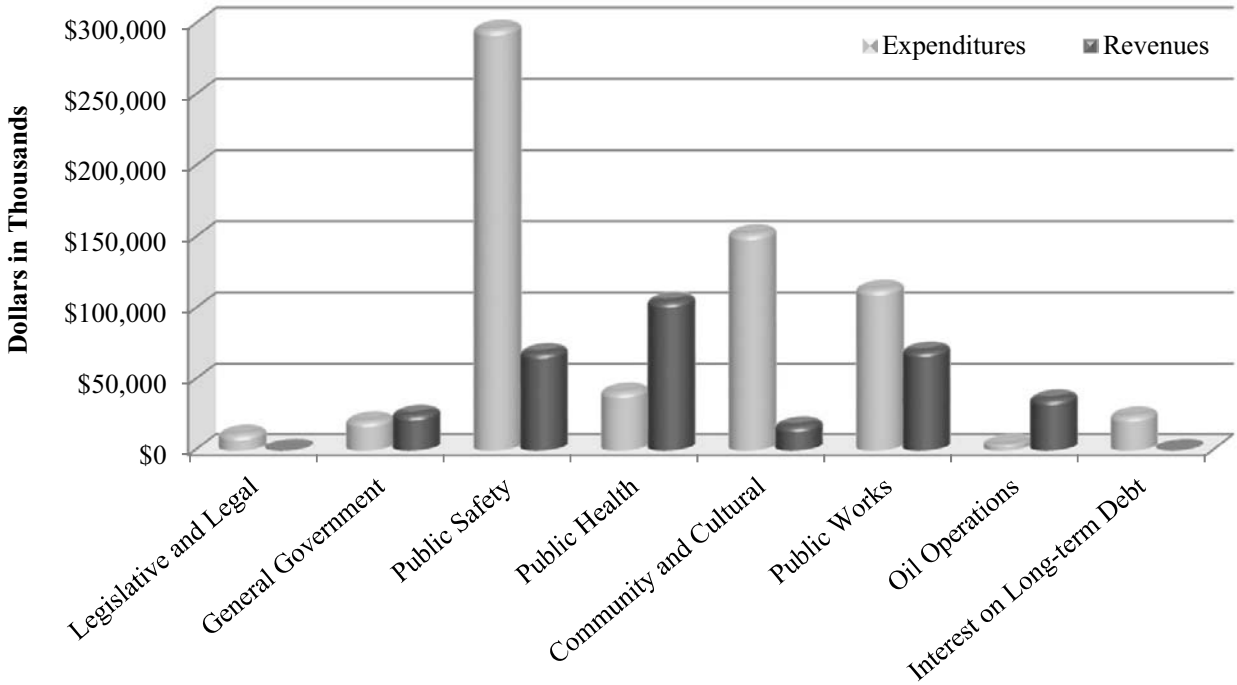
General government expenses decreased $2.0 million, or 8.4 percent. A contributing factor to the change was a $943 thousand decrease in sales tax rebates.

Oil operations expenses decreased 31.4 percent, or $2.2 million, as a result of efficiencies created by changes to operating contracts with oil producers.

Public safety expenses decreased 2.3 percent, or $7.1 million. The change is attributable a signifcant decrease in the allocation of internal service fund costs along with a true-up of prior year costs.

Public works expenses increased 11.0 percent, or $11.3 million. The change is related to a $6.7 million increase in amounts spent for city streets and a $4.6 million increase for amounts spent for public park acquisition, development and rehibilitation.

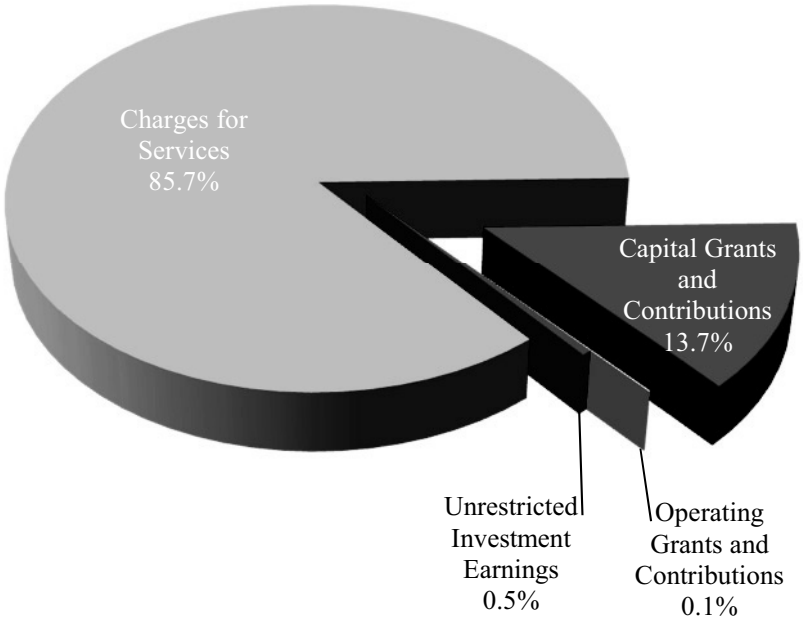
Governmental Activities - Program Expenditures and Revenues
For the Year Ended September 30, 2014



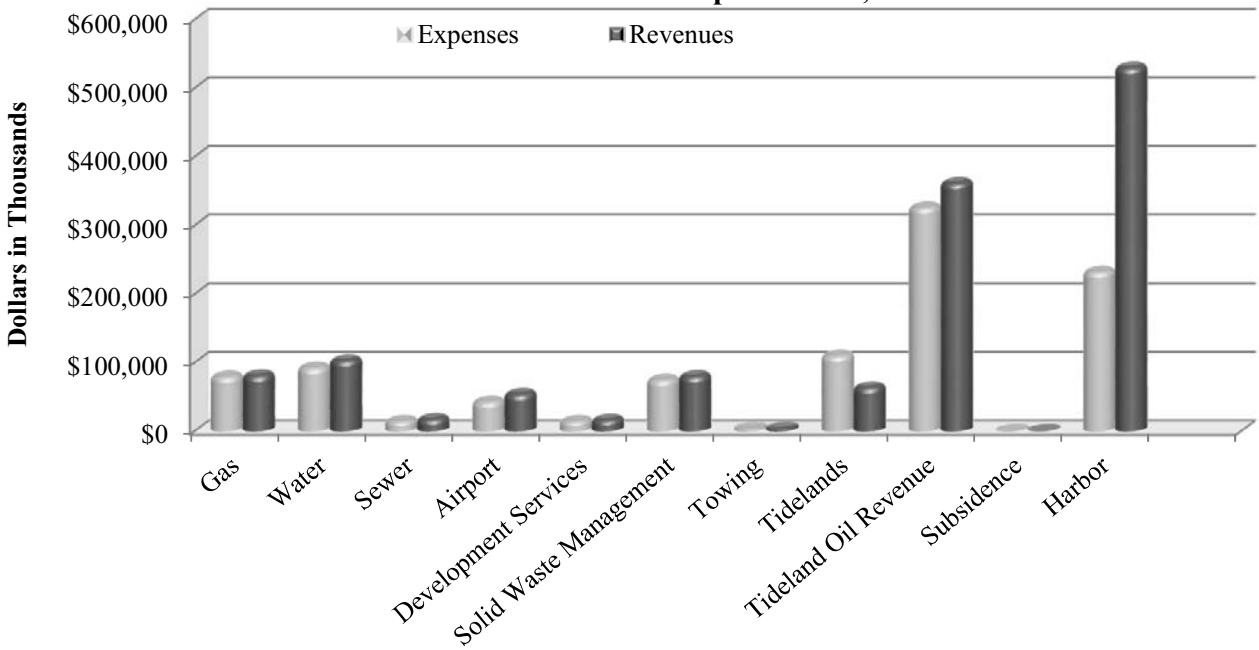
Business-type activities

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

Business-type Activities - Revenues by Source
For the Year Ended September 30, 2014



Business-type Activities - Program Expenditures and Revenues
For the Year Ended September 30, 2014



Business-type activities increased net position $311.1 million or 7.3 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 $14.1 million, a 38.4 percent, or $8.8 million decrease from the prior fiscal year. The balance of the change is the result of transfers. Income before transfers totaled $1.5 million, a $3.2 million, or 68.9 percent, decrease from the prior year.
- Tidelands net position increased $14.7 million, or 3.9 percent, totaling $391.4 million at fiscal year-end. Net loss before contributions and transfers amounted to $45.8 million. Transfers from Tidelands Oil and Harbor amounted to $60.5 million. Harbor transferred $17.8 million, consistent with City Charter mandated revenue sharing; Tidelands Oil transferred $42.7 million, comprising $22.1 million per the revenue sharing agreement for the optimized water flood program and $20.6 million from the West Wilmington Oil field.
- The Tidelands Oil Revenue Fund posted a deficit net position of $24.5 million, a deficit increase of $6.9 million from the prior year. Operating net income in the amount of $42.7 million was transferred to the tidelands fund. Non-operating expenditures of $10.2 million related to oil field abandonment cost contributed to the net deficit position.
- Harbor's net position increased $283.5 million, or 8.9 percent, reaching $3.5 billion at fiscal year-end. The increase primarily resulted from operating income of $130.5 million along with the receipt of $168.1 million in capital grants, a decrease of $82.5 million from the prior fiscal year as reimbursable activity related to the Gerald Desmond Bridge declined. Transfers to the City amounted to $17.8 million, a $532 thousand increase from fiscal year 2013.
- Total net position for non-major business-type activities increased $28.6 million, or 4.0 percent.

Governmental Funds Financial Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: 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, 2014, the City's governmental funds reported combined fund balances of $436.0 million, an increase of $1.0 million, 0.2 percent, from the prior year. Further information can be found in *Note 16 – Government Activities Fund Balance*.

Governmental funds assets decreased $15.4 million, or 1.9 percent, from the prior fiscal year. Governmental fund liabilities decreased $23.0 million, or 21.1 percent. Of this amount, $11.3 million resulted from a decrease in amounts advanced from other funds, primarily the Agency's repayment of $8.8 million of Supplemental Educational Revenue Augmentation Fund (SERAF) borrowing. Another $7.0 million of this decrease was due to a reduction in amount due to City vendors at fiscal year-end.

Of the $436.0 million total fund balances, $293.8 million or 67.4 percent have some form of external limitation on their use. Significant restrictions of fund balance at the close of the fiscal year include:

Restricted for Debt Service

Amounts restricted for debt service totaled $32.9 million. Of this, $32.5 is restricted for payment of Agency related debt and the balance for various debt issuances of other governmental funds.

Restricted for Public Safety

Amounts restricted for public safety totaled $4.8 million. Restrictions include:

- Asset seizure funds from federal and state court forfeitures are restricted to support the Police Department. These funds amounted to $2.8 at the end of the fiscal year.
- The citizens of Long Beach approved Proposition H (Prop H), the Police and Fire Public Safety Oil Production Tax, in 2007. These 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, 2014, Prop H funds for police and fire amounted to $682 thousand and $497 thousand, respectively.
- State impact fees restricted for police and fire amounted to $519 thousand and $357 thousand, respectively.

Restricted for Public Health

Fund balance restricted for public health amounted to $6.7 million.

Restricted for Community and Cultural

Amounts restricted for community and cultural activities totaled $195.2 million. Restrictions include the following:

- Fund balance restricted within the Housing Fund for the provision of low-and-moderate-income housing amounted to $40.6 million. Of this, $16.8 million offsets advances to other funds and $2.9 million is for land held for resale.
- Fund balance restricted within the Housing Assistance Fund for programs to assist very low-income families, the elderly, and the disabled amounted to $9.2 million.
- Agency capital projects fund balance restricted for the purposes of winding down the activities of the former Redevelopment Agency amounted to $127.8 million. Of this, $16.8 million offsets advances from other funds (specifically, the Housing Fund) and $88.5 million is land held for resale.
- The Belmont Shore Parking Meter Fund has restricted $1.0 million as the first pledge of revenue for special assessment debt that benefited the Belmont Shore area of Long Beach.
- Fund balance restricted within the Community Development Grant Fund amounted to $5.3 million. Of this, $3.8 million offsets advances to other funds and $1.2 is related to land held for resale.
- Fund balance restricted within the Other Special Revenue Fund for economic development totaled $1.5 million at the close of the fiscal year. Additionally, fund balance restricted for special advertising and promotion totaled $4.8 million.
- Capital Projects Fund balance restricted for parks development amounted to $743 thousand.

Restricted for Public Works

As of September 30, 2014, fund balance restricted for public works amounted to $52.5 million. Restrictions include:

- General Capital Projects Fund balance restricted in relation to traffic mitigation impact fees, open space bond proceeds, and special assessment bond proceeds amounted to $9.0 million at the close of the fiscal year.
- Gas Tax Fund balance restricted for the research, planning, construction, improvement, maintenance, and operation of public street and highways, including the mitigation of their environmental effects, totaled $20.2 million.

- Transportation Fund balance restrictions totaled $20.8 million and include: $6.1 million pursuant to the provisions of Proposition A; $8.6 million pursuant to the provisions of Proposition C; $2.4 million pursuant to Measure R; and $3.7 million pursuant to Air Quality Management District AB2766 requirements. 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. 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. Measure R is a one-half cent sales tax approved by Los Angeles County voters in November 2008 and is restricted for transportation purposes, including bus and highway corridor projects, streets and roads, and traffic control management. AB2766 funding is used to assist the City in meeting federal and state Clean Air Acts.

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, 2014 and 2013
(In Thousands)

Revenues and Other Financing Sources	Fiscal Year 2013-14	Percentage of Total	Fiscal Year 2012-13	Percentage of Total
Taxes	$ 268,813	61.5%	$ 299,719	63.7%
Franchise Fees	26,175	6.0%	25,243	5.4%
Licenses and Permits	14,899	3.4%	13,889	3.0%
Fines and Forfeitures	16,166	3.7%	16,394	3.5%
Use of Money and Property	52,219	11.9%	54,239	11.5%
From Other Agencies	5,932	1.4%	1,767	0.4%
Charges for services	26,415	6.0%	26,295	5.6%
Other Revenue	6,845	1.6%	8,337	1.8%
Other Financing Sources	19,741	4.5%	24,269	5.2%
	$ 437,205	100%	$ 470,152	100%

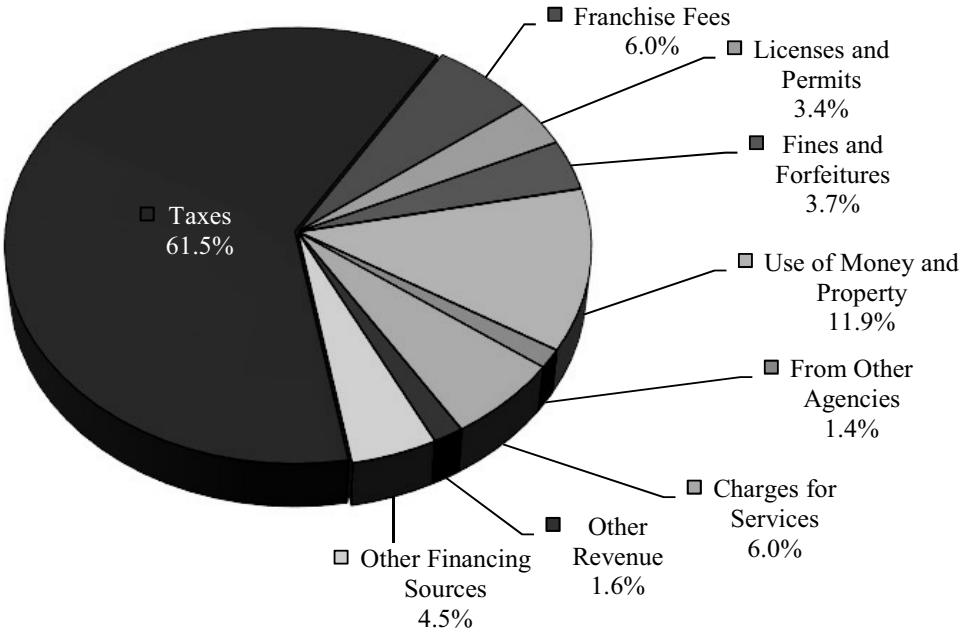
General Fund revenues and other financing sources decreased $32.9 million, or 7.0 percent, from the prior fiscal year. The change is attributable to taxes, particularly property tax revenue, which benefited from additional receipts in the prior fiscal year following the dissolution of redevelopment agencies. Property tax revenue decreased $27.7 million, or 16.3 percent, over the prior fiscal year. The decrease in property taxes resulted from the non repitition of the prior year countywide distribution of excess redevelopment agency funds as result of the disolution act. Additionally, sales tax decreased $4.9 million, 7.9 percent as a result of a decrease in sales tax sharing agreement revenues.

Revenues from Other Agencies increased $4.2 million, or 235.7 percent, from the prior year. $4.0 million of this change was due to the implementation of the Ground Emergency Medical Transportation (GEMT) Supplemental Reimbursement Program.

Licenses and permits revenue increased $1.0 million, 7.3 percent, over the previous year reflecting an increase in construction activity within the City. Other revenue decreased $1.5 million, or 17.9 percent. Use of money and property revenues decreased $2.0 million, or 3.7 percent, primarily as result of decreased net revenues from oil production.

Revenues derived from other financing sources decreased $4.5 million and was primarily attributable to a decrease in amounts transferred from the City's Solid Waste Management fund.

General Fund Revenues and Other Financing Sources
For the Year Ended September 30, 2014



General Fund Expenditures

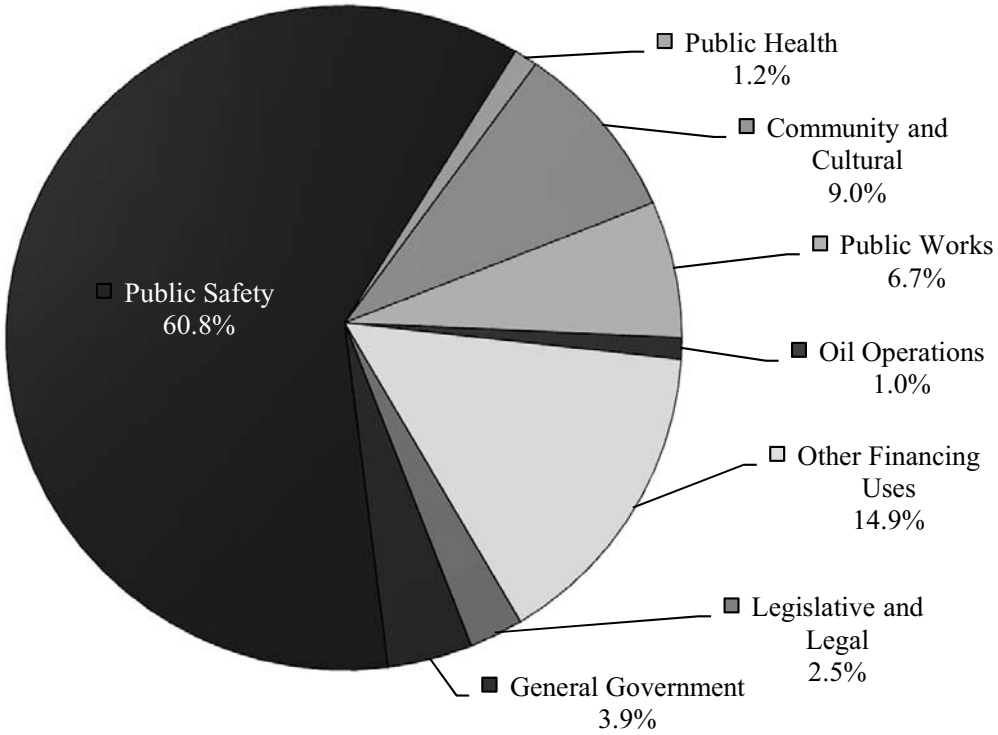
Expenditures and other financing uses for the General Fund, including comparative amounts from the preceding year, are shown in the table on the next page.

Expenditures, including other financing uses, increased $47.1 million, or 11.5 percent, from fiscal year 2013. The largest increase was in other financing uses which rose $33.3 million, or 95.6 percent, as windfall revenues related to uplands oil production was invested in the City's infrastructure. Another notable change included a $10.3 million, or 3.9 percent, increase in public safety spending. The increase is primarily due to the police department filling vacancies, increased workers' compensation costs, additional funding for gang enforcement, as well as costs associated with operating the police academy.

General Fund Expenditures and Other Financing Uses
September 30, 2014 and 2013
(In Thousands)

Expenditures and Other Financing Uses	Fiscal Year 2013-14	Percentage of Total	Fiscal Year 2012-13	Percentage of Total
Legislative and Legal	$ 11,373	2.5%	$ 9,673	2.4%
General Government	17,769	3.9%	17,050	4.2%
Public Safety	277,741	60.8%	267,430	65.3%
Public Health	5,371	1.2%	5,383	1.3%
Community and Cultural	41,215	9.0%	40,750	10.0%
Public Works	30,706	6.7%	29,679	7.2%
Oil Operations	4,309	1.0%	4,722	1.1%
Other Financing Uses	68,179	14.9%	34,851	8.5%
	$ 456,663	100%	$ 409,538	100%

General Fund Expenditures and Other Financing Uses
For the Year Ended September 30, 2014



Proprietary Funds Financial Analysis

Enterprise Funds: The combined net position of enterprise funds totaled $4.6 billion at the close of the fiscal year. Total unrestricted net position amounted to $456.3 million before the allocation of internal service fund activities. The total growth in net position was $311.1 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.

Tidelands and Harbor funds reported unrestricted net position of $203.1 million and $288.8 million, respectively. Tidelands Oil Fund had a deficit net position of $24.5 million as result of the future oil field abandonment liability exceeding net book value of the West Wilmington oil field. The Gas Utility Fund reported a net position of $14.1 million, a decrease of $8.8 million from the prior fiscal year. This change resulted from a $4.5 million increase in the cost of gas purchased for the utility and a $1.0 million increase in non-personnel related operating costs. Other Proprietary funds reported unrestricted net position of $116.1 million, an increase of $9.6 million, or 9.1 percent, over the prior fiscal year.

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, 2014, internal service funds reported a $154.3 million deficit net position. This is attributable to the deficit unrestricted net positions of the Insurance Fund and Employee Benefits fund, which reported deficit balances of $87.6 million and $178.2 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 net asset deficit. 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 $25.8 million, $36.5 million, and $49.2 million, respectively.

Fiduciary Funds

The City maintains fiduciary funds for the assets of private purpose trust and agency funds including the Miller Trust Fund, the Mayor's Fund for the Homeless, and various agency 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 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 2014 final budget for estimated revenues and expenditure appropriations reflected a net decrease to budgeted fund balance of $61.3 million. The change between original and final budgeted amounts was $10.2 million and consisted of additional appropriation for expenditures and other financing uses of $12.1 million offset by an increase in revenue and other financing sources of $1.9 million.

Significant changes in revenue forecasts include:

- A $1.0 million increase in projected asset seizure revenues.

Significant changes in the appropriations budget include:

- A $16.1 million increase in transfers to other funds. These increases were primarily funded through the use of one-time revenue sources.

The actual budgetary basis results of the General Fund as compared to the final budget reflect a net positive variance of $41.5 million. This consists of favorable variances in both revenues and other financing sources of $33.0 million and expenditures and other financing uses of $8.5 million.

General Fund revenues and other financing sources reflect a positive budget to actual variance of $33.0 million. For the year, the General Fund received 108.2 percent of total budgeted revenues and other financing sources. Noticeable positive variances between the final budget and actual results include $7.3 million in property tax revenues; use of money and property revenues of $14.8 million, due to favorable oil prices; $1.9 million in franchise fees as a result of $980 thousand in electric company franchise revenues, $565 thousand in pipeline franchise revenue; $284 thousand in refuse hauler franchise fee; $3.7 million from other agencies revenue primarily as a result of the new GEMT supplement; $1.1 million in other tax revenues as result of better than expected transient occupancy tax revenues; and $2.8 million in other revenues. Significant less than favorable variances include a $2.2 million shortfall in sales taxes resulting from decreased sales tax sharing agreement revenues.

General Fund expenditures and other financing uses reflect a positive budget to actual variance of $8.5 million. Of the all General Fund appropriations and other financing uses, approximately 1.8% went unspent. General Government had savings of $6.8 million primarily related to lower than expected sales tax rebate expenditures. Additionally, $2.4 million in Oil Operations and $5.2 million in Public Safety Functions completed the year under budget. These were offset by actual transfers to other funds exceeding planned transfers to other funds by $9.3 million as additional oil revenue funds were invested in City facilities.

Capital Assets and Debt Administration

Capital assets: As of September 30, 2014, the City's capital assets held by governmental and business-type activities amounted to $5.7 billion (net of accumulated depreciation). There was an overall increase of $420.8 million, or 8.0 percent, in the City's capital assets over the prior fiscal year.

Capital Assets, Net of Depreciation
September 30, 2014 and 2013
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	$ 166,135	$ 163,668	$ 966,760	$ 965,578	$ 1,132,895	$ 1,129,246
Rights-of-way	81,340	81,334	213,243	213,243	294,583	294,577
Water Rights	-	-	40	40	40	40
Construction in Progress	11,138	28,433	1,306,103	1,428,854	1,317,241	1,457,287
Buildings	161,103	165,037	1,692,898	1,216,213	1,854,001	1,381,250
Improvements Other than Buildings	56,973	55,599	255,802	233,708	312,775	289,307
Infrastructure	138,946	151,355	506,829	469,341	645,775	620,696
Machinery and Equipment	14,207	14,232	32,713	15,564	46,920	29,796
Vehicles and Aircrafts	25,381	27,962	10,168	8,316	35,549	36,278
Software and Patents	14,253	-	5,764	530	20,017	530
Total Net Capital Assets	$ 669,476	$ 687,620	$ 4,990,320	$ 4,551,387	$ 5,659,796	$ 5,239,007

Governmental activities' net capital assets decreased $18.1 million, or 2.6 percent, during the fiscal year. The decrease is attributable to routine depreciation charges, which amounted to $36.1 million at the close of the fiscal year, offset by significant capital assets activities during the year including the implementation of a new utility billing software program, valued at $13.5 million, plus the construction of Chittick Field and the Orizaba Park Community Center, valued at $6.2 million and $2.0 million respectively.

Business-type activities' net capital assets increased $438.9 million, or 9.6 percent, over the prior fiscal year. Significant capital asset activities during the year include:

- Repair and replacement of aging gas pipelines increased Gas Utility capitals assets $7.3 million over the prior fiscal.
- Continued investment in the replacement of the water distribution system increased Water Utility capital assets $9.1 million.
- Sewer capital assets increased $2.9 million over the prior fiscal year. The increase is attributable to ongoing investment in a sewer pipeline rehabilitation program.
- Routine depreciation charges decreased Solid Waste Management capital assets $4.3 million.
- In total, Tidelands capital assets decreased $1.4 million as result of the normal depreciation of fund assets. However, during the year the Tidelands fund added $22.4 million in new buildings and other facilities. Projects included the $11.5 million Convention Center Rehabilitation Project, $5.4 million for Belmont pool, $3.7 million for the shoreline downtown marina rehabilitation, and $1.7 million for beach restroom rehabilitation and replacement.
- Harbor capital assets increased $420.5 million to include $287.4 million in terminal facilities, $70.0 million in other Harbor facilities, and $28.7 million in street improvements.

Additional information on the City's capital assets can be found in Note 7 of the Basic Financial Statements, and information related to commitments for future capital asset acquisitions can be found in Note 23.

Long-Term Indebtedness: As of September 30, 2014, the City's net long-term obligations outstanding totaled $3.0 billion. Of this amount, $2.5 billion relates to notes, bonds, and capital leases. The remainder pertains to estimated oil field abandonment costs, environmental remediation, self-insurance, employee benefit obligations, and amounts due to the state of California.

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

Moody's Investors Services: Aa2, stable outlook

Fitch Ratings: AA, stable outlook

Standard & Poor's: AA-1, 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, 2014 and 2013
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Notes Payable	$ 6,137	$ 7,102	$ 515,996	$ 147,017	$ 522,133	$ 154,119
Bonds Payable	449,066	467,008	1,534,901	1,610,898	1,983,967	2,077,906
Capital Leases	38,150	40,789	2,215	2,667	40,365	43,456
Total Outstanding	$ 493,353	$ 514,899	$ 2,053,112	$ 1,760,582	$ 2,546,465	$ 2,275,481

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

Business-Type Activities

- Notes payable increased $369.0 million. The Harbor issued $325.0 million in notes payable in 2018, to finance the Gerald Desmond Bridge Project. Also, the Harbor drew an additional $40.0 million on its line of credit. Finally, $5.5 million pertains to loans from the California Department of Boating and Waterways for the Tidelands' Alamitos Bay Marina rehabilitation project.
- Bonds payable decreased by $76.0 million. Annual principal payments and premium amortization, to include additional amounts applied as part of the Harbors 2014 debt refunding, decreased bonds payable by $135.0 million. This was offset by the issuance, as part of the Harbors 2014 debt refunding, of $59.0 million of new debt.

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

Economic Factors and Next Year's Budget and Rates

As of September 30, 2014, the unemployment rate, not seasonally adjusted, for the City was 8.6 percent and reflects a decrease from a rate of 10.6 percent a year ago. This compares to the State and national unemployment rates of 6.9 percent and 5.7 percent, respectively.

The fiscal year 2015 budget accomplishes key service goals and continues the discipline that steered Long Beach through the great recession. The budget continues investments in City infrastructure and maintains the City's strong commitment to city services. The City and its employee groups have made major strides impacting the long-term financial health of the City with pension reform saving almost $250 million over the next 10 years. Despite the improved outlook, challenges remain. If the City holds its spending to current programs and services, the City will be in a much better position to confront the challenges of the next few years. The steps taken to address previous shortfalls which are maintained in fiscal year 2015 are:

- Proportionate share which ensures Police and Fire receive most of the General Fund resources, while preserving base level support for other core functions is maintained;
- A structural surplus in fiscal year 2015 is planned to be carried over to fiscal years 2016 and 2017 to help address structural deficits in those years;
- The temporary surplus for fiscal year 2015 will be used to increase funding to the CalPERS Stabilization Fund created in fiscal year 2014;
- Five percent of one-time revenues were again placed in the Reserve for Unfunded Liabilities;
- Pension Reform, which was achieved though agreements with all City bargaining units, will save the City $13.8 million a year;
- Continued emphasis on preventative health and cost savings measures keeps the rate of growth lower than it would otherwise be;
- Both the emergency and operating reserves are funded within the City Council's approved policy levels; and
- Numerous operational and efficiency improvements have been and continue to be made.

Fiscal year 2015 continues the progress made in previous years, maintains services, and the focuses on public safety. Highlights of the fiscal year 2015 budget are as follows:

- Second year of a structural surplus;
- Strategic Investments for Public Safety;
- Enhanced focus on critical citywide infrastructure;
- Continued focus on efficiencies to improvements to service delivery;
- Funding prior year and future commitments

In compliance with City Council's Financial Policy to achieve and maintain a structurally balanced budget, the fiscal year 2015 General Fund budget reflects a structural surplus. With the addition of the allocation of prior year one-time resources to one-time initiatives and projects, the overall General Fund budget projects a decrease in fund balance of $18.6 million.

The fiscal year 2015 adopted General Fund revenue budget projected an increase of 2.4 percent, or $10.0 million, as compared to the preaudit fiscal year 2014 results. Operating transfers from other funds make up $6.7 million of the $407.5 million fiscal year 2015 budgeted revenue. Appropriations for 2015 are budgeted at $426.1 million. The budget projects a decrease in fund balance of $18.6 million as the City appropriates prior year one-time revenues for needed one-time projects.

The final fiscal year 2014 budget showed a decrease of $45.9 million in fund balance as compared to a $19.5 million decrease from actual results for the year.

The largest structural revenue sources for fiscal year 2015 are property tax, sales and use tax, and property tax in-lieu. These revenue sources comprise 48.3 percent of total General Fund budgeted revenues. Below is a closer look at some of these key General Fund resources.

- Approximately 23.4 percent, or $95.2 million, of the City's General Fund revenue is derived from local property taxes, which includes secured real property tax and unsecured personal property tax, net of refunds. This reflects an increase of $2.9 million from the final fiscal year 2014 budget. This 3.1 percent increase is based on the belief that property values countywide will rise during the next year.
- Sales and use tax revenue is budgeted to account for $58.4 million, or 14.3 percent, of General Fund revenues. The fiscal year 2015 budget anticipates a small decrease in this revenue source.
- Property tax in-lieu is budgeted to account for $43.4 million, or 10.7 percent, of General Fund revenues. This reflects a $1.5 million or 3.7 percent increase from the final fiscal year 2014 budget.

In addition, the City continues to evaluate its fees for services to ensure, when practical, fees collected fully support the costs of providing the City services.

The fiscal year 2015 adopted General Fund appropriations budget is $426.1 million. This reflects a decrease of $39.6 million from the final fiscal year 2014 budget.

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, 333 West Ocean Boulevard, 6th Floor, Long Beach, California 90802.

BASIC FINANCIAL STATEMENTS

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City of Long Beach
Statement of Net Position
September 30, 2014
(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	$ 74,169	$ 165,469	$ 239,638	$ -
Non-Pooled Cash and Cash Equivalents	22,088	15,123	37,211	37,796
Pooled Investments	151,782	338,621	490,403	-
Non-Pooled Investments	-	2,810	2,810	-
Interest Receivable	194	306	500	-
Property Tax Receivable, Net	80,493	-	80,493	-
Accounts and Loans Receivables, Net	17,694	123,233	140,927	3,556
Due from Other Governments	50,171	69,307	119,478	-
Internal Balances	35,888	(35,888)	-	-
Inventory	2,250	6,479	8,729	1,085
Other Assets	14,248	27,284	41,532	1,059
Land Held for Resale	92,950	-	92,950	-
Total Current Assets:	541,927	712,744	1,254,671	43,496
Noncurrent Restricted Assets:				
Non-Pooled Cash and Cash Equivalents	-	2,103	2,103	25,608
Non-Pooled Investments	-	174,524	174,524	-
Total Noncurrent Restricted Assets:	-	176,627	176,627	25,608
Other Noncurrent Assets:				
Pooled Investments	258,791	577,356	836,147	-
Non-Pooled Investments	31,457	-	31,457	-
Other Noncurrent Receivables	195,116	6,217	201,333	-
Land and Other Capital Assets not being Depreciated	258,613	2,486,146	2,744,759	10,514
Capital Assets, net of Accumulated Depreciation	410,863	2,504,174	2,915,037	74,344
Other Assets	-	522,646	522,646	-
Total Other Noncurrent Assets:	1,154,840	6,096,539	7,251,379	84,858
Total Assets	1,696,767	6,985,910	8,682,677	153,962
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows (Note 24)	4,120	399,440	403,560	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	32,578	124,552	157,130	1,986
Accrued Wages and Benefits Payable	50,599	12,540	63,139	4,381
Accrued Interest Payable	8,677	32,657	41,334	-
Due to Other Governments	320	-	320	-
Unearned Revenue, Credits, and Other Payables	16,992	34,157	51,149	18,346
Employee Benefits and Accrued Long-Term Obligations	34,373	6,961	41,334	12,581
Bonds, Loans, Capital Leases, and Other Long-Term Obligations	25,701	129,249	154,950	-
Total Current Liabilities	169,240	340,116	509,356	37,294
Noncurrent Liabilities:				
Unearned Revenue, Credits, and Other Payables	-	30,480	30,480	25,218
Employee Benefits and Accrued Long-Term Obligations	312,624	52,400	365,024	2,988
Bonds, Loans, Capital Leases, and Other Long-Term Obligations	467,652	2,023,740	2,491,392	-
Total Noncurrent Liabilities:	780,276	2,106,620	2,886,896	28,206
Total Liabilities	949,516	2,446,736	3,396,252	65,500
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows (Note 24)	85,577	382,853	468,430	-
NET POSITION				
Net Investment in Capital Assets	245,780	3,698,447	3,944,227	84,858
Restricted for:				
Debt Service	13,132	39,480	52,612	-
Capital Projects	52,646	208,989	261,635	156
Public Safety	4,835	-	4,835	-
Public Health	6,744	-	6,744	-
Community and Cultural	377,399	-	377,399	-
Healthcare Insurance	18,425	-	18,425	-
Tidelands	-	9,437	9,437	-
Airport	-	7,648	7,648	-
Subsidence	-	173,609	173,609	-
Unrestricted	(53,167)	418,151	364,984	3,448
Total Net Position	$ 665,794	$ 4,555,761	$ 5,221,555	$ 88,462

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, 2014
(In Thousands)

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
GOVERNMENTAL ACTIVITIES:				
Legislative and Legal	$ 12,001	$ 163	$ -	$ -
General Government	21,378	16,459	8,651	969
Public Safety	296,817	34,659	34,936	-
Public Health	41,877	8,498	97,222	-
Community and Cultural	153,206	12,168	6,076	(339)
Public Works	114,303	25,963	36,904	7,900
Oil Operations	4,869	36,942	-	-
Interest on Long-Term Debt	24,945	-	-	-
Total Governmental Activities	669,396	134,852	183,789	8,530
BUSINESS-TYPE ACTIVITIES				
Gas	80,651	82,293	-	-
Water	93,297	101,345	-	2,924
Sewer	15,681	17,954	-	759
Airport	44,067	44,811	156	10,246
Development Services	15,753	17,573	-	-
Solid Waste Management	76,027	81,051	302	-
Towing	4,938	5,440	-	-
Tidelands	111,074	64,318	463	-
Tideland Oil Revenue	327,087	362,783	-	-
Harbor	233,410	362,752	-	168,092
Total Business-Type Activities	1,001,985	1,140,320	921	182,021
Total Primary Government	$ 1,671,381	$ 1,275,172	$ 184,710	$ 190,551
COMPONENT UNIT				
Long Beach Public Transportation Company	$ 100,500	$ 18,640	$ 61,009	$ 7,136
		Taxes:		
		Property		
		Sales		
		Utility Users		
		Other		
		Franchise Fees		
		Unrestricted Investment Earnings		
		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 Transportation Company
$ (11,838)	$ -	$ (11,838)	$ -
4,701	-	4,701	-
(227,222)	-	(227,222)	-
63,843	-	63,843	-
(135,301)	-	(135,301)	-
(43,536)	-	(43,536)	-
32,073	-	32,073	-
(24,945)	-	(24,945)	-
(342,225)	-	(342,225)	-
-	1,642	1,642	-
-	10,972	10,972	-
-	3,032	3,032	-
-	11,146	11,146	-
-	1,820	1,820	-
-	5,326	5,326	-
-	502	502	-
-	(46,293)	(46,293)	-
-	35,696	35,696	-
-	297,434	297,434	-
-	321,277	321,277	-
(342,225)	321,277	(20,948)	-
-	-	-	(13,715)
183,719	-	183,719	-
59,097	-	59,097	-
38,691	-	38,691	-
41,504	-	41,504	-
26,175	-	26,175	-
3,688	6,365	10,053	244
2,365	(2,365)	-	-
14,210	(14,210)	-	-
369,449	(10,210)	359,239	244
27,224	311,067	338,291	(13,471)
638,570	4,244,694	4,883,264	101,933
$ 665,794	$ 4,555,761	$ 5,221,555	$ 88,462

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

City of Long Beach
Governmental Funds
Balance Sheet
September 30, 2014
(In Thousands)

	General	Other Governmental Funds	Total September 30, 2014
ASSETS			
Pooled Cash and Cash Equivalents	$ 114,807	$ 160,510	$ 275,317
Non-Pooled Cash and Cash Equivalents	373	21,710	22,083
Non-Pooled Investments	-	31,457	31,457
Receivables:			
Property Taxes	83,658	-	83,658
Accounts Receivable	42,776	2,364	45,140
Notes and Loans Receivable	1,789	-	1,789
Due from Other Governments	16,110	34,061	50,171
Due from Other Funds	7,391	1,729	9,120
Allowance for Receivables	(33,162)	(776)	(33,938)
Other Assets	6	8,012	8,018
Advances to Other Funds	-	20,659	20,659
Land Held for Resale	-	92,950	92,950
Other Noncurrent Receivables	-	195,044	195,044
Total Assets	$ 233,748	$ 567,720	$ 801,468
LIABILITIES			
Accounts Payable	$ 11,649	$ 17,223	$ 28,872
Accrued Wages and Benefits Payable	5,726	842	6,568
Due to Other Governments	301	19	320
Due to Other Funds	5,513	7,074	12,587
Unearned Revenues	1,687	5,752	7,439
Deposits and Collections Held in Trust	2,603	3,450	6,053
Advances from Other Funds	3,614	20,659	24,273
Total Liabilities	31,093	55,019	86,112
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows (Note 24)	84,376	195,000	279,376
FUND BALANCES (DEFICIT)			
Nonspendable	6	8,012	8,018
Restricted	4,266	289,497	293,763
Committed	61,079	1,362	62,441
Assigned	49,531	36,476	86,007
Unassigned	3,397	(17,646)	(14,249)
Total Fund Balances	118,279	317,701	435,980
Total Liabilities, Deferred Inflows and Fund Balances	$ 233,748	$ 567,720	$ 801,468

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

City of Long Beach
Reconciliation of the Governmental Funds Balance Sheet to
Governmental Activities in the Statement of Net Position
September 30, 2014
(In Thousands)

Total governmental fund balances	$ 435,980
Amounts reported for governmental activities in the statement of net position are different because:	
Capital 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.	577,642
Certain property taxes receivable are not available to pay current period expenditures and, therefore, are deferred inflows in the funds.	1,444
Because the focus of governmental funds is short-term financing, some assets will not be available to pay for current period expenditures. Those assets are offset by deferred revenue in the funds.	194,938
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.	(428,132)
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.	(116,078)
Net position of governmental activities	$ 665,794

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, 2014

(In Thousands)

	General	Other Governmental Funds	Total September 30, 2014
Revenues:			
Taxes:			
Property	$ 141,898	$ 41,987	$ 183,885
Sales	56,620	2,477	59,097
Utility Users	38,691	-	38,691
Other Taxes	31,604	9,900	41,504
Franchise Fees	26,175	-	26,175
Licenses and Permits	14,899	7,442	22,341
Fines and Forfeitures	16,166	-	16,166
Use of Money and Property	52,219	4,468	56,687
From Other Agencies	5,932	185,491	191,423
Charges for Services	26,415	2,627	29,042
Contributions and Donations	-	341	341
Other	6,845	3,848	10,693
Total Revenues	417,464	258,581	676,045
Expenditures:			
Current:			
Legislative and Legal	11,373	-	11,373
General Government	17,769	182	17,951
Public Safety	277,741	22,778	300,519
Public Health	5,371	35,902	41,273
Community and Cultural	41,215	116,907	158,122
Public Works	30,706	35,792	66,498
Oil Operations	4,309	-	4,309
Total Current Expenditures	388,484	211,561	600,045
Capital Improvements	-	36,427	36,427
Debt Service:			
Principal	-	18,836	18,836
Interest	-	21,044	21,044
Debt Administration Fees	-	57	57
Total Expenditures	388,484	287,925	676,409
Excess of Revenues over (under) Expenditures	28,980	(29,344)	(364)
Other Financing Sources (Uses):			
Debt Issuance	1,012	-	1,012
Transfers In	18,729	87,399	106,128
Transfers Out	(68,179)	(37,398)	(105,577)
Total Other Financing Sources (Uses)	(48,438)	50,001	1,563
Net Change in Fund Balances	(19,458)	20,657	1,199
Fund Balances - October 1	137,737	297,044	434,781
Fund Balances - September 30	$ 118,279	$ 317,701	$ 435,980

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, 2014

(In Thousands)

Excess of expenditures and other uses over revenue and other sources - total governmental funds	$ 1,199
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 ($15,249) is less than depreciation ($25,399) in the current period.	(10,150)
The net effect of miscellaneous transactions involving capital assets (e.g., sales, trade-ins, and donations) results in a decrease to net position.	(470)
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.	4,690
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 consumes the current financial resources of the governmental funds. Neither transaction, however, has any affect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is reflected herein.	20,651
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.	(1,568)
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.	12,872
Change in net position of governmental activities	$ 27,224

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

City of Long Beach
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Sources:				
Property Taxes	$ 134,633	$ 134,633	$ 141,898	$ 7,265
Sales Taxes	58,799	58,799	56,620	(2,179)
Utility Users Taxes	38,240	38,240	38,691	451
Other Taxes	30,510	30,510	31,604	1,094
Franchise Fees	24,251	24,251	26,175	1,924
Licenses and Permits	15,057	15,057	14,899	(158)
Fines and Forfeitures	15,788	15,788	16,166	378
Use of Money and Property	37,534	37,591	52,378	14,787
From Other Agencies	2,220	2,220	5,932	3,712
Charges for Services	24,839	25,241	26,415	1,174
Other	2,671	4,043	6,845	2,802
Proceeds from Long-term Debt	-	-	1,012	1,012
Transfers In	17,851	17,978	18,729	751
Total Sources	402,393	404,351	437,364	33,013
Uses:				
Current:				
Legislative and Legal				
Mayor and City Council	4,917	4,986	4,791	195
City Attorney	2,019	2,039	1,696	343
City Clerk	5,075	5,164	4,887	277
General Government				
City Auditor	2,365	2,592	2,521	71
City Manager	2,144	2,282	2,839	(557)
Civil Service	2,738	2,889	2,300	589
Financial Management	23,847	15,748	9,075	6,673
Planning and Building	895	1,211	1,105	106
Public Safety				
Police	193,915	199,798	194,224	5,574
Fire	73,567	73,684	71,679	2,005
Disaster Preparedness	1,020	1,039	1,036	3
City Prosecutor	4,947	5,132	4,769	363
Planning and Building - Code Enforcement	3,215	3,323	3,238	85
Police and Fire Annuity	-	-	2,827	(2,827)
Public Health	5,385	5,484	5,371	113
Community and Cultural				
Community Development	1,081	1,165	1,121	44
Library	16,351	16,444	14,450	1,994
Parks and Recreation	25,379	25,877	25,644	233
Public Works	30,476	31,180	31,035	145
Oil Operations	6,751	6,746	4,309	2,437
Transfers Out	42,199	58,845	68,179	(9,334)
Total Uses	448,286	465,628	457,096	8,532
Net Change in Budgetary Fund Balance:	$ (45,893)	$ (61,277)	$ (19,732)	$ 41,545

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis		$ (19,732)
Add:	Encumbrances	433
Less:	Change in Mark-to-Market and Other Adjustments	(159)
Change in Fund Balance - September 30, GAAP Basis		(19,458)
Fund Balance, October 1, GAAP Basis		137,737
Fund Balance, September 30, GAAP Basis		$ 118,279

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis		$ 118,279
Less:	Nonspendable Fund Balance	(6)
	Restricted for Public Safety	(2,780)
	Restricted for Operations	(1,486)
	Committed for Public Safety	(1,000)
	Committed for Emergencies	(43,358)
	Committed for Operations	(11,500)
	Committed for Oil Field Abandonment	(5,221)
	Assigned for Future Infrastructure	(1,000)
	Assigned for Subsequent Year's Appropriations	(24,692)
	Assigned for Unfunded Liabilities	(23,839)
Total Adjustments		(114,882)
Budgetary Funds Available - September 30		$ 3,397

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

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City of Long Beach
Proprietary Funds
Statement of Net Position (Deficit)
September 30, 2014
(In Thousands)

	Business-type Activities - Enterprise Funds		
	Gas Utility	Tidelands	Tideland Oil Revenue
ASSETS			
Current Assets:			
Pooled Cash and Cash Equivalents	$ 7,700	$ 209,465	$ 46,371
Non-Pooled Cash and Cash Equivalents	86	7,714	-
Non-Pooled Investments	-	-	-
Receivables:			
Interest Receivable	24	103	-
Accounts Receivable	5,204	3,333	42,402
Due from Other Governments	-	690	-
Due from Other Funds	1,198	22,412	-
Allowance for Receivables	(456)	(437)	-
Deposits	-	-	-
Inventory	2,486	-	-
Prepaid Gas - Current	22,763	-	-
Other Assets - Current	74	-	-
Total Current Asset	39,079	243,280	88,773
Noncurrent Assets:			
Restricted Noncurrent assets			
Non-Pooled Cash and Cash Equivalents	-	-	-
Non-Pooled Investments	20,024	12,456	-
Noncurrent Receivables:			
Other Noncurrent Receivables (net)	-	-	-
Advances to Other Funds	-	-	-
Capital Assets:			
Land and Other Capital Assets not being Depreciated	7,238	52,488	-
Capital Assets net of Accumulated Depreciation	124,854	290,867	12,532
Prepaid Gas - Long Term	473,231	-	-
Other Assets - Long-Term	-	-	-
Total Noncurrent Assets	625,347	355,811	12,532
Total Assets	664,426	599,091	101,305
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows (Note 24)	379,890	7,878	-

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

Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Harbor	Other Proprietary Funds	Total Proprietary Funds September 30, 2014	September 30, 2014
$ 489,596	$ 328,314	$ 1,081,446	$ 209,425
35	7,288	15,123	5
-	2,810	2,810	-
-	179	306	23
54,550	21,467	126,956	1,667
63,361	5,256	69,307	-
-	726	24,336	5,089
(1,784)	(1,046)	(3,723)	(129)
-	-	-	6,230
631	3,362	6,479	2,250
-	-	22,763	-
1,726	2,721	4,521	-
608,115	371,077	1,350,324	224,560
2,103	-	2,103	-
118,997	23,047	174,524	-
4,857	1,360	6,217	72
1,300	3,614	4,914	-
2,360,971	65,449	2,486,146	3,020
1,536,323	539,598	2,504,174	88,814
-	-	473,231	-
49,234	181	49,415	-
4,073,785	633,249	5,700,724	91,906
4,681,900	1,004,326	7,051,048	316,466
9,593	2,079	399,440	2,358

(Continued)

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

(Continued)

	Business-type Activities - Enterprise Funds		
	Gas Utility	Tidelands	Tideland Oil Revenue
LIABILITIES			
Current Liabilities Payable from Current Assets:			
Accounts Payable	3,015	9,088	18,748
Accrued Wages	320	498	70
Accrued Interest Payable	11,112	2,872	-
Due to Other Funds	1,456	251	4,604
Unearned Revenues	1,467	1,888	-
Collections Held in Trust	-	144	2,720
Customers Deposits	2,601	-	-
Advances from Developers	-	-	-
Employee Benefits	-	-	-
Accrued Self-Insurance Claims - Current	-	-	-
Environmental Remediation - Current	-	-	-
Due to State of California	-	-	48,267
Obligations Under Capital Leases - Current	432	30	-
Bonds Payable Due Within One Year	6,840	6,680	-
Other Long-Term Obligations - Current	-	1,405	-
Total Current Liabilities	27,243	22,856	74,409
Noncurrent Liabilities:			
Advances from Other Funds	-	1,300	-
Unearned Revenues	-	4,923	-
Employee Benefits	-	-	-
Accrued Self-Insurance Claims	-	-	-
Accrued Oil Field Abandonment Costs	-	-	51,400
Site Restoration	-	-	-
Due to State of California	-	-	-
Obligations Under Capital Leases	1,350	402	-
Other Long-Term Obligations	1,500	58,341	-
Unamortized Discount	-	-	-
Bonds Payable	606,935	117,850	-
Unamortized Discount (Premium)	13,313	9,909	-
Total Noncurrent Liabilities	623,098	192,725	51,400
Total Liabilities	650,341	215,581	125,809
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows (Note 24)	379,890	-	-
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	128,810	169,072	12,532
Restricted for:			
Debt Service	-	8,329	-
Capital Projects	-	1,421	-
Healthcare Insurance	-	-	-
Tidelands	-	9,437	-
Airport	-	-	-
Subsidence	-	-	-
Unrestricted	(114,725)	203,129	(37,036)
Total Net Position (Deficit)	$ 14,085	$ 391,388	$ (24,504)
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 - Internal Service Funds
Harbor	Other Proprietary Funds	Totals Proprietary Funds September 30, 2014	September 30, 2014
75,069	18,632	124,552	3,706
10,651	1,001	12,540	44,031
14,965	3,708	32,657	2,092
18,487	851	25,649	309
11,668	6,762	21,785	-
-	5,858	8,722	5,807
-	942	3,543	-
-	107	107	-
-	-	-	9,050
6,961	-	6,961	24,612
-	-	-	96
-	-	48,267	-
-	-	462	3,007
51,805	13,790	79,115	5,000
-	-	1,405	-
189,606	51,651	365,765	97,710
-	-	1,300	-
20,453	5,104	30,480	-
-	-	-	183,941
-	-	-	103,346
	-	51,400	-
-	1,000	1,000	-
-	-	-	2,819
-	-	1,752	24,272
445,000	9,750	514,591	-
-	-	-	3,520
483,475	183,340	1,391,600	57,576
87,787	4,788	115,797	(93)
1,036,715	203,982	2,107,920	375,381
1,226,321	255,633	2,473,685	473,091
2,963	-	382,853	-
2,974,555	413,478	3,698,447	41,732
17,938	13,213	39,480	59
180,881	26,687	208,989	-
-	-	-	18,425
-	-	9,437	-
-	7,648	7,648	-
-	173,609	173,609	-
288,835	116,137	456,340	(214,483)
$ 3,462,209	$ 750,772	4,593,950	$ (154,267)
		(38,189)	
		$ 4,555,761	

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, 2014
(In Thousands)

	Business-type Activities - Enterprise Funds		
	Gas Utility	Tidelands	Tideland Oil Revenue
Operating Revenues:			
Licenses and Permits	$ -	$ 249	$ -
Fines and Forfeitures	-	258	-
Fees, Concessions, and Rentals	87	40,121	358,619
From Other Agencies	-	152	-
Charges for Services	80,680	23,505	4,160
Other	1,225	33	-
Total Operating Revenues	81,992	64,318	362,779
Operating Expenses:			
Personnel Services	15,025	28,872	3,164
Purchases of Gas and Water	15,059	-	-
Maintenance and Other Operations	12,419	55,615	4,213
Insurance Premiums	-	-	-
Self-Insured Losses	-	-	-
Compensated Absences	-	-	-
Employee Benefits	-	-	-
Payments to Other Entities	-	-	309,467
Amortization	-	514	-
Depreciation	5,508	19,410	-
Total Operating Expenses	48,011	104,411	316,844
Operating Income (Loss)	33,981	(40,093)	45,935
Non-Operating Income (Expenses):			
Interest Income	704	727	-
Interest Expense	(31,574)	(6,927)	-
Gain (Loss) on Disposition of Capital Assets	(288)	-	-
Capital Assets to / (from) Other Funds	(901)	-	-
Oil Field Abandonment Costs	-	-	(10,200)
Operating Grants	-	463	-
Other Income	301	-	4
Other Expense	(762)	(4)	-
Total Non-Operating Income (Expenses)	(32,520)	(5,741)	(10,196)
Income (Loss) Before Contributions and Transfers	1,461	(45,834)	35,739
Capital Grants and Contributions	-	-	-
Transfers:			
Transfers In	-	60,520	-
Transfers Out	(10,223)	-	(42,676)
Change in Net Position	(8,762)	14,686	(6,937)
Net Position (Deficit) - October 1	22,847	376,702	(17,567)
Net Position (Deficit) - September 30	$ 14,085	$ 391,388	$ (24,504)
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 - Internal Service Funds
Harbor	Other Proprietary Funds	Totals Proprietary Funds September 30, 2014	September 30, 2014
$ -	$ 16,192	$ 16,441	$ -
-	8	266	-
355,618	35,724	790,169	-
-	-	152	-
-	205,643	313,988	323,086
1,262	90	2,610	5,972
356,880	257,657	1,123,626	329,058
58,965	57,614	163,640	41,239
-	34,378	49,437	-
49,490	121,645	243,382	48,745
-	-	-	2,768
-	-	-	20,138
-	-	-	49,762
-	-	-	161,254
-	-	309,467	-
(8)	159	665	80
117,974	25,812	168,704	10,673
226,421	239,608	935,295	334,659
130,459	18,049	188,331	(5,601)
3,136	1,798	6,365	378
(1,204)	(9,467)	(49,172)	(4,070)
-	(657)	(945)	121
-	(1,464)	(2,365)	2,365
-	-	(10,200)	-
-	458	921	-
5,872	10,517	16,694	4,656
(4,988)	(556)	(6,310)	(31)
2,816	629	(45,012)	3,419
133,275	18,678	143,319	(2,182)
168,092	13,929	182,021	1,332
-	-	60,520	18,579
(17,844)	(3,987)	(74,730)	(4,920)
283,523	28,620	311,130	12,809
3,178,686	722,152	4,282,820	(167,076)
$ 3,462,209	$ 750,772	4,593,950	$ (154,267)
		311,130	
		(63)	
		$ 311,067	

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, 2014
(In Thousands)

	Business-Type Activities - Enterprise Funds		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Gas Utility	Tidelands	Tideland Oil Revenue
Cash Flows from Operating Activities:			
Receipts from Customers	$ 82,359	$ 64,324	$ -
Receipts from Oil Companies	-	-	372,725
Receipts from Other Governments	-	549	-
Receipts from Other Funds	-	-	-
Payments for Employee Salaries	(14,961)	(28,585)	(3,139)
Payments for Goods and Services	(20,852)	(54,776)	(9,806)
Payments for Compensated Absences	-	-	-
Payments for Employee Benefits	-	-	-
Payments for Liability Claims	-	-	-
Payments to Other Entities	-	1	(323,183)
Payments in Lieu of Taxes	-	-	-
Other Income	24,024	4	4
Other Expense	(685)	-	(10,200)
Net Cash Provided by (Used for) Operating Activities	69,885	(18,483)	26,401
Cash Flows from Non-Capital Financing Activities:			
Other Income	301	-	-
Other Expense	(88)	(4)	-
Operating Grants Received from Other Governments	-	-	-
Receipts for Oil Well Abandonment Reserve	-	-	10,200
Clean Air Action Plan	-	-	-
ACTA shortfall advance	-	-	-
Receipts from Prepayment of Gas Supply	(5,909)	-	-
Payments of Principal on Bonds Payable	(7,305)	-	-
Payments of Interest	(32,079)	-	-
Transfers In	-	61,856	-
Transfers Out	(10,223)	(1,621)	(43,043)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(55,303)	60,231	(32,843)
Cash Flows from Capital and Related Financing Activities:			
Receipt of Capital Grants	-	-	-
Proceeds from the Sale of Capital Assets	-	-	-
Proceeds from Issuance of Long-Term Obligations	-	7,002	-
Proceeds from Issuance of Bonds	-	-	-
Payment of Cost of Issuance	-	-	-
Receipts of Contributed Capital	-	-	-
Receipts from Passenger Facility Charges	-	-	-
Receipts from Customer Facility Charges	-	-	-
Payments to Developers	-	-	-
Principal Received on Other Long term Receivable	-	-	-
Payments for Capital Acquisitions	(13,965)	(17,203)	-
Payments of Principal on Bonds Payable	-	(6,465)	-
Payments of Principal on Other Long-Term Obligations	(1,923)	(1,555)	-
Payments of Interest, Net of Amounts Capitalized	(43)	(8,602)	-
Receipt of Federal Subsidy	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(15,931)	(26,823)	-
Cash Flows from Investing Activities:			
Proceeds from the Sale of Investments	611	-	-
Payments for Investments	-	(105)	-
Payment to Joint Venture	-	-	-
Receipts of Interest	705	748	-
Net Cash Provided by (Used for) Investing Activities	1,316	643	-
Net Increase (Decrease) in Cash and Cash Equivalents	(33)	15,568	(6,442)
Cash and Cash Equivalents - October 1	7,819	201,611	52,813
Cash and Cash Equivalents - September 30	$ 7,786	$ 217,179	$ 46,371

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

Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Harbor	Other Proprietary Funds	Totals Proprietary Funds September 30, 2014	September 30, 2014
$ 362,214	$ 263,700	$ 772,597	$ 5,965
-	-	372,725	-
-	-	549	-
-	-	-	323,168
(46,929)	(47,746)	(141,360)	(37,134)
(68,141)	(161,757)	(315,332)	(52,563)
-	-	-	(62,314)
-	-	-	(137,467)
-	-	-	(6,520)
-	-	(323,182)	-
-	(11,350)	(11,350)	-
-	(5,737)	18,295	4,358
-	3	(10,882)	(112)
247,144	37,113	362,060	37,381
-	-	301	-
(672)	-	(764)	-
-	458	458	-
-	-	10,200	-
(2,474)	-	(2,474)	-
200	-	200	-
-	-	(5,909)	-
-	-	(7,305)	-
-	-	(32,079)	-
-	5	61,861	18,579
(17,062)	(3,970)	(75,919)	(4,920)
(20,008)	(3,507)	(51,430)	13,659
233,901	7,408	241,309	16
16	171	187	129
60,000	-	67,002	-
443,585	-	443,585	-
(1,332)	-	(1,332)	-
-	368	368	1,332
-	5,995	5,995	-
-	1,645	1,645	-
-	2,897	2,897	-
-	77	77	-
(531,335)	(38,133)	(600,636)	67
(125,460)	(13,214)	(145,139)	(594)
(20,000)	-	(23,478)	(7,707)
(32,248)	(11,263)	(52,156)	(4,466)
-	1,116	1,116	-
27,127	(42,933)	(58,560)	(11,223)
-	(516)	95	-
(67,690)	-	(67,795)	-
2,000	-	2,000	-
15,511	1,657	18,621	340
(50,179)	1,141	(47,079)	340
204,084	(8,186)	204,991	40,157
287,650	343,788	893,681	169,273
$ 491,734	$ 335,602	$ 1,098,672	$ 209,430

(continued)

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

(Continued)

RECONCILIATION OF OPERATING INCOME (LOSS)TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	Business-Type Activities - Enterprise Funds		
	Gas Utility	Tidelands	Tideland Oil Revenue
Operating Income (Loss)	$ 33,981	$ (40,093)	$ 45,935
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization Expense	5,508	19,924	-
Other Income	22,788	467	4
Other Expense	(674)	(4)	(10,200)
(Increase) Decrease in Accounts Receivable, Net	(767)	(1)	11,227
Decrease in Amounts Due to Other Governments	-	-	(13,716)
(Increase) Decrease in Amounts Due from Other Governments	-	(66)	-
(Increase) Decrease in Amounts Due from Other Funds	(11)	-	-
(Increase) Decrease in Inventory	(553)	-	-
(Increase) Decrease in Other Assets	6,070	-	-
(Increase) Decrease in Other Liabilities	-	-	-
Increase (Decrease) in Accounts Payable	787	840	(5,593)
Increase in Accrued Wages Payable	40	106	16
Increase (Decrease) in Amounts Due to Other Funds	606	181	9
Increase in Accrued Claims Payable	-	-	-
Increase (Decrease) in Unearned Revenues	1,342	150	-
Increase (Decrease) in Deferred Inflows	-	-	-
Decrease in Deferred Credits	-	-	-
Increase (Decrease) in Collections Held in Trust	768	13	(1,281)
Total Adjustments	35,904	21,610	(19,534)
Net Cash Provided by (Used for) Operating Activities	$ 69,885	$ (18,483)	$ 26,401
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Contribution of Capital Assets	$ -	$ -	$ -
Accrued Capital Asset Costs	-	-	-
Amortization of Bond Premium, Net	-	-	-
Accrued Cost of Water Purchases	-	-	-
Accrued Oilfield Abandonment Costs	-	-	10,200

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

Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Harbor	Other Proprietary Funds	Totals Proprietary Funds September 30, 2014	September 30, 2014
$ 130,459	$ 18,049	$ 188,331	$ (5,601)
117,966	25,971	169,369	10,753
-	(30)	23,229	4,656
29	-	(10,849)	(33)
(13,481)	(2,769)	(5,791)	28
-	-	(13,716)	-
-	401	335	-
-	(60)	(71)	39
(111)	(781)	(1,445)	(270)
-	(2,006)	4,064	-
(6,181)	-	(6,181)	(86)
101	(2,637)	(6,502)	(787)
-	165	327	30,176
(125)	385	1,056	(255)
-	-	-	(214)
(1,966)	7	(467)	6
20,453	-	20,453	-
-	(80)	(80)	-
-	498	(2)	(1,031)
116,685	19,064	173,729	42,982
$ 247,144	$ 37,113	$ 362,060	$ 37,381
$ -	$ (617)	$ (617)	$ 2,365
(22,949)	2,090	(20,859)	-
10,895	87	10,982	-
-	5,740	5,740	-
-	-	10,200	-

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, 2014
(In Thousands)

	Private Purpose Trust Funds	Agency Funds
ASSETS:		
Pooled Cash and Cash Equivalents	$ 878	$ 9,991
Non-pooled Investments	-	2,084
Non-Pooled Cash and Cash Equivalents	-	7,148
Property Taxes Receivable	-	51
Interest Receivable	-	7
Accounts Receivable	1	828
Prepaid Expense	-	9
Land	-	11,000
Total Assets	$ 879	$ 31,118
LIABILITIES:		
Accounts Payable	-	1,267
Due to Special Assessment Bondholders	-	3,340
Collections Held in Trust	-	26,511
Total Liabilities	-	$ 31,118
NET POSITION:		
Held in Trust for Private Purpose Trust Funds	$ 879	

City of Long Beach
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended September 30, 2013
(In Thousands)

	Private Purpose Trust Funds
ADDITIONS:	
Interest Income	$ 4
Contributions from Citizens	22
Total Additions	26
DEDUCTIONS:	
Community and Cultural	43
Change in Net Position	(17)
Net Position, October 1	896
Net Position, September 30	$ 879

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

NOTES TO THE FINANCIAL STATEMENTS

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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 environmental, library, recreation, social services, public works, parks, planning, 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 area (consisting of the beaches, Convention Center, Queen Mary, Rainbow Harbor, the Aquarium of the Pacific, 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 (the 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 Fund, a non-major governmental fund.

Successor Agency to the Redevelopment Agency of the City of Long Beach (Agency): The Redevelopment Agency ceased operation in accordance with Assembly Bill (AB) 1X26 effective February 1, 2012. Consistent with the legislation, 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. Under the requirements of the legislation, as the Agency for the former Redevelopment Agency, 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.

Long Beach Community Investment Company (the 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. Payments under the lease are intended to service bonded debt issued to finance construction of the project. For financial reporting purposes, the capital lease between SERRF and the City has been eliminated, and the financial activities of SERRF are included in the Solid Waste Management Enterprise Fund (see Note 19).

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.

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

Entity	Affected Fund Type	Affected Funds
Long Beach Financing Authority	Governmental	Agency Funds
Long Beach Bond Finance Authority	Governmental and Business-Type	Internal Service Funds Enterprise funds Government Funds to include Agency Funds and Housing Funds
Long Beach Capital Improvement Corporation	Business-Type	Enterprise Funds

There is no requirement to separately issue financial statements for these component units.

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 LBT's sole stakeholder.

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. LBT's mission is "to provide public transit services that enhance and improve the quality of life for the people in our community."

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 it is legally and operationally separate from the City. Separate financial statements can be obtained from the Senior Vice President and CFO, 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 government-wide financial statements (i.e., 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 demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants 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. Taxes and other items are not included among program revenues, as they are appropriately reported 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

The City's government-wide, proprietary, and private trust fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

Agency funds have no measurement focus since only assets and liabilities are reported. Receivables and payables are recognized under the accrual basis of accounting.

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, 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.

- Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- 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 committed, assigned, and unassigned fund balances, as a measure of available spendable resources. This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate legal and covenant compliance, demonstrate the sources and uses of liquid resources, and demonstrate 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.

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 *Tidelands Fund* is used to account for operations, maintenance, and development of the beaches, Convention Center, the Queen Mary, the Aquarium of the Pacific, as well as the City's marinas.

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

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).

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 information technology, fleet services, civic center and related maintenance and financing, liability insurance, workers' compensation insurance, unemployment insurance, and employee benefits.

Fiduciary Funds include private trust and agency 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. Agency funds account for assets held by the City as an agent for individuals, private organizations, and other governmental units. The City's Agency 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.

The City applies all Governmental Accounting Standards Board (GASB) Statements and Interpretations. The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers or applicants 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.

Pooled Cash and Cash Equivalents

The City pools the cash resources of its various funds to facilitate the management of cash and for the purpose of increasing income through investment activities. The pooled cash balances are readily identifiable by fund and are available to meet current operating requirements. The pool is used as a demand deposit account by the various funds.

The 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.

The pool investments are based on three investment strategies designed to meet any demand for funding by using a combination of short-term on demand accounts and highly liquid investments. In addition, several individual funds maintain specific investments over and above any pooled cash balances. Interest income arising from pooled cash and 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. Investments are stated at fair value as of September 30, 2014.

Receivables and Payables

Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year 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 outstanding 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.

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 are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset 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, upon negotiation of a development disposition agreement.

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 governmental activities, business-type activities, or proprietary fund type statement of net position. Initial-issue bond premiums and discounts as a policy, are amortized using the effective-interest-rate method. Bonds payable are reported net of the unamortized portion of applicable premium, discount, and the 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 accompanying fund financial statements, the City's governmental fund types recognize bond premiums, discounts, and issuance costs during the period 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.

Net Position and Fund Balance

In the government-wide financial statements and proprietary fund financial statements, net position are reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Restricted net position represent net position restricted by parties outside of the City (such as investors, grantors, contributors, and laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. Nonexpendable portions of the private-purpose trust funds are reported as held in trust. The City's other restricted net position are restricted but ultimately expendable. All other net position are considered unrestricted.

Fund balance reported in a governmental funds is calculated as assets and deferred outflows less liabilities and deferred inflows. There are five separate components of fund balance, 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.

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.

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

Classification		*Definition*	*Examples*
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; and 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.	

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. 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 delinquent with penalties after December 10th; the second is due February 1st and delinquent with penalties after April 10th. The City recognizes property tax receivable when levied and defers the portion that is neither intended nor available to finance current year expenditures.

Employee Benefits and Compensated Absences

Excluding the residual balance of a City-administered Police and Fire Annuity Benefit Program that was terminated in 1945, benefits for City employees are paid from the City's Employee Benefits Internal Service Fund. The Employee Benefits Internal Service Fund is reimbursed through payroll charges to other funds based on estimates of benefits earned. 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 his/her outstanding vacation leave converted to sick leave.

Accumulated sick leave becomes vested only when an employee meets the City's minimum requirements for retirement. At the time of retirement, employees have the option of using the cash value equivalent of accumulated sick leave to continue in the City's health insurance plan or to purchase additional pension benefits from the State of California Public Employees' Retirement System (CalPERS). Accumulated sick leave is forfeited upon termination for reasons other than retirement. Through fiscal year 2005, the City also contributed up to 32 hours of accumulated sick leave each year to deferred compensation plans for active safety employees who had accumulated in excess of 40 days of sick leave as of January 1st of each calendar year. These deferred compensation contributions were funded and remitted to the City's deferred compensation third-party administrators.

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.

Through fiscal year 2005, the City had established an Integral Part Trust (Post employment Medical Benefits) for police officers. This third-party administered trust provides reimbursements for postretirement medical expenses. For eligible employees, the value of 32 hours of accumulated sick leave and excess, unused vacation, using the employee's current wage rate, was deposited, pretax into a trust account maintained in the employee's name. The sick leave provision of the benefit was effective through fiscal year 2003. The excess vacation benefit was effective through fiscal year 2005.

Vacation and holiday benefits are recognized when earned. Sick leave benefits are recognized on a pro rata basis using an actuarially determined method.

Budgetary Principles

The City Council adopted the fiscal year 2014 budget prior to September 30, 2013 for all funds except for agency funds. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various governmental 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, without City Council approval, 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. Appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

Budget information is presented in the accompanying basic financial statements for the General Fund on a non-GAAP budgetary basis, since appropriations represent budgeted amounts to be expended or encumbered during the year.

Budgeted revenue and expenditure amounts represent the originally budgeted amounts as well as budgeted amounts as modified by adjustments authorized during the year. 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.

Implementation of New Accounting Pronouncements

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

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25.* The objective of this statement is to improve financial

reporting by state and local governmental pension plans. As such, the statement applies to CalPERS and not the City. Application of this Statement was effective for the City's fiscal year ended September 30, 2014 and did not materially impact the City's financial statements.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined-benefit pensions, it identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The requirements of this Statement will improve the decision-usefulness of information in employer financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The City believes that the implementation of this statement will have a material impact on the City's financial statements. The provisions of this statement are effective for fiscal years beginning December 15, 2014.

In January of 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment and improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. Application of this Statement was effective for the City's fiscal year ended September 30, 2014 and did not materially impact the City's financial statements..

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement enhances comparability of financial statements among governments by requiring consistent reporting for governments who extend or receive nonexchange financial guarantees and expands the information disclosed about obligations and risk exposure from extending nonexchange financial guarantees. Application of this Statement was effective for the City's fiscal year ended September 30, 2014.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension liability. This Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense I the first year of implementation of Statement 68. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68 that are effective for fiscal years beginning after December 15, 2014.

Estimates

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.

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 26)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations and Conversions	Total Statement of Net Position (Page 23)
ASSETS					
Current Assets:					
Pooled Cash and Cash Equivalents	$ 275,317	$ -	$ 209,425	$ (410,573)	$ 74,169
Non-Pooled Cash and Cash Equivalents	22,083	-	5	-	22,088
Pooled Investments	-	-	-	151,782	151,782
Interest Receivable	-	171	23	-	194
Property Taxes Receivable, Net	83,658	-	-	(3,165)	80,493
Accounts Receivable	45,140	-	1,667	(46,807)	-
Notes and Loans Receivable	1,789	-	-	(1,789)	-
Due from Other Governments	50,171	-	-	-	50,171
Due from Other Funds	9,120	-	5,089	(14,209)	-
Allowance for Receivables	(33,938)	-	(129)	34,067	-
Accounts and Loans Receivables, Net	-	-	-	17,694	17,694
Internal Balances	-	-	-	35,888	35,888
Deposits	-	-	6,230	(6,230)	-
Inventory	-	-	2,250	-	2,250
Other Assets	8,018	-	-	6,230	14,248
Advances to Other Funds	20,659	-	-	(20,659)	-
Land Held for Resale	92,950	-	-	-	92,950
Other Noncurrent Assets:					
Noncurrent Pooled Investments	-	-	-	258,791	258,791
Noncurrent Non-Pooled Investments	31,457	-	-	-	31,457
Other Noncurrent Receivables	195,044	-	72	-	195,116
Capital Assets:					
Nondepreciable	-	255,593	3,020	-	258,613
Depreciable, Net	-	322,049	88,814	-	410,863
Total Assets	801,468	577,813	316,466	1,020	1,696,767
Deferred Outflows of Resources	-	1,762	2,358	-	4,120
Total Assets and Deferred Outflows of Resources	$ 801,468	$ 579,575	$ 318,824	$ 1,020	$ 1,700,887

(continued)

	Total Governmental Funds (Page 26)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations and Conversions	Total Statement of Net Position (Page 23)
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 28,872	$ -	$ 3,706	$ -	$ 32,578
Accrued Wages and Benefits Payable	6,568	-	44,031	-	50,599
Accrued Interest Payable	-	6,585	2,092	-	8,677
Due to Other Governments	320	-	-	-	320
Due to Other Funds	12,587	-	309	(12,896)	-
Unearned Revenue	7,439	-	-	9,553	16,992
Deposits and Collections Held in Trust	6,053	-	5,807	(11,860)	-
Advances from Other Funds	24,273	-	-	(24,273)	-
Long-term Liabilities Due Within One Year:					
Bonds Payable	-	15,793	5,000	(20,793)	-
Capital Leases Payable	-	1,901	3,007	(4,908)	-
Environmental Remediation	-	615	96	(711)	-
Accrued Self Insurance Claims Payable	-	-	24,612	(24,612)	-
Employee Benefits Payable	-	-	9,050	(9,050)	-
Total Employee Benefits and Accrued LT Obligations	-	-	-	34,373	34,373
Total LT Debt and Other LT Obligations	-	-	-	25,701	25,701
Long-term Liabilities Due Beyond One Year:					
Bonds Payable	-	367,270	61,003	(428,273)	-
Notes Payable	-	6,137	-	(6,137)	-
Capital Leases Payable	-	8,970	24,272	(33,242)	-
Police and Fire Annuities Payable	-	12,514	-	(12,514)	-
Estimated Oil Field Abandonment Costs Payable	-	9,600	-	(9,600)	-
Enviromental Remediation	-	404	2,819	(3,223)	-
Accrued Self Insurance Claims Payable	-	-	103,346	(103,346)	-
Employee Benefits Payable	-	-	183,941	(183,941)	-
Total Employee Benefits and Accrued LT Obligations	-	-	-	312,624	312,624
Total LT Debt and Other LT Obligations	-	-	-	467,652	467,652
Total Liabilities	86,112	429,789	473,091	(39,476)	949,516
Deferred Inflows of Resources	279,376	-	-	(193,799)	85,577
Fund Balance / Net Position					
Total Fund Balance / Net Position	435,980	149,786	(154,267)	234,295	665,794
Total Liabilities, Deferred Inflows and Fund Balance / Net Position	$ 801,468	$ 579,575	$ 318,824	$ 1,020	$ 1,700,887

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

	Total Governmental Funds (Page 28)	Debt and Capital Related Transactions	Internal Service Funds	Reclass and Adjust-ments	Statement of Activities (Pages 24 - 25)
Revenues:					
Taxes	$ 323,177	$ -	$ -	$ (166)	$ 323,011
Franchise Fees	26,175	-	-	-	26,175
Licenses and Permits	22,341	-	-	(22,341)	-
Fines and Forfeitures	16,166	-	-	(16,166)	-
Use of Money and Property / Unrestricted Investment Earnings	56,687	-	378	(53,377)	3,688
From Other Agencies	191,423	-	-	(191,423)	-
Charges for Services	29,042	-	-	(29,042)	-
Other Contributions	341	-	-	(341)	-
Other	10,693	-	-	(10,693)	-
Program Revenue:					
Charges for Services	-	-	5,972	128,880	134,852
Operating Grants and Contributions	-	-	-	183,789	183,789
Capital Grants and Contributions	-	-	-	8,530	8,530
Other Financing Sources :					
Issuance of Long-term Debt	1,012	-	-	(1,012)	-
Capital Asset Transfers, Net	-	-	2,365	-	2,365
Other Revenue Transfers, Net	551	-	13,659	-	14,210
Total Revenues	677,608	-	22,374	(3,362)	696,620
Expenditures / Expenses:					
Current:					
Legislative and Legal	11,373	6	622	-	12,001
General Government	17,951	326	3,101	-	21,378
Public Safety	300,519	(4,497)	795	-	296,817
Public Health	41,273	110	494	-	41,877
Community and Cultural	158,122	1,216	901	(7,033)	153,206
Public Works	66,498	48,283	(478)	-	114,303
Oil Operations	4,309	560	-	-	4,869
Capital Improvements	.				
Capital Improvements	36,427	(36,427)	-	-	-
Debt Service:					
Principal	18,836	(18,836)	-	-	-
Interest on Long-Term Debt	21,044	(169)	4,070	-	24,945
Debt Administration Fees	57	(57)	-	-	-
Total Expenditures / Expenses	676,409	(9,485)	9,505	(7,033)	669,396
Net Change in Fund Balances	$ 1,199	$ 9,485	$ 12,869	$ 3,671	$ 27,224

NOTE 4 – CASH AND INVESTMENTS

Cash and Investments as of September 30, 2014 are classified in the accompanying financial statements as follows (in thousands):

Cash and Investments	
Cash and investments in City pool	$ 1,577,057
Non-pooled cash and investments	257,337
Total cash and investments	$ 1,834,394
Cash and investments as of September 30, 2014 consist of the following:	
Cash and deposits	$ 139,091
Outstanding checks	(18,105)
Investments	1,713,408
Total cash and investments	$ 1,834,394

A reconciliation of the cash, cash equivalents, and investments between the basic financial statements and the fair value of the investment portfolio at September 30, 2014 is as follows (in thousands):

	Primary Government			
	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Pooled Cash and Cash Equivalents	$ 74,169	$ 165,469	$ 10,869	$ 250,507
Non-Pooled Cash and Cash Equivalents	22,088	15,123	7,148	44,359
Pooled Investments	151,782	338,621	-	490,403
Non-Pooled Investments	-	2,810	2,084	4,894
Noncurrent Pooled Investments	258,791	577,356	-	836,147
Noncurrent Non-Pooled Investments	31,457	-	-	31,457
Restricted Assets:				
Non-Pooled Cash and Cash Equivalents	-	2,103	-	2,103
Non-Pooled Investments	-	174,524	-	174,524
Total Deposits and Investments	$ 538,287	$ 1,276,006	$ 20,101	$ 1,834,394

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bonds Issued by the City	5 years *	30%	None
U.S. Treasury Notes, Bonds, or Bills	5 years *	None	None
Registered State Warrants or 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%	10%
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%	10%
Money Market Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	$40 million per account
Asset-backed Securities	5 years	20%	None
Mortgage-backed Securities	5 years	20%	None

* 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.

Investments Authorized by Debt Agreements

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

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, 2014 (in thousands):

Investment Type	Fair Value	Weighted Average Maturity (in years)
Cash and investments in City pool		
Money market account	$ 228	0.003
U.S. Treasury bills	10,000	0.121
U.S. Treasury notes	305,610	0.809
Federal agency securities	1,010,177	1.395
Time certificates of deposit	9,967	0.981
Local Agency Investment Fund (LAIF)	120,677	0.003
Subtotal City pool	1,456,659	
Cash and deposits	138,503	
Outstanding checks	(18,105)	
Total City pool	$ 1,577,057	
Non-pooled cash and investments		
Cash and deposits	$ 588	-
Money market funds	46,078	-
U.S. Treasury notes	72,744	1.81
Federal agency securities	102,701	2.65
Guaranteed investment contracts	33,132	23.27
City bonds	2,094	4.68
Total non-pooled cash and investments	$ 257,337	

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, 2014. 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.

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, 2014 for each investment type (in thousands):

		Rating as of Year End					
Investment Type	Legal Rating	Total	Not Required To Be Rated	AAA	AA+	A+	Unrated
Cash and investments in City pool							
Money market account	N/A	$ 228	$ -	$ -	$ 228	$ -	$ -
U.S. Treasury bills	N/A	10,000	10,000	-	-	-	-
U.S. Treasury notes	N/A	305,610	305,610	-	-	-	-
Federal agency securities	N/A	1,010,177	-	-	1,010,177	-	-
Time Certificate of Deposit	N/A	9,967	-	-	-	9,967	-
Local Agency Investment Fund (LAIF)	N/A	120,677	-	-	-	-	120,677
Subtotal City pool		1,456,659	315,610	-	1,010,405	9,967	120,677
Cash and deposits		138,503	-	-	-	-	138,503
Outstanding checks		(18,105)	-	-	-	-	(18,105)
Total City pool		$ 1,577,057	$ 315,610	$ -	$ 1,010,405	$ 9,967	$ 241,075
Non-pooled cash and investments							
Cash and deposits	N/A	$ 588	$ -	$ -	$ -	$ -	$ 588
Money market funds	N/A	46,078	46,078	-	-	-	-
U.S. Treasury notes	N/A	72,744	-	72,744	-	-	-
Federal agency securities	N/A	102,701	-	-	102,701	-	-
Guaranteed Investment Contracts	N/A	33,132	33,132		-	-	-
City bonds	N/A	2,094	-	-	-	-	2,094
Total non-pooled cash and investments		$ 257,337	$ 79,210	$ 72,744	$ 102,701	$ -	$ 2,682

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 City's total pooled investments are as follows (in thousands):

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Federal agency securities	$ 67,029
Federal Home Loan Bank	Federal agency securities	410,517
Federal Home Loan Mortgage Corporation	Federal agency securities	244,428
Federal National Mortgage Association	Federal agency securities	288,203
Local Agency Investment Fund (LAIF)	Local Agency Investment Fund (LAIF)	120,677
U.S. Treasuries	U.S. Treasury bills and notes	315,610

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 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, 2014, the City reported deposits of $139.0 million, collateralized in compliance with California Government Code, less $18.0 million for checks outstanding.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this 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 balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are mortgage-backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured basis.

NOTE 5 – RECEIVABLES

Receivables at September 30, 2014 for the City's individual major funds, and nonmajor and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows (in thousands). All receivables are expected to be collected within one year, except for delinquent property taxes.

	General	Nonmajor Governmental Funds	Internal Service Funds	Total
Governmental Activities:				
Receivables:				
Interest [1]	$ -	$ -	$ 23	$ 23
Taxes	83,658	-	-	83,658
Accounts, Unrestricted	42,776	2,364	1,667	46,807
Notes and Loans	1,789	-	-	1,789
Due from Other Governments	16,110	34,061	-	50,171
Total Receivables	144,333	36,425	1,690	182,448
Less Allowance for Receivables	(33,162)	(776)	(129)	(34,067)
Net Receivables	$111,171	$ 35,649	$ 1,561	$148,381

	Gas Utility	Tidelands	Tideland Oil Revenue	Harbor	Nonmajor Proprietary Funds	Total
Business-Type Activities:						
Receivables:						
Interest, Unrestricted	$ 24	$ 103	$ -	$ -	$ 179	$ 306
Accounts, Unrestricted	5,204	3,333	42,402	54,550	21,467	126,956
Due from Other Governments	-	690	-	63,361	5,256	69,307
Total Receivables	5,228	4,126	42,402	117,911	26,902	196,569
Less Allowance for Receivables	(456)	(437)	-	(1,784)	(1,046)	(3,723)
Net Receivables	$4,772	$ 3,689	$ 42,402	$116,127	$ 25,856	$192,846

1) Governmental activities interest receivable in the Statement of Net Position differs from total interest receivable listed above by $175 thousand due to the federal subsidy receivable for the Agency's Build America and Recovery Zone Economic Development Bonds.

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2014 is as follows (in thousands):

	Receivable - Due to:						
	General	Nonmajor Govern-mental	Gas Utility	Tidelands	Nonmajor Proprietary Funds	Internal Service Funds	Total Due from
Payable- Due from:							
General	$ -	$ 1,026	$1,188	$ -	$ 500	$ 2,799	$ 5,513
Nonmajor Governmental	6,058	538	-	-	54	424	7,074
Gas Utility	1,126	-	-	-	169	161	1,456
Tidelands	-	-	-	-	-	251	251
Tidelands Oil Revenue	-	-	-	4,568	-	36	4,604
Harbor	-	77	10	17,844	3	553	18,487
Nonmajor Proprietary	207	88	-	-	-	556	851
Internal Service	-	-	-	-	-	309	309
Total Due to	$ 7,391	$ 1,729	$1,198	$22,412	$ 726	$ 5,089	$38,545

	Receivable - Advances from:				
	General	Nonmajor Govern-mental	Harbor	Nonmajor Proprietary Funds	Total Advances to
Payable - Advances to:					
General	$ -	$ -	$ -	$ 3,614	$ 3,614
Nonmajor Governmental	-	20,659	-	-	20,659
Tidelands	-	-	1,300	-	1,300
Total Advances from	$ -	$ 20,659	$ 1,300	$ 3,614	$ 25,573

Due to / Due from Other Funds

The General Fund has provided $6.0 million to non-major governmental funds. $1.4 million was provided to the Community Development Grants Fund to cover operating expenses prior to receipt of grant funds from the Home Investment Partnership Act, Community Development Block Grant, and Workforce Investment Act. In addition, the General Fund provided the General Grants Fund $4.6 million for temporary cash flow in order to cover expenses for the Urban Area Security Initiative Grant.

The General Fund has $1 million payable to Capital Projects Fund, a non-major governmental fund, to finance the following capital projects - Solar Panel Implementation, HVAC system for Emergency Communication & Operation Center, and Long Beach Municipal Urban Stormwater Treatment facility feasibility study.

As of September 30, 2014, $4.6 million is payable from the Tidelands Oil Revenue Fund to the Tidelands Fund. At fiscal year-end, $2.9 million of the net oil profits and $1.7 million, through the 1992 Optimized Waterflood Program Agreement whereby Tidelands Fund receives 8.5 percent of the incremental oil revenue generated by the injection of water into the Tidelands area oil fields, was due to the Tidelands Fund.

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 Fund. The amount accrued for the Harbor's 2014 operating revenues is $17.8 million and will be paid in fiscal year 2015.

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 earning on reserves to the General fund in the amount of $4.1 million in both fiscal years 2005 and 2006. This was allowed under State law passed in fiscal year 2004 to retain interest earned on that reserve for subsidence contingencies for the previous calendar year. 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, 2014 is $4.1 million, of which $3.6 million is long-term and $500 thousand is current.

During the period from 1986 through 2010, the Housing Development Fund made a series of advances to the former Redevelopment Agency through the deferral of housing set-aside funds. With the dissolution of the former Redevelopment Agency, the Successor Agency, a non-major governmental fund, became responsible for the repayment of the advances. At September 30, 2014, inclusive of fiscal year 2014 payments of $8.8 million, the remaining balance was $16.8 million.

In fiscal year 2001, The Long Beach Housing Development Company (the Company), a subset of the Housing Development Fund, entered into a $4.0 million zero interest loan agreement with the City for the acquisition of 26 parcels of land, each containing a four-plex apartment building for affordable rental housing for low and very low-income residents. The Company is required to make the principal payments to the City 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 Company's outstanding loan balance with Community Development Grants Fund is $3.8 million at September 30, 2014.

Interfund Transfers

The City regularly transfers current financial resources from one fund to another. At September 30, 2014, interfund transfers are as follows (in thousands):

	Transfers To:				
	General	Nonmajor Governmental Funds	Tidelands	Internal Service Funds	Total Transfers Out
Transfers Out of:					
General	$ -	$ 49,600	$ -	$ 18,579	$ 68,179
Nonmajor Governmental	100	37,298	-	-	37,398
Gas	10,173	50	-	-	10,223
Nonmajor Proprietary	3,536	451	-	-	3,987
Tideland Oil Revenue	-	-	42,676	-	42,676
Harbor	-	-	17,844	-	17,844
Internal Service Funds	4,920	-	-	-	4,920
Total Transfers In	$ 18,729	$ 87,399	$ 60,520	$ 18,579	$ 185,227

Significant transfers include the following:

The General Fund transferred a total of $49.6 million to non-major governmental funds in fiscal year 2014. Of this $6.8 million was transferred to the General Debt Service Fund for the payment of principal, interest, and fiscal agent fees; $38.8 million was transferred to the General Capital Projects Fund for ongoing projects such as street and sidewalk construction and City building improvements, maintenance and repair; $2.0 million to Health Special Revenue Fund for the write off of the loan, and $1.6 million was transferred to General Grants Fund for the acquisition of furniture and equipment for the new North Library.

In addition, the General Fund transferred $18.5 million to Internal Service Fund. Significant transfers include $11 million transferred to General Service Fund for the acquisition of the City's Financial/Human Resources systems replacement; $2.8 million was transferred to Civic Center Fund for expenditure related to the Request for Proposals (RFP) of the new Civic Center; and $2.8 million was transferred to Employee Benefit Fund for pension fund's unfunded liabilities.

Non-major governmental funds transferred $37.2 million to other non-major governmental funds. Significant transfers include the Agency Capital Projects Fund transferring $28.4 million and $2.4 million to the Agency Debt Service Fund and the Housing Development Fund, respectively, for debt service payments.

The Gas Utility Fund transferred $10.1 million to the General Fund as allowed by City Charter.

The Solid Waste Management Fund, a non-major proprietary fund, transferred $2.7 million and $200 thousand to the General Fund based on a Joint Powers Agreement between the City and the Los Angeles County Sanitation District Number 2 (District) and for the reimbursement of the over-collection of Refuse Disposal Fees paid by the City, respectively. Under the Joint Powers Agreement, net remaining retained earnings over the required amount as stipulated in the agreement can be distributed equally between the District and the City.

The Tidelands Oil Revenue Fund shares revenue from tidelands oil operations under an optimized water flood program. In fiscal year 2014, $22.1 million was transferred to the Tidelands Fund under this program. As a result of Measure D, Tidelands Oil Revenue Fund was able to transfer an additional amount of $20.5 million from the West Wilmington Oilfield net profits, bringing total fiscal year 2014 transfers to $42.6 million.

The Harbor accrued an operating transfer of $17.8 million and due to the Tidelands Fund as allowed by the City Charter.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for governmental activity for the year ended September 30, 2014 is as follows (in thousands):

Governmental Activities:	Balance at October 1, 2013	Increase	Decrease	Transfers	Balance at September 30, 2014
Capital Assets not being Depreciated:					
Land	$ 163,668	$ 2,667	$ (200)	$ -	$ 166,135
Rights-of-way	81,334	6	-	-	81,340
Construction In Progress	28,433	14,027	(22,510)	(8,812)	11,138
Total Capital Assets not being Depreciated	273,435	16,700	(22,710)	(8,812)	258,613
Capital Assets being Depreciated:					
Buildings	291,716	1,836	(356)	2,333	295,529
Improvements Other than Buildings	104,377	106	-	6,158	110,641
Infrastructure	425,382	-	-	321	425,703
Machinery and Equipment	69,771	5,487	(1,168)	(10,713)	63,377
Vehicles and Aircraft	94,370	3,293	(1,001)	-	96,662
Software and Patents	48	13,513	(611)	10,713	23,663
Total Capital Assets being Depreciated	985,664	24,235	(3,136)	8,812	1,015,575
Less Accumulated Depreciation for:					
Buildings	(126,679)	(7,845)	98	-	(134,426)
Improvements Other than Buildings	(48,778)	(4,890)	-	-	(53,668)
Infrastructure	(274,027)	(12,730)	-	-	(286,757)
Machinery and Equipment	(55,539)	(4,181)	1,153	9,397	(49,170)
Vehicles and Aircraft	(66,408)	(5,850)	977	-	(71,281)
Software and Patents	(48)	(576)	611	(9,397)	(9,410)
Total Accumulated Depreciation	(571,479)	(36,072)	2,839	-	(604,712)
Total Capital Assets being Depreciated, Net	414,185	(11,837)	(297)	8,812	410,863
Governmental Activities Capital Assets, Net	$ 687,620	$ 4,863	$ (23,007)	$ -	$ 669,476

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

Legislative and Legal	$ 6
General Government	318
Public Safety	4,560
Public Health	424
Community and Cultural	5,702
Public Works	14,389
Capital Assets held by City's internal services funds allocated to various functions on a prorated basis based on their usage of the assets	10,673
Total governmental activities depreciation	$ 36,072

During the year, $2.4 million in capitalizable costs associated with a new utility billing program were transferred from gas, water, sewer and refuse enterprise funds to the general services internal service fund. This transfer is reflected within the statement of activities as a capital asset transfer.

Capital asset activity for business-type activities for the year ended September 30, 2014 is as follows (in thousands):

Business-type Activities:	Balance at October 1, 2013	Increase	Decrease	Transfers	Balance at September 30, 2014
Capital Assets not being Depreciated:					
Land	$ 965,578	$ -	$ -	$ 1,182	$ 966,760
Rights-of-way	213,243	-	-	-	213,243
Water Rights	40	-	-	-	40
Construction In Progress	1,428,854	620,202	(45,926)	(697,027)	1,306,103
Total Capital Assets not being Depreciated	2,607,715	620,202	(45,926)	(695,845)	2,486,146
Capital Assets being Depreciated:					
Buildings	2,612,011	-	(7,702)	591,137	3,195,446
Improvements Other than Buildings	485,350	-	(1,621)	38,835	522,564
Infrastructure	1,166,948	-	(2,164)	65,873	1,230,657
Machinery and Equipment	60,004	29,129	(1,136)	(4,050)	83,947
Vehicles snd Aircraft	28,958	3,884	(1,157)	-	31,685
Software and Patents	815	7,617	-	4,050	12,482
Total Capital Assets being Depreciated	4,354,086	40,630	(13,780)	695,845	5,076,781
Less Accumulated Depreciation for:					
Buildings	(1,395,798)	(108,829)	2,079	-	(1,502,548)
Improvements Other than Buildings	(251,642)	(16,429)	1,309	-	(266,762)
Infrastructure	(697,607)	(27,974)	1,753	-	(723,828)
Machinery and Equipment	(44,440)	(9,384)	640	1,950	(51,234)
Vehicles and Aircraft	(20,642)	(1,605)	730	-	(21,517)
Software and Patents	(285)	(4,483)	-	(1,950)	(6,718)
Total Accumulated Depreciation	(2,410,414)	(168,704)	6,511	-	(2,572,607)
Total Capital Assets being Depreciated, Net	1,943,672	(128,074)	(7,269)	695,845	2,504,174
Business-type Activities Capital Assets, Net	$4,551,387	$492,128	$ (53,195)	$ -	$4,990,320

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

Gas	$ 5,508
Tidelands	19,410
Harbor	117,974
Non-major Business-type Funds:	
Water	10,226
Sewer	1,961
Solid Waste Management	4,319
Airport	9,293
Development Services	13
Total Business-type Activities Depreciation	$ 168,704

Capitalized Interest

The Harbor, Airport, Tidelands, Gas Fund, Water Fund and Sewer Fund capitalized interest of $30.8 million, $242 thousand, $191 thousand, $75 thousand, $1.1 million, and $53 thousand, respectively, in capital assets.

NOTE 8 – CHANGE IN LONG -TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2014 is as follows (in thousands):

	Balance at October 1, 2013	Additions	Reductions	Balance at September 30, 2014	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Revenue Bonds	$ 139,085	$ -	$ (7,915)	$ 131,170	$ 8,210
Tax Allocation Bonds	315,399	-	(12,000)	303,399	12,583
Plus (Less) Unamortized Amounts:					
Premium	16,245	-	(1,118)	15,127	-
Discount	(673)	-	43	(630)	-
Total Bonds Payable	470,056	-	(20,990)	449,066	20,793
Notes Payable	7,102	589	(1,554)	6,137	-
Capital Leases	41,869	1,950	(5,669)	38,150	4,908
Police and Fire Annuities	14,183	1,157	(2,826)	12,514	-
Estimated Oil Field Abandonment Costs	9,058	542	-	9,600	-
Environmental Remediation	4,002	86	(154)	3,934	711
Accrued Self-Insured Claims	128,172	19,825	(20,039)	127,958	24,612
Employee Benefits	168,565	31,904	(7,478)	192,991	9,050
Governmental Activities Long-Term Liabilities	$ 843,007	$ 56,053	$ (58,710)	$ 840,350	$ 60,074
Business-Type Activities:					
Bonds Payable:					
Revenue Bonds	$1,564,045	$ 59,035	$ (152,365)	$ 1,470,715	$ 79,115
Plus (Less) Unamortized Amounts:					
Premium	69,249	6,194	(11,131)	64,312	-
Discount	(158)	-	32	(126)	-
Total Bonds Payable	1,633,136	65,229	(163,464)	1,534,901	79,115
Notes, Commercial Paper and Lines of Credit Payable	147,020	392,002	(23,026)	515,996	1,405
Discount	(3)	-	2	(1)	-
Total Notes, Commercial Paper and Lines of Credit Payable	147,017	392,002	(23,024)	515,995	1,405
Capital Leases	2,667	-	(452)	2,215	462
Due to State of California	61,983	309,467	(323,183)	48,267	48,267
Estimated Oil Field Abandonment Costs	41,200	10,200	-	51,400	-
Accrued Claims Liability	14,000	2,961	(10,000)	6,961	6,961
Site Restoration	1,000	-	-	1,000	-
Business-Type Activities Long-Term Liabilities	$1,901,003	$779,859	$ (520,123)	$ 2,160,739	$136,210

NOTE 9 – BONDS PAYABLE

At September 30, 2014, bonded indebtedness consisted of the following (in thousands):

Description	Date Issued	Final Maturity	Range of Interest Rates	Authorized and Issued	Outstanding September 30, 2014
GOVERNMENTAL ACTIVITIES					
GENERAL CITY BONDS:					
LB Bond Finance Auth LBBFA 2012A	11/28/12	08/01/31	4.0% - 5.0%	$ 32,969	$ 32,969
LB Bond Finance Auth LBBFA 2012B	11/28/12	08/01/18	0.95% -2.45%	15,120	11,305
Parks and Open Spaces	11/07/06	05/01/31	4.0% - 5.0%	24,320	24,320
Total General City Bonds				72,409	68,594
TAX ALLOCATION BONDS:					
Tax Allocation Bonds:					
1992 Multiple Series -					
Downtown Project Refunding	12/01/92	11/01/17	0.0% - 6.0%	81,020	15,075
West Long Beach Industrial	12/01/92	11/01/17	0.0% - 6.0%	36,470	6,790
2002A West Beach	06/25/02	08/01/18	5.15%	8,895	2,942
2002A Downtown Project	06/25/02	08/01/24	5.25% - 7.1%	26,820	11,706
2002A North Long Beach	06/25/02	08/01/31	6.10%	40,290	6,374
2002B West Long Beach Industrial Project	12/05/02	11/01/24	2.0% - 5.5%	21,860	18,560
2002B Downtown	12/05/02	11/01/22	2.25% - 5.5%	25,920	22,615
2005A & B Central	03/20/05	08/01/40	3.52% - 5.34%	56,930	49,895
2005A Los Altos	03/20/05	08/01/20	2.2% - 4.0%	4,685	2,135
2005A & B North Long Beach	03/20/05	08/01/35	3.52% - 5.16%	64,080	53,180
2005A Poly High	03/20/05	08/01/24	3.79% - 4.9%	2,558	2,003
2005A West Beach	03/20/05	08/01/20	4.59% - 4.66%	840	840
2005B Housing	03/20/05	08/01/40	3.52% - 5.44%	55,665	48,830
2005C Downtown Project	02/01/06	08/01/24	3.25% - 5.50%	7,900	6,980
2005C North Long Beach Project	02/01/06	08/01/31	3.70% - 5.50%	27,145	24,914
2010A North Long Beach Recover Zone	05/12/10	08/01/40	7.90% - 8.36%	22,235	22,235
2010B North Long Beach Build America	05/12/10	08/01/25	2.39% - 7.90%	10,745	8,325
Total Tax Allocation Bonds				494,058	303,399
INTERNAL SERVICE BONDS:					
Fleet Services:					
2012A LB Bond Finance Authority	11/28/12	08/01/31	4.0% - 5.0%	21,661	21,661
Employee Benefits Fund:					
2002 Pension Obligation Refunding Bonds	08/15/02	09/01/21	4.84% - 5.18%	76,550	40,915
Total Internal Service Funds				98,211	62,576
Total Governmental Activities Bonds Payable				$ 664,678	$ 434,569

(continued)

Description	Date Issued	Final Maturity	Range of Interest Rates*	Authorized and Issued	Outstanding September 30, 2014
BUSINESS-TYPE ACTIVITIES:					
ENTERPRISE BONDS:					
Gas Utility Fund:					
2007A Natural Gas Purchase	10/18/07	11/15/37	4.25% - 5.5%	$ 635,665	$ 544,770
2007B Natural Gas Purchase	10/18/07	11/15/33	4.9% - 5.07%	251,695	69,005
Total Gas Utility Fund				887,360	613,775
Water Fund:					
1997A Water	10/15/97	05/01/24	4.9% - 5.75%	46,945	1,825
2010A Water	09/15/10	05/01/24	2.0% - 5.75%	22,740	21,995
2012 Water	08/30/12	05/01/27	2.0% - 5.0%	9,850	8,960
Total Water Fund				79,535	32,780
Solid Waste Management Fund:					
2003 SERRF	11/12/03	12/01/18	2.0% - 5.375%	120,235	49,200
Tidelands Fund:					
2006 Rainbow Harbor Refinancing	04/18/06	05/01/24	3.375% - 5.0%	50,785	31,180
2012 Aquarium Bonds	03/14/12	11/01/30	1.0% - 5.0%	102,580	93,350
Total Tidelands Fund				153,365	124,530
Harbor Fund:					
1998 Harbor	02/01/98	05/15/19	6.0%	206,330	74,110
2005 Harbor	03/23/05	05/15/25	0.0% - 5.0%	257,975	105,595
2010A Harbor	04/22/10	05/15/25	0.4% - 5.0%	200,835	160,175
2010B Harbor	05/12/10	05/15/27	3.0% - 5.0%	158,085	136,365
2014A Harbor	05/07/14	05/15/17	2.0% - 5.0%	38,465	38,465
2014B Harbor	05/07/14	05/15/27	3.0% - 5.0%	20,570	20,570
Total Harbor Fund				882,260	535,280
Airport Fund:					
2009A Airport	12/08/09	06/01/22	4.0% - 5.0%	9,795	9,290
2009B Airport	12/08/09	06/01/16	3.0% - 5.0%	6,755	2,115
2009C Airport	12/08/09	06/01/39	7.0% - 7.8%	44,890	44,890
2010A Airport	11/23/10	06/01/40	3.0% - 5.0%	48,435	46,635
2010B Airport	11/23/10	06/01/40	2.5% - 5.0%	12,965	12,220
Total Airport Fund				122,840	115,150
Total Business-Type Activities Bonds Payable				2,245,595	1,470,715
Total Primary Government Bonded Indebtedness				$2,910,273	$1,905,284

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

	Principal Payments Governmental Activities						Total Annual Debt Service Requirements		
Year Ending	Parks Open Space	LBFFA 2012A	LBBFA 2012B	Tax Allocation	Fleet	Employee Benefits	Principal	Interest	Total
2015	$ -	$ -	$ 3,210	$ 12,583	$ -	$ 5,000	$ 20,793	$ 22,429	$ 43,222
2016	-	-	3,265	13,197	-	5,255	21,717	21,501	43,218
2017	-	-	3,345	13,866	-	5,530	22,741	20,501	43,242
2018	1,300	1,177	1,485	14,567	773	5,815	25,117	19,430	44,547
2019	1,350	2,145	-	14,888	1,410	6,115	25,908	18,661	44,569
2020 - 2024	7,635	12,318	-	82,694	8,092	13,200	123,939	72,802	196,741
2025 - 2029	9,565	13,639	-	50,067	8,961	-	82,232	44,761	126,993
2030 - 2034	4,470	3,690	-	51,663	2,425	-	62,248	24,018	86,266
2035 - 2039	-	-	-	41,240	-	-	41,240	9,612	50,852
2040 - 2044	-	-	-	8,634	-	-	8,634	512	9,146
Totals	$24,320	$32,969	$11,305	$303,399	$21,661	$40,915	$ 434,569	$254,227	$688,796

In November 2006, the City issued $24.3 million in Long Beach Bond Finance Authority (LBBFA) Leases Revenue Bonds. The bonds were issued (a) to finance the acquisition and development costs of new parks and open spaces focusing on densely populated and underserved areas in Long Beach. The bonds bear interest rates ranging from 4.0 percent to 5.0 percent with maturing dates of May 1, 2018 through May 1, 2031. Annual debt service payments range from $1.1 million to $2.5 million.

In March 2005, the City issued $192.4 million in LBBFA Bonds 2005 Series A Revenue Bonds and Series B Taxable Revenue Bonds. $184.8 million of the bonds were issued (a) to provide funds to finance certain projects of the Agency, (b) to finance certain housing projects of the Authority, refinance certain indebtedness of the Agency, (c) to fund reserve accounts, and (d) to pay costs of issuance of the Series 2005 Bonds. The interest rates range from 2.2 percent to 5.4 percent. Refunding and defeasement of the 1993 Gas Utility Bonds was included in this issue.

In May 2010, the City issued $33.0 million in LBBFA Bonds 2010 Series A Taxable Recovery Zone Economic Development Bonds and Series B Taxable Build America Bonds. The bonds were issued (a) to finance Agency activities within or of benefit to the North Long Beach Redevelopment area, (b) to fund reserve requirements, and (c) to pay for issuance costs of the bonds. Interest rates on Series A range from 7.9 percent to 8.4 percent and Series B ranges from 2.4 percent to 7.9 percent. The Agency expects to receive a cash subsidy from the United States Treasury pursuant to the American Recovery and Reinvestment Act on or about each interest payment date of 45 percent and 35 percent, respectively, of the interest paid on the bonds.

In November 2012, the City issued $69.7 million in LBBFA bonds consisting of $54.6 million in 2012 Series A Lease Revenue Refunding bonds and $15.1 million Series B Taxable Lease Revenue Refunding Bonds.

The 2012 Series A Bonds were issued to (a) refinance the costs of the acquisition, construction, installation and equipping of certain public capital improvements, (b) refund the outstanding 1998 Series B Temple and Willow Facility Bonds, (c) refund the 2001 Plaza Parking Facility Lease Revenue Bonds, (c) refund the outstanding 2002 Public Safety Facilities Projects Lease Revenue Bonds, and (d) advance refund the outstanding 2005 Temple and Willow Facility Refinancing Project Lease Revenue Bonds, and (e) pay a portion of the costs of issuance of the Bonds.

The Series B Bonds were issued to (a) refinance the costs of the acquisition, construction, installation and equipping of certain public capital improvements, (a) refund the outstanding 2003 Skylinks Golf Course Project Lease Revenue Bonds, (b) refund the outstanding 2004 Long Beach Towne Center Site Refinancing Project Taxable Variable Rate Demand Revenue Bonds, and (c) pay a portion of the costs of issuance of the bonds.

The Series A Bonds have fixed interest rates ranging from 4.0 percent to 5.0 percent with an average of 4.8 percent. The bonds are secured by a pledge of and lien on the Revenues consisting primarily of Lease Payments. The Series B Bonds have fixed interest rates ranging from 0.9 percent to 2.5 percent with an average of 1.9 percent. The bonds are secured by a pledge of and lien on the Revenues consisting primarily of Lease Payments. Aggregate debt service decreased by $16.5 million resulting in an economic gain of $14.7 million.

Annual principal payment requirements to maturity for business-type activities revenue bonds and the funds from which payments will be made are as follows (in thousands):

	Principal Payments by Fund - Business-Type Activities						Total Annual Debt Service Requirements		
YearEnding	Gas Utility	Water	Solid Waste Management	Tidelands	Harbor	Airport	Principal	Interest	Total
2015	$ 6,840	$ 2,510	$ 8,860	$ 6,680	$ 51,805	$ 2,420	$ 79,115	$ 74,556	$ 153,671
2016	7,150	2,630	9,320	6,930	54,320	2,515	82,865	70,932	153,797
2017	8,120	2,730	9,805	7,200	56,920	2,625	87,400	66,998	154,398
2018	8,925	2,815	10,330	7,020	48,440	2,740	80,270	62,678	142,948
2019	10,290	2,930	10,885	7,300	52,175	2,875	86,455	58,570	145,025
2020 - 2024	82,235	16,690	-	41,840	204,215	16,575	361,555	237,906	599,461
2025 - 2029	120,195	2,475	-	32,275	67,405	20,885	243,235	149,524	392,759
2030 - 2034	86,545	-	-	15,285	-	26,620	128,450	98,402	226,852
2035 - 2039	283,475	-	-	-	-	34,020	317,495	39,195	356,690
2040 - 2044	-	-	-	-	-	3,875	3,875	194	4,069
Totals	$613,775	$ 32,780	$ 49,200	$124,530	$535,280	$115,150	$1,470,715	$858,955	$2,329,670

In October 2007, the LBBFA issued fixed and variable rate Natural Gas Purchase Revenue Bonds of $635.7 million and $251.7 million, respectively (the Bonds). The proceeds were used to prepay the costs of the acquisition of a specified supply of natural gas to be delivered over approximately 30 years under a Prepaid Natural Gas Purchase and Sale Agreement, between Merrill Lynch Commodities, Inc. (the Seller) and the Issuer. The daily quantity of gas to be purchased by the City during this period varies month to month, but not year to year. The City projected that the daily contract quantity to be delivered in any month represents between 80 and 90 percent of the City's projected natural gas requirements. For each British Thermal Unit (MMBtu) of contract gas delivered to the City, the City shall pay an applicable Index Price for the month the delivery occurs, less $0.83 per MMBtu (the Contract Price).

In August 2009, the LBBFA redeemed $48.3 million and $182.7 million of Series A and B, respectively. The redemption resulted in a decrease in the gas supply of 60.3 million MMBtu's or 25 percent of the original volume purchased over the term of the agreement. The bonds are special obligations of the Issuer payable solely from, and secured as to the payment of the principal and redemption price thereof, and interest thereon, in accordance with their terms and the provisions of the Bonds, solely by the trust estate. The payment of the principal or redemption price of, or interest on, the Bonds does not constitute a debt, liability, or obligation of the Issuer, the City, the State, or any other public agency (other than the special obligation of the Issuer as provided in the Bonds).

The 2007 Series A bonds have fixed interest rates ranging from 4.3 percent to 5.5 percent with an average of 4.7 percent. Series B are indexed at 67 percent of the three-month London Interbank Offered Rate (LIBOR), plus a spread between 1.4 percent to 1.6 percent.

In April 2010, $200.8 million Harbor 2010A Bonds were issued (a) to finance certain capital improvements at the Harbor, (b) to fund a reserve fund, and (c) to pay the costs of issuing the Bonds. The Serial bonds will mature on May 15 of each year from 2011 to 2025 in amounts ranging from $1.5 million to $18.3 million with interest payable semiannually on May 15 and November 15 at coupon rates ranging from 0.4 percent to 5.0 percent. The City of Long Beach Harbor Revenue Bonds Series 2010A are secured by the Harbor's gross revenues.

In December 2009, the City issued $61.4 million of Senior Airport Revenue Bonds. The proceeds of the Series 2009A and 2009B were used (a) to refund $4.0 million of the Airport's outstanding commercial paper and prepaid all of 1993 Certificates of Participation (COPs). The call of the 1993 COPS resulted in a $512 thousand accounting loss and an economic gain of $213 thousand. Series 2009C are federally taxable Build America Bonds. Series 2009C proceeds and a portion of 2009A proceeds were used (b) to fund the design and construction of phase one of a new parking structure at the Airport. Interest rates on Series A range from 4.0 percent to 5.0 percent, Series B ranges from 3.0 percent to 5.0 percent, and Series C ranges from 7.0 percent to 7.8 percent. The Airport expects to receive a cash subsidy of 35 percent on the Series C bonds from the United States Treasury pursuant to the American Recovery and Reinvestment Act on or about each interest payment date. Debt service on the Series 2009 bonds will be paid through revenues generated by the Airport.

In November 2010, the City issued $61.4 million of Senior Airport Revenue Bonds. The proceeds of the Series 2010A were used (a) to partially fund the construction of a new passenger concourse at the Airport and (b) to refund $3.8 million of the Airport's outstanding commercial paper. The 2010A project includes the construction of permanent facilities for passengers hold rooms, restrooms, concessions, and the consolidation of passenger security screening in one central location. The series 2010B proceeds refunded $13.3 million of the Airport's outstanding commercial paper. Debt service on the Series 2010 bonds will be paid through revenues generated by the Airport.

In August 2012, the City issued $9.9 million Water Revenue Bonds Series 2012A. The proceeds of the 2012A bonds, along with certain other available moneys, were issued (a) to pay at maturity all of the outstanding Series A Subordinate Water Commercial Paper Notes and (b) to pay the costs of issuance of the Series 2012A Bonds.

Advance Refundings

In December 2002, the Agency issued $47.8 million in Long Beach Bond Finance Authority 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 Long Beach Bond Finance Authority Tax Allocation Revenue Bonds Downtown and North Long Beach Redevelopment Project Areas 2005 Series C bonds (Series C bonds). These 2005 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 Long Beach Bond Finance Authority 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.

Southeast Resource Recovery Facility Authority Bond Issue

In November 2003, The Southeast Resource Recovery Facility Authority (SERRF) issued $120.2 million in lease revenue bonds Series A and Series B (Series 2003) (a) to refund the SERRF's Lease Revenue Refunding Bonds, Series 1995A and Series 1995B (Series 1995), (b) to finance certain public improvement projects in the City, (c) to fund a reserve fund for the Series 2003 Bonds, and (d) to pay certain costs of issuance. The Series 2003 bonds are payable through December 1, 2018 with a total debt service in the amount of $170.0 million. The 2003 Bonds have interest rates ranging from 2.00 percent through 5.38 percent. The refunding issue resulted in an accounting loss of approximately $2.1 million, which will be recognized over the life of the bonds. Aggregate debt service increased by approximately $4.9 million over the next 15 years to level overall debt service requirements, thereby resulting in an economic loss of approximately $6.4 million.

Tidelands Rainbow Harbor Refunding Bonds

In April 2006, the Long Beach Bond Finance Authority issued $50.8 million in Lease Revenue Bonds 2006 Series A (Rainbow Harbor Refinancing Project) (a) to refund Long Beach Bond Finance Authority Lease Revenue Bonds (Rainbow Harbor Refinancing Project) 1999 Series A, (b) to refund to the 1997 Certificates of Participation (Queensway Bay Parking Facility), (c) to fund a reserve fund and (d) to pay costs of issuance for the bonds. The 2006 Series A bonds are payable through May 1, 2024 with total debt service in the amount of $73.2 million. The interest rates range from 3.38 percent to 5.00 percent. The refunding resulted in an accounting loss of $3.5 million, which will be recognized over the life of the bonds. Aggregate debt service decreased by $2.2 million, thereby resulting in an economic gain of $1.5 million.

Tidelands Aquarium of the Pacific Refunding Bonds

In March 2012, the Long Beach Financing Authority issued $102.6 million of Aquarium of the Pacific Project Refunding Revenue Bonds. Proceeds from the sale of the Series 2012 Bonds, along with certain other available moneys, were used to (a) refund all the Long Beach Bond Finance Authority Lease Revenue Refunding Bonds (Aquarium of the Pacific Project) Series 2001, which were outstanding in the aggregate principal amount of $111.2 million, (b) fund a reserve fund for the Series 2012 Bonds, and (c) pay the costs of issuance of the Series 2012 Bonds. Aggregate debt service decreased by $19.6 million, thereby resulting in an economic gain of $13.6 million.

Harbor Revenue Refunding Bonds

In March 2005, the City issued $258.0 million of Harbor Revenue Refunding Bonds Series 2005A and B (the 2006 Bonds), (a) to current refund and to defease all of the City's Harbor Revenue Bonds Series 1995, (b) to pay the premium for the Bond Insurance Policies, (c) to fund a reserve for the Series 2005 Bonds, and (d) to finance the costs of issuance of the Series 2005 Bonds. The refunding resulted in a difference between the reacquisition price and net carrying amount on the old debt of $4.2 million, which will be recognized over the life of the bonds. The aggregate debt service decreased by $84.7 million thereby resulting in an economic gain of approximately $24.2 million.

In April 2009, the City issued $158.1 million of Harbor Revenue Refunding Bonds Series 2010B (the 2010B Bonds), The bonds are secured by the Harbor Department's gross revenues. The 2010B Bonds, together with a Harbor contribution of $5.3 million, were used (a) to purchase $63.1 million aggregate principal amount of the City's Harbor Revenue Bonds, Series 2002B, (b) $12.1 million aggregate principal amount of the City's Harbor Revenue Refunding Bonds, Series 2004A, and (c) $78.4 million aggregate principal amount of the City's Harbor Revenue Refunding Bonds, Series 2005A, (d) to fund a reserve fund for the Series 2010B Bonds; and (e) to pay the costs of issuing the Bonds. The refunding resulting in an accounting loss of $2.1 million, $722 thousand, and $4.0 million

for the 2002, 2004, and 2005 bonds, respectively, and are being amortized over the shorter of the life of the original bonds and the 2010B bonds. The 2010B refundings resulted in an aggregate economic gain of $4.0 million.

The Series 2010B Bonds maturing on or before May 15, 2020 are not subject to redemption prior to maturity. The Series 2010B Bonds maturing on or after May 15, 2021 are subject to redemption prior to maturity, at the option of the Board, as a whole or in part on any date, on or after May 15, 2020, at a redemption price equal to 100 percent of the principal amount of the Series 2010B Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

In May 2014, the City issued $59.0 million of Harbor Revenue Refunding Bonds Series 2014A and B (the 2014 Bonds), (a) to current refund and to defease all of the City's Harbor Revenue Bonds Series 2002B, Series 2004A and Series 2004B Senior Bonds and (b) to finance the costs of issuance of the Series 2014 Bonds. The refunding resulted in a difference between the reacquisition price and net carrying amount on the old debt of $42.9 million, which will be recognized over the life of the bonds. The aggregate debt service decreased by $10.6 million thereby resulting in an economic gain of approximately $9.5 million.

Water Revenue Refunding Bonds

In September 2010, the Water Fund issued $22.7 million in Water Revenue Refunding Bonds, Series 2010A (the Series 2010A Bonds) at a premium of 3.0 million, (a) to advance refund 82.4 percent or $24.3 million of the outstanding 1997A Water Revenue Refunding Bonds at a redemption premium of 2.0 percent over par value, (b) to fund a reserve fund for the 2010 Bonds, and (c) to pay the cost of issuing the 2010 Bonds. The Series 2010A Bonds bear interest ranging from 2.0 percent to 5.75 percent per annum payable on May 1 and November 1 of each year, commencing on November 1, 2010.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the Series 1997A Bonds of $2.7 million. This difference is considered to be a deferred loss on the refunding and is being amortized using the straight-line method over the life of the Series 2010A Bonds. The Refunded Series 1997A Bonds allowed the Department to reduce its aggregate debt service payments by $3.3 million. The economic gain from the refunding (difference between the present value of the old and new debt service payments) was $3.3 million. The Series 2010A Bonds are secured by a pledge of all revenues of the Water Fund.

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, 2014, aggregate special assessment debt issued through the City consisted of eight issues and is summarized as follows:

- Dates Issued: 7/11/02 – 6/15/10
- Final Maturities: 9/02/15 – 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: $875,000 – $35,465,000
- Aggregate Outstanding at September 30, 2014: $63,059,324

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.

Pike Public Improvements

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, except as described in Note 23.

Earthquake Assessment

In 1990, the City, acting on behalf of certain property owners, formed the Earthquake Repair Assessment District 90-3 (District). In June 1991, the District issued $17.4 million of City of Long Beach Earthquake Repair Assessment District No. 90-3 Limited Obligation Improvement Bonds (LOI Bonds) for the construction and installation of seismic resistance improvements to eligible commercial and residential properties within the City. The principal and interest were to be paid from the annual collection of special assessments on property within the District. In September 1996, the LOI Bonds' Fiscal Agent determined that there were insufficient funds to make full payment of principal and interest due to significant delinquencies in payment of assessments. Under the provisions of the LOI Bond covenants, the City is required to commence judicial foreclosure proceedings upon delinquent assessments and to diligently pursue such foreclosure proceedings to completion. To date, the City has fulfilled its responsibility and will continue such action to ultimate resolution.

To structure a remedy for the default, the City formed the LBBFA. The LBBFA divided District properties into performing and delinquent pools. The assessment revenue from each pool was then used as collateral for new LBBFA bonds sold in July 1997. Series A bonds (Series A) and Series B bonds (Series B) represent the performing pool and the delinquent pool, respectively. A breakdown of these pools is as follows:

Bond	Maturity	Rate	Par Amount
Series A	September 2, 2015	8.874% - 9.375%	$ 5,900,000
Series B	September 2, 2015	11.300%	$ 6,717,000

Series A was sold on the open market to private investors. The City purchased Series B. The proceeds from both series were used by LBBFA to purchase the original bonds as an investment. Assessment revenues from these investments were used to repay the new debt. As foreclosure proceedings were completed and the properties become performing, the Series B Bonds will be converted to Series A Bonds and sold to private investors.

In July 2005, the District sold $2.1 million in Series 2005A Bonds and $1.2 million Series B Bonds. Series A was sold on the open market to private investors, the City purchased Series B bonds. The proceeds from the sale were used to fund an escrow to defease the 1997 Bonds.

CFD No. 2007-2 (Belmont Shore) 2009 Special Tax Bonds

In December 2009, Community Facilities District No. 2007-2 (Belmont Shore) issued $3.7 million of 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 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.

At September 30, 2014, the City's Conduit Debt outstanding consisted of the following (in thousands):

Description	Final Maturity	Amount Authorized	Outstanding at September 30, 2014
Carnival Bonds	2030	$ 30,000	$ 27,255
Grisham Housing Bonds Series A	2035	10,245	1,235
Total Conduit Debt		$ 40,245	$ 28,490

NOTE 10 – NOTES, COMMERCIAL PAPER NOTES, AND OTHER LONG-TERM OBLIGATIONS

At September 30, 2014, the City had notes and installments payable, certificates of participation, commercial paper, and other long-term obligations, which consisted of the following (in thousands):

Description	Date Issued	Final Maturity	Range of Interest Rates	Authorized and Issued	Outstanding at September 30, 2014
GOVERNMENTAL ACTIVITIES					
NOTES PAYABLE:					
Housing Development Fund:					
State of California	01/23/92	01/23/22	3.0%	$ 1,032	$ 1,016
Successor Agency Fund:					
Los Angeles County	01/21/92	12/10/31	3.75%	4,975	4,975
Cal-Can Holding, LLC	12/02/09	09/30/13	0.0%	146	146
Total Successor Agency Fund				5,121	5,121
ANNUITY OBLIGATION:					
General Fund:					
Police and Fire Annuity	N/A	N/A	N/A	37,600	12,514
Governmental Activities Notes and Annuity Obligation				$ 43,753	$ 18,651
BUSINESS-TYPE ACTIVITIES					
NOTES PAYABLE:					
Gas Utility Fund:					
Commercial Paper Notes	07/01/05	N/A	0.2-4.6%	$ 17,259	$ 1,500
Tidelands Fund:					
State of Calif DBAW/Seawalls	09/12/94	08/01/24	4.5%	1,151	631
State of Calif DBAW/Shoreline Marina	04/17/02	08/01/37	4.5%	31,718	26,288
State of Calif DBAW/Basin 8	02/20/98	08/01/28	4.5%	2,650	1,810
State of Calif DBAW/Basin 4	12/17/07	08/01/37	4.5%	18,220	17,581
State of Calif DBAW - Lighthouse	06/23/00	08/01/30	4.5%	700	478
State of Calif DBAW - Basin 1	11/19/10	08/01/43	4.5%	12,105	11,821
State of Calif DBAW - Basin 2 & 3	11/29/10	08/01/43	4.5%	1,100	1,067
Southern Calif Edison Project 2417	04/06/12	10/20/21	0.0%	13	10
Southern Calif Edison Project 2457	04/06/12	07/15/15	0.0%	95	27
Southern Calif Edison Project 2419	08/15/13	06/15/16	0.0%	56	33
Total Tidelands Fund				67,808	59,746
Harbor Fund:					
Line of Credit	07/16/13	07/29/16	Variable	200,000	120,000
Harbor Short Term Note 2014c	06/12/14	11/15/18	Variable	325,000	325,000
Total Harbor Fund				525,000	445,000
Sewer Fund:					
Revolving Line of Credit	05/05/11	05/26/17	0.88-0.92%	20,000	9,750
Business-type Activities Notes and Certificates of Participation				$ 630,067	$ 515,996

Housing Development Fund Loan

In fiscal year 1992, the Housing Development Fund entered into a loan agreement totaling $1.0 million with the State of California Department of Housing and Community Development for the Lois Apartments construction and rehabilitation project. The project was completed in fiscal year 1993. Interest on the loan accrues from the date the funds were disbursed at an annual simple interest rate of 3.0 percent. As of September 30, 2014, the outstanding balance of the loan was $1.0 million.

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 revenue 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 interest accrued thereon are due prior to the termination of the project area, which is 2031. The balance of the deferral at September 30, 2014 totaled $5.0 million.

The Agency executed a promissory note for $146 thousand with Cal-Can Holdings, LLC as partial consideration in the purchase of real property. This note was due and payable in full at the earlier of the resale of the real property or second anniversary of the date of the promissory note. Pursuant to California Assembly Bill 1484 (AB1484), the Agency is prohibited from disposing of properties until such time as it has received an approved Long Range Property Management Plan (LRPMP) from the California Department of Finance.

Debt service requirements for governmental activities notes payable and the funds from which payments will be made are as follows (in thousands):

	Governmental Activities				
	Principal Payments by Fund		Annual Debt Service Requirements		
Year ending	Housing Development Fund	Successor Agency Fund	Principal	Interest	Total
2015	$ -	$ -	$ -	$ -	$ -
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020 - 2024	1,016	-	1,016	880	1,896
2025 - 2029	-	-	-	-	-
2030 - 2034	-	5,121	5,121	-	5,121
Totals	$ 1,016	$ 5,121	$ 6,137	$ 880	$ 7,017

Police and Fire Annuity Obligation Program

The City administers a Police and Fire Annuity Program (Program) under the City Charter Section 187. Enrollment in the program was terminated in 1945. The terminated Program covers a diminishing number of public safety retirees or their surviving spouses. Total expenditures amounted to $2.8 million for the fiscal year ended September 30, 2014. Program benefits are funded when required to be paid and there are no assets of the Program. At September 30, 2014, The City's accrued program liability was $12.5 million and there were 38 participants remaining in the program.

The current year change in the accrued liability is comprises the following (in thousands):

Accrued Program Liability at October 1, 2013	$ 14,183
Increase (Decrease) During the Year Attributable to:	
Benefits Paid	(2,826)
Estimated Change in Annualized Value of Benefits	1,157
Accrued Program Liability at September 30, 2014	$ 12,514

The number of program participants diminishes each year. Since 2005, the number of program participants has been reduced by 71 individuals. The following table presents additional information for the Program (dollars in thousands):

Year ending	Number of Participants	Annuity Benefits Paid	Accrued Program Liability
2005	109	$4,966	$32,962
2006	106	4,589	29,896
2007	81	4,277	27,432
2008	75	3,930	24,775
2009	67	3,721	21,494
2010	62	3,425	19,038
2011	53	3,044	16,234
2012	49	3,260	14,224
2013	43	3,067	14,183
2014	38	2,826	12,514

Business-Type Activities

Future debt service payments under various notes payable for the City's business-type activities are as follows (in thousands):

	Business-Type Activities						
	Principal Payments by Fund				Annual Debt Service Requirements		
Year ending	Gas Utility	Tidelands	Harbor	Sewer	Principal	Interest	Total
2015	$ -	$ 1,405	$ -	$ -	$ 1,405	$ 17,214	$ 18,619
2016	-	1,429	-	-	1,429	18,332	19,761
2017	-	1,487	120,000	9,750	131,237	18,260	149,497
2018	-	1,555	-	-	1,555	18,192	19,747
2019	-	1,626	325,000	-	326,626	10,299	336,925
2020 - 2024	-	9,299	-	-	9,299	11,210	20,509
2025 - 2029	-	11,032	-	-	11,032	8,900	19,932
2030 - 2034	-	12,838	-	-	12,838	6,215	19,053
2035 - 2039	-	12,187	-	-	12,187	3,069	15,256
2040 - 2044	-	6,888	-	-	6,888	811	7,699
Indeterminant	1,500	-	-	-	1,500	-	1,500
Totals	$ 1,500	$ 59,746	$ 445,000	$ 9,750	$ 515,996	$ 112,502	$ 628,498

Gas Commercial Paper

In July 2005, the City authorized the Gas Department's issuance and sales, from time to time, of City's subordinate Gas Utility Revenue Commercial Paper Notes, Series A and Series B (taxable), in an aggregate principal amount not to exceed $35.0 million. Commercial paper is used for pipeline integrity projects. The program termination date is July 1, 2020 unless earlier terminated or extended in accordance with program terms. During fiscal years 2006, 2007, and 2008, the City executed $17.3 million in commercial paper issuances. During fiscal years 2010, 2011, 2012, and 2014, the City made repayments of $11.8 million, $2.0 million, $500 thousand, and $1.5 million, respectively, for a balance outstanding of $1.5 million as of September 30, 2014. Interest rates have ranged from 0.09 percent to 4.6 percent over the period of issuance. The Commercial Paper Notes shall not have maturities exceeding 270 days and shall not bear interest rate in excess of the lesser of (a) 12.0 percent per annum and (b) the maximum rate of interest permitted by law. The Gas Department has the ability and intent to refinance on a long-term basis by renewal of Commercial Paper Notes and the future issuance of revenue bonds; accordingly, the $1.5 million has been classified as a long-term obligation.

Tidelands Loans

The Tidelands Fund entered into various loan agreements with Department of Boating and Waterways for construction and improvements to the Shoreline Marina, Downtown Marina, seawalls, and a lighthouse with a harbormaster's office, with an aggregate authorized and issued amount of $67.6 million as of September 30, 2014. Additional loans of $7.0 million were drawn and principal payments of $1.5 million were paid in fiscal year 2014 at an interest rate of 4.5 percent. The amount outstanding at September 30, 2014 is $59.7 million.

During fiscal years 2012 and 2013, the City entered into a loan agreements with Southern California Edison (SCE) totaling $164 thousand to fund municipal energy efficiency projects. The amount outstanding at September 30, 2014 is $70 thousand. Principal payments of $50 thousand were paid in fiscal year 2014.

Subordinate Sewer Revolving Line of Credit

During fiscal year 2011, the Water Department entered into an agreement with Wells Fargo Bank to provide a Revolving Line of Credit (LOC) in an amount not to exceed $20.0 million. Obligations under the LOC are secured by and payable from a subordinate lien upon the City's Sewer Enterprise net revenues. The Line of Credit was originally for a term of three years but was extended by an additional three years to May 26, 2017. The LOC was secured to pay the outstanding principal on Senior Sewer Revenue Commercial Paper Notes and to continue to provide interim financing of sewer system improvements and sewer pipe rehabilitation and replacement programs.

In May 2011, the Department drew $6.0 million on the Revolving LOC to retire $4.0 million of outstanding Sewer Revenue Commercial Paper notes and fund $2.0 million in sewer system improvements. In September 2013, the Department drew $3.8 million on the Revolving LOC to fund sewer system improvements.

Interest rates are based on 70 percent of the LIBOR plus an applicable margin, and can be designated as fixed or variable for one-month, three-month, or six-month interest periods. Interest rates have ranged from 0.8 percent to 1.1 percent. At September 30, 2014, the total outstanding balance for the line of credit was $9.8 million.

Harbor Revolving Lines of Credit

In July 2013, the Harbor authorized the issuance and/or incurrence of $200.0 million Subordinate Harbor Revenue Revolving Obligations.

Bank of America will provide a tax-exempt revolving line of credit that will allow the Harbor to borrow up to $78.0 million at any one time. The interest rate for the Subordinate Harbor Revenue Revolving Obligations Series A (Tax Exempt) will be based on the Harbor choice of a percentage of the daily, one-month, two-month, three-month, or six-month LIBOR. At September 30, 2014, the outstanding balance on this LOC was $50.0 million.

Union Bank will provide two revolving lines of credit (a tax-exempt revolving LOC and a taxable revolving LOC) that will allow the Harbor to borrow up to $122.0 million at any one time. Interest rates for both the Subordinate Harbor Revenue Revolving Obligation Series B (Tax Exempt) and the Subordinate Harbor Revenue Revolving Obligation Series C (Taxable) will be based on a percentage of the one-month LIBOR rate. At September 30, 2014, the outstanding balance on this LOC was $70.0 million.

The revolving LOCs will be available for three years (unless the revolving line of credit is terminated earlier of extended pursuant to its terms). Any amounts borrowed are secured with a subordinate lien on the Harbor revenues.

Harbor Revenue Short-Term Notes

In June 2014, the City issued $325.0 million of Harbor Revenue Short/Term Notes Series 2014C, (a) to finance and refinance a portion of the costs of the Gerald Desmond Bridge Replacement Project, (b) to fund capital interest on the Series 2014C Senior Notes through November 15, 2018, (c) to repay $20.0 million aggregate principal amount of outstanding Subordinate Revolving Obligations that were originally issued to finance cost of the Gerald Desmond Bridge Replacement Project, and (d) to pay the costs of issuant the Series 2014C Senior Notes.

The Series 2014C Senior Notes are secured by a pledge of revenues and funds of the Harbor Department. The Notes bear interest payable semiannually and will mature on November 2018.

NOTE 11 – LEASING ARRANGEMENTS

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

Description	Date Issued	Final Maturity	Range of Interest Rates	Authorized and Issued	Outstanding at September 30, 2014
GOVERNMENTAL ACTIVITIES:					
General Fund:					
City Light and Power (a)	05/29/96	10/31/19	8.73%	$ 20,968	$ 9,755
Ambulances (b)	03/24/10	03/24/16	3.08%	988	264
Modular Trailers (c)	11/15/11	11/15/16	1.94%	302	135
Digital X-Ray (d)	03/30/12	03/15/19	2.06%	311	205
Tasers and Accessories (e)	08/26/14	08/26/19	3.53%	1,012	512
Total General Fund				23,581	10,871
Internal Service Funds:					
Civic Center Fund:					
Civic Center Projects (f)	08/13/10	04/01/27	4.30%	31,450	24,930
Total Civic Center Fund				31,450	24,930
Fleet Services Fund:					
Fire Equipment Lease (g)	10/30/05	09/30/15	3.50%	5,279	615
Total Fleet Services Fund				5,279	615
General Services Fund:					
Disaster Recovery Hardware (h)	08/20/10	08/20/15	2.64%	470	91
Personal Computers and Server (i)	03/11/11	03/11/15	2.44%	1,250	59
Telecommunication Equipment (j)	07/15/11	07/15/15	1.96%	811	174
Virtual Storage Platform (k)	06/06/12	06/15/17	1.89%	261	147
Personal Computers (l)	07/20/12	07/15/16	1.85%	1,100	514
Personal Computers & Equipment (m)	11/14/13	11/15/17	1.80%	939	749
Total General Services Fund				4,831	1,734
Total Governmental Activities Leases				$ 65,141	$ 38,150
BUSINESS-TYPE ACTIVITIES:					
Gas Utility Fund:					
Utility Customer Information Software (n)	09/15/11	09/15/18	2.06%	$ 3,025	$ 1,782
Tidelands Fund:					
Convention Center (o)	10/01/05	10/01/25	4.99%	649	433
Total Business-type Activities Leases				$ 3,674	$ 2,215

(a) The City entered into a capital lease agreement in May 1996 to improve and replace the street lighting infrastructure in the City. The lease amount varies by year ranging from $57 thousand per month at inception to $169 thousand per month from year six through year 25.

(b) In March 2010, the City financed the purchase of ambulances through a capital lease with monthly installments of $15 thousand through March 2016.

(c) In November 2011, the City entered into a capital lease agreement to finance the acquisition of five modular trailers to proved office and meeting space in several City parks. The lease is payable in monthly installments of $5 thousand through November 2016.

(d) The City entered into capital lease agreement in March 2012 to finance the acquisition of a digital x-ray system for use by the Health and Human Services Department. Monthly installments of $4 thousand are due through March 2019.

(e) The City entered into a capital lease agreement for the purchase of tasers and accessories. The lease is payable in annual installments of $ 1.0 million through August 2019.

(f) The City entered into a private placement capital lease to redeem the 1997 Series A Lease Revenue and Refunding Bonds. The original bonds were used for Civic Center complex capital projects. The advanced refunding resulted in an accounting loss of $1.3 million and an economic gain of $1.2 million. The City pays annual debt service payment of approximately $2.6 million per annum through 2027.

(g) In October 2005, the City entered into a capital lease agreement to finance the acquisition of for Fire Department equipment including two ladder trucks, ten pumper trucks, and a rescue boat. The lease is payable in monthly installments of $52 thousand through September 2015.

(h) In August 2010, the City entered into a capital lease agreement to finance computer hardware for the Emergency Communication and Operation Center. Monthly installments of $8 thousand are due through August 2015.

(i) The City entered into a capital lease agreement for the purchase of personal computer and server equipment in March 2011. The lease is payable in monthly installments of $27 thousand through March 2015.

(j) The City entered into a capital lease agreement to upgrade the City's telephone and voice mail system in July 2011. Lease payments are $18 thousand a month through July 2015.

(k) In June 2012, the City entered into a capital lease agreement to replace computer servers. Lease payments are $5 thousand a month through June 2017.

(l) The City entered into a capital lease agreement for the purchase of personal computers in July 2012. The lease is payable in monthly installments of $24 thousand through July 2016.

(m) The City entered into a capital lease agreement for the purchase of personal computers, computer-related equipment, and servers in November 2013. The lease is payable in monthly installments of $20 thousand through November 2017.

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

	Principal Payments by Fund - Governmental Activities				Annual Debt Service Requirements		
Year ending	General	Civic Center	Fleet Services	General Services	Principal	Interest	Total
2015	$ 1,902	$ 1,505	$ 615	$ 886	$ 4,908	$ 1,887	$ 6,795
2016	1,912	1,570	-	527	4,009	1,655	5,664
2017	1,969	1,645	-	281	3,895	1,424	5,319
2018	2,092	1,730	-	40	3,862	1,183	5,045
2019	2,996	1,810	-	-	4,806	937	5,743
2020 - 2024	-	10,460	-	-	10,460	2,617	13,077
2025 - 2029	-	6,210	-	-	6,210	407	6,617
Totals	$ 10,871	$ 24,930	$ 615	$ 1,734	$ 38,150	$ 10,110	$ 48,260

(n) The City entered into a capital lease agreement for the purchase and implementation of a utility customer information system in September 2011. The lease is payable in monthly installments of $39 thousand through September 2018.

(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.

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

	Principal Payments by Fund Business-type Activities		Annual Debt Service Requirements		
Year ending	Gas Utility	Tidelands	Principal	Interest	Total
2015	$ 432	$ 30	$ 462	$ 54	$ 516
2016	441	32	473	44	517
2017	450	34	484	33	517
2018	459	35	494	22	516
2019	-	37	37	15	52
2020 - 2024	-	215	215	46	261
2025 - 2029	-	50	50	2	52
Totals	$ 1,782	$ 433	$ 2,215	$ 216	$ 2,431

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):

Year ending	Total
2015	$ 314,560
2016	320,152
2017	327,698
2018	326,961
2019	325,627
2020 - 2024	1,451,437
2025 - 2029	922,380
2030 - 2034	338,023
2035 - 2039	981,740
2040 - 2044	61,058
2045 - 2049	61,822
2050 - 2054	45,230
2055 - 2059	25,608
2060 - 2064	25,258
2065 - 2069	19,974
2070 - 2074	6,105
2075 - 2079	5,812
2080 - 2084	5,223
Total	$ 5,564,668

NOTE 12 – DERIVATIVE INSTRUMENTS

At September 30, 2014, the City had the following hedging derivative instruments outstanding within business-type activities:

Type	Objective	Notional Amount	Effective Date	Various Maturity Dates to:	Terms
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.	133.2 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.

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:

Maturity Date	Notional Amounts (in thousands)	Synthetic Fixed Rate	Variable Rate	Spread
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%
	$ 69,005	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, 2014, 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 $11.5 million at October 1, 2013. During the current period, ending September 30, 2014, the fair value decreased $0.8 million to a negative fair value of $12.3 million.

The commodity swap, with the market price quoted by the RBC, had a fair value of $261.6 million at October 1, 2013. During the current period, fair value increased $105.9 million to a fair value of $367.5 million as of September 30, 2014.

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):

Maturity Date	Fair Value, October 1, 2013	Change in Fair Value	Fair Value, September 30, 2014
Interest Rate Swap			
11/15/2025	$ (3,123)	$ (145)	$ (3,268)
11/15/2026	(4,186)	(306)	(4,492)
11/15/2027	(4,180)	(406)	(4,586)
11/15/2033	(1)	-	(1)
	(11,490)	(857)	(12,347)
Commodity Swap			
11/1/2037	261,684	105,859	367,543
Total	$ 250,194	$ 105,002	$ 355,196

Information on the affects of these transactions on the financial statement presentation can be found in Note 24 – Deferred Outflows and Deferred Inflows of Resources.

Credit Risks: As of September 30, 2014, the interest rate swap counterparty was rated A- by Standard & Poor's and Baa2 by Moody's Investor Services. As of September 30, 2014, the commodity swap counterparty was rated AA- by Standard & Poor's and Aa3 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.

Interest Rate Swap Payment and Associated Debt: Using rates as of September 30, 2014, 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):

Fiscal Year Ending	Variable-Rate Bonds		Net Swap	Total
September 30	Principal	Interest	Payments	Interest
2015	$ -	$ 3,403	$ 394	$ 3,797
2016	-	3,403	336	3,739
2017	-	3,403	305	3,708
2018	-	3,403	290	3,693
2019	-	3,403	266	3,669
2020 - 2024	-	17,015	1,021	18,036
2025 - 2029	69,000	4,534	520	5,054
2030 - 2033	5	-	-	-
Total	$ 69,005	$ 38,564	$ 3,132	$ 41,696

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 – Public Employees' Retirement System (CalPERS)

The City contributes to CalPERS, an agent multiple-employer public employee defined-benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State. Benefit provisions and all other requirements are established by state statute and city ordinance. A copy of CalPERS' annual financial report may be obtained from its executive office at 400 P. Street, Sacramento, California 95814. Since CalPERS is on a fiscal year ending June 30, all actuarial calculations for the City's retirement plan are made on a fiscal year consistent with CalPERS, which differs from the City's September 30 fiscal year-end.

Under the terms of the contract between CalPERS and the City, all full-time employees, which include both safety (fire and police) and miscellaneous (general and management) employees, are eligible to participate in CalPERS and become vested in the system after five years of service. The City has a multiple-tier retirement plan with benefits varying by plan.

"Classic" Safety*:* Vested first and second tier safety employees who retire at age 50 are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to 3.0 percent of the employee's highest paid year of employment for each year of credited service. Third-tier police and fire employees are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to 2.0 percent of the employee's highest paid year of employment for each year of credited service. Retirees under the first tier are eligible to receive a maximum annual 5.0 percent cost-of-living increase while those under the second tier are eligible to receive a maximum annual 2.0 percent cost-of-living increase.

"New" Safety: Effective January 1, 2013, safety employees who are either new to CalPERS or who have had a break in CalPERS service of at least 6 months, and who retire at age 57, are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to 2.7 percent of their highest average annual pensionable compensation earned during a period of at least 36 consecutive months for each year of credited service. For fiscal year 2014, salaries are capped at $117.0 thousand. The salary cap is permitted to be adjusted based on changes in the CPI for all urban areas.

"Classic" Miscellaneous: Vested first and second tier non-safety employees who retire at age 55 are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to 2.7 percent of their highest paid year of employment for each year of credited service. The City created tier three for non-safety employees hired after October 1, 2006. Vested tier three non-safety employees who retire at age 55 are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of their highest paid year of employment for each year of credited service. Retirees under the first tier are eligible to receive a maximum annual 5.0 percent cost-of-living increase while those under the second and third tier are eligible to receive a maximum annual 2.0 percent cost-of-living increase.

"New" Miscellaneous: Effective January 1, 2013, miscellaneous non-safety employees who are either new to CalPERS or who have had a break in CalPERS service of at least 6 months, and who retire at age 62, are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to 2.0 percent of their highest average annual pensionable compensation earned during a period of at least 36 consecutive months for each year of credited service. For fiscal year 2014, salaries are capped at $117.0 thousand. The salary cap is permitted to be adjusted based on changes in the CPI for all urban areas.

Audited annual financial statements and ten-year trend information are available from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Funding Policy

CalPERS is a contributory plan deriving funds from employee and employer contributions as well as earnings from investments. The actuarial funding method used for the retirement program is the Entry Age Normal Cost Method. Under this method, projected benefits are determined for all members and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire (entry aged) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost.

The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for members entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total actuarial accrued liability over the actuarial valued of plan assets is called the unfunded actuarial accrued liability. Funding requirements are determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payrolls. If a plan's accrued liability exceeds the actuarial value of assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30-year amortization of the unfunded liability.

For fiscal year 2015, CalPERS will no longer use an actuarial value of assets as part of the City's annual contribution rate calculation. The new amortization and smoothing policy will spread rate increases or decreases over a 5-year period, and will amortize all experience gains and losses over a fixed 30-year period. The rate increases reported below for fiscal year 2015 reflect the effect of this revised approach.

For the fiscal year ended September 30, 2014, all Safety and Miscellaneous plan participants contribute 9.0 percent and 8.0 percent of their annual covered salary, respectively. In addition, the City is required to contribute at an actuarially determined rate applied to annual covered payroll. The rates applicable to fiscal year 2014 were 15.324 percent for miscellaneous employees and 22.623 percent for safety employees. For fiscal year 2015, the contribution rates will be 16.288 percent for miscellaneous employees and 24.059 percent for safety employees. The contribution requirements of plan members and the City are established by and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2014, the City's annual pension cost (APC) of $62.8 million for CalPERS was equal to the City's annual required contribution (ARC) of $91.4 million less employee contributions of $28.6 million. The ARC was determined as a part of the June 30, 2011 actuarial valuations.

The City's APC, the percentage of APC contributed to the plans, and the net pension obligation for the miscellaneous and safety plans for the fiscal years ended September 30, 2012, 2013, and 2014 are as follows (dollars in thousands):

Fiscal Year	Miscellaneous Annual Pension Cost	Safety Annual Pension Cost	Annual Pension Cost (APC)	Percentage Contribution
2012	$ 47,436	$ 29,441	$ 76,877	100%
2013	38,483	29,014	67,497	100%
2014	33,856	28,952	62,808	100%

Actuarial Methods and Assumptions

A summary of principal assumptions and methods used to determine the annual required contribution rate for fiscal year 2014 for miscellaneous and safety employees is shown below:

	Assumptions
Valuation Date	June 30, 2011
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Amortization Period	Closed
Average Remaining Period	27 Years for Miscellaneous and 28 Years for Safety as of the Valuation Date
Asset Valuation Method	15-Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on age, service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 2.75% and an annual production growth of 0.25%.

The schedule of funding progress, provided as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for pension benefits.

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the funding status for the miscellaneous and safety plans were as follows (dollars in thousands):

Plan	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (Excess of Assets over AAL) (b-a)	Funded Ratio Actuarial Value Basis (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Miscellaneous	$ 1,652,793	$ 2,143,507	$ 490,714	77.1%	$219,853	223.2%
Safety	1,659,337	2,002,964	343,627	82.8%	121,770	282.2%

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress provided as required supplementary information following the notes to the basic financial statements, presents multi-year trend information, which shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The initial unfunded actuarial accrued liability (or excess assets) associated with these retirement plans is being amortized as a level percentage of projected payroll on a closed basis.

Plan Description – Public Agency Retirement System – Defined Benefit Plan

In November 1994, the City established Public Agency Retirement System (PARS) Defined Benefit Plans for Special Status Contractors and Seasonal and Temporary Employees (Plans). During fiscal year 2003, the Plans were reported under a combined plan (Plan). The Plan is a defined benefit, single-employer retirement plan. The Plan, which took effect on January 1, 1995, is administered for the City through a third-party administrator. The Plan provides for retirement as well as death and disability benefits to eligible individuals and their beneficiaries.

The Plan benefit is a lifetime monthly annuity equal to 1.5 percent times the final average of the participant's highest 36 consecutive month's salary times the years of service. The Plan requires employee contributions of 6.2 percent of earnings (Contractors Special Status) and 3.0 percent of earnings (Seasonal and Temporary Employees). All employees enter the Plan upon hire and all benefits are vested after five years of service (Contractors Special Status) or immediately (Seasonal and Temporary Employees) and employees are always vested in their employee contributions. It is assumed that upon termination, employees will choose to receive an actuarially equivalent lump-sum (based on the actuarial assumptions described below). Audited annual financial statements are available from PARS Public Agency Retirement Services, 4350 Von Karman Avenue, Ste. 100, Newport Beach, CA 92660.

Funding Policy and Annual Pension Cost

The City's funding policy is to make the contribution as determined by the Plan's actuary valuation date. The following information describes the calculation methodology:

- The Plan's APC for the fiscal year ended September 30, 2014 is based on the period from October 1, 2012 to September 30, 2013. The APC for fiscal year ended September 30, 2014, is $334 thousand, the same amount contributed for this period.
- The actuarial liabilities and assets are valued as of September 30, 2013.
- The actuarial cost method used is the projected-unit-credit method. Under this method, the contribution rate is the sum of the normal cost rate plus the unfunded actuarial liability rate. The normal cost is defined as the actuarial present value of benefits allocated to the valuation year and the actuarial accrued liability is the present value of benefits allocated to all periods prior to the valuation year. The normal cost rate is determined by dividing the normal cost by expected covered payroll.

In determining the Plan's actuarial accrued liability, the projected benefit of each participant must be allocated between past years and future years. This allocation is made by multiplying the projected benefit by a fraction, the numerator of which is the participant's total credited years of service on the valuation date, and the denominator is the participant's total credited years of service at anticipated benefit commencement.

The unfunded actuarial liability is the difference between the actuarial accrued liability and Plan assets. This difference is amortized as a level dollar amount to determine the unfunded actuarial liability rate. The actuarial value of Plan assets is based on a five-year smoothing of gains and losses. The net pension obligation information below is based on periods from October 1 through September 30 (in dollars):

Fiscal Year	Annual Pension Costs	Actual Contribution	Percentage Contribution	Net Pension Obligation
2012	$ 113,320	$ 113,320	100%	-
2013	161,072	161,072	100%	-
2014	333,525	333,525	100%	-

Funded Status and Funding Progress

As of the most recent actuarial valuation date, September 30, 2012, the Plan's funding status was (dollars in thousands):

Plan	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (Excess of Assets over AAL) (b-a)	Funded Ratio Actuarial Value Basis (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PARS	$ 1,113	$ 1,633	$ 520	68.2%	$ 8,329	6.2%

Actuarial Methods and Assumptions

The following is a summary of September 30, 2013 actuarial assumptions:

Interest Rate:	4.75%
Actuarial Cost Method:	Entry Age Normal Cost Method
Mortality:	1983 Group Annuity Mortality (GAM83) table.
Turnover:	Sample rates are:

Age	Turnover
30	15%
40	15%
50	10%
60	5%

Seasonal and Temporary Employees' first five years of service assume the following turnover rates:

Years of Service	Turnover
0	50%
1	35%
2	30%
3	25%
4	20%

Salary Scale:	5.0%
Inflation	3.0%
Amortization Period	Closed
Average Remaining Period	10 years
Retirement Age:	Age 65 or attained age, if older.
Form of Benefit:	Participants are assumed to receive a lump sum upon termination.

NOTE 14 – POSTEMPLOYMENT HEALTHCARE BENEFITS

General Plan Description

The City's Retired Employees Health Insurance Program is a single-employer defined-benefit healthcare plan.

Under the provisions of the City's Personnel Ordinance, upon retirement, 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. Full-time City employees are entitled to receive up to 96 hours of sick leave per year. Unused sick leave may be accumulated until termination or retirement. No sick leave benefits are vested.

The City has provided 2 one-time early retirement incentive programs. The first had a maximum value of $25 thousand for employees, based on age, who retired during calendar year 1996, and the second incentive offered a 16-hour increase in sick leave per year of service to management employees who retired by June 30, 2004. In all cases, once the cash value of the retired employee's unused sick leave is exhausted, the retiree can terminate coverage or elect to continue paying the premiums at the retiree's expense.

At September 30, 2014, there were 588 participants in the City's Retired Employees Health Insurance Program and their non-interest-bearing cash value equivalent of the remaining unused sick leave totaled $19.3 million. Total premiums and actual claims paid by the City under the Retired Employees Health Insurance Program for the fiscal year ended September 30, 2014 were $7.5 million and are included as an expense of the Employee Benefits Internal Service Fund.

Termination Benefits

As of September 30, 2014, the City has recorded a liability in the Employee Benefits Internal Service Fund of $133.7 million based on an actuarial study of current and future retiree accumulated sick leave in accordance with GASB Statement No. 16, *Accounting for Compensated Absences* (GASB 16). The liability takes into account an estimate of future usage, additional leave accumulation, and wage increases for both current retirees and active employees, an additional amount relating to the sick leave incentive for employees who retired during calendar year 1996 and 2009 negotiated public safety health benefit supplements as described below:

Fire Retirement Supplement Benefit

The Long Beach Fire Fighter's Association agreed to defer an October 1, 2009 general salary adjustment to October 1, 2010 and to extend all other adjustments by one year. The supplement eligibility is limited to Fire employees retiring on or before December 31, 2009. The benefit formula is equal to the difference between CalPERS retirement had the October 1, 2009 general salary adjustment been made for a full year and actual retirement benefits received by CalPERS. The supplement is credited annually to retirees Health account and is adjusted by CalPERS cost-of-living adjustment (COLA). Each account will be adjusted as long as retirees or beneficiaries are receiving CalPERS.

Police Retirement Supplement Benefit

The Long Beach Police Officers Association agreed to extend a September 30, 2009 midpoint adjustment of 3.2% for sergeants, 14.8% for lieutenants, and 9.3% for corporals and officers, to a 2.0% minimum increase per year. The midpoint adjustment is based on the Strategic Plan Cities Survey of salaries in similar cities. The supplement eligibility is limited to employees retiring on or after September 30, 2009 and before benefits level reaches what it would have been had the September 30, 2009 adjustment been made. The benefit formula is equal to the difference between CalPERS retirement had the September 30, 2009 midpoint adjustment been made and actual retirement benefits received by CalPERS. The supplement is credited annually to retirees Health account and is adjusted by CalPERS cost-of-living adjustment (COLA). Each account will be adjusted as long as retiree or beneficiaries are receiving CalPERS.

The actuarial study assumes an investment return of 4.3 percent; wage increases of 3.3 percent per year for safety employees. The estimated current portion of such obligation of $9.1 million has been fully funded and the long-term portion of the liability of $124.7 million is being funded, over time, through burden rates charged to the various City funds, applied as a percentage of current productive salaries.

Other Postemployment Benefits

As of September 30, 2014, the City has also recorded a liability in the Employee Benefits Internal Service Fund of $59.2 million based on an actuarial study of the "implicit subsidy" as defined by GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45). While the City does not directly contribute any funding toward the cost of premiums for retirees, the ability to obtain coverage at an active employees rate constitutes an economic benefit to the retirees. The inclusion of the retirees in the City's healthcare

benefit plans increases the overall health plan rates. The economic benefit is defined as an "implicit subsidy" under GASB 45.

The ability to participate in the City's plan by self-paying the premiums extends for the lifetime of the retiree. However, upon attaining the age of Medicare eligibility, the retiree may enter a plan coordinated by Medicare. Standard actuarial practice assumes that Medicare supplemental plans do not generally give rise to an implicit subsidy, and while the City has included Medicare eligible retirees in this valuation, their liability under GASB 45 and their implicit subsidy are both $0. This plan does not issue a separate financial report.

Funding Policy

The contribution requirement of plan members and the City are established and may be amended by the City. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City Council. As of September 30, 2014, the City has not prefunded the plan.

Annual OPEB Cost and Net OPEB Obligation

The City's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated based on the ARC, an amount that is actuarially determined in accordance with the requirements of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (in thousands):

Annual required contribution	$ 19,540
Interest on net OPEB obligation	1,812
Adjustment to annual required contribution	(2,191)
Annual OPEB cost	19,161
Contribution made	(5,196)
Increase in net OPEB obligation	13,965
Net OPEB obligation - beginning of year	45,242
Net OPEB obligation - end of year	$ 59,207

The ARC was determined as part of the September 2014 actuarial valuation. For the year ended September 30, 2014, the City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows (in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2012	$ 13,486	30.5%	$ 35,514
9/30/2013	14,437	32.6%	45,242
9/30/2014	19,161	27.1%	59,207

Funded Status and Funding Progress

The funded status of the plan as of September 30, 2014 as follows (in thousands):

Actuarial accrued liability (AAL)	$ 142,598
Actuarial value of Plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 142,598
Funded ratio (actuarial value of Plan assets / AAL)	0.0%
Covered payroll	$ 335,691
UAAL as a percentage of covered payroll	42.5%
ARC as a percentage of covered payroll	5.8%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, provided as required supplementary information following the notes to the basic financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumption

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The September 30, 2014 actuarial valuation used the Entry Age Normal Cost method. The actuarial assumptions included a 4.3 percent investment rate of return (net of administrative expenses), an annual healthcare trend rate that begins at 7.5 percent for non-Medicare plans and 7.8 percent for Medicare plans with both decreasing to 5.0 percent for all plans by September 30, 2021, and an inflation assumption of 3.0 percent. The Entry Age Normal (EAN) cost method spreads plan costs for each participant from entry date to the expected retirement date. Under the EAN cost method, the plan's normal cost is developed as a level amount over the participants' working lifetime. The actuarial value of plan assets was $0. The plan's unfunded actuarial accrued liability is being amortized using the level percentage of payroll method on an open basis over 30 years.

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 for the first $4 million per occurrence and has excess insurance coverage up to $100 million. For general liability, the City is self-insured for the first $3 million per occurrence and has excess coverage in the amount of $50 million.

At September 30, 2014, the City accrued non-discounted estimates totaling $128.0 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 no outstanding annuities payable. The City has recorded a current liability of $24.6 million and a long-term liability of $103.4 million in the Insurance Internal Service Fund.

The ultimate amount of losses incurred through September 30, 2014 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, 2014 and 2013 is as follows (in thousands):

	Workers' Compensation Claims	General Liability Claims	Total
Balance at October 1, 2012	$ 111,053	$ 12,264	$ 123,317
Additions (Reductions)	15,719	7,031	22,750
Payments	(15,342)	(2,553)	(17,895)
Balance at September 30, 2013	111,430	16,742	128,172
Additions	14,237	5,588	19,825
Payments	(13,832)	(6,207)	(20,039)
Balance at September 30, 2014	$ 111,835	$ 16,123	$ 127,958

NOTE 16 – GOVERNMENTAL ACTIVITIES FUND BALANCE

As of September 30, 2014, total fund balances for the City's major and non-major governmental funds are as follows (in thousands):

	General	Other Governmental Funds	Total Governmental Funds
Fund Balances (Deficit):			
Nonspendable			
Prepaid Expense and Deposits	$ 6	$ 8,012	$ 8,018
Subtotal	6	8,012	8,018
Restricted for:			
Debt Service	-	32,943	32,943
Public Safety	2,780	2,055	4,835
Public Health	-	6,742	6,742
Community and Cultural	-	195,219	195,219
Other Purposes - Operating Reserve	1,486	-	1,486
Public Works	-	52,538	52,538
Subtotal	4,266	289,497	293,763
Committed to:			
Public Safety	1,000	-	1,000
Community and Cultural	-	1,362	1,362
Other Purposes - Emergency Reserve	43,358	-	43,358
Other Purposes - Operating Reserve	11,500	-	11,500
Oil Abandonment	5,221	-	5,221
Subtotal	61,079	1,362	62,441
Assigned to:			
Subsequent Year's Appropriations	24,692	-	24,692
Unfunded Liabilities and Commitments	23,839	-	23,839
Infrastructure Reserve	1,000	-	1,000
Community and Cultural	-	279	279
Debt Service	-	289	289
Public Works	-	35,908	35,908
Subtotal	49,531	36,476	86,007
Unassigned	3,397	(17,646)	(14,249)
Total Fund Balances	$118,279	$ 317,701	$ 435,980

Fund Deficits

The Internal Service Funds include accumulated deficits in the Insurance and Employee Benefits Internal Service Funds, which aggregate $87.6 million and $178.2 million, respectively. The City's management believes the cash position is sufficient to cover the current costs related to retired health insurance, workers' compensation, general liability claims, and current operating costs in the Insurance and Employee Benefits Internal Service Funds. The City's management intends to make reasonable adjustments to amounts charged to City departments to ensure that adequate cash positions are maintained.

The Tidelands Oil Revenue Fund, a major proprietary fund, reported a deficit net assets of $24.5 million as of September 30, 2014. Tidelands Oil Revenue Fund deficit net assets is due to a future oil field abandonment liability. City's management intends to accumulate futures resources to pay for this liability.

NOTE 17 – 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 LBBFA Gas Prepay Function was formed to account for the 2007 A and B Natural Gas bonds that were issued in October 2007, for the purchase of gas at a predetermined price. The following schedules summarize the activity and account balances that comprise the Gas Utility Fund:

City of Long Beach
Gas Utility Fund
Consolidated Schedule of Net Position
September 30, 2014
(In Thousands)

	Gas Operating Function	LBBFA Gas Prepay Function	Total Before Elimination	Elimination Debit (Credit)	Gas Utility Fund
ASSETS					
Current Assets:					
Pooled Cash and Cash Equivalents	$ 7,487	$ 213	$ 7,700	$ -	$ 7,700
Non-Pooled Cash and Cash Equivalents	6	80	86	-	86
Receivables:					
Interest Receivable	24	-	24	-	24
Accounts Receivable	3,862	2,494	6,356	(1,152)	5,204
Due from Other Funds	1,820	-	1,820	(622)	1,198
Allowance for Receivables	(456)	-	(456)	-	(456)
Inventory	2,486	-	2,486	-	2,486
Prepaid Gas - Current	-	22,763	22,763	-	22,763
Other Assets	52	22	74	-	74
Total Current Assets	15,281	25,572	40,853	(1,774)	39,079
Noncurrent Assets:					
Restricted Noncurrent assets					
Non-Pooled Investments	-	20,024	20,024	-	20,024
Capital Assets:					
Land and Other Assets Not Being Depreciated	7,238	-	7,238	-	7,238
Capital Assets Net of Accumulated Depreciation	124,854	-	124,854	-	124,854
Prepaid Gas - Long-term	-	473,231	473,231	-	473,231
Total Noncurrent Assets	132,092	493,255	625,347	-	625,347
Total Assets	147,373	518,827	666,200	(1,774)	664,426
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows	-	379,890	379,890	-	379,890
LIABILITIES					
Current Liabilities Payable from Current Assets:					
Accounts Payable	4,167	-	4,167	1,152	3,015
Accrued Wages	320	-	320	-	320
Accrued Interest Payable	2	11,110	11,112	-	11,112
Due to Other Funds	1,456	622	2,078	622	1,456
Unearned Revenues	1,467	-	1,467	-	1,467
Customers Deposits	2,601	-	2,601	-	2,601
Obligations under Capital Leases - Current	432	-	432	-	432
Bonds Payable Due within One Year	-	6,840	6,840	-	6,840
Total Current Liabilities	10,445	18,572	29,017	1,774	27,243
Noncurrent Liabilities:					
Obligations under Capital Leases	1,350	-	1,350	-	1,350
Other Long-Term Obligations	1,500	-	1,500	-	1,500
Bonds Payable	-	606,935	606,935	-	606,935
Unamortized Discount	-	13,313	13,313	-	13,313
Total Noncurrent Liabilities	2,850	620,248	623,098	-	623,098
Total Liabilities	13,295	638,820	652,115	1,774	650,341
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows	-	379,890	379,890	-	379,890
NET POSITION (DEFICIT)					
Net Investment in Capital Assets	128,810	-	128,810	-	128,810
Unrestricted	5,268	(119,993)	(114,725)	-	(114,725)
Total Net Position (Deficit)	$ 134,078	$ (119,993)	$ 14,085	$ -	$ 14,085

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, 2014
(In Thousands)

	Gas Operating Function	LBBFA Gas Prepay Function	Total Before Elimination	Elimination Debit (credit)	Gas Utility Fund
Operating Revenues:					
Fees, Concessions and Rentals	$ 87	$ -	$ 87	$ -	$ 87
Charges for Services	80,680	21,800	102,480	21,800	80,680
Other	1,225	-	1,225	-	1,225
Total Revenues	81,992	21,800	103,792	21,800	81,992
Operating Expenses:					
Personnel Services	15,020	5	15,025	-	15,025
Purchases of Gas	31,138	5,721	36,859	(21,800)	15,059
Maintenance and Other Operations	12,346	73	12,419	-	12,419
Depreciation	5,508	-	5,508	-	5,508
Total Operating Expenses	64,012	5,799	69,811	(21,800)	48,011
Operating Income	17,980	16,001	33,981	-	33,981
Non-Operating Income (Expense):					
Interest Income	85	619	704	-	704
Interest Expense	-	(31,574)	(31,574)	-	(31,574)
Loss on Dispostion of Capital Assets	(288)	-	(288)	-	(288)
Capital Assets to / (from) Other Funds	(901)	-	(901)	-	(901)
Other Income	301	-	301	-	301
Other Expense	(88)	(674)	(762)	-	(762)
Total Non-Operating Income (Expense)	(891)	(31,629)	(32,520)	-	(32,520)
Income before Contributions and Transfers	17,089	(15,628)	1,461	-	1,461
Operating Transfers:					
Operating Transfers Out	(10,223)	-	(10,223)	-	(10,223)
Change in Net Position	6,866	(15,628)	(8,762)	-	(8,762)
Net Position (Deficit), October 1	127,212	(104,365)	22,847	-	22,847
Net Position (Deficit), September 30	$ 134,078	$ (119,993)	$ 14,085	$ -	$ 14,085

City of Long Beach
Gas Utility Fund
Consolidated Schedule of Cash Flows
For the Fiscal Year Ended September 30, 2014
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Gas Operating Function	LBBFA Gas Prepay Function	Eliminations Increase (decrease)	Gas Utility Fund
Cash Flows from Operating Activities:				
Receipts from Customers	$ 82,359	$ 21,990	$ (21,990)	$ 82,359
Payments for Employee Salaries	(14,956)	(5)	-	(14,961)
Payments for Goods and Services	(42,791)	(51)	21,990	(20,852)
Other Income	1,236	22,788	-	24,024
Other Expense	-	(685)	-	(685)
Net Cash Provided by Operating Activities	25,848	44,037	-	69,885
Cash Flows from Non-Capital Financing Activities:				
Other Non-operating Income	301	-	-	301
Other Non-operating Expenses	(88)	-	-	(88)
Receipts from Prepayment of Gas Supply	-	(5,909)	-	(5,909)
Payments of Principal on Bonds Payable	-	(7,305)	-	(7,305)
Payments of Interest	-	(32,079)	-	(32,079)
Transfers Out	(10,223)	-	-	(10,223)
Net Cash Used for Non-Capital Financing Activities	(10,010)	(45,293)	-	(55,303)
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(13,965)	-	-	(13,965)
Payments of Principal on Other Long-Term Obligations	(1,923)	-	-	(1,923)
Payments of Interest, Net of Amounts Capitalized	(43)	-	-	(43)
Net Cash Used for Capital and Related Financing Activities	(15,931)	-	-	(15,931)
Cash Flows from Investing Activities:				
Proceeds from the Sale of Investments	-	611	-	611
Receipts of Interest	72	633	-	705
Net Cash Provided by Investing Activities	72	1,244	-	1,316
Net Decrease in Cash and Cash Equivalents	(21)	(12)	-	(33)
Cash and Cash Equivalents - October 1	7,514	305	-	7,819
Cash and Cash Equivalents - September 30	$ 7,493	$ 293	$ -	$ 7,786

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	Gas Operating Function	LBBFA Gas Prepay Function	Eliminations Increase (decrease)	Gas Utility Fund
Operating Income	$ 17,980	$ 16,001	$ -	$ 33,981
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization Expense	5,508	-	-	5,508
Other Income	-	22,788	-	22,788
Other Expense	-	(674)	-	(674)
(Increase) Decrease in Accounts Receivable, Net	(957)	190	-	(767)
Decrease in Amounts Due from Other Funds	-	(11)	-	(11)
Increase in Inventory	(553)	-	-	(553)
(Increase) Decrease in Other Operating Assets/Gas Prepay	349	5,721	-	6,070
Decrease in Accounts Payable	765	22	-	787
Increase in Accrued Wages Payable	40	-	-	40
Decrease in Amounts Due to Other Funds	606	-	-	606
Decrease in Unearned Revenues	1,342	-	-	1,342
Increase in Collections Held in Trust	768	-	-	768
Total Adjustments	7,868	28,036	-	35,904
Net Cash Provided by Operating Activities	$ 25,848	$ 44,037	$ -	$ 69,885

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 includes a purchase price equal to LBGO's lowest cost of gas purchased during the month of delivery and 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 18 – SOLID WASTE MANAGEMENT FUND

The Solid Waste Management Fund is used to account for the City's refuse collection and resource recovery operations and includes the City's Solid Waste Management Function and the SERRF Function. SERRF was formed as a joint powers authority between the City and Los Angeles County Sanitation District Number 2 in December 1984. Subsequent to SERRF's formation, lease revenue bonds were issued to construct a waste-to-energy facility, and contracts for the design, construction, and demonstration of a plant were executed and completed. Subsequent complex contractor litigation ensued and was settled in 1994.

A final settlement to the contractor litigation provided that the City would receive $6 million in cash and approximately $10 million over a 20-year period in monthly installments which began in 1999. Additionally, a $6 million payment from the present operator for future improvements has been accounted for as contributed capital. The long-term portion of future payments receivable from the former contractor of approximately $10 million has been accounted for as a long-term receivable with a balance at September 30, 2014 of $1.3 million.

In October 1995, the lease, between the joint powers authority and the City's SERFF operations, was revised as SERRF refunded the 1985, 1985-1, and 1986 bond issues with the SERRF 1995 Revenue Bond issue. The lease payment was equal to debt service payments with a maximum annual payment of $25.0 million.

In October 2003, the lease was again revised since the SERRF refunded the 1995 Bonds with the 2003 Southeast Resource Recovery Facility Authority Bonds in the amount of $120.2 million. Base rental payments are calculated to be sufficient to pay the principal and interest of the Series 2003 Bonds when due.

City of Long Beach
Solid Waste Management Fund
Consolidating Schedule of Net Position (Deficit)
September 30, 2014
(In Thousands)

	Solid Waste Management Refuse Function	Solid Waste Management SERRF Function	SERRF Authority	Total Before Elimination	Eliminations Debit (Credit)	Solid Waste Management Fund
ASSETS						
Current Assets:						
Pooled Cash and Cash Equivalents	$ 14,664	$ 25,649	$ -	$ 40,313	$ -	$ 40,313
Non-Pooled Cash and Cash Equivalents	3	-	72	75	-	75
Receivables:						
Interest Receivable	14	-	32	46	-	46
Accounts Receivable	2,535	7,156	850	10,541	(850)	9,691
Due from Other Governments	-	219	-	219	-	219
Due from Other Funds	169	-	-	169	-	169
Capital Leases Receivable - Current	-	-	8,860	8,860	(8,860)	-
Allowance for Receivables	(277)	(2)	-	(279)	-	(279)
Other Assets-Current	-	26	-	26	-	26
Total Current Assets	17,108	33,048	9,814	59,970	(9,710)	50,260
Noncurrent Assets:						
Restricted Noncurrent assets						
Non-Pooled Investments	-	-	11,567	11,567	-	11,567
Noncurrent Receivables:						
Capital Lease Receivable	-	-	40,340	40,340	(40,340)	-
Other Noncurrent Receivables	-	1,360	-	1,360	-	1,360
Capital Assets:						
Land and Other Capital Assets not being Depreciated	102	6,520	-	6,622	-	6,622
Capital Assets Net of Accumulated Depreciation	62	12,427	-	12,489	-	12,489
Other Assets-Long-Term	-	-	333	333	(333)	-
Total Noncurrent Assets	164	20,307	52,240	72,711	(40,673)	32,038
Total Assets	17,272	53,355	62,054	132,681	(50,383)	82,298
LIABILITIES						
Current Liabilities Payable from Current Assets:						
Accounts Payable	468	4,758	-	5,226	850	4,376
Accrued Wages	186	8	-	194	-	194
Accrued Interest Payable	-	-	848	848	-	848
Due to Other Funds	93	4	-	97	-	97
Deferred Revenues	3	-	-	3	-	3
Collections Held in Trust	694	64	-	758	-	758
Obligations under Capital Leases - Current	-	8,860	-	8,860	8,860	-
Bonds Payable Due within One Year	-	-	8,860	8,860	-	8,860
Total Current Liabilities	1,444	13,694	9,708	24,846	9,710	15,136
Noncurrent Liabilities:						
Deferred Credits and Other Deferred Liabilities	-	333	-	333	333	-
Obligations under Capital Leases	-	40,340	-	40,340	40,340	-
Bonds Payable	-	-	40,340	40,340	-	40,340
Unamortized Discount	-	-	1,722	1,722	-	1,722
Total Noncurrent Liabilities	-	40,673	42,062	82,735	40,673	42,062
Total Liabilities	1,444	54,367	51,770	107,581	50,383	57,198
NET POSITION (DEFICIT)						
Net Investment in Capital Assets	164	(30,253)	(1,389)	(31,478)	(13,120)	(18,358)
Restricted for:						
Debt Service	-	-	11,673	11,673	-	11,673
Unrestricted	15,664	29,241	-	44,905	13,120	31,785
Total Net Position (Deficit)	$ 15,828	$ (1,012)	$ 10,284	$ 25,100	$ -	$ 25,100

City of Long Beach
Solid Waste Management Fund
Consolidating Schedule of Revenues, Expenses, and Changes in Fund Net Position (Deficit)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Solid Waste Management					
	Refuse Function	SERRF Function	SERRF Authority	Total Before Elimination	Eliminations Debit (Credit)	Solid Waste Management Fund
Operating Revenues:						
Fees, Concessions, and Rentals	$ -	$ -	$ 2,619	2,619	$ 2,619	$ -
Charges for Services	41,478	47,260	-	88,738	8,046	80,692
Other	9	-	-	9	-	9
Total Operating Revenues	41,487	47,260	2,619	91,366	10,665	80,701
Operating Expenses:						
Personnel Services	14,180	511	-	14,691	-	14,691
Maintenance and Other Operations	27,143	36,851	-	63,994	(8,046)	55,948
Rental Expense	-	2,619	-	2,619	(2,619)	-
Amortization	-	-	80	80	-	80
Depreciation	8	4,311	-	4,319	-	4,319
Total Operating Expenses	41,331	44,292	80	85,703	(10,665)	75,038
Operating Income (Loss)	156	2,968	2,539	5,663	-	5,663
Non-Operating Income (Expenses):						
Interest Income	86	62	44	192	-	192
Interest Expense	-	-	(2,202)	(2,202)	-	(2,202)
Gain on Disposition of Capital Assets	-	-	-	-	-	-
Operating Grants	302	-	-	302	-	302
Other Income	4	346	-	350	-	350
Other Expenses	-	-	(3)	(3)	-	(3)
Total Non-Operating Income (Expenses)	(225)	408	(2,161)	(1,978)	-	(1,978)
Income (Loss) before Contributions and Transfers	(69)	3,376	378	3,685	-	3,685
Transfers:						
Transfers Out	(727)	(2,979)	-	(3,706)	-	(3,706)
Change in Net Position	(796)	397	378	(21)	-	(21)
Net Position (Deficit) - October 1	16,624	(1,409)	9,906	25,121	-	25,121
Net Position (Deficit) - September 30	$15,828	$ (1,012)	$10,284	$ 25,100	$ -	$ 25,100

City of Long Beach
Solid Waste Management Fund
Consolidating Schedule of Cash Flows
For the Fiscal Year Ended September 30, 2014
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Refuse Function	SERRF Function	SERRF Authority	Total Before Elimination	Eliminations Increase (Decrease)	Solid Waste Management Fund
Cash Flows from Operating Activities:						
Receipts from Customers	$ 41,551	$ 45,316	$ -	$ 86,867	$ -	$ 86,867
Receipts from Capital Lease	-	-	2,759	2,759	(2,759)	-
Payments for Employee Salaries	(14,142)	(511)	-	(14,653)	-	(14,653)
Payments for Goods and Services	(27,611)	(39,252)	-	(66,863)	2,759	(64,104)
Other Income	4	346	-	350	-	350
Net Cash Provided by (Used for) Operating Activities	(198)	5,899	2,759	8,460	-	8,460
Cash Flows from Non-Capital Financing Activities:						
Operating Grants Received from Other Governments	302	-	-	302	-	302
Transfers Out	(727)	(2,979)	-	(3,706)	-	(3,706)
Net Cash Used for Non-Capital Financing Activities	(425)	(2,979)	-	(3,404)	-	(3,404)
Cash Flows from Capital and Related Financing Activities:						
Payment of Contributed Capital	(617)	-	-	(617)	-	(617)
Payments for Capital Acquisitions	1	-	-	1	-	1
Payments of Principal on Bonds Payable	-	-	(8,410)	(8,410)	-	(8,410)
Payments of Principal on Other Long-Term Obligations	-	(8,410)	-	(8,410)	8,410	-
Payments of Interest	-	-	(2,758)	(2,758)	-	(2,758)
Net Cash Used for Capital and Related Financing Activities	(616)	(8,410)	(11,168)	(20,194)	8,410	(11,784)
Cash Flows from Investing Activities:						
Proceeds from the Sale of Investments	-	-	(153)	(153)	-	(153)
Principal Received under Capital Lease	-	-	8,410	8,410	(8,410)	-
Receipts of Interest	78	62	48	188	-	188
Net Cash Provided by Investing Activities	78	62	8,305	8,445	(8,410)	35
Net Increase (Decrease) in Cash and Cash Equivalents	(1,161)	(5,428)	(104)	(6,693)	-	(6,693)
Cash and Cash Equivalents - October 1	15,828	31,077	176	47,081	-	47,081
Cash and Cash Equivalents - September 30	$ 14,667	$ 25,649	$ 72	$ 40,388	$ -	$ 40,388

(Continued)

City of Long Beach
Solid Waste Management Fund
Consolidating Schedule of Cash Flows
For the Fiscal Year Ended September 30, 2014
(In Thousands)
(Continued)

RECONCILIATION OF OPERATING INCOME (LOSS)TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	Refuse Function	SERRF Function	SERRF Authority	Total before Elimination	Eliminations Increase (Decrease)	Solid Waste Management Fund
Operating Income (Loss)	$ 156	$ 2,968	$ 2,539	$ 5,663	$ -	$ 5,663
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation and Amortization Expense	8	4,311	80	4,399	-	4,399
Other Income	4	346	-	350	-	350
(Increase) Decrease in Accounts Receivable, Net	(40)	(2,345)	140	(2,245)	(140)	(2,385)
Increase in Amounts Due from Other Governments	-	401	-	401	-	401
(Increase) in Amounts Due from Other Funds	(3)	-	-	(3)	-	(3)
(Increase) Decrease in Other Assets	-	(26)	-	(26)	-	(26)
Decrease (Increase) in Deferred Charges	-	-	-	-	(80)	(80)
Increase (Decrease) in Accounts Payable	(468)	324	-	(144)	140	(4)
Increase (Decrease) in Accrued Wages Payable	24	-	-	24	-	24
Increase in Amounts Due to Other Funds	14	-	-	14	-	14
Decrease in Unearned Revenues	3	-	-	3	-	3
Increase (Decrease) in Deferred Credits	-	(80)	-	(80)	80	-
Increase in Collections Held in Trust	104	-	-	104	-	104
Total Adjustments	(354)	2,931	220	2,797	-	2,797
Net Cash Provided by (Used for) Operating Activities	$ (198)	$ 5,899	$ 2,759	$ 8,460	$ -	$ 8,460

NOTE 19 – OIL ABANDONMENT LIABILITY

As mentioned in Note 1, the City is required to administer certain tideland properties in trust for the state of California. Significant enterprise operations are conducted in the Tidelands Trust area of the City. Revenues received from the City's tidelands area business-type operations 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, as described on the following pages.

Tideland Oil Revenues

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 as authorized by Chapter 941 of the state of California special legislative session of 1991) are remitted to the state of California. Law restricts funds retained by the City for tidelands-related purposes. Eligible purposes include expenses of the City's marinas, beaches, waterways, and its 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, 2014, the State's total estimated abandonment cost liability is $607.4 million increasing by $132.7 million from fiscal year 2013. 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, 2014, and as provided for in Assembly Bill (AB) 137, the State has put aside and deposited approximately $300.2 million of the $607.4 million estimated liability into the State's Oil Trust Fund - Abandonment Reserve.

At September 30, 2014, the Tidelands Fund recorded an estimated oil field abandonment cost liability of $51.4 million increasing by $10.2 million from fiscal year 2013. 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 proprietary ownership interests in the Wilmington Oil Field bear a proportionate share of oil field abandonment costs. Such share is presently estimated at $9.6 million of which $5.2 million has been funded in the Upland Oil Properties Special Revenue Fund as of September 30, 2014.

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 have resulted from oil operations. A maximum of $40.0 million, plus accrued interest, was originally set aside for this purpose. Under provisions of State law that allowed the State's contractors to substantially increase oil production, and for a period of eight years that ended December 31, 1999, the City's Tidelands Fund received 50 percent of the interest earnings on the Reserve for Subsidence Contingences while the other 50 percent accrued to the Subsidence Fund. For a period of four years beginning January 1, 2000, 50 percent of the interest earnings were paid to the State of California while the other 50 percent accrued to the Subsidence Fund. After the expiration of the above provisions, 100 percent of the interest accrues to the Reserve for Subsidence. As of September 30, 2014, the reserve balance within the Subsidence Fund is $173.5 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 assist the City in making $5 million contributions to the State in fiscal years 2005 and 2006. At September 30, 2014, total loan to the City's General Fund and interest retained amounts to $4.1 million.

NOTE 20 – 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 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, 2014, 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 State Department of Toxic Substances Control 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, 2014, 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.

National Resources Defense Council

The County of Los Angeles filed a claim with the City, and more than 80 other cities in Los Angeles County, for contribution/indemnification in the lawsuit brought by the National Resources Defense Council (NRDC) against the County in 2009. The NRDC lawsuit was related to violations of the federal Clean Water Act that were allegedly caused by or contributed to by cities, including Long Beach. One or more of the sites is located in Long Beach. The Ninth Circuit has ruled against the County. That decision was appealed to the U.S. Supreme Court, and denied in May 2014. As of September 30, 2014, the case is considered closed and of no further effect on the City.

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 California Department of Toxic Substance Control). 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, 2014, 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.

Long Beach Oil Development Company

In 2003, LBOD, a contractor for the City responsible for managing oil operations, was named in a lawsuit. During the period from 1939 to February 1989, LBOD deposited oil operations materials at three approved disposal sites. LBOD was named in cleanup actions (Imminent and Substantial Endangerment Determination and Order and a Remedial Action Order from the California Department of Toxic Substance Control) for these sites and has sued the City seeking reimbursement for costs expended. As of September 30, 2014, there was insufficient information to develop an estimate of

potential remediation costs attributable to the City. The City acts as a trustee for the State for the impacted lands and the funds for defense and settlement shall come from State of California Oil Revenue.

Housing Development Company

In 2006, the Agency purchased property at 2085 Atlantic Boulevard at a reduced price with the knowledge that remediation activities for soil and groundwater contamination would have to be undertaken. In August 2007, the property was conveyed to the Company. The remediation activities, as directed by the Los Angeles Regional Water Quality Control Board (Regional Board), have been completed; however, continued monitoring of the site has been ordered. In 2013, the Regional Board indicated that the case is a candidate for closure, pending review and has requested that annual monitoring continue until closure is received. The original estimated liability for the monitoring, based on a cost estimate from the monitoring service provider, was $50 thousand. As of September 30, 2014, the remaining liability for the monitoring was $6 thousand. There is no reasonable expectation of any recovery associated with these remediation efforts.

Paramount Landfill

The City operated the Paramount Landfill from 1945 to 1948. After closure, the landfill was partitioned and all but one parcel has been sold. The remaining parcel was developed into Davenport Park. In May 2009, the Regional Board notified the City that additional groundwater monitoring is required for this site. The original estimated remaining liability associated with the groundwater monitoring, based on a cost estimate from the monitoring service provider, is $60 thousand. As of September 30, 2014, the remaining liability for the monitoring was $12 thousand. There is a possibility that the cost of monitoring may increase if the mandated monitoring period is extended. There is no reasonable expectation of any recovery associated with these remediation efforts.

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. 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, 2014, the remaining liability for the monitoring was $404 thousand. There is a possibility that the cost of monitoring may increase. There is no reasonable expectation of any recovery associated with these remediation efforts.

Cowelco

On November 8, 2012, the Los Angeles Regional Water Quality Control Board (Control Board) notified the Agency of the that additional groundwater monitoring was necessary at 1669 W. Anaheim Street based on the Control Board's review of the Site Assessment Report dated May 7, 2004. Compliance with the Control Board's current request is anticipated to cost approximately $40 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

The Regional Board has notified the City that additional ground water monitoring for the former MTA bus parking lot may be required. MTA had requested site closure for the site prior to it being sold to the City. 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 of the MTA. At September 30, 2014, the site is still being evaluated and the City is waiting for final determination from the Regional Board as to the extent of, if any, additional monitoring activities that may be required.

Leaking Underground Storage Tanks (LUST)

The City has been named a responsible party for a number of LUST by the Regional Board. The Regional Board has directed that these sites be evaluated for remediation and continued monitoring activities. As of September 30, 2014, the State approved the City's remediation efforts. The City remains under a Board order to continue monitoring the sites, with a suspended penalty of $2.5 million, which could be imposed if the order is violated. The estimated related liability for the future remediation was $3 million. Successful completion of the probationary term, to end in 2015, may decrease this liability.

San Francisco Yard

In June 2010, the City exchanged land, known as the San Francisco Yard (SFY), to a developer in exchange for wetlands areas. As part of this transaction, the City agreed to financially support any potential pollution remediation that became necessary to allow further development within specified areas of the SFY. In 2013, the City was notified that contaminated soil remediation would be required. To help determine the potential remediation costs, the City requested and received proposals to remediate the soil contamination. Based on these estimates, the estimated related liability for the future remediation was $557 thousand. There is no reasonable expectation of any recovery associated with these remediation efforts.

NOTE 21 – INVESTMENT IN JOINT VENTURES

Intermodal Container Transfer Facility Joint Powers Authority (ICTF)

The City's Harbor Department and the Port of Los Angeles (the Venturers) have entered into a joint venture agreement to form ICTF for the purposes of financing and constructing an intermodal container transfer facility (the facility) to transfer cargo containers between trucks and railroad cars. The facility has been leased to Southern Pacific, now merged with Union Pacific (the 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 ICTF financial statements for the year ended June 30, 2014 can be obtained from the Harbor.

NOTE 22 – DEFERRED COMPENSATION

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

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

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

NOTE 23 – COMMITMENTS AND CONTINGENCIES

Commitments

At September 30, 2014, business-type fund and governmental-type fund commitments for construction projects and for purchases of goods and services are as follows (in thousands):

Governmental Activities	
General Fund	$ 433
Other Governmental funds:	
Special Revenue Funds	5,863
Capital Projects Funds	6,630
Total	$ 12,926

Business-Type Activities	
Gas Utility	$ 354
Tidelands	16,374
Harbor	79,760
Non-major business-type funds	13,432
Total	$ 109,920

At September 30, 2014, the City's commitments for Internal Service Fund activity construction projects and for the purchase of goods and services aggregated to $1.2 million.

Health Insurance

The City contracts with an insurance company to provide group health insurance to City employees. In an effort to maintain rates at acceptable levels, the City deposited with a trustee certain securities valued at approximately $5.0 million to cover terminal liability claims. The securities are included in the City's pooled cash and investments and all interest earned on the securities accrues to the City. In the event the City terminates its contract with the insurance company, any funds in excess of the actual terminal claims liability will be returned to the City.

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 16, 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 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. This 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. Revenues generated by use fees and container charges, paid by the railroads, will be 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 a total of 40 percent of the total annual required amount, with the Harbor and the Port of Los Angeles each responsible for one-half, or 20 percent of the required amount.

ACTA's latest Notice of Estimated Shortfall Advances and Reserve Accounting Funding (Notice) was transmitted to the Department on March 20, 2014. Estimates included in the Notice are dependent upon the accuracy of the assumptions used in their formulation. The projected shortfall for ACTA's fiscal year ended June 30, 2015, based on the Notice submitted by ACTA was negligible leaving the cumulative shortfall at $5.9 million. Any shortfall advance made by the Harbor and the Port of Los Angeles is reimbursable, with interest, by ACTA. Reimbursement could begin as soon as 2018. The Harbor has funded, in prior years, a cash reserve to satisfy claims related to the shortfall advance potential obligation.

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 $1.3 billion. The Harbor anticipates that funding of this project will come primarily from federal and state sources. Local matching funds will also be required.

Environmental Mitigation Credits

The Harbor disbursed $39.4 million in fiscal year 1997 to secure environmental mitigation credits that would allow the Harbor to complete projects within its complex. 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.

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 land was transferred to the state in return for environmental mitigation credits to allow for the construction of up to 267 acres of landfill in the outer harbor area. During fiscal year 2006, the Department acquired $11.4 million of environmental mitigation credits.

During fiscal year 2007, the Department completed landfills that required the utilization of $6.5 million of the available credits. No no further acquisition of environmental credits or utilization of credits has occurred during the two years ended September 30, 2014. The balance of the Environmental Mitigation Credits was $43.3 million as of September 30, 2014.

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 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 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 24 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Deferred Outflows of Resources

At September 30, 2014, Deferred Outflows of Resources and Deferred Inflows of Resources are as follows:

City of Long Beach
Governmental Funds
Schedule of Deferred Outflows and Deferred Inflows
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	General	Nonmajor Governmental Funds	Total Governmental Funds	GASB 34 Conversion Adjustments	Total Government-wide Statements
Deferred Outflows of Resources:					
Economic loss from the refunding of debt	$ -	$ -	$ -	$ 1,762	$ 1,762
Total deferred outflows of resources	$ -	$ -	$ -	$ 1,762	$ 1,762
Deferred Inflows of Resources:					
Economic gain from the refunding of debt	$ -	$ -	$ -	$ 275	$ 275
Unavailable revenue and property taxes	84,376	195,000	279,376	(194,074)	85,302
Total deferred inflows of resources	$ 84,376	$ 195,000	$ 279,376	$ (193,799)	$ 85,577

City of Long Beach
Internal Service Funds
Schedule of Deferred Outflows and Deferred Inflows
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Civic Center	Fleet Services	Total Internal Service Funds
Deferred Outflows of Resources:			
Economic loss from the refunding of debt	$ 1,000	$ 1,358	$ 2,358
Total deferred outflows of resources	$ 1,000	$ 1,358	$ 2,358

City of Long Beach
Enterprise Funds
Schedule of Deferred Outflows and Deferred Inflows
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Gas Utility	Tidelands	Harbor	Nonmajor Enterprise Funds	Total Enterprise Funds
Deferred Outflows of Resources:					
Economic loss from the refunding of debt	$ -	$ 7,878	$ 9,593	$ 2,079	$ 19,550
Negative fair value of derivative instrument					
Interest rate swap	12,347	-	-	-	12,347
Derivative instrument					
Commodity swap	367,543	-	-	-	367,543
Total deferred outflows of resources	$ 379,890	$ 7,878	$ 9,593	$ 2,079	$ 399,440
Deferred Inflows of Resources:					
Economic gain from the refunding of debt	$ -	$ -	$ 2,963	$ -	$ 2,963
Positive fair value of derivative instrument					
Commodity swap	367,543	-	-	-	367,543
Derivative instrument					
Interest rate swap	12,347	-	-	-	12,347
Total deferred inflows of resources	$ 379,890	$ -	$ 2,963	$ -	$ 382,853

NOTE 25 – Reclassification of Funds

During the fiscal year ended September 30, 2014, an evaluation of a component of other Special Revenue Funds, a non-major governmetal fund, revealed that it would be more appropriately classified as an Agency Fund. The following schedules reflect the effects of that reclassification:

Reclassification of Governmental Activities
Schedule of Net Position
September 30, 2013

	Governmental Activities	Adjustments to Reclassify Balances	Governmental Activities as Reclassified
Assets:			
Current and Other Assets	$ 983,289	$ (1,969)	$ 981,320
Capital Assets	687,620	-	687,620
Deferred Outflows	4,433	-	4,433
Total Assets	1,675,342	(1,969)	1,673,373
Liabilities:			
Current Liabilities	173,760	(1,795)	171,965
Noncurrent Liabilities, Net	784,220	-	784,220
Deferred Inflows	78,618	-	78,618
Total Liabilities	1,036,598	(1,795)	1,034,803
Net Position:			
Net Investment in Capital Assets	242,105	-	242,105
Restricted	458,167	(174)	457,993
Unrestricted	(61,528)	-	(61,528)
Total Net Position	$ 638,744	$ (174)	$ 638,570

Reclassification of Agency Funds
Schedule of Fiduciary Fund Net Position
September 30, 2013

	Agency Funds	Adjustments to Reclassify Balances	Agency Funds as Reclassified
Assets:			
Pooled Cash and Cash Equivalents	$ 9,539	$ 1,245	$ 10,784
Non-performing Investment	2	-	2
Non-pooled Investments	2,175	-	2,175
Non-pooled Cash and Cash Equivalents	6,224	2	6,226
Property Tax Receivable	73	60	133
Interest Receivable	8	-	8
Accounts Receivable	28	763	791
Prepaid Expense	1	-	1
Land	11,000	-	11,000
Total Assets	$ 29,050	$ 2,070	$ 31,120
Liabilities:			
Accounts Payable	$ 308	2,010	$ 2,318
Due to Special Assessment Bondholders	3,339	-	3,339
Collections Held in Trust	25,403	60	25,463
Total Liabilities	$ 29,050	$ 2,070	$ 31,120

Reclassification of Other Special Revenue Funds
Balance Sheet
September 30, 2013

	Other Special Revenue Funds	Adjustments to Reclassify Balances	Other Special Revenue as Reclassified
Assets:			
Pooled Cash and Cash Equivalents	$ 9,432	$ (1,248)	$ 8,184
Non-performing Investment	1	-	1
Property Tax Receivable, Net	94	(94)	-
Accounts Receivable, Net	1,279	(728)	551
Due from Other Funds	28	-	28
Other Assets	1	-	1
Other Non-current receivables	872	-	872
Total Assets	11,707	(2,070)	9,637
Liabilities:			
Accounts Payable	1,906	(1,795)	111
Accrued Wages	27	-	27
Due to Other Funds	13	-	13
Collections Held in Trust	238	-	238
Total Liabilities	2,184	(1,795)	389
Deferred Inflows	935	(60)	875
Fund Balance:			
Nonspendable	1	-	1
Restricted	7,387	(215)	7,172
Committed	1,200	-	1,200
Total Fund Balance	$ 8,588	$ (215)	$ 8,373

REQUIRED SUPPLEMENTARY INFORMATION

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City of Long Beach
Required Supplementary Information
CalPERS Analysis of Funding Progress
(Unaudited)
(In thousands)

June 30 Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Normal Accrued Liability (b)	Excess Funded (Deficit / Unfunded) Assets (a) – (b)	Funded Status (AVA) (a) / (b)	Funded Status Market Value	Annual Covered Payroll (c)	Excess Funded (Deficit / Unfunded) Assets as a % of Covered Payroll [(a) - (b)] / (c)
			Miscellaneous Employees				
2011	$1,765,236	$1,971,682	$(206,446)	89.5%	79.4%	$222,312	-92.9%
2012	1,825,592	2,057,068	(231,476)	88.7%	79.4%	220,939	-104.8%
2013	1,652,793	2,143,507	(490,714)	77.1%	79.4%	220,939	-222.1%
			Safety Employees				
2011	$1,783,951	$1,868,031	$ (84,080)	95.5%	84.7%	$132,176	-63.6%
2012	1,834,547	1,936,904	(102,357)	94.7%	84.7%	124,868	-82.0%
2013	1,659,336	2,002,963	(343,627)	82.8%	84.7%	121,770	-282.2%

See accompanying independent auditors' report.

City of Long Beach
Required Supplementary Information
Public Agency Retirement System
Analysis of Funding Progress
(Unaudited)
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Funded (Excess Assets)	Funded Ratio	Annual Covered Payroll	Rate of Funded Liability to Annual Covered Payroll
2004	$ 1,537	$ 545	$ 992	282%	$ 8,266	12.00%
2005	1,388	675	713	206%	7,697	9.27%
2006	1,308	790	518	166%	7,928	6.53%
2007	1,421	860	561	165%	8,461	6.63%
2008	1,102	1,047	55	105%	9,178	0.60%
2009	889	1,123	(234)	79%	8,376	-2.79%
2010	966	1,176	(210)	82%	8,369	-2.51%
2011	879	1,354	(475)	65%	8,653	-5.49%
2012	903	1,486	(583)	61%	8,526	-6.84%
2013	1,113	1,633	(520)	68%	8,329	-6.24%

Postemployment Healthcare Benefits
Analysis of Funding Progress
(Unaudited)

Actuarial Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (a) – (b)	Funded Ratio (b) / (a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a) - (b)] / (c)
9/30/2010	$120,714	-	$120,714	0.0%	$321,931	37.5%
9/30/2012	219,785	-	219,785	0.0%	321,013	68.5%
9/30/2014	142,598	-	142,598	0.0%	335,691	42.5%

See accompanying independent auditors' report.

ADDITIOAL FINANCIAL SECTION

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City of Long Beach
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014
(In Thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
ASSETS				
Pooled Cash and Cash Equivalents	$ 93,368	$ 65,874	$ 1,268	$ 160,510
Non-Pooled Cash and Cash Equivalents	199	18,974	2,537	21,710
Non-Pooled Investments	-	-	31,457	31,457
Receivables:				
Accounts Receivable	2,290	74	-	2,364
Due from Other Governments	23,029	11,032	-	34,061
Due from Other Funds	191	1,538	-	1,729
Allowance for Receivables	(776)	-	-	(776)
Other Assets	6,468	1,544	-	8,012
Advances to Other Funds	20,659	-	-	20,659
Land Held for Resale	4,447	88,503	-	92,950
Other Noncurrent Receivables	188,598	6,446	-	195,044
Total Assets	$338,473	$193,985	$ 35,262	$ 567,720
LIABILITIES				
Accounts Payable	$ 10,240	$ 5,996	$ 987	$ 17,223
Accrued Wages and Benefits Payable	741	101	-	842
Due to Other Governments	19	-	-	19
Due to Other Funds	7,024	50	-	7,074
Unearned Revenues	3,694	2,058	-	5,752
Deposits and Collections Held in Trust	2,289	118	1,043	3,450
Advances from Other Funds	3,809	16,850	-	20,659
Total Liabilities	27,816	25,173	2,030	55,019
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows	188,554	6,446	-	195,000
FUND BALANCES				
Nonspendable	6,468	1,544	-	8,012
Restricted	115,631	140,923	32,943	289,497
Committed	1,362	-	-	1,362
Assigned	279	35,908	289	36,476
Unassigned	(1,637)	(16,009)	-	(17,646)
Total Fund Balance	122,103	162,366	33,232	317,701
Total Liabilities, Deferred Inflows and Fund Balances	$338,473	$193,985	$ 35,262	$ 567,720

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, 2014
(In Thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Revenues:				
Taxes:				
Property	$ 5,619	$ 36,368	$ -	$ 41,987
Sales	2,477	-	-	2,477
Other Taxes	9,900	-	-	9,900
Licenses and Permits	5,899	1,543	-	7,442
Use of Money and Property	1,792	1,415	1,261	4,468
From Other Agencies	176,692	8,799	-	185,491
Charges for Services	2,627	-	-	2,627
Other Contributions	-	341	-	341
Other	3,483	365	-	3,848
Total Revenues	208,489	48,831	1,261	258,581
Expenditures:				
Current:				
General Government	174	8	-	182
Public Safety	22,778	-	-	22,778
Public Health	35,902	-	-	35,902
Community and Cultural	108,172	8,735	-	116,907
Public Works	35,792	-	-	35,792
Total Current Expenditures	202,818	8,743	-	211,561
Capital Improvements	-	36,427	-	36,427
Debt Service:				
Principal	-	-	18,836	18,836
Interest	-	-	21,044	21,044
Debt Administration Fees	-	-	57	57
Total Expenditures	202,818	45,170	39,937	287,925
Excess of Revenues over (under) Expenditures	5,671	3,661	(38,676)	(29,344)
Other Financing Sources (Uses):				
Transfers In	6,725	42,941	37,733	87,399
Transfers Out	(3,439)	(32,952)	(1,007)	(37,398)
Total Other Financing Sources (Uses)	3,286	9,989	36,726	50,001
Net Change in Fund Balances	8,957	13,650	(1,950)	20,657
Fund Balances - October 1	113,146	148,716	35,182	297,044
Fund Balances - September 30	$ 122,103	$ 162,366	$ 33,232	$ 317,701

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 impact fee 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 federal grants providing job training and employment opportunities for economically disadvantaged, unemployed, and under-employed persons, and federal grants from the U.S. Department of Housing and Urban Development (HUD). HUD grants support the development of viable urban communities by providing housing, suitable living environments, and by expanding economic opportunities for persons of low and moderate-income.

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 Assistance Fund is used to account for programs administered by the City's Housing Authority under regulations of HUD.

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 Gasoline Tax Fund was established to account for the apportionment of Highway User Tax collected by the State to finance street-related projects, including the maintenance thereof. The fund also accounts Non Harbor, U.S. Department of Transportation, and Federal Highway Administration Grants that finance certain transportation projects.

The Transportation Fund was established to account for the City's apportionments of a 1/2 cent sales tax increases collected by the County under Proposition A, Proposition C, and Measure R, to finance transportation projects; the City's share of the State of California's Proposition 1B Transportation Bond to finance repairs to the City's local streets; and for the City's share of the South Coast Air Quality Management District vehicle registration fee to finance programs that reduce the impact of air pollution from motor vehicles on the community.

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, 2014
(In Thousands)

	General Grants	Police and Fire Public Safety Oil Production Act	Community Development Grants	Health	Belmont Shore Parking Meter Revenue	Housing Assistance
ASSETS						
Pooled Cash and Cash Equivalents	$ 1,828	$ 1,200	$ 197	$ 1,003	$ 987	$ 10,298
Non-Pooled Cash and Cash Equivalents	-	-	12	15	79	86
Receivables:						
Accounts Receivable	324	316	32	665	-	-
Due from Other Governments	9,004	-	3,868	8,493	-	157
Due from Other Funds	54	-	-	137	-	-
Allowance for Receivables	-	-	(32)	(520)	-	-
Other Assets-Current	-	-	20	1	-	-
Advances to Other Funds	-	-	3,809	-	-	-
Land Held for Resale	-	-	1,243	-	-	-
Other Noncurrent Receivables (net)	-	-	59,280	-	-	-
Total Assets	$ 11,210	$ 1,516	$ 68,429	$ 9,794	$ 1,066	$ 10,541
LIABILITIES						
Accounts Payable	$ 593	$ -	$ 1,597	$ 2,920	$ 19	$ 57
Accrued Wages	45	20	152	399	-	77
Due to Other Governments	-	-	-	-	-	19
Due to Other Funds	4,608	10	2,087	255	-	39
Unearned Revenues	2,811	307	51	466	-	55
Deposits and Collections Held in Trust	747	-	5	79	-	1,122
Advances from Other Funds	-	-	-	-	-	-
Total Liabilities	8,804	337	3,892	4,119	19	1,369
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows	-	-	59,236	-	-	-
FUND BALANCES (DEFICIT)						
Nonspendable	-	-	20	1	-	-
Restricted	2,127	1,179	5,281	5,674	1,047	9,172
Committed	-	-	-	-	-	-
Assigned	279	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	2,406	1,179	5,301	5,675	1,047	9,172
Total Liabilities, Deferred Inflows and Fund Balances	$ 11,210	$ 1,516	$ 68,429	$ 9,794	$ 1,066	$ 10,541

See accompanying independent auditors' report.

Housing Development	Gasoline Tax	Transportation	Other Special Revenue Funds	Total September 30, 2014	
					ASSETS
$ 22,612	$ 21,809	$ 22,966	$ 10,468	$ 93,368	Pooled Cash and Cash Equivalents
7	-	-	-	199	Non-Pooled Cash and Cash Equivalents
					Receivables:
26	3	18	906	2,290	Accounts Receivable
420	460	622	5	23,029	Due from Other Governments
-	-	-	-	191	Due from Other Funds
-	-	-	(224)	(776)	Allowance for Receivables
6,400	-	45	2	6,468	Other Assets-Current
16,850	-	-	-	20,659	Advances to Other Funds
3,204	-	-	-	4,447	Land Held for Resale
128,392	-	-	926	188,598	Other Noncurrent Receivables
$ 177,911	$ 22,272	$ 23,651	$ 12,083	$ 338,473	Total Assets
					LIABILITIES AND FUND BALANCES
$ 131	$ 2,040	$ 2,774	$ 109	$ 10,240	Accounts Payable
15	1	-	32	741	Accrued Wages
-	-	-	-	19	Due to Other Governments
8	1	-	16	7,024	Due to Other Funds
-	-	-	4	3,694	Unearned Revenues
16	-	-	320	2,289	Deposits and Collections Held in Trust
3,809	-	-	-	3,809	Advances from Other Funds
3,979	2,042	2,774	481	27,816	Total Liabilities
					DEFERRED INFLOWS OF RESOURCE
128,392	-	-	926	188,554	Deferred Inflows
					Fund Balances:
6,400	-	45	2	6,468	Nonspendable
40,615	20,230	20,832	9,474	115,631	Restricted
162	-	-	1,200	1,362	Committed
-	-	-	-	279	Assigned
(1,637)	-	-	-	(1,637)	Unassigned
45,540	20,230	20,877	10,676	122,103	Total Fund Balances
$ 177,911	$ 22,272	$ 23,651	$ 12,083	$ 338,473	Total Liabilities, Deferred Inflows and Fund Balances

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, 2014
(In Thousands)

	General Grants	Police and Fire Public Safety Oil Production Act	Community Development Grants	Health	Belmont Shore Parking Meter Revenue	Housing Assistance
Revenues:						
Taxes:						
Property	$ -	$ -	$ -	$ 5,619	$ -	$ -
Sales	-	-	-	2,477	-	-
Other Taxes	-	3,681	-	-	-	-
Licenses and Permits	-	-	-	3,128	-	-
Use of Money and Property	9	3	216	57	584	13
From Other Agencies	23,335	-	20,051	23,072	-	73,759
Charges for Services	712	-	-	1,915	-	-
Other	640	-	1,733	19	-	659
Total Revenues	24,696	3,684	22,000	36,287	584	74,431
Expenditures:						
Current:						
General Government	-	-	122	-	-	9
Public Safety	18,680	3,064	1,034	-	-	-
Public Health	384	-	-	34,225	-	-
Community and Cultural	4,010	-	20,428	-	499	73,324
Public Works	167	-	-	-	-	-
Total Current Expenditures	23,241	3,064	21,584	34,225	499	73,333
Excess of Revenues over (under) Expenditures	1,455	620	416	2,062	85	1,098
Other Financing Sources (Uses)						
Transfers In	1,729	-	167	2,371	-	-
Transfers Out	-	-	(1,949)	(1,323)	-	-
Total Other Financing Sources (Uses)	1,729	-	(1,782)	1,048	-	-
Net Change in Fund Balances	3,184	620	(1,366)	3,110	85	1,098
Fund Balances - October 1	(778)	559	6,667	2,565	962	8,074
Fund Balances - September 30	$ 2,406	$ 1,179	$ 5,301	$ 5,675	$ 1,047	$ 9,172

See accompanying independent auditors' report.

Housing Development	Gasoline Tax	Transportation	Other Special Revenue Funds	Totals September 30, 2014	
					Revenues:
					Taxes:
$ -	$ -	$ -	$ -	$ 5,619	Property
-	-	-	-	2,477	Sales
-	-	-	6,219	9,900	Other Taxes
63	-	-	2,708	5,899	Licenses and Permits
660	52	133	65	1,792	Use of Money and Property
352	15,935	20,180	8	176,692	From Other Agencies
-	-	-	-	2,627	Charges for Services
115	-	1	316	3,483	Other
1,190	15,987	20,314	9,316	208,489	Total Revenues
					Expenditures:
					Current:
40	-	-	3	174	General Government
-	-	-	-	22,778	Public Safety
-	-	-	1,293	35,902	Public Health
4,067	-	27	5,817	108,172	Community and Cultural
-	14,550	21,075	-	35,792	Public Works
4,107	14,550	21,102	7,113	202,818	Total Current Expenditures
(2,917)	1,437	(788)	2,203	5,671	Excess of Revenues Over (Under) Expenditures
					Other Financing Sources (Uses)
2,350	-	-	108	6,725	Transfers In
(159)	-	-	(8)	(3,439)	Transfers Out
2,191	-	-	100	3,286	Total Other Financing Sources (Uses)
(726)	1,437	(788)	2,303	8,957	Net Change in Fund Balances
46,266	18,793	21,665	8,373	113,146	Fund Balances - October 1
$ 45,540	$ 20,230	$ 20,877	$ 10,676	$ 122,103	Fund Balances - September 30

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Sources, Uses, and Changes in Funds Available
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	General Grants			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources:				
Fines and Forfeitures	$ 15	$ -	$ -	$ -
Use of Money and Property	(19)	(16)	9	25
From Other Agencies	23,114	31,194	23,335	(7,859)
Charges for Services	(294)	(294)	712	1,006
Other Revenues	486	1,411	640	(771)
Transfers In	1,940	3,890	1,729	(2,161)
Total Sources	25,242	36,185	26,425	(9,760)
Uses:				
General Government	636	617	-	617
Public Safety	19,381	26,456	19,296	7,160
Public Health	481	695	384	311
Community and Cultural	4,355	6,425	4,010	2,415
Public Works	558	558	167	391
Total Uses	25,411	34,751	23,857	10,894
Net Change in Budgetary Fund Balance	$ (169)	$ 1,434	$ 2,568	$ 1,134

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis		$ 2,568
Add:	Encumbrances	616
Change in Fund Balance - September 30, GAAP Basis		3,184
Fund Balance, October 1, GAAP Basis		(778)
Fund Balance, September 30, GAAP Basis		$ 2,406

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis		$ 2,406
Less:	Commitments to Grant Funded Programs	(9,214)
Add:	Future Grant Funding	8,343
Total Adjustments		(871)
Budgetary Funds Available - September 30		$ 1,535

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(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	$ 3,217	$ 3,612	$ 3,681	$ 69
Use of Money and Property	-	-	6	6
Total Sources	3,217	3,612	3,687	75
Uses:				
Public Safety	3,195	3,195	3,064	131
Total Uses	3,195	3,195	3,064	131
Net Change in Budgetary Fund Balance	$ 22	$ 417	$ 623	$ 206

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ 623
Less: Change in Mark-to-Market and Other Adjustments	(3)
Change in Fund Balance - September 30, GAAP Basis	620
Fund Balance, October 1, GAAP Basis	559
Fund Balance, September 30, GAAP Basis	$ 1,179

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis	$ 1,179
Total Adjustments	-
Budgetary Funds Available - September 30	$ 1,179

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Community Development Grants			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources:				
Use of Money and Property	$ (202)	$ (202)	$ 216	$ 418
From Other Agencies	36,857	37,717	20,051	(17,666)
Other Revenues	6,515	6,528	1,733	(4,795)
Transfers In	65	65	167	102
Total Sources	43,235	44,108	22,167	(21,941)
Uses:				
General Government	28,941	28,872	122	28,750
Public Safety	1,014	1,062	1,034	28
Community and Cultural	19,360	20,450	20,428	22
Public Works	51	(31)	-	(31)
Transfers Out	(4,492)	(1,722)	1,949	(3,671)
Total Uses	44,874	48,631	23,533	25,098
Net Change in Budgetary Fund Balance	$ (1,639)	$ (4,523)	$ (1,366)	$ 3,157

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ (1,366)
Change in Fund Balance - September 30, GAAP Basis	(1,366)
Fund Balance, October 1, GAAP Basis	6,667
Fund Balance, September 30, GAAP Basis	$ 5,301

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis		$ 5,301
Less:	Nonspendable Fund Balance	(20)
	Amounts Restricted by Long-term Advances	(3,809)
	Land Held for Resale	(1,243)
	Commitments to Grant Funded Programs	(20,792)
Add:	Future Grant Funding	18,991
Total Adjustments		(6,873)
Budgetary Funds Available - September 30		$ (1,572)

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Health			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources				
Property Taxes	$ 5,759	$ 5,759	$ 5,619	$ (140)
Sales Taxes	2,151	2,151	2,477	326
Licenses and Permits	3,204	3,204	3,128	(76)
Use of Money and Property	30	30	57	27
From Other Agencies	52,704	52,776	23,072	(29,704)
Charges for Services	1,921	1,921	1,915	(6)
Other Revenues	(48)	(48)	19	67
Transfers In	507	507	2,371	1,864
Total Sources	66,228	66,300	38,658	(27,642)
Uses				
Public Health	66,803	66,967	34,227	32,740
Transfers Out	(8)	(8)	1,323	(1,331)
Total Uses	66,795	66,959	35,550	31,409
Net Change in Budgetary Fund Balance	$ (567)	$ (659)	$ 3,108	$ 3,767

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis		$ 3,108
Add:	Encumbrances	2
Change in Fund Balance - September 30, GAAP Basis		3,110
Fund Balance, October 1, GAAP Basis		2,565
Fund Balance, September 30, GAAP Basis		$ 5,675

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis		$ 5,675
Less:	Nonspendable Fund Balance	(1)
	Commitments to Grant Funded Programs	(29,364)
Add:	Future Grant Funding	27,139
Total Adjustments		(2,226)
Budgetary Funds Available - September 30		$ 3,449

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Belmont Shore Parking Meter Revenues			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources				
Use of Money and Property	$ 527	$ 527	$ 584	$ 57
Total Sources	527	527	584	57
Uses				
Community and Cultural	453	654	499	155
Total Uses	453	654	499	155
Net Change in Budgetary Fund Balance	$ 74	$ (127)	$ 85	$ 212

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ 85
Change in Fund Balance - September 30, GAAP Basis	85
Fund Balance, October 1, GAAP Basis	962
Fund Balance, September 30, GAAP Basis	$ 1,047

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis	$ 1,047
Total Adjustments	-
Budgetary Funds Available - September 30	$ 1,047

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Housing Assistance			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources				
Use of Money and Property	$ 15	$ 15	$ 13	$ (2)
From Other Agencies	81,062	81,062	73,759	(7,303)
Other Revenues	790	790	659	(131)
Total Sources	81,867	81,867	74,431	(7,436)
Uses				
General Government	13	13	9	4
Community and Cultural	81,840	81,864	73,324	8,540
Total Uses	81,853	81,877	73,333	8,544
Net Change in Budgetary Fund Balance	$ 14	$ (10)	$ 1,098	$ 1,108

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ 1,098
Change in Fund Balance - September 30, GAAP Basis	1,098
Fund Balance, October 1, GAAP Basis	8,074
Fund Balance, September 30, GAAP Basis	$ 9,172

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis	$ 9,172
Total Adjustments	-
Budgetary Funds Available - September 30	$ 9,172

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Housing Development			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources				
Licenses and Permits	$ 63	$ 63	$ 63	$ -
Use of Money and Property	99	99	660	561
From Other Agencies	4,244	4,244	352	(3,892)
Other Revenues	3,250	3,250	115	(3,135)
Transfers In	10,930	10,930	2,350	(8,580)
Total Sources	18,586	18,586	3,540	(15,046)
Uses				
General Government	42	120	40	80
Community and Cultural	1,538	1,557	4,068	(2,511)
Transfers Out	1,165	1,369	159	1,210
Total Uses	2,745	3,046	4,267	(1,221)
Net Change in Budgetary Fund Balance	$ 15,841	$ 15,540	$ (727)	$ (16,267)

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis		$ (727)
Add:	Encumbrances	1
Change in Fund Balance - September 30, GAAP Basis		(726)
Fund Balance, October 1, GAAP Basis		46,266
Fund Balance, September 30, GAAP Basis		$ 45,540

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis		$ 45,540
Less:	Nonspendable Fund Balance	(6,400)
	Land Held for Resale	(3,204)
	Amounts Restricted by Long-term Advances	(16,850)
	Commitments to Grant Funded Programs	(16,856)
Add:	Future Grant Funding	4,327
Total Adjustments		(38,983)
Budgetary Funds Available - September 30		$ 6,557

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Gasoline Tax			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources				
Use of Money and Property	$ 32	$ 52	$ 52	$ -
From Other Agencies	30,081	32,260	15,935	(16,325)
Total Sources	30,113	32,312	15,987	(16,325)
Uses				
Public Works	41,294	42,763	11,822	30,941
Transfers Out	6,309	6,309	-	6,309
Total Uses	47,603	49,072	11,822	37,250
Net Change in Budgetary Fund Balance	$ (17,490)	$ (16,760)	$ 4,165	$ 20,925

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ 4,165
Less: Encumbrances	(2,728)
Change in Fund Balance - September 30, GAAP Basis	1,437
Fund Balance, October 1, GAAP Basis	18,793
Fund Balance, September 30, GAAP Basis	$ 20,230

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis	$ 20,230
Less: Commitments to Grant Funded Programs	(32,064)
Add: Future Grant Funding	16,325
Total Adjustments	(15,739)
Budgetary Funds Available - September 30	$ 4,491

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Transportation			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources				
Use of Money and Property	$ 81	$ 133	$ 133	$ -
From Other Agencies	19,846	20,180	20,180	-
Charges for Services	2	-	-	-
Other Revenues	-	1	-	(1)
Transfers In	(2,147)	-	-	-
Total Sources	17,782	20,314	20,313	(1)
Uses				
Community and Cultural	150	150	27	123
Public Works	33,629	35,812	18,668	17,144
Transfers Out	900	900	-	900
Total Uses	34,679	36,862	18,695	18,167
Net Change in Budgetary Fund Balance	$ (16,897)	$ (16,548)	$ 1,618	$ 18,166

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis		$ 1,618
Add:	Encumbrances	(2,406)
Less:	Change in Mark-to-Market and Other Adjustments	-
Change in Fund Balance - September 30, GAAP Basis		(788)
Fund Balance, October 1, GAAP Basis		21,665
Fund Balance, September 30, GAAP Basis		$ 20,877

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis		$ 20,877
Less:	Nonspendable Fund Balance	(45)
	Commitments to Projects	(13,418)
Total Adjustments		(13,463)
Budgetary Funds Available - September 30		$ 7,414

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Other Special Revenue Funds			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources				
Other Taxes	$ 5,100	$ 5,100	$ 6,219	$ 1,119
Licenses and Permits	2,757	2,757	2,708	(49)
Use of Money and Property	77	77	65	(12)
From Other Agencies	400	408	8	(400)
Other Revenues	756	837	316	(521)
Transfers In	246	246	108	(138)
Total Sources	9,336	9,425	9,424	(1)
Uses				
General Government	227	(36)	3	(39)
Public Safety	84	109	-	109
Public Health	1,477	1,479	1,293	186
Community and Cultural	7,716	8,073	5,817	2,256
Transfers Out	-	-	8	(8)
Total Uses	9,504	9,625	7,121	2,504
Net Change in Budgetary Fund Balance	$ (168)	$ (200)	$ 2,303	$ 2,503

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ 2,303
Change in Fund Balance - September 30, GAAP Basis	2,303
Fund Balance, October 1, GAAP Basis	8,373
Fund Balance, September 30, GAAP Basis	$ 10,676

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis		$ 10,676
Less:	Nonspendable Fund Balance	(2)
	Commitments to Projects	(1,305)
	Internal Designations	(5,000)
Add:	Future Grant Funding	1,190
Total Adjustments		(5,117)
Budgetary Funds Available - September 30		$ 5,559

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, 2014
(In Thousands)

	General Debt Service Fund	Successor Agency Debt Service Fund	Total September 30, 2014
ASSETS			
Pooled Cash and Cash Equivalents	$ 1,268	$ -	$ 1,268
Non-Pooled Cash and Cash Equivalents	1,516	1,021	2,537
Non-Pooled Investments	-	31,457	31,457
Total Assets	$ 2,784	$ 32,478	$ 35,262
LIABILITIES			
Accounts Payable	$ 980	$ 7	$ 987
Deposits and Collections Held in Trust	1,043	-	1,043
Total Liabilities	2,023	7	2,030
FUND BALANCES			
Restricted	472	32,471	32,943
Assigned	289	-	289
Total Fund Balance	761	32,471	33,232
Total Liabilities and Fund Balances	$ 2,784	$ 32,478	$ 35,262

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, 2014

(In Thousands)

	General Debt Service Fund	Successor Agency Debt Service Fund	Total September 30, 2014
Revenues:			
Use of Money and Property	$ 368	$ 893	$ 1,261
Total Revenues	368	893	1,261
Expenditures:			
Current:			
Debt Service:			
Principal	6,836	12,000	18,836
Interest	3,908	17,136	21,044
Debt Administration Fees	8	49	57
Total Expenditures	10,752	29,185	39,937
Excess of Revenues over (under) Expenditures	(10,384)	(28,292)	(38,676)
Other Financing Sources (Uses):			
Transfers In	9,338	28,395	37,733
Transfers Out	-	(1,007)	(1,007)
Total Other Financing Sources	9,338	27,388	36,726
Net Change in Fund Balances	(1,046)	(904)	(1,950)
Fund Balances - October 1	1,807	33,375	35,182
Fund Balances - September 30	$ 761	$ 32,471	$ 33,232

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	General Debt Service Fund			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources:				
Use of Money and Property	$ 774	$ 774	$ 368	$ (406)
Transfers In	8,700	9,200	9,338	138
Total Sources	9,474	9,974	9,706	(268)
Uses:				
Debt Service	9,475	10,752	10,752	-
Total Uses	9,475	10,752	10,752	-
Net Change in Budgetary Fund Balance	$ (1)	$ (778)	$ (1,046)	$ (268)

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ (1,046)
Change in Fund Balance - September 30, GAAP Basis	(1,046)
Fund Balance, October 1, GAAP Basis	1,807
Fund Balance, September 30, GAAP Basis	$ 761

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis	
Fund Balance, September 30, GAAP Basis	$ 761
Total Deductions	-
Budgetary Funds Available - September 30	$ 761

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Successor Agency Debt Service Fund			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources:				
Use of Money and Property	$ -	$ -	$ 893	$ 893
Transfers In	30,067	31,834	28,395	(3,439)
Total Sources	30,067	31,834	29,288	(2,546)
Debt Service	31,834	31,834	29,185	2,649
Transfers Out	-	-	1,007	(1,007)
Total Uses	31,834	31,834	30,192	1,642
Net Change in Budgetary Fund Balance	$ (1,767)	$ -	$ (904)	$ (904)

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ (904)
Change in Fund Balance - September 30, GAAP Basis	(904)
Fund Balance, October 1, GAAP Basis	33,375
Fund Balance, September 30, GAAP Basis	$ 32,471

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis	$ 32,471
Less: Mandated Bond Reserve Funds	(31,719)
Budgetary Funds Available - September 30	$ 752

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 General Capital Projects Fund was established to account for the acquisition, construction, and improvement of facilities and infrastructure financed by grants, bond proceeds, and operating transfers from other City funds.

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, 2014
(In Thousands)

	General Capital Projects	Special Assessment Projects	Successor Agency Capital Projects	Total Capital Projects Funds
ASSETS				
Pooled Cash and Cash Equivalents	$ 35,767	$ 1,749	$ 28,358	$ 65,874
Non-Pooled Cash and Cash Equivalents	6,868	687	11,419	18,974
Receivables:				
Accounts Receivable	12	-	62	74
Due from Other Governments	11,032	-	-	11,032
Due from Other Funds	1,538	-	-	1,538
Other Assets	63	-	1,481	1,544
Land Held for Resale	-	-	88,503	88,503
Other Noncurrent Receivables	-	-	6,446	6,446
Total Assets	$ 55,280	$ 2,436	$ 136,269	$ 193,985
LIABILITIES				
Accounts Payable	$ 5,722	$ -	$ 274	$ 5,996
Accrued Wages and Benefits Payable	94	-	7	101
Due to Other Funds	47	-	3	50
Unearned Revenues	1,944	-	114	2,058
Deposits and Collections Held in Trust	2	-	116	118
Advances from Other Funds	-	-	16,850	16,850
Total Liabilities	7,809	-	17,364	25,173
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows	-	-	6,446	6,446
FUND BALANCES				
Nonspendable	63	-	1,481	1,544
Restricted	10,659	2,436	127,828	140,923
Assigned	35,908	-	-	35,908
Unassigned	841	-	(16,850)	(16,009)
Total Fund Balance	47,471	2,436	112,459	162,366
Total Liabilities, Deferred Inflows and Fund Balances	$ 55,280	$ 2,436	$ 136,269	$ 193,985

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, 2014
(In Thousands)

	General Capital Projects	Special Assessment Projects	Successor Agency Capital Projects	Total Capital Projects Funds
Revenues:				
Taxes:				
Property	$ -	$ -	$ 36,368	$ 36,368
Licenses and Permits	1,537	-	6	1,543
Use of Money and Property	112	196	1,107	1,415
From Other Agencies	7,830	-	969	8,799
Other Contributions	341	-	-	341
Other	104	-	261	365
Total Revenues	9,924	196	38,711	48,831
Expenditures:				
Current:				
General Government	-	-	8	8
Community and Cultural	805	-	7,930	8,735
Total Current Expenditures	805	-	7,938	8,743
Capital Improvements	36,425	2	-	36,427
Total Expenditures	37,230	2	7,938	45,170
Excess of Revenues Over (under) Expenditures	(27,306)	194	30,773	3,661
Other Financing Sources (Uses):				
Transfers In	41,684	-	1,257	42,941
Transfers Out	(1,062)	-	(31,890)	(32,952)
Total Other Financing Sources (Uses)	40,622	-	(30,633)	9,989
Net Change in Fund Balances	13,316	194	140	13,650
Fund Balances - October 1	34,155	2,242	112,319	148,716
Fund Balances - September 30	$ 47,471	$ 2,436	$ 112,459	$ 162,366

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	General Capital Projects Fund			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources:				
Licenses and Permits	$ 3,774	$ 1,537	$ 1,537	$ -
Use of Money and Property	193	158	112	(46)
From Other Agencies	30,248	35,417	7,830	(27,587)
Other Contributions	-	-	341	341
Other Revenues	(1,491)	(937)	104	1,041
Transfers In	31,760	48,187	41,684	(6,503)
Total Sources	64,484	84,362	51,608	(32,754)
Uses:				
Community and Cultural	2,195	2,195	806	1,389
Capital Improvements	83,532	107,161	43,054	64,107
Transfers Out	1,673	2,974	1,062	1,912
Total Uses	87,400	112,330	44,922	67,408
Net Change in Budgetary Fund Balance	$ (22,916)	$ (27,968)	$ 6,686	$ 34,654

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis		$ 6,686
Add:	Encumbrances	6,630
Change in Fund Balance - September 30, GAAP Basis		13,316
Fund Balance, October 1, GAAP Basis		34,155
Fund Balance, September 30, GAAP Basis		$ 47,471

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis		$ 47,471
Less:	Nonspendable Fund Balance	(63)
	Nonspendable Bond Proceeds	(9,485)
	Commitments to Ongoing Projects	(64,719)
Add:	Future Grant Funding	33,141
Total Adjustments		(41,126)
Budgetary Funds Available - September 30		$ 6,345

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Special Assessment Capital Projects Fund			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources:				
Use of Money and Property	$ 197	$ 197	$ 196	$ (1)
Total Sources	197	197	196	(1)
Uses:				
Capital Improvements	2,227	2,223	2	2,221
Total Uses	2,227	2,223	2	2,221
Net Change in Budgetary Fund Balance	$ (2,030)	$ (2,026)	$ 194	$ 2,220

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ 194
Change in Fund Balance - September 30, GAAP Basis	194
Fund Balance, October 1, GAAP Basis	2,242
Fund Balance, September 30, GAAP Basis	$ 2,436
Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis	
Fund Balance, September 30, GAAP Basis	$ 2,436
Less: Commitments to Ongoing Projects	(2,224)
Budgetary Funds Available - September 30	$ 212

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 (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Succesor Agency Capital Projects Fund			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final		
Sources:				
Property Taxes	$ 33,470	$ -	$ 36,368	$ 36,368
Licenses and Permits	15	-	6	6
Use of Money and Property	694	2	1,107	1,105
From Other Agencies	-	-	969	969
Other Revenues	(32)	(82)	261	343
Transfers In	33,046	21,472	1,257	(20,215)
Total Sources	67,193	21,392	39,968	18,576
Uses:				
General Government	$ -	$ -	8	(8)
Community and Cultural	34,442	34,523	7,930	26,593
Transfers Out	50,003	42,134	31,890	10,244
Total Uses	84,445	76,657	39,828	36,829
Net Change in Budgetary Fund Balance	$ (17,252)	$ (55,265)	$ 140	$ 55,405

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ 140
Change in Fund Balance - September 30, GAAP Basis	140
Fund Balance, October 1, GAAP Basis	112,319
Fund Balance, September 30, GAAP Basis	$ 112,459

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis		$ 112,459
Less:	Nonspendable Fund Balance	(1,481)
	Land Held for Resale	(88,503)
	Commitments to Ongoing Projects	(38,086)
Add:	Future Funding	21,393
Total Adjustments		(106,677)
Budgetary Funds Available - September 30		$ 5,782

See accompanying independent auditors' report.

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 Water Fund is used to account for the activities associated with the pumping, purchasing, treatment, transmission, and distribution of potable and reclaimed water by the City to its customers.

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

The Solid Waste Management Fund is used to account for the City's refuse collection 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 Proprietary Funds
Combining Statement of Net Position
September 30, 2014
(In Thousands)

	Water Utility	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Totals September 30, 2014
ASSETS								
Current Assets:								
Pooled Cash and Cash Equivalents	$ 38,898	$ 7,566	$ 52,077	$ 40,313	$ 1,011	$ 171,428	$ 17,021	$ 328,314
Non-Pooled Cash and Cash Equivalents	352	-	6,859	75	2	-	-	7,288
Non-Pooled Investments	2,810	-	-	-	-	-	-	2,810
Receivables:								
Interest Receivable	7	-	37	46	-	87	2	179
Accounts Receivable	7,219	875	3,111	9,691	387	-	184	21,467
Due from Other Governments	-	-	5,037	219	-	-	-	5,256
Due from Other Funds	3	-	-	169	-	500	54	726
Allowance for Receivables	(350)	(56)	(32)	(279)	(224)	-	(105)	(1,046)
Inventory	3,292	70	-	-	-	-	-	3,362
Other Assets - Current	2,629	-	66	26	-	-	-	2,721
Total Current Assets	54,860	8,455	67,155	50,260	1,176	172,015	17,156	371,077
Noncurrent Assets:								
Restricted Noncurrent Assets								
Non-Pooled Investments	-	-	9,386	11,567	-	2,094	-	23,047
Noncurrent Receivables								
Other Noncurrent Receivables	-	-	-	1,360	-	-	-	1,360
Advances to Other Funds	-	-	-	-	-	3,614	-	3,614
Capital Assets:								
Land and Other Capital Assets Not Being Depreciated	31,099	6,280	21,448	6,622	-	-	-	65,449
Capital Assets Net of Accumulated Depreciation	260,614	58,476	207,953	12,489	-	-	66	539,598
Other Assets - Long-Term	181	-	-	-	-	-	-	181
Total Noncurrent Assets	291,894	64,756	238,787	32,038	-	5,708	66	633,249
Total Assets	346,754	73,211	305,942	82,298	1,176	177,723	17,222	1,004,326
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows	1,947	-	132	-	-	-	-	2,079
LIABILITIES								
Current Liabilities Payable from Current Assets:								
Accounts Payable	10,801	938	2,091	4,376	25	-	401	18,632
Accrued Wages	349	94	153	194	33	-	178	1,001
Accrued Interest Payable	579	-	2,281	848	-	-	-	3,708
Due to Other Funds	419	64	77	97	16	-	178	851
Unearned Revenues	31	-	420	3	-	4,114	2,194	6,762
Collections Held in Trust	-	-	122	758	-	-	4,978	5,858
Customers Deposits	936	-	-	-	-	-	6	942
Advances from Developers	76	31	-	-	-	-	-	107
Bonds Payable Due within One Year	2,510	-	2,420	8,860	-	-	-	13,790
Total Current Liabilities	15,701	1,127	7,564	15,136	74	4,114	7,935	51,651
Noncurrent Liabilities:								
Unearned Revenues	-	-	5,104	-	-	-	-	5,104
Site Restoration	1,000	-		-	-	-	-	1,000
Other Long-Term Obligations	-	9,750	-	-	-	-	-	9,750
Bonds Payable	30,270	-	112,730	40,340	-	-	-	183,340
Unamortized Discount / Deferred cost	3,102	-	(36)	1,722	-	-	-	4,788
Total Noncurrent Liabilities	34,372	9,750	117,798	42,062	-	-	-	203,982
Total Liabilities	50,073	10,877	125,362	57,198	74	4,114	7,935	255,633
NET POSITION								
Net Investment in Capital Assets	260,873	55,006	115,891	(18,358)	-	-	66	413,478
Restricted for:								
Debt Service	1,341	-	199	11,673	-	-	-	13,213
Capital Projects	-	-	26,687	-	-	-	-	26,687
Airport	-	-	7,648	-	-	-	-	7,648
Subsidence	-	-	-	-	-	173,609	-	173,609
Unrestricted	36,414	7,328	30,287	31,785	1,102	-	9,221	116,137
Total Net Position	$ 298,628	$ 62,334	$ 180,712	$ 25,100	$ 1,102	$ 173,609	$ 9,287	$ 750,772

See accompanying independent auditors' report.

City of Long Beach
Nonmajor Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Water Utility	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Totals September 30, 2014
Operating Revenues:								
Licenses and Permits	$ -	$ -	$ -	$ -	$ 1	$ -	$ 16,191	$ 16,192
Fines and Forfeitures	-	-	-	-	-	-	8	8
Fees, Concessions and Rentals	-	-	35,724	-	-	-	-	35,724
Charges for Services	100,187	17,954	-	80,692	5,439	-	1,371	205,643
Other	-	-	78	9	-	-	3	90
Total Operating Revenues	100,187	17,954	35,802	80,701	5,440	-	17,573	257,657
Operating Expenses:								
Personnel Services	17,822	4,043	9,421	14,691	2,018	-	9,619	57,614
Purchases of Gas and Water	34,378	-	-	-	-	-	-	34,378
Maintenance and Other Operations	29,567	9,476	17,881	55,948	2,961	-	5,812	121,645
Amortization	-	-	79	80	-	-	-	159
Depreciation	10,226	1,961	9,293	4,319	-	-	13	25,812
Total Operating Expenses	91,993	15,480	36,674	75,038	4,979	-	15,444	239,608
Operating Income (Loss)	8,194	2,474	(872)	5,663	461	-	2,129	18,049
Non-Operating Income (Expenses):								
Interest Income	120	23	188	192	3	1,230	42	1,798
Interest Expense	(587)	(27)	(6,651)	(2,202)	-	-	-	(9,467)
Gain (Loss) on Disposition of Capital Assets	36	(1)	(692)	-	-	-	-	(657)
Operating Grants	-	-	156	302	-	-	-	458
Other Income	1,158	-	9,009	350	-	-	-	10,517
Other Expense	(455)	(98)	-	(3)	-	-	-	(556)
Total Non-Operating Income (Expenses)	(216)	(462)	2,010	(1,978)	3	1,230	42	629
IncomeBefore Contributions	7,978	2,012	1,138	3,685	464	1,230	2,171	18,678
Capital Grants and Contributions	2,924	759	10,246	-	-	-	-	13,929
Operating Transfers:								
Operating Transfers Out	-	-	-	(3,706)	(281)	-	-	(3,987)
Change in Net Position	10,902	2,771	11,384	(21)	183	1,230	2,171	28,620
Net Position - October 1	287,726	59,563	169,328	25,121	919	172,379	7,116	722,152
Net Position - September 30	$ 298,628	$ 62,334	$ 180,712	$ 25,100	$ 1,102	$ 173,609	$ 9,287	$ 750,772

See accompanying independent auditors' report.

City of Long Beach

Nonmajor Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2014
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	Water Utility	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Totals September 30, 2014
Cash Flows from Operating Activities:								
Receipts from Customers	$ 99,840	$ 17,996	$ 35,426	$ 86,867	$ 5,652	$ -	$ 17,919	$ 263,700
Payments for Employee Salaries	(17,760)	(4,041)	(9,390)	(14,653)	(2,013)	-	111	(47,746)
Payments for Goods and Services	(61,422)	(6,502)	(18,430)	(64,104)	(1,722)	-	(9,577)	(161,757)
Payments in Lieu of Taxes	(5,694)	(4,381)	-	-	(1,275)	-	-	(11,350)
Other Income	102	(482)	78	350	-	-	(5,785)	(5,737)
Other Expense	-	-	-	-	-	-	3	3
Net Cash Provided by (Used for) Operating Activities	15,066	2,590	7,684	8,460	642	-	2,671	37,113
Cash Flows from Non-Capital Financing Activities:								
Operating Grants Received from Other Governments	-	-	156	302	-	-	-	458
Transfers In		-	5	-	-	-	-	5
Transfers Out	-	-	17	(3,706)	(281)	-	-	(3,970)
Net Cash Provided by (Used for) Non-Capital Financing Activities	-	-	178	(3,404)	(281)	-	-	(3,507)
Cash Flows from Capital and Related Financing Activities:								
Receipt of Capital Grants	-	-	7,408	-	-	-	-	7,408
Proceeds from the Sale of Capital Assets	149	22	-	-	-	-	-	171
Receipts of Contributed Capital	-	759	226	(617)	-	-	-	368
Payments to Developers	2,897	-	-	-	-	-	-	2,897
Principal Received on Other Long-term Receivable	-	-	77	-	-	-	-	77
Payments for Capital Acquisitions	(18,814)	(4,829)	(14,491)	1	-	-	-	(38,133)
Payments of Principal on Bonds Payable	(2,385)	-	(2,340)	(8,410)	-	-	(79)	(13,214)
Receipts from Passenger Facility Charges	-	-	5,995	-	-	-	-	5,995
Receipts from Customer Facility Charges	-	-	1,645	-	-	-	-	1,645
Payments of Interest, Net of Amounts Capitalized	(1,502)	(76)	(6,927)	(2,758)	-	-	-	(11,263)
Receipt of Federal Subsidy	-	-	1,116	-	-	-	-	1,116
Net Cash Used for Capital and Related Financing Activities	(19,655)	(4,124)	(7,291)	(11,784)	-	-	(79)	(42,933)
Cash Flows from Investing Activities:								
Proceeds from the Sale of Investments	(236)	-	(127)	(153)	-	-	-	(516)
Receipts of Interest	124	24	188	188	2	1,091	40	1,657
Net Cash Provided by (Used for) Investing Activities	(112)	24	61	35	2	1,091	40	1,141
Net Increase (Decrease) in Cash and Cash Equivalents	(4,701)	(1,510)	632	(6,693)	363	1,091	2,632	(8,186)
Cash and Cash Equivalents - October 1	43,951	9,076	58,304	47,081	650	170,337	14,389	343,788
Cash and Cash Equivalents - September 30	$ 39,250	$ 7,566	$ 58,936	$ 40,388	$ 1,013	$ 171,428	$ 17,021	$ 335,602
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:								
Operating Income (Loss)	$ 8,194	$ 2,474	(872)	$ 5,663	$ 461	$ -	$ 2,129	$ 18,049
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:								
Operating Activities:								
Depreciation and Amortization Expense	10,226	1,961	9,372	4,399	-	-	13	25,971
Other Income	102	(482)	-	350	-	-	-	(30)
(Increase) Decrease in Accounts Receivable, Net	(506)	43	(196)	(2,385)	211	-	64	(2,769)
Increase in Amounts Due from Other Governments	-	-	-	401	-	-	-	401
(Increase) Decrease in Amounts Due from Other Funds	(3)	-	-	(3)	-	-	(54)	(60)
(Increase) Decrease in Inventory	(774)	(7)	-	-	-	-	-	(781)
(Increase) Decrease in Other Operating Assets	(1,962)	-	(18)	(26)	-	-	-	(2,006)
Increase (Decrease) in Accounts Payable	(677)	(1,417)	(531)	(4)	(35)	-	27	(2,637)
Increase (Decrease) in Accrued Wages Payable	62	2	31	24	4	-	42	165
Increase (Decrease) in Amounts Due to Other Funds	243	16	-	14	1	-	111	385
Increase in Unearned Revenues	(14)	-	(102)	3	-	-	120	7
Decrease in Deferred Credits	-	-	-	(80)	-	-	-	(80)
Increase (Decrease) in Collections Held in Trust	175	-	-	104	-	-	219	498
Total Adjustments	6,872	116	8,556	2,797	181	-	542	19,064
Net Cash Provided by Operating Activities	$ 15,066	$ 2,590	$ 7,684	$ 8,460	$ 642	$ -	$ 2,671	$ 37,113
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:								
Contribution of Capital Assets	$ -	$ -	$ -	$ (617)	$ -	$ -	$ -	$ (617)
Accrued Capital Asset Costs	1,492	598	-	-	-	-	-	2,090
Amortization of Bond Premium, Net	87		-	-	-	-	-	87
Accrued Cost of Water Purchases	5,740	-	-	-	-	-	-	5,740

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 Insurance Fund is used to finance and account for the City's risk management and self-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, 2014
(In Thousands)

	Civic Center	General Services	Fleet Services	Insurance	Employee Benefits	Totals September 30 2014
ASSETS						
Current Assets:						
Pooled Cash and Cash Equivalents	$ 7,633	$ 21,563	$ 43,045	$ 41,379	$ 95,805	$ 209,425
Non-Pooled Cash and Cash Equivalents	-	5	-	-	-	5
Receivables:						
Interest Receivable	4	3	7	9	-	23
Accounts Receivable	-	1,480	150	1	36	1,667
Due from Other Funds	-	74	-	-	5,015	5,089
Allowance for Receivables	-	-	(129)	-	-	(129)
Deposits	-	-	-	-	6,230	6,230
Inventory	-	203	2,047	-	-	2,250
Total Current Assets	7,637	23,328	45,120	41,389	107,086	224,560
Noncurrent Assets:						
Noncurrent Receivables:						
Other Noncurrent Receivables	-	72	-	-	-	72
Capital Assets:						
Land and Other Capital Assets Not Being Depreciated	3,020	-	-	-	-	3,020
Capital Assets Net of Accumulated Depreciation	39,415	16,286	33,083	30	-	88,814
Total Noncurrent Assets	42,435	16,358	33,083	30	-	91,906
Total Assets	50,072	39,686	78,203	41,419	107,086	316,466
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows	1,000	-	1,358	-	-	2,358
LIABILITIES						
Current Liabilities Payable from Current Assets:						
Accounts Payable	265	1,080	1,254	802	305	3,706
Accrued Wages and Benefits	41	266	122	183	43,419	44,031
Accrued Interest Payable	-	-	152	-	1,940	2,092
Due to Other Funds	21	134	62	92	-	309
Collections Held in Trust	-	-	-	-	5,807	5,807
Employee Benefits - Current	-	-	-	-	9,050	9,050
Accrued Claims - Current	-	-	-	24,612	-	24,612
Environmental Remediation - Current	-	-	96	-	-	96
Obligations under Capital Leases - Current	1,505	887	615	-	-	3,007
Bonds Payable Due within One Year	-	-	-	-	5,000	5,000
Total Current Liabilities	1,832	2,367	2,301	25,689	65,521	97,710
Noncurrent Liabilities:						
Employee Benefits	-	-	-	-	183,941	183,941
Accrued Self-Insurance Claims	-	-	-	103,346	-	103,346
Environmental Remediation	-	-	2,819	-	-	2,819
Obligations under Capital Lease	23,425	847	-	-	-	24,272
Unamortized Premium	-	-	3,520	-	-	3,520
Bonds Payable	-	-	21,661	-	35,915	57,576
Unamortized Discount / Deferred Cost	-	-	-	-	(93)	(93)
Total Noncurrent Liabilities	23,425	847	28,000	103,346	219,763	375,381
Total Liabilities	25,257	3,214	30,301	129,035	285,284	473,091
NET POSITION (DEFICIT)						
Net Investment in Capital Assets	18,505	14,552	8,644	31	-	41,732
Restricted for:						
Debt Service	-	-	-	-	59	59
Healthcare Insurance	-	-	-	-	18,425	18,425
Unrestricted	7,310	21,920	40,616	(87,647)	(196,682)	(214,483)
Total Net Position (Deficit)	$ 25,815	$ 36,472	$ 49,260	$ (87,616)	$(178,198)	$(154,267)

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, 2014
(In Thousands)

	Civic Center	General Services	Fleet Services	Insurance	Employee Benefits	Totals September 30, 2014
Operating Revenues:						
Billing to Other Departments	$ 10,032	$ 35,143	$ 31,093	$ 44,152	$ 202,666	$ 323,086
Other	265	4,877	830	-	-	5,972
Total Operating Revenues	10,297	40,020	31,923	44,152	202,666	329,058
Operating Expenses:						
Personnel Services	2,515	15,889	7,326	7,836	7,673	41,239
Maintenance and Other Operations	7,735	20,479	11,875	6,162	2,494	48,745
Insurance Premiums	-	-	-	2,768	-	2,768
Self-Insured Losses	-	-	-	20,138	-	20,138
Compensated Absences	-	-	-	4,174	45,588	49,762
Employee Benefits	-	-	-	-	161,254	161,254
Amortization	80	-	-	-	-	80
Depreciation	2,625	1,972	6,073	3	-	10,673
Total Operating Expenses	12,955	38,340	25,274	41,081	217,009	334,659
Operating Income (Loss)	(2,658)	1,680	6,649	3,071	(14,343)	(5,601)
Non-Operating Income (Expenses):						
Interest Income	10	133	-	101	134	378
Interest Expense	(1,119)	(47)	(753)	-	(2,151)	(4,070)
Gain on Disposition of Capital Assets	-	16	105	-	-	121
Capital Assets to Other Funds	-	2,365	-	-	-	2,365
Other Income	34	15	272	1,716	2,619	4,656
Other Expense	-	-	(26)	-	(5)	(31)
Total Non-Operating Income (Expenses)	(1,075)	2,482	(402)	1,817	597	3,419
Income (Loss) before Contributions and Transfers	(3,733)	4,162	6,247	4,888	(13,746)	(2,182)
Capital Grants and Contributions	176	1,156	-	-	-	1,332
Transfers:						
Transfers In	2,800	11,669	908	350	2,852	18,579
Transfers Out	-	(4,345)	(575)	-	-	(4,920)
Change in Net Position	(757)	12,642	6,580	5,238	(10,894)	12,809
Net Position (Deficit) - October 1	26,572	23,830	42,680	(92,854)	(167,304)	(167,076)
Net Position (Deficit) - September 30	$ 25,815	$ 36,472	$ 49,260	$ (87,616)	$ (178,198)	$ (154,267)

See accompanying independent auditors' report.

City of Long Beach
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2014
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Civic Center	General Services	Fleet Services	Insurance	Employee Benefits	Totals September 30, 2014
Cash Flows from Operating Activities:						
Receipts from Customers	$ 274	$ 4,877	$ 814	$ -	$ -	$ 5,965
Receipts from Other Funds	10,032	35,072	31,113	44,152	202,799	323,168
Payments for Employee Salaries	(2,504)	(15,881)	(7,296)	(7,801)	(3,652)	(37,134)
Payments for Goods and Services	(8,101)	(20,195)	(12,164)	(9,022)	(3,081)	(52,563)
Payments for Compensated Absences	-	-	-	(18,006)	(44,308)	(62,314)
Payments for Employee Benefits	-	-	-	-	(137,467)	(137,467)
Payments for Liability Claims	-	-	-	(6,520)	-	(6,520)
Other Income	34	(283)	272	1,716	2,619	4,358
Other Expense	-	15	(122)	-	(5)	(112)
Net Cash Provided by (Used for) Operating Activities	(265)	3,605	12,617	4,519	16,905	37,381
Cash Flows from Non-Capital Financing Activities:						
Operating Subsidies Paid to Other Funds	2,800	11,669	908	350	2,852	18,579
Operating Subsidies Received from Other Funds	-	(4,345)	(575)	-	-	(4,920)
Net Cash Provided by Non-Capital Financing Activities	2,800	7,324	333	350	2,852	13,659
Cash Flows from Capital and Related Financing Activities:						
Receipt of Capital Grants	-	16	-	-	-	16
Proceeds from the Sale of Capital Assets	-	-	129	-	-	129
Receipts of Contributed Capital	176	1,156	-	-	-	1,332
Proceeds from (Payments for) Capital Acquisitions	422	853	(1,199)	(9)	-	67
Payments of Principal on Bonds Payable	-	-	(594)	-	-	(594)
Payments of Principal on Other Long-Term Obligations	(1,453)	(1,494)	-	-	(4,760)	(7,707)
Payments of Interest	(1,119)	(48)	(942)	-	(2,357)	(4,466)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,974)	483	(2,606)	(9)	(7,117)	(11,223)
Cash Flows from Investing Activities:						
Receipts (payment) of Interest	8	128	(8)	97	115	340
Net Cash Provided by (Used for) Investing Activities	8	128	(8)	97	115	340
Net Increase (Decrease) in Cash and Cash Equivalents	569	11,540	10,336	4,957	12,755	40,157
Cash and Cash Equivalents - October 1	7,064	10,028	32,709	36,422	83,050	169,273
Cash and Cash Equivalents - September 30	$ 7,633	$ 21,568	$ 43,045	$ 41,379	$ 95,805	$ 209,430
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating Income (Loss)	$ (2,658)	$ 1,680	$ 6,649	$ 3,071	$(14,343)	$ (5,601)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation and Amortization Expense	2,705	1,972	6,073	3	-	10,753
Other Income	34	15	272	1,716	2,619	4,656
Other Expense	-	-	(28)	-	(5)	(33)
(Increase) Decrease in Accounts Receivable, Net	9	3	16	-	-	28
(Increase) Decrease in Amounts Due from Other Governments	-	-	-	-	-	-
(Increase) Decrease in Amounts Due from Other Funds	-	(74)	(20)	-	133	39
Increase in Inventory	-	-	(270)	-	-	(270)
Decrease in Other Operating Assets	-	-	-	-	-	-
Decrease in Environmental Liabilities	-	-	(86)	-	-	(86)
Increase (Decrease) in Accounts Payable	(366)	278	(19)	(92)	(588)	(787)
Increase in Accrued Wages Payable	7	8	19	22	30,120	30,176
Increase in Amounts Due to Other Funds	4	(283)	11	13	-	(255)
Increase in Accrued Claims Payable	-	-	-	(214)	-	(214)
Increase (Decrease) in Unearned Revenues	-	6	-	-	-	6
Decrease in Collections Held in Trust	-	-	-	-	(1,031)	(1,031)
Total Adjustments	2,393	1,925	5,968	1,448	31,248	42,982
Net Cash Provided by (Used for) Operating Activities	$ (265)	$ 3,605	$ 12,617	$ 4,519	$ 16,905	$ 37,381
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Contribution of Capital Assets	$ -	$ 2,365	$ -	$ -	$ -	$ 2,365
Purchase of Equipment on Account	-	939	-	-	-	939

See accompanying independent auditors' report.

FIDUCIARY FUNDS

Fiduciary Funds, comprised of Private Purpose Trust and Agency 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.

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.

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

City of Long Beach
Fiduciary Funds
Private Purpose Trust Funds
Combining Statement of Net position
September 30, 2014
(In Thousands)

	Miller Library	Mayor's Fund for the Homeless	Total September 30, 2014
ASSETS			
Pooled Cash and Cash Equivalents	$ 781	$ 97	$ 878
Accounts Receivable	1	-	1
Total Assets	$ 782	$ 97	$ 879
NET POSITION			
Held in Trust for Private Purpose Trust Funds	$ 782	$ 97	$ 879

City of Long Beach
Fiduciary Funds
Private Purpose Trust Funds
Combining Statement of Changes in Net Position
Fiscal Year Ended September 30, 2014
(In Thousands)

	Miller Library	Mayor's Fund for the Homeless	Total September 30, 2014
Additions:			
Use of Money and Property	$ 3	$ 1	$ 4
Contributions from Citizens	-	22	22
Total Additions	3	23	26
Deductions:			
Community and Cultural	27	16	43
Change in Net Position	(24)	7	(17)
Net Position, October 1	806	90	896
Net Position, September 30	$ 782	$ 97	$ 879

See accompanying independent auditors' report.

City of Long Beach
Fiduciary Funds - Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Balance October 1, 2013	Additions	Deletions	Balance September 30, 2014
BELMONT SHORE PARKING DISTRICT FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 89	$ -	$ -	$ 89
LIABILITIES				
Accounts Payable	$ 89	$ -	$ -	$ 89
TAXES - OIL RIGHTS FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 1,649	$6	$ 1	$ 1,654
Accounts Receivable	-	1	-	1
Total Assets	$ 1,649	$ 7	$ 1	$ 1,655
LIABILITIES				
Collections Held in Trust	$ 1,649	$7	$ 1	$ 1,655
SPECIAL ASSESSMENT DISTRICT FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 875	$ 5,625	$ 5,676	$ 824
Non-Pooled Cash and Cash Equivalents	6,062	7,010	6,044	7,028
Non Performing Investments	1	-	1	-
Investments at Par - Nonpooled	2,175	2,085	2,176	2,084
Interest Receivable	8	8	9	7
Property Taxes Receivable	4	-	4	-
Accounts Receivable	-	1	-	1
Total Assets	$ 9,125	$ 14,729	$ 13,910	$ 9,944
LIABILITIES				
Accounts/Voucher Payable	$ 116	$ -	$ 116	$ -
Due to Special Assessment Bondholders	2,688	3,561	3,523	2,726
Collections Held in Trust	6,321	4,623	3,726	7,218
Total Liabilities	$ 9,125	$ 8,184	$ 7,365	$ 9,944
INTERMODAL CONTAINER TRANSFER FACILITY JOINT POWER AUTHORITY FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 4,362	$4,227	$4,001	$ 4,588
Non Performing Investments	1	-	1	-
Accounts Receivable	-	2	-	2
Total Assets	$ 4,363	$ 4,229	$ 4,002	$ 4,590
LIABILITIES				
Collections Held in Trust	$ 4,363	$ 4,229	$ 4,002	$ 4,590
EARTHQUAKE ASSESSMENT DISTRICT FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 887	$ 95	$ 94	$ 888
Non Performing Investments	-	-	-	-
Property Taxes Receivable	69	-	39	30
Accounts Receivable	-	1	-	1
Total Assets	$ 956	$ 96	$ 133	$ 919
LIABILITIES				
Due to Special Assessment Bondholders	$ 651	$ 57	$ 94	$ 614
Collections Held in Trust	305	-	-	305
Total Liabilities	$ 956	$ 57	$ 94	$ 919

See accompanying independent auditors' report.

City of Long Beach
Fiduciary Funds - Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Balance October 1, 2,013	Additions	Deletions	Balance September 30, 2,014
LOS CERRITOS WETLANDS AUTHORITY				
ASSETS				
Non-Pooled Cash and Cash Equivalents	$ 162	$ 179	$ 223	$ 118
Accounts Receivable	28	85	68	45
Prepaid Expense	1	9	1	9
Land	11,000	-	-	11,000
Total Assets	$ 11,191	$ 273	$ 292	$ 11,172
LIABILITIES				
Obligations Under Reverse Repurchase				
Accounts Payable	$ 87	$ 47	$ 93	$ 41
Collections Held in Trust	11,104	324	297	11,131
Total Liabilities	$ 11,191	$ 371	$ 390	$ 11,172
OTHER AGENCY FUNDS				
ASSETS				
Pooled Cash and Cash Equivalents	$ 2,922	$8,301	$ 9,275	$ 1,948
Non-Pooled Cash and Cash Equivalents	2	1	1	2
Property Taxes Receivable	60	$29	$68	21
Accounts Receivable	763	2,132	2,117	778
Total Assets	$ 3,747	$ 10,463	$ 11,461	$ 2,749
LIABILITIES				
Accounts Payable	$ 2,026	$15,102	$ 15,991	$ 1,137
Collections Held in Trust	1,721	924	1,033	1,612
Total Liabilities	$ 3,747	$ 16,026	$ 17,024	$ 2,749
TOTAL AGENCY FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 10,784	$ 18,254	$ 19,047	$ 9,991
Non Performing Investments	2	-	2	-
Investments at Par - Nonpooled	2,175	2,085	2,176	2,084
Non-Pooled Cash and Cash Equivalents	6,226	7,190	6,268	7,148
Property Taxes Receivable	133	29	111	51
Accounts Receivable	791	2,222	2,185	828
Interest receivable	8	8	9	7
Prepaid Expense	1	9	1	9
Land	11,000	-	-	11,000
Total Assets	$ 31,120	$ 29,797	$ 29,799	$ 31,118
LIABILITIES				
Accounts Payable	$ 2,318	$ 15,149	$ 16,200	$ 1,267
Due to Special Assessment Bondholders	3,339	3,618	3,617	3,340
Collections Held in Trust	25,463	10,107	9,059	26,511
Total Liabilities	$ 31,120	$ 28,874	$ 28,876	$ 31,118

See accompanying independent auditors' report.

OTHER SUPPLEMENTARY INFORMATION

BLANK

City of Long Beach
General Fund
Combining Balance Sheet
September 30, 2014
(In Thousands)

	General Fund	Uplands Oil Fund	Combined General Fund September 30, 2014
ASSETS			
Pooled Cash and Cash Equivalents	$ 94,765	$ 20,042	$ 114,807
Non-Pooled Cash and Cash Equivalents	373	-	373
Receivables:			
Property Taxes	83,658	-	83,658
Accounts Receivable	39,476	3,300	42,776
Notes and Loans Receivable	1,789	-	1,789
Due from Other Governments	16,110	-	16,110
Due from Other Funds	7,391	-	7,391
Allowance for Receivables	(33,162)	-	(33,162)
Other Assets	6	-	6
Total Assets	$ 210,406	$ 23,342	$ 233,748
LIABILITIES			
Accounts Payable	$ 11,027	$ 622	$ 11,649
Accrued Wages and Benefits Payable	5,726	-	5,726
Due to Other Governments	301	-	301
Due to Other Funds	5,513	-	5,513
Unearned Revenues	1,687	-	1,687
Deposits and Collections Held in Trust	2,603	-	2,603
Advances from Other Funds	3,614	-	3,614
Total Liabilities	30,471	622	31,093
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows (Note 24)	84,376	-	84,376
FUND BALANCES			
Nonspendable	6	-	6
Restricted	4,266	-	4,266
Committed	53,358	7,721	61,079
Assigned	34,655	14,876	49,531
Unassigned	3,274	123	3,397
Total Fund Balances	95,559	22,720	118,279
Total Liabilities, Deferred Inflows and Fund Balances	$ 210,406	$ 23,342	$ 233,748

City of Long Beach
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	General Fund	Uplands Oil Fund	Eliminations	Combined General Fund September 30, 2014
Revenues:				
Taxes:				
Property	$ 141,898	$ -	$ -	$ 141,898
Sales	56,620	-	-	56,620
Utility Users	38,691	-	-	38,691
Other Taxes	31,604	-	-	31,604
Franchise Fees	26,175	-	-	26,175
Licenses and Permits	14,899	-	-	14,899
Fines and Forfeitures	16,166	-	-	16,166
Use of Money and Property	15,276	36,943	-	52,219
From Other Agencies	5,932	-	-	5,932
Charges for Services	26,415	-	-	26,415
Other	6,845	-	-	6,845
Total Revenues	380,521	36,943	-	417,464
Expenditures:				
Legislative and Legal	11,373	-	-	11,373
General Government	17,769	-	-	17,769
Public Safety	277,741	-	-	277,741
Public Health	5,371	-	-	5,371
Community and Cultural	41,215	-	-	41,215
Public Works	30,706	-	-	30,706
Oil Operations	-	4,309	-	4,309
Total Current Expenditures	384,175	4,309	-	388,484
Excess of Revenues over Expenditures	(3,654)	32,634	-	28,980
Other Financing Sources (Uses):				
Debt Issuance	1,012	-	-	1,012
Transfers In	49,079	-	(30,350)	18,729
Transfers Out	(63,919)	(34,610)	30,350	(68,179)
Total Other Financing Sources (Uses)	(13,828)	(34,610)	-	(48,438)
Net Change in Fund Balances	(17,482)	(1,976)	-	(19,458)
Fund Balances - October 1	113,041	24,696	-	137,737
Fund Balances - September 30	$ 95,559	$ 22,720	$ -	$ 118,279

City of Long Beach
General Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Final Amended Budget				Actual on Budgetary Basis		Combined Actual on Budgetary Basis	Variance with Final Budget - Favorable (Unfavorable)
	General	Uplands	Eliminations	Combined	General	Uplands		
Sources:								
Property Taxes	$ 134,633	$ -	$ -	$ 134,633	$ 141,898	$ -	$ 141,898	$ 7,265
Sales Taxes	58,799	-	-	58,799	56,620	-	56,620	(2,179)
Utility Users Taxes	38,240	-	-	38,240	38,691	-	38,691	451
Other Taxes	30,510	-	-	30,510	31,604	-	31,604	1,094
Franchise Fees	24,251	-	-	24,251	26,175	-	26,175	1,924
Licenses and Permits	15,057	-	-	15,057	14,899	-	14,899	(158)
Fines and Forfeitures	15,788	-	-	15,788	16,166	-	16,166	378
Use of Money and Property	13,518	24,073	-	37,591	15,435	36,943	52,378	14,787
From Other Agencies	2,220	-	-	2,220	5,932	-	5,932	3,712
Charges for Services	25,241	-	-	25,241	26,415	-	26,415	1,174
Other	4,043	-	-	4,043	6,845	-	6,845	2,802
Proceeds from Long-term Debt	-	-	-	-	1,012	-	1,012	1,012
Transfers In	48,327	1	(30,350)	17,978	18,729	-	18,729	751
Total Sources	410,627	24,074	(30,350)	404,351	400,421	36,943	437,364	33,013
Uses:								
Current:								
Legislative and Legal								
Mayor and City Council	4,986	-	-	4,986	4,791	-	4,791	195
City Attorney	2,039	-	-	2,039	1,696	-	1,696	343
City Clerk	5,164	-	-	5,164	4,887	-	4,887	277
General Government								
City Auditor	2,592	-	-	2,592	2,521	-	2,521	71
City Manager	2,282	-	-	2,282	2,839	-	2,839	(557)
Civil Service	2,889	-	-	2,889	2,300	-	2,300	589
Financial Management	15,748	-	-	15,748	9,075	-	9,075	6,673
Planning and Building	1,211	-	-	1,211	1,105	-	1,105	106
Public Safety								
Police	199,798	-	-	199,798	194,224	-	194,224	5,574
Fire	73,684	-	-	73,684	71,679	-	71,679	2,005
Disaster Preparedness	1,039	-	-	1,039	1,036	-	1,036	3
City Prosecutor	5,132	-	-	5,132	4,769	-	4,769	363
Planning and Building-Code Enforcement	3,323	-	-	3,323	3,238	-	3,238	85
Police and Fire Annuity	-	-	-	-	2,827	-	2,827	(2,827)
Public Health	5,484	-	-	5,484	5,371	-	5,371	113
Community and Cultural								
Development Services	1,165	-	-	1,165	1,121	-	1,121	44
Library	16,444	-	-	16,444	14,450	-	14,450	1,994
Parks and Recreation	25,877	-	-	25,877	25,644	-	25,644	233
Public Works	31,180	-	-	31,180	31,035	-	31,035	145
Oil Operations	-	6,746	-	6,746	-	4,309	4,309	2,437
Transfers Out	54,580	34,615	(30,350)	58,845	63,919	4,260	68,179	(9,334)
Total Uses	454,617	41,361	(30,350)	465,628	448,527	8,569	457,096	8,532
Net Change in Budgetary Fund Balance:	$ (43,990)	$ (17,287)	$ -	$ (61,277)	$ (48,106)	$ 28,374	$ (19,732)	$ 41,545

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

		General	Uplands	Combined
Change in Fund Balance - September 30, Budgetary Basis		$ (48,106)	$ 28,374	$ (19,732)
Add:	Encumbrances	433	-	433
Less:	Change in Mark-to-Market and Other Adjustments	(159)	-	(159)
Adjust for:	Eliminations	30,350	(30,350)	-
Change in Fund Balance - September 30, GAAP Basis		(17,482)	(1,976)	(19,458)
Fund Balance, October 1, GAAP Basis		113,041	24,696	137,737
Fund Balance, September 30, GAAP Basis		$ 95,559	$ 22,720	$ 118,279

Reconciliation from GAAP Basis Fund Balance to Funds Available, Budgetary Basis

Fund Balance, September 30, GAAP Basis		$ 95,559	$ 22,720	$ 118,279
Less:	Nonspendable Fund Balance	(6)	-	(6)
	Restricted for Public Safety	(2,780)	-	(2,780)
	Restricted for Operations	(1,486)	-	(1,486)
	Committed for Public Safety	(1,000)	-	(1,000)
	Committed for Emergencies	(43,358)	-	(43,358)
	Committed for Operations	(9,000)	(2,500)	(11,500)
	Committed for Oil Field Abandonment	-	(5,221)	(5,221)
	Assigned for Future Infrastructure	(1,000)	-	(1,000)
	Assigned for Subsequent Year's Appropriations	(9,816)	(14,876)	(24,692)
	Assigned for Unfunded Liabilities	(23,839)		(23,839)
Total Adjustments		(92,285)	(22,597)	(114,882)
Budgetary Funds Available - September 30		$ 3,274	$ 123	$ 3,397

City of Long Beach
Insurance Fund
Combining Schedule of Net Position
September 30, 2014
(In Thousands)

	Workers' Compensation Fund	General Liability Fund	Total Insurance Fund
ASSETS			
Current Assets:			
Pooled Cash and Cash Equivalents	$ 17,156	$ 24,223	$ 41,379
Receivables:			
Accounts Receivable	1	-	1
Interest Receivable	7	2	9
Total Current Assets	17,164	24,225	41,389
Noncurrent Assets:			
Capital Assets Net of Accumulated Depreciation	30	-	30
Total Noncurrent Assets	30	-	30
Total Assets	17,194	24,225	41,419
LIABILITIES			
Current Liabilities Payable from Current Assets:			
Accounts Payable	102	700	802
Accrued Wages and Benefits	132	51	183
Due to Other Funds	66	26	92
Accrued Claims - Current	19,487	5,125	24,612
Total Current Liabilities	19,787	5,902	25,689
Noncurrent Liabilities:			
Accrued Self-Insurance Claims	92,347	10,999	103,346
Total Noncurrent Liabilities	92,347	10,999	103,346
Total Liabilities	112,134	16,901	129,035
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	31	-	31
Unrestricted	(94,971)	7,324	(87,647)
Total Net Position (Deficit)	$ (94,940)	$ 7,324	$ (87,616)

City of Long Beach

Insurance Fund

Combining Schedule of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended September 30, 2014

(In Thousands)

	Workers' Compensation Fund	General Liability Fund	Total Insurance Fund
Operating Revenues:			
Billing to Other Departments	$ 30,394	$ 13,758	$ 44,152
Total Operating Revenues	30,394	13,758	44,152
Operating Expenses:			
Personnel Services	4,714	3,122	7,836
Maintenance and Other Operations	3,072	3,090	6,162
Insurance Premiums	380	2,388	2,768
Self-Insured Losses	14,237	5,901	20,138
Compensated Absences	4,174	-	4,174
Depreciation	3	-	3
Total Operating Expenses	26,580	14,501	41,081
Operating Income (Loss)	3,814	(743)	3,071
Non-Operating Income (Expenses):			
Interest Income	45	56	101
Other Income	1,391	325	1,716
Total Non-Operating Income	1,436	381	1,817
Income (Loss) Before Contributions and Transfers	5,250	(362)	4,888
Transfers:			
Transfers In	-	350	350
Change in Net Position	5,250	(12)	5,238
Net Position (Deficit) - October 1	(100,190)	7,336	(92,854)
Net Position (Deficit) - September 30	$ (94,940)	$ 7,324	$ (87,616)

City of Long Beach
Fleet Services Fund
Combining Schedule of Net Position (Deficit)
September 30, 2014
(In Thousands)

	Fleet Operations	Fleet Vehicle Acquisitions	Fleet Debt Service	Fleet Other	Adjustments and Eliminations	Totals September 30 2014
ASSETS						
Current Assets:						
Pooled Cash and Cash Equivalents	$ 3,866	$ 37,476	$ 152	$ 1,551	$ -	$ 43,045
Receivables:						
Accounts Receivable	156	1	-	-	-	157
Allowance for Receivables	(129)	-	-	-	-	(129)
Inventory	2,047	-	-	-	-	2,047
Total Current Assets	5,940	37,477	152	1,551	-	45,120
Capital Assets Net of Accumulated Depreciation	33,083	-	-	-	-	33,083
Total Noncurrent Assets	33,083	-	-	-	-	33,083
Total Assets	39,023	37,477	152	1,551	-	78,203
LIABILITIES						
Current Liabilities Payable from Current Assets:						
Accounts Payable	922	332	-	-	-	1,254
Accrued Wages and Benefits	167	17	-	-	(62)	122
Accrued Interest Payable	-	-	152	-	-	152
Due to Other Funds	3,179	(3,179)	-	-	62	62
Environmental Remediation - Current	-	-	-	96	-	96
Obligations Under Capital Leases - Current	-	615	-	-	-	615
Total Current Liabilities	4,268	(2,215)	152	96	-	2,301
Noncurrent Liabilities:						
Environmental Remediation	-	-	-	2,819	-	2,819
Bonds Payable	-	-	23,823	-	-	23,823
Total Noncurrent Liabilities	-	-	23,823	2,819	-	26,642
Total Liabilities	4,268	(2,215)	23,975	2,915	-	28,943
NET POSITION (DEFICIT)						
Net Investment in Capital Assets	33,082	(615)	(23,823)	-	-	8,644
Unrestricted	1,673	40,307	-	(1,364)	-	40,616
Total Net Position (Deficit)	$ 34,755	$ 39,692	$ (23,823)	$ (1,364)	$ -	$ 49,260

City of Long Beach
Fleet Service Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position (Deficit)
For the Fiscal Year Ended September 30, 2014
(In Thousands)

	Fleet Operations	Fleet Vehicle Acquisitions	Fleet Debt Service	Fleet Other	Adjustments and Eliminations	Totals September 30, 2014
Operating Revenues:						
Billing to Other Departments	$ 19,844	$ 11,249	$ -	$ -	$ -	$ 31,093
Other	830	-	-	-	-	830
Total Operating Revenues	20,674	11,249	-	-	-	31,923
Operating Expenses:						
Personnel Services	6,707	619	-	-	-	7,326
Maintenance and Other Operations	9,688	2,283	-	(96)	-	11,875
Depreciation	6,073	-	-	-	-	6,073
Total Operating Expenses	22,468	2,902	-	(96)	-	25,274
Operating Income (Loss)	(1,794)	8,347	-	96	-	6,649
Non-Operating Income (Expenses):						
Interest Expense	(914)	(33)	194	-	-	(753)
Gain (Loss) on Disposition of Capital Assets	(24)	129	-	-	-	105
Other Income	56	216	-	-	-	272
Other Expense	(26)	-	-	-	-	(26)
Total Non-Operating Income (Expenses)	(908)	312	194	-	-	(402)
Income (Loss) Before Contributions and Transfers	(2,702)	8,659	194	96	-	6,247
Transfers:						
Transfers In	48	-	(22)	882	-	908
Transfers Out	(575)	-	-	-	-	(575)
Change in Net Position	(3,229)	8,659	172	978	-	6,580
Net Position (Deficit) - October 1	37,984	31,033	(23,995)	(2,342)	-	42,680
Net Position (Deficit) - September 30	$ 34,755	$ 39,692	$(23,823)	$ (1,364)	$ -	$ 49,260

TIDELANDS FUND

The Tideland Operating segment is used to account for the business-type operations of the Long Beach Convention and Entertainment Center, as well as beach maintenance and beach/water safety programs directly related to the tidelands area, including lifeguards and patrol boats. Beginning with the 1997 fiscal year, leases for areas adjacent to the Queen Mary were also included in the Tideland Operating segment. The Rainbow Harbor Area segment is used to account for the Rainbow Harbor Area administration, the Rainbow Harbor financing, and the Aquarium of the Pacific Parking Structure operations. The Marina segment is used to account for the operations and development of the City's marinas in the Tidelands area. The Queen Mary segment is used to account for the operations related to the Queen Mary.

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. Investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment.

Summary financial information for the consolidated Tidelands Business-type Enterprise Fund is presented on following pages (in thousands) as of September 30, 2014:

City of Long Beach
Tideland Operating, Marina, Queen Mary and Rainbow Harbor Project
Consolidated Schedule of Net Position
September 30, 2014
(In Thousands)

	Tideland Operating	Marina	Queen Mary	Rainbow Harbor Area	Total Before Elimination	Eliminations Debit (Credit)	Consolidated Tidelands Total
ASSETS							
Current Assets:							
Pooled Cash and Cash Equivalents	$179,469	$21,446	$ 1,447	$ 7,103	$209,465	$ -	$ 209,465
Non-Pooled Cash and Cash Equivalents	7,669	16	-	29	7,714	-	7,714
Receivables:							
Interest Receivable	85	4	-	14	103	-	103
Accounts Receivable	2,369	633	44	287	3,333	-	3,333
Due from Other Governments	639	51	-	-	690	-	690
Due from Other Funds	22,412	-	-	-	22,412	-	22,412
Allowance for Receivables	(4)	(431)	-	(2)	(437)	-	(437)
Total Current Assets	212,639	21,719	1,491	7,431	243,280	-	243,280
Noncurrent Assets:							
Non-Pooled Investments	8,212	-	-	4,244	12,456	-	12,456
Capital Assets:							
Land and Other Capital Assets Not Being Depreciated	37,767	3,611	-	11,110	52,488	-	52,488
Capital Assets Net of Accumulated Depreciation	148,459	82,076	9,595	50,737	290,867	-	290,867
Total Noncurrent Assets	194,438	85,687	9,595	66,091	355,811	-	355,811
Total Assets	407,077	107,406	11,086	73,522	599,091	-	599,091
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows	7,804	-	-	74	7,878	-	7,878
LIABILITIES							
Current Liabilities payable from Current Assets:							
Accounts Payable	7,544	368	215	961	9,088	-	9,088
Accrued Wages	311	167	-	20	498	-	498
Accrued Interest Payable	1,855	449	-	568	2,872	-	2,872
Due to Other Funds	157	84	-	10	251	-	251
Unearned Revenues	111	1,777	-	-	1,888	-	1,888
Collections Held in Trust	68	50	26	-	144	-	144
Obligations under Capital Leases - Current	30	-	-	-	30	-	30
Bonds Payable Due Within One Year	3,780	-	-	2,900	6,680	-	6,680
Other Long Term Obligation - Current	99	1,285	-	21	1,405	-	1,405
Total Current Liabilities	13,955	4,180	241	4,480	22,856	-	22,856
Noncurrent Liabilities:							
Advances from Other Funds	1,300	-	-	-	1,300	-	1,300
Unearned Revenues	4,923	-	-	-	4,923	-	4,923
Obligations under Capital Leases	402	-	-	-	402	-	402
Other Long Term Obligations	602	57,282	-	457	58,341	-	58,341
Bonds Payable	89,570	-	-	28,280	117,850	-	117,850
Unamortized Discount (Premium) Deferred Cost	9,847	-	-	62	9,909	-	9,909
Total Noncurrent Liabilities	106,644	57,282	-	28,799	192,725	-	192,725
Total Liabilities	120,599	61,462	241	33,279	215,581	-	215,581
NET POSITION							
Net Investment in Capital Assets	97,925	27,120	9,595	34,432	169,072	-	169,072
Restricted for:							
Debt Service	8,285	-	-	44	8,329	-	8,329
Capital Projects	-	-	1,250	171	1,421	-	1,421
Tidelands	7,616	1,821	-	-	9,437	-	9,437
Unrestricted	180,456	17,003	-	5,670	203,129	-	203,129
Total Net Position	$294,282	$45,944	$10,845	$40,317	$391,388	$ -	$ 391,388

City of Long Beach

Tideland Operating, Marina, Queen Mary and Rainbow Harbor Project

Consolidated Schedule of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended September 30, 2014

(In Thousands)

	Tideland Operating	Marina	Queen Mary	Rainbow Harbor Area	Total Before Elimination	Eliminations Debit (Credit)	Consolidated Tidelands Total
Operating Revenues:							
Licenses and Permits	$ 190	$ 6	$ -	$ 53	$ 249	$ -	$ 249
Fines and Forfeitures	258	-	-	-	258	-	258
Fees, Concessions, and Rentals	8,431	20,881	189	10,620	40,121	-	40,121
From Other Agencies	-	152	-	-	152	-	152
Charges for Services	23,413	92	-	-	23,505	-	23,505
Other	14	15	-	4	33	-	33
Total Revenues	32,306	21,146	189	10,677	64,318	-	64,318
Operating Expenses:							
Personnel Services	19,336	8,132	-	1,404	28,872	-	28,872
Maintenance and Other Operations	40,221	5,058	691	9,645	55,615	-	55,615
Amortization	485	-	-	29	514	-	514
Depreciation	10,117	5,177	419	3,697	19,410	-	19,410
Total Operating Expenses	70,159	18,367	1,110	14,775	104,411	-	104,411
Operating Income	(37,853)	2,779	(921)	(4,098)	(40,093)	-	(40,093)
Non-Operating Income (Expense):							
Interest Income	694	35	6	(8)	727	-	727
Interest Expense	(3,073)	(2,424)	-	(1,430)	(6,927)	-	(6,927)
Operating Grants	463	-	-	-	463	-	463
Other Expense	-	-	-	(4)	(4)	-	(4)
Total Non-Operating Income (Expense)	(1,916)	(2,389)	6	(1,442)	(5,741)	-	(5,741)
Income (Loss) before Contributions and Transfers	(39,769)	390	(915)	(5,540)	(45,834)	-	(45,834)
Operating Transfers:							
Operating Transfers In	60,520	10,900	-	5,800	77,220	(16,700)	60,520
Operating Transfers Out	(16,700)	-	-	-	(16,700)	16,700	-
Change in Net Position	4,051	11,290	(915)	260	14,686	-	14,686
Net Position, October 1	290,231	34,654	11,760	40,057	376,702	-	376,702
Net Position, September 30	$294,282	$ 45,944	$ 10,845	$ 40,317	$391,388	$ -	$ 391,388

City of Long Beach

Tideland Operating, Marina, Queen Mary and Rainbow Harbor Area

Schedule of Cash Flows

For the Fiscal Year Ended September 30, 2014

(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Tideland Operating	Marina	Queen Mary	Rainbow Harbor Area	Eliminations Increase (Decrease)	Consolidated Tidelands Total
Cash Flows from Operating Activities:						
Receipts from Customers	$ 32,390	$ 21,194	$ 168	$ 10,572	$ -	$ 64,324
Receipts from Other Governments	414	135	-	-	-	549
Payments for Employee Salaries	(19,117)	(8,066)	-	(1,402)	-	(28,585)
Payments for Goods and Services	(38,954)	(5,633)	(768)	(9,421)	-	(54,776)
Payments to Other Entities	1	-	-	-	-	1
Other Income	-	-	-	4	-	4
Net Cash Provided by (Used for) Operating Activities	(25,266)	7,630	(600)	(247)	-	(18,483)
Cash Flows from Non-Capital Financing Activities:						
Transfers In	61,856	10,900	-	5,800	(16,700)	61,856
Non-operating Expense	-	-	-	(4)	-	(4)
Transfers Out	(16,822)	-	-	(1,499)	16,700	(1,621)
Net Cash Provided by Non-Capital Financing Activities	45,034	10,900	-	4,297	-	60,231
Cash Flows from Capital and Related Financing Activities:						
Proceeds from Issuance Of Long-Term Obligations	-	7,002	-	-	-	7,002
Changes Related to Capital Acquisitions	(12,487)	(4,475)	(1)	(240)	-	(17,203)
Payments of Principal on Bonds Payable	(3,670)	-	-	(2,795)	-	(6,465)
Payments of Principal on Other Long-Term Obligations	(127)	(1,408)	-	(20)	-	(1,555)
Payments of Interest, Net of Amounts Capitalized	(4,550)	(2,572)	-	(1,480)	-	(8,602)
Net Cash Used for Capital and Related Financing Activities	(20,834)	(1,453)	(1)	(4,535)	-	(26,823)
Cash Flows from Investing Activities:						
Payments for Investments	(106)	-	-	1	-	(105)
Payments of Interest, Net of Amounts Capitalized	663	37	6	42	-	748
Net Cash Provided by Investing Activities	557	37	6	43	-	643
Net Increase (Decrease) in Cash and Cash Equivalents	(509)	17,114	(595)	(442)	-	15,568
Cash and Cash Equivalents - October 1	187,647	4,348	2,042	7,574	-	201,611
Cash and Cash Equivalents - September 30	$ 187,138	$ 21,462	$ 1,447	$ 7,132	$ -	$ 217,179

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	Tideland Operating	Marina	Queen Mary	Rainbow Harbor Area	Eliminations Increase (Decrease)	Total
Operating Income (Loss)	$ (37,853)	$ 2,779	$ (921)	$ (4,098)	$ -	$ (40,093)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation and Amortization Expense	10,602	5,177	419	3,726	-	19,924
Other Income	463	-	-	4	-	467
Other Expense	-	-	-	(4)	-	(4)
(Increase) Decrease in Accounts Receivable, Net	158	(36)	(22)	(101)	-	(1)
Decrease in Amounts Due from Other Governments	(49)	(17)	-	-	-	(66)
Increase (Decrease) in Accounts Payable	1,268	(575)	(77)	224	-	840
Increase in Accrued Wages Payable	62	43	-	1	-	106
Increase (Decrease) in Amounts Due to Other Funds	157	23	-	1	-	181
Decrease in Unearned Revenues	(87)	236	1	-	-	150
Decrease in Collections Held in Trust	13	-	-	-	-	13
Total Adjustments	12,587	4,851	321	3,851	-	21,610
Net Cash Provided by (Used for) Operating Activities	$ (25,266)	$ 7,630	$ (600)	$ (247)	$ -	$ (18,483)

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STATISTICAL SECTION

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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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These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.

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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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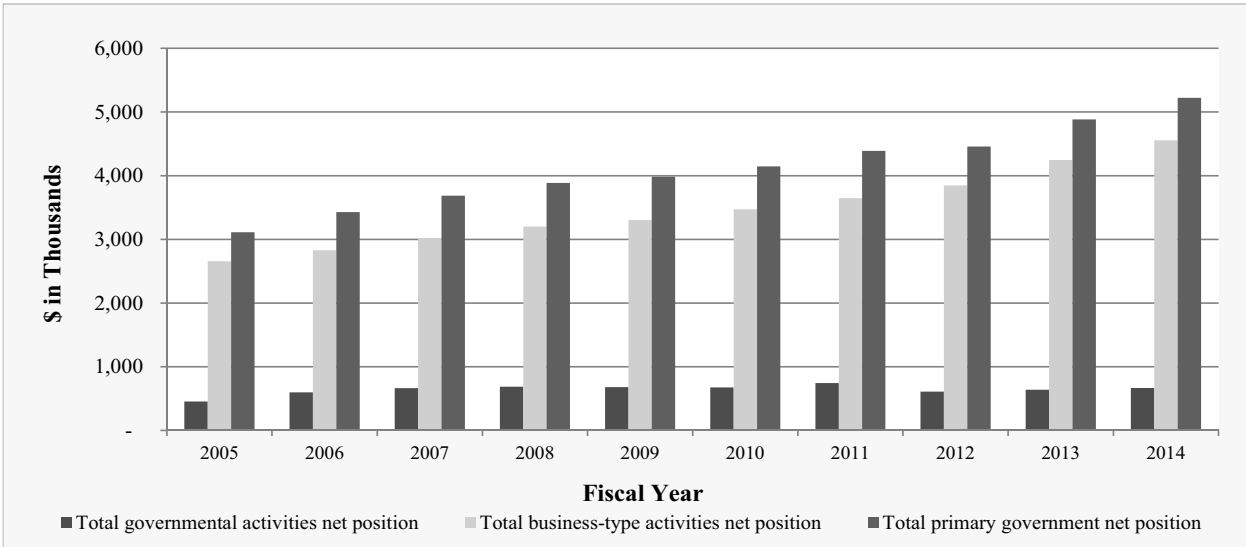
City of Long Beach
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net Investment in capital assets	$ 99,122	$ 209,230	$ 215,097	$ 217,866	$ 203,709	$ 170,432	$ 215,317	$ 237,998	$ 242,105	$ 245,780
Restricted	474,313	496,094	291,468	285,937	289,658	346,412	631,729	470,723	458,167	473,181
Unrestricted	(118,328)	(106,380)	157,870	182,007	185,296	157,316	(104,327)	(100,337)	(61,528)	(53,167)
Total governmental activities net position	455,107	598,944	664,435	685,810	678,663	674,160	742,719	608,384	638,744	665,794
Business-type activities:										
Net Investment in capital assets	1,564,750	1,572,117	1,684,580	1,875,911	1,954,565	2,184,850	2,547,605	2,769,461	3,547,110	3,698,447
Restricted	505,875	523,769	366,018	359,364	367,477	603,007	289,999	289,864	297,694	439,163
Unrestricted	586,327	733,495	969,574	964,333	982,105	683,114	809,277	787,926	399,890	418,151
Total business-type activities net position	2,656,952	2,829,381	3,020,172	3,199,608	3,304,147	3,470,971	3,646,881	3,847,251	4,244,694	4,555,761
Primary government										
Net Investment in capital assets	1,663,872	1,781,347	1,899,677	2,093,777	2,158,274	2,355,282	2,762,922	3,007,459	3,789,215	3,944,227
Restricted	980,188	1,019,863	657,486	645,301	657,135	949,419	921,728	760,587	755,861	912,344
Unrestricted	467,999	627,115	1,127,444	1,146,340	1,167,401	840,430	704,950	687,589	338,362	364,984
Total primary government net position	$3,112,059	$3,428,325	$3,684,607	$3,885,418	$3,982,810	$4,145,131	$4,389,600	$4,455,635	$4,883,438	$5,221,555

Note: Effective fiscal year 2010 and beyond, unrestricted net position amounts have been changed to reflect the effects of the implementation of GASB 54 - Fund Balance Reporting and Governmental Fund Type Definitions.



See accompanying independent auditors' report.

City of Long Beach
Change in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental Activities:										
Legislative and Legal	$ 10,313	$ 12,003	$ 12,911	$ 13,210	$ 12,866	$ 11,527	$ 10,106	$ 10,998	$ 10,957	$ 12,001
General Government	25,808	13,988	13,376	16,871	16,292	19,792	22,653	22,128	23,342	21,378
Public Safety	280,415	255,188	276,391	294,916	302,025	291,399	284,986	290,542	303,872	296,817
Public Health	43,874	44,024	47,189	48,330	47,134	44,731	44,428	42,712	41,966	41,877
Community and Cultural	177,210	186,528	207,566	227,274	227,772	258,512	193,886	331,170	173,239	153,206
Public Works	58,783	55,009	67,794	83,232	95,354	91,375	89,942	92,058	102,979	114,303
Oil Operations	6,367	7,192	8,175	8,630	8,004	6,923	7,318	9,256	7,101	4,869
Interest on Long-Term Debt	30,831	34,554	36,187	38,418	35,831	32,744	35,273	28,492	26,941	24,945
Total Governmental Activities Expenses	633,601	608,486	669,589	730,881	745,278	757,003	688,592	827,356	690,397	669,396
Business-type Activities:										
Gas	89,463	99,656	89,021	137,263	90,364	77,531	84,003	77,157	82,693	80,651
Water	62,075	62,480	68,704	70,571	76,895	71,442	82,050	81,377	89,767	93,297
Sewer	7,337	7,612	11,486	11,989	13,224	14,607	15,357	15,042	15,542	15,681
Airport	22,465	24,816	27,994	31,698	32,113	37,762	39,530	41,764	41,616	44,067
Development Services	-	-	-	-	-	-	11,126	11,617	15,404	15,753
Solid Waste Management	70,493	73,679	78,305	82,590	83,245	71,632	71,330	69,506	71,708	76,027
Towing	6,858	8,520	8,838	9,863	7,883	8,916	6,670	6,743	5,915	4,938
Tidelands	94,033	105,671	111,156	123,258	124,711	117,071	124,830	100,602	96,881	111,074
Tideland Oil Revenue	188,250	264,355	199,542	486,759	178,636	276,850	393,317	390,602	362,144	327,087
Subsidence	4,054	4,061	-	-	-	-	5	5	3	-
Harbor	207,689	214,349	247,860	242,822	225,991	218,262	217,335	193,773	195,335	233,410
Total Business-Type Activities Expenses	752,717	865,199	842,906	1,196,813	833,062	894,073	1,045,553	988,188	977,008	1,001,985
Total Primary Government Expenses	1,386,318	1,473,685	1,512,495	1,927,694	1,578,340	1,651,076	1,734,145	1,815,544	1,667,405	1,671,381
Program Revenues:										
Governmental Activities:										
Charges for services:										
Legislative and Legal	98	1,256	119	801	264	862	104	714	61	163
General Government	27,289	20,174	13,406	14,049	14,679	14,968	16,501	17,521	16,093	16,459
Public Safety	39,768	36,694	40,326	42,516	37,078	40,072	35,110	34,617	32,371	34,659
Public Health	7,557	6,565	7,099	7,599	9,644	8,422	8,725	9,538	11,856	8,498
Community and Cultural	23,649	23,291	26,131	28,905	26,322	26,186	20,825	13,978	14,656	12,168
Public Works	16,878	17,840	17,722	19,382	25,803	25,985	21,072	26,876	25,011	25,963
Oil Operations	17,253	21,481	22,612	32,956	19,011	25,556	31,552	39,156	39,869	36,942
Operating Grants and Contributions	142,011	166,426	169,190	172,478	172,281	185,899	198,198	175,647	171,937	183,789
Capital Grants and Contributions	11,489	13,726	16,908	7,424	3,595	10,395	7,588	6,147	10,778	8,530
Total Governmental Activities Program Revenues	$ 285,992	$ 307,453	$ 313,513	$ 326,110	$ 308,677	$ 338,345	$ 339,675	$ 324,194	$ 322,632	$ 327,171

(continued)

See accompanying independent auditors' report.

City of Long Beach
Change in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

(continued)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-Type activities:										
Charges for Services:										
Gas	$ 104,450	$ 113,053	$ 100,421	$ 123,580	$ 113,910	$ 80,605	$ 88,240	$ 83,633	$ 87,141	$ 82,293
Water	65,813	67,198	70,258	72,527	81,380	87,151	88,576	87,073	93,036	101,345
Sewer	9,729	9,245	10,812	11,785	12,707	15,186	16,447	17,325	17,311	17,954
Airport	29,121	29,086	30,985	35,080	35,004	38,820	40,395	43,893	43,817	44,811
Development Services	-	-	-	-	-	-	12,160	13,812	17,546	17,573
Solid Waste Management	70,128	80,015	83,865	85,958	87,032	78,772	74,019	78,613	79,542	81,051
Towing	7,622	7,846	8,126	8,816	8,516	8,529	7,297	6,583	6,445	5,440
Tidelands	55,436	73,013	83,085	81,511	83,245	82,948	83,018	56,726	59,929	64,318
Tideland Oil Revenue	208,488	266,992	214,157	522,956	143,336	295,680	449,819	452,863	397,301	362,783
Subsidence	-	-	500	500	492	496	-	-	-	-
Harbor	338,167	354,125	370,832	382,119	336,930	341,744	345,389	333,887	346,244	362,752
Operating Grants and Contributions	2,520	1,184	2,116	1,241	1,213	597	2,723	1,413	1,105	921
Capital Grants and Contributions	25,787	8,947	24,580	14,984	25,210	32,001	26,406	26,552	259,188	182,021
Total Business-Type Activities Program Revenues	917,261	1,010,704	999,737	1,341,057	928,975	1,062,529	1,234,489	1,202,373	1,408,605	1,323,262
Total Primary Government Program Revenues	1,203,253	1,318,157	1,313,250	1,667,167	1,237,652	1,400,874	1,574,164	1,526,567	1,731,237	1,650,433
Net Revenues (expenses):										
Governmental Activities	(347,609)	(301,033)	(356,076)	(404,771)	(436,601)	(418,658)	(348,917)	(503,162)	(367,765)	(342,225)
Business-Type Activities	164,544	145,505	156,831	144,244	95,913	168,456	188,936	214,185	431,597	321,277
Total Net Expenses	(183,065)	(155,528)	(199,245)	(260,527)	(340,688)	(250,202)	(159,981)	(288,977)	63,832	(20,948)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	123,924	141,335	162,342	173,184	196,402	180,262	218,570	179,746	203,770	183,719
Sales	48,216	51,557	55,848	55,261	51,585	53,144	60,159	60,414	63,443	59,097
Utility Users	39,216	40,637	41,694	41,028	39,901	39,240	38,739	37,097	38,026	38,691
Other	51,238	58,291	65,206	73,715	61,250	62,889	43,254	43,360	46,446	41,504
Franchise Fees	-	-	-	-	-	-	24,184	23,143	25,243	26,175
Grants and Contributions not Restricted to Specific Programs	39,205	115,668	44,086	46,330	48,364	46,058	-	-	150	-
Unrestricted Investment Earnings	16,213	23,520	23,374	24,357	14,712	7,837	10,291	4,349	3,417	3,688
Gain (Loss) on Sales of Capital Assets	810	806	649	(49)	(1,024)	8,539	-	-	-	-
Capital Asset Transfers	-	-	(257)	(1,142)	(1,337)	(101)	1,266	5,090	4,786	2,365
Transfers	14,314	13,056	28,625	13,462	19,601	16,287	21,601	15,628	21,490	14,210
Total Governmental Activities	333,136	444,870	421,567	426,146	429,454	414,155	418,064	368,827	406,771	369,449
Business-type Activities:										
Unrestricted Investment Earnings	27,599	42,021	62,329	47,512	26,890	14,554	9,253	6,903	5,557	6,365
Loss on Sales of Capital Assets	(665)	(2,041)	-	-	-	-	-	-	-	-
Capital Asset Transfers	19	-	257	1,142	1,337	101	(1,266)	(5,090)	(4,786)	(2,365)
Transfers	(14,314)	(13,056)	(28,625)	(13,462)	(19,601)	(16,287)	(21,601)	(15,628)	(21,490)	(14,210)
Total Business-type Activities	12,639	26,924	33,961	35,192	8,626	(1,632)	(13,614)	(13,815)	(20,719)	(10,210)
Total Primary Government	345,775	471,794	455,528	461,338	438,080	412,523	404,450	355,012	386,052	359,239
Change in Net Position										
Government activities	(14,473)	143,837	65,491	21,375	(7,147)	(4,503)	69,147	(134,335)	39,006	27,224
Business-type Activities	177,183	172,429	190,792	179,436	104,539	166,824	175,322	200,370	410,878	311,067
Total Primary Government	$ 162,710	$ 316,266	$ 256,283	$ 200,811	$ 97,392	$ 162,321	$ 244,469	$ 66,035	$ 449,884	$ 338,291

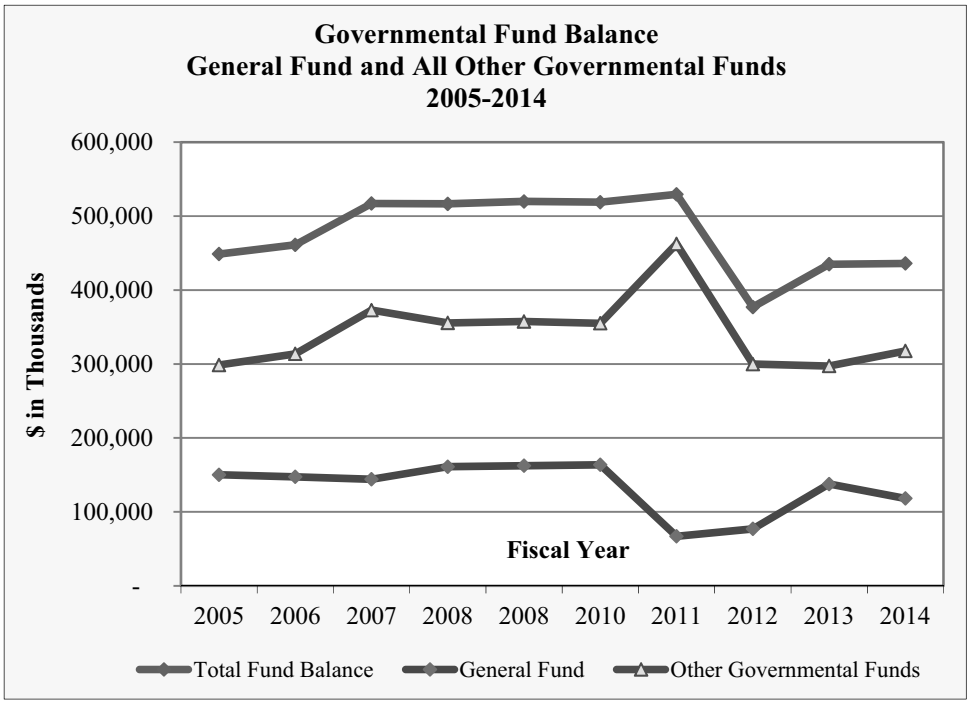
Note: With the implementation of GASB 54- Fund Balance Reporting and Governmental Fund Type Definitions, effective fiscal year 2010, the presentation of some financial data have changed in compliance with the aforementioned GASB standard.

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Reserved	$111,825	$111,959	$114,254	$115,088	$116,569	$ -	$ -	$ -	$ -	$ -
Unreserved	38,404	35,478	29,960	46,042	45,899	-	-	-	-	-
* Nonspendable	-	-	-	-	-	104,591	2,083	2,008	2,043	6
* Restricted	-	-	-	-	-	8,673	675	2,929	2,311	4,266
* Committed	-	-	-	-	-	1,486	4,108	5,394	5,711	61,079
* Assigned	-	-	-	-	-	3,798	59,445	61,935	119,542	49,531
* Unassigned	-	-	-	-	-	45,155	682	4,857	8,130	3,397
Total General Fund	150,229	147,437	144,214	161,130	162,468	163,703	66,993	77,123	137,737	118,279
Other Governmental Funds:										
Reserved	377,560	358,094	389,518	390,061	424,108	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	30,346	40,843	57,974	56,166	56,848	-	-	-	-	-
Capital Project Funds	(109,326)	(85,187)	(74,598)	(90,741)	(123,512)	-	-	-	-	-
* Nonspendable	-	-	-	-	-	24,902	1,654	45	8,009	8,012
* Restricted	-	-	-	-	-	514,588	489,841	320,310	293,567	289,497
* Committed	-	-	-	-	-	2,594	161	1,362	1,362	1,362
* Assigned	-	-	-	-	-	41,581	10,664	10,791	24,433	36,476
* Unassigned	-	-	-	-	-	(228,576)	(39,867)	(32,643)	(30,112)	(17,646)
Total Other Governmental Funds	298,580	313,750	372,894	355,486	357,444	355,089	462,453	299,865	297,259	317,701
Total All Governmental Funds	$448,809	$461,187	$517,108	$516,616	$519,912	$518,792	$529,446	$376,988	$434,996	$435,980

* Note: In accordance with GASB No. 54, Fund Balance types from fiscal year 2010 and onward were reclassified to reflect the requirements of this statement. The Development Services Fund was reclassified from a Special Revenue Fund to a Proprietary Fund. The Upland Oil Fund was reclassified from a Special Revenue



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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes:										
Property	$124,463	$141,081	$162,449	$172,741	$195,128	$216,922	$218,593	$ 181,041	$214,816	$ 183,885
Sales	48,216	51,557	55,848	55,261	51,585	53,144	60,159	60,414	63,443	59,097
Utility Users	39,216	40,637	41,694	41,028	39,901	39,240	38,739	37,097	38,026	38,691
Other Taxes	51,237	58,292	65,205	73,715	61,250	42,465	43,254	43,360	46,446	41,504
Franchise Fees		-	-	-	-	24,040	24,184	23,143	25,243	26,175
Licenses and Permits	26,269	30,008	32,240	33,899	32,239	24,864	24,812	24,278	19,941	22,341
Fines and Forfeitures	14,744	16,387	17,644	18,509	19,501	17,042	16,193	17,762	16,394	16,166
Use of Money and Property	48,849	57,964	59,516	71,586	47,841	47,526	56,415	58,398	58,441	56,687
From Other Agencies	192,722	219,946	230,838	228,427	227,060	195,940	208,167	184,470	181,039	191,423
Charges for Services	46,633	29,071	26,168	27,609	30,742	26,264	28,549	28,586	28,292	29,042
Other Land Proceeds	-	716	-	-	-	-	-	-	-	-
Other Contributions	-	-	-	-	-	2,898	-	-	1,385	341
Other	15,987	13,892	13,711	17,587	11,667	13,599	25,256	19,544	18,577	10,693
Total Revenues	608,336	659,551	705,313	740,362	716,914	703,944	744,321	678,093	712,043	676,045
Expenditures:										
Legislative and Legal	10,037	12,464	13,602	12,481	11,649	10,806	9,683	10,316	9,673	11,373
General Government	25,209	15,123	15,765	16,081	11,993	15,480	20,035	17,441	17,785	17,951
Public Safety	257,869	266,057	279,382	285,366	290,615	291,618	289,538	285,807	288,979	300,519
Public Health	41,651	44,734	47,409	47,383	45,181	37,644	43,665	41,449	39,297	41,273
Community and Cultural	179,859	199,777	209,946	253,432	238,090	264,171	263,625	289,597	185,378	158,122
Public Works	42,885	42,647	42,586	50,221	53,358	46,002	44,178	60,368	65,484	66,498
Oil Operations	6,164	7,089	8,171	8,625	6,888	6,718	7,173	9,146	4,722	4,309
Total Current Expenditures	563,674	587,891	616,861	673,589	657,774	672,439	677,897	714,124	611,318	600,045
Capital Improvements	30,106	39,062	40,790	25,328	27,721	38,956	29,630	17,183	26,199	36,427
Loss on Disposition of Land Held for Resale	4,090	-	9,184	4,459	1,526	9,524	519	79,111	-	-
Debt Service:										
Principal	11,942	14,822	15,451	15,819	17,456	13,804	13,475	14,379	16,358	18,836
Interest	20,806	25,289	27,349	30,477	28,300	24,847	28,984	23,298	23,776	21,044
Debt Administration Fees	320	147	81	397	259	195	391	494	542	57
Total Expenditures	630,938	667,211	709,716	750,069	733,036	759,765	750,896	848,589	678,193	676,409
(Deficiency) of Revenues over (under) Expenditures	(22,602)	(7,660)	(4,403)	(9,707)	(16,122)	(55,821)	(6,575)	(170,496)	33,850	(364)
Other Financing Sources (Uses):										
Other Deferred Payments	221	220	291	-	-	-	-	-	-	-
Debt Issuance	188,344	40,402	25,748	280	311	34,417	297	753	54,186	1,012
Discount on Debt Issuance	-	-	(122)	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	(3,526)	(36,135)	-	-	-	-	-	-	(57,611)	-
Reconveyance of Land	-	-	-	(13,296)	(3,677)	(41)	-	-	-	-
Advances - Capitalized Interest	491	-	-	-	-	-	-	-	-	-
Land Transfers	-	-	-	-	-	-	(6,233)	-	-	-
Transfers In	52,782	55,900	91,967	84,353	60,163	56,406	271,094	409,802	114,615	106,128
Transfers Out	(33,960)	(40,349)	(57,560)	(62,122)	(37,379)	(36,306)	(247,930)	(392,317)	(87,032)	(105,577)
Total Other Financing Sources	204,352	20,038	60,324	9,215	19,418	54,476	17,228	18,238	24,158	1,563
Net Change in Fund Balances	$181,750	$ 12,378	$ 55,921	$ (492)	$ 3,296	$ (1,345)	$ 10,653	$(152,258)	$ 58,008	$ 1,199
Debt Service as a Percentage of Noncapital Expenditures	5.5%	6.4%	6.4%	6.4%	6.5%	5.4%	5.9%	4.6%	6.2%	6.2%

Effective 2011, the City implemented GASB 54 - Fund Balance Reporting and Governmental Fund Type Definitions, the City reviewed all governmental fund revenue streams. As a result, fiscal year 2010 financial data was reclassified.

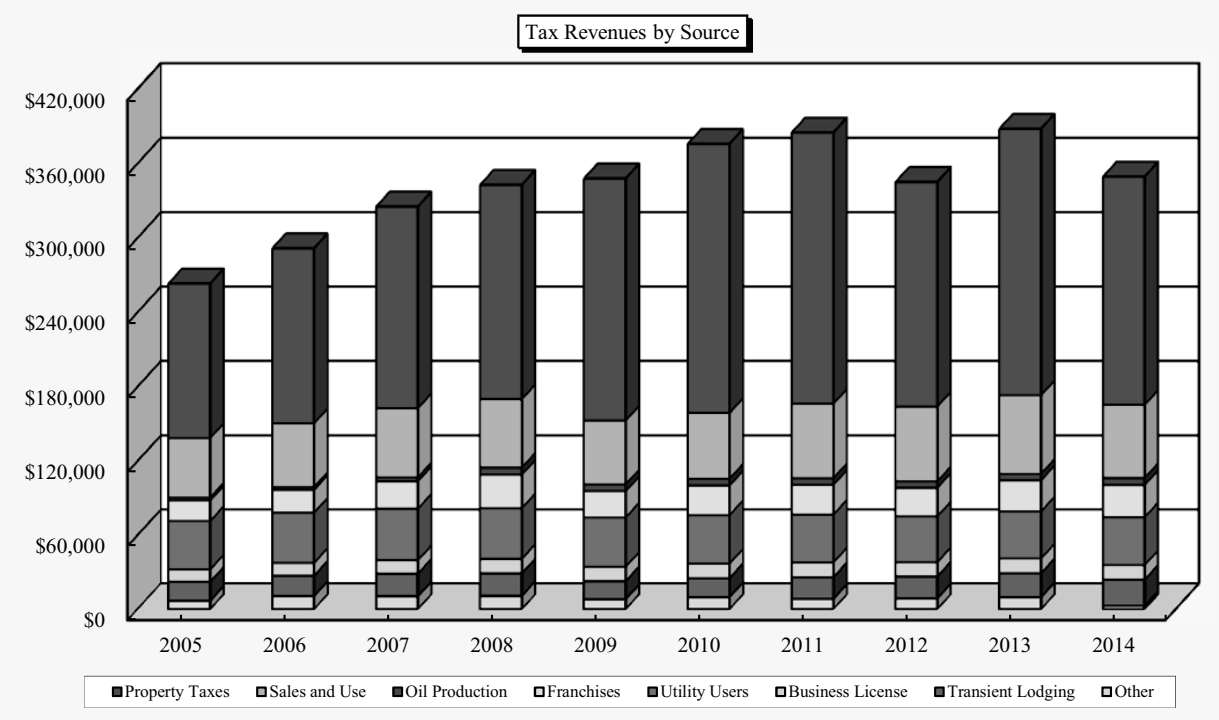
See accompanying independent auditors' report.

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	Franchises Taxes	Utility Users Taxes	Business License Taxes	Transient Lodging Taxes	Other (1) Taxes	Totals
2005	$124,463	$ 48,216	$ 2,335	$ 16,670	$ 39,216	$ 9,879	$ 15,527	$ 6,826	$263,132
2006	141,081	51,557	2,245	18,501	40,637	10,345	16,548	10,653	291,567
2007	162,449	55,848	3,123	22,340	41,694	10,909	18,309	10,524	325,196
2008	172,741	55,261	5,767	27,147	41,028	11,681	18,324	10,796	342,745
2009	195,128	51,585	5,557	21,274	39,901	11,647	14,635	8,137	347,864
2010	216,922	53,144	5,517	24,040	39,240	11,686	15,461	9,801	375,811
2011	218,593	60,159	5,331	24,184	38,739	11,956	17,603	8,364	384,929
2012	181,041	60,414	5,259	23,143	37,097	11,537	17,759	8,805	345,055
2013	214,816	63,443	5,301	25,243	38,026	11,981	19,451	9,713	387,974
2014	183,885	59,097	5,653	26,175	38,691	11,862	21,265	2,724	349,352

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)

Fiscal Year-end	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
2005	$ 29,650,613	$ 2,419,098	$ (678,462)	$ 31,391,249	1.00%
2006	32,881,116	2,638,789	(916,457)	34,603,448	1.00%
2007	37,042,813	2,834,656	(961,500)	38,915,969	1.00%
2008	40,310,054	3,035,367	(1,072,806)	42,272,615	1.00%
2009	43,819,413	2,802,330	(1,047,919)	45,573,824	1.00%
2010	42,549,483	2,916,792	(1,239,013)	44,227,262	1.00%
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%

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

See accompanying independent auditors' report.

City of Long Beach
Property Tax Rates -
All Overlapping Governments
Per $100 of Assessed Value -
Last Ten Fiscal Years

		Overlapping Rates				
Fiscal Year-end	City Direct Rate	Los Angeles County	Unified Schools	Community College	Special Districts	Total
2005	1.000000	0.000923	0.046671	0.012394	0.006045	1.066033
2006	1.000000	0.000795	0.040750	0.018569	0.005249	1.065363
2007	1.000000	0.000663	0.106814	0.021462	0.004752	1.133691
2008	1.000000	-	0.123342	0.008794	0.004500	1.136636
2009	1.000000	-	0.124782	0.022115	0.004300	1.151197
2010	1.000000	-	0.151809	0.023112	0.004300	1.179221
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

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

See accompanying independent auditors' report.

City of Long Beach
Principal Property Taxpayers
Current Year and Nine Fiscal Years Ago
(In Thousands)

	Fiscal Year 2014		Fiscal Year 2005	
Taxpayer	Assessed Valuation	Percentage of Total Net Assessed Valuation	Assessed Valuation	Percentage of Total Net Assessed Valuation
The Boeing Company	$ 258,271	0.58 %	$ 497,798	1.72 %
AES Alamitos LLC	197,400	0.44	292,200	1.01
Legacy Partners II LB World Trade LLC	144,300	0.32	-	-
2009 CUSA Community Owner LLC	143,347	0.32	-	-
BOP Landmark Square Co. LLC	125,514	0.28	-	-
GRE Shoreline Square LP	98,933	0.22	-	-
Noble Utah Long Beach LLC	96,276	0.22	-	-
Douglas Park Associates LLC	90,851	0.20	-	-
Molina Center LLC	82,620	0.18	-	-
Lyon West Gateway LLC	80,656	0.18	-	-
City Place Long Beach LLC	75,410	0.17	-	-
Omninet Freway LLC	70,380	0.16	-	-
HEI Long Beach LLC	62,303	0.14	-	-
Long Beach Generation LLC	60,000	0.13	-	-
Arco Terminal Services Corp.	59,988	0.13	79,320	0.27
Alamitos Bay Partnership	59,072	0.13	54,127	0.19
Sunstone Ocean LLC	57,019	0.13	-	-
Pacific Pipeline System LLC	53,338	0.12	-	-
Plain West Coast Terminals LLC	50,217	0.11	-	-
Los Altos Gateway LLC	50,211	0.11	-	-
Trizechahn Centers, Inc.	-	-	144,284	0.50
Greit One World Trade Center LP	-	-	113,648	0.39
Camden Realty Inc.	-	-	96,470	0.33
350 Ocean Garage LLC	-	-	70,754	0.24
200 Oceangate LLC	-	-	59,300	0.20
EQR California LLC	-	-	53,227	0.18
	$1,916,106	4.27 %	$1,461,128	5.03 %

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)

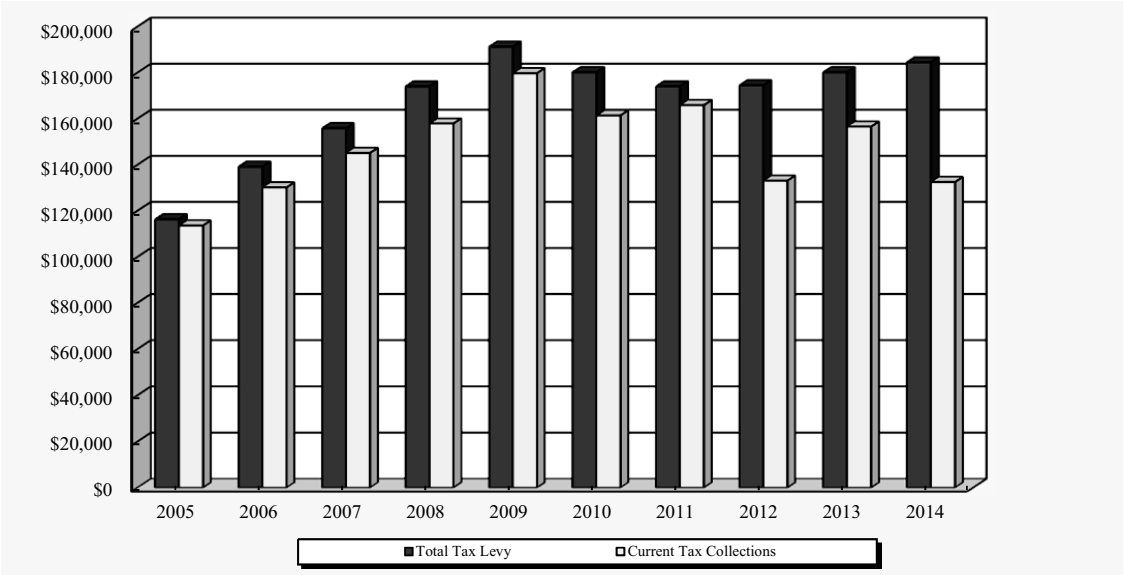
Fiscal Year-end (1)	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections (2)	Collections as Percentage of Levy	Outstanding Delinquent Taxes	Delinquent Tax as Percentage of Current Levy
2005	$ 116,299	$ 113,610	97.7%	$ 11,388	$ 124,998	107.5%	$ 9,024	7.8%
2006	139,172	130,147	93.5%	12,093	142,240	102.2%	10,164	7.3%
2007	155,850	145,113	93.1%	17,819	162,932	104.5%	11,447	7.3%
2008	174,002	157,865	90.7%	14,877	172,742	99.3%	11,369	6.5%
2009	191,251	179,716	94.0%	15,412	195,128	102.0%	13,760	7.2%
2010	180,159	161,354	89.6%	9,542	170,896	94.9%	11,857	6.6%
2011	174,025	165,851	95.3%	7,468	173,319	99.6%	10,874	6.2%
2012	174,505	133,062	76.3%	4,169	137,231	78.6%	10,698	6.1%
2013	180,137	156,530	86.9%	3,049	159,579	88.6%	8,915	4.9%
2014	184,500	132,481	71.8%	3,975	136,456	74.0%	4,458	2.4%

Notes:

(1) Total tax collections for fiscal years 2004 through 2013 include redevelopment/successor agency tax increment collections in accordance with generally accepted accounting principles as follows:

Fiscal Year-end	Collections (in thousands)
2005	$ 50,977
2006	63,406
2007	73,011
2008	77,460
2009	92,762
2010	83,609
2011	77,470
2012	36,337
2013	40,294
2014	36,368

(2) Excludes motor vehicle and vehicle license fees in-lieu taxes, interests, penalties, and Los Angeles County administrative cost.



Source: City of Long Beach, Department of Financial Management and County of Los Angeles Auditor-Controller

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)

	Governmental Activities					
Fiscal Year-end	Revenue Bonds	Tax Allocation Bonds	Notes Payable	Capital Leases	Other	Total Governmental Activities
2005	$ 242,685	$ 355,444	$ 11,971	$ 31,957	$ 37,962	$ 680,019
2006	231,470	348,626	11,146	35,131	34,996	661,369
2007	246,500	340,813	10,734	39,481	32,532	670,060
2008	236,535	332,562	8,888	32,992	29,875	640,852
2009	222,770	323,890	9,057	27,227	27,704	610,648
2010	178,895	347,740	8,415	54,159	25,448	614,657
2011	167,940	337,557	8,560	49,712	22,784	586,553
2012	161,620	326,852	8,118	46,064	20,884	563,538
2013	139,085	315,399	7,102	41,869	23,241	526,696
2014	139,906	309,160	6,137	38,150	22,114	515,467

	Business-type Activities					
	Revenue Bonds	Certificates of Participation	Notes Payable (1)	Capital Leases	Other (3)	Total Business-type Activities
2005	$ 1,409,610	$ 15,025	$ 188,150	$ 7,572	$ 328,700	$ 1,949,057
2006	1,367,640	9,960	104,958	6,119	343,100	1,831,777
2007	1,312,585	9,175	119,641	3,767	399,800	1,844,968
2008	2,012,545	8,350	132,395	1,237	450,170	2,604,697
2009	1,728,770	7,480	117,597	565	48,324	1,902,736
2010	1,714,810	-	73,797	541	38,615	1,827,763
2011	1,709,685	-	56,687	3,541	28,274	1,798,187
2012	1,640,665	-	54,488	3,109	28,400	1,726,662
2013	1,564,045	-	147,020	2,667	42,200	1,755,932
2014	1,534,901	-	515,995	2,215	52,400	2,105,511

	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2005	$ 2,629,076	2.536%	$ 5,584
2006	2,493,146	2.749%	5,332
2007	2,515,028	2.843%	5,408
2008	3,245,549	2.897%	7,006
2009	2,513,384	2.784%	5,438
2010	2,442,420	2.763%	5,279
2011	2,384,740	2.808%	5,159
2012	2,290,200	2.820%	4,919
2013	2,282,628	2.876%	4,881
2014	2,620,978	2.930%	5,583

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Notes payable in fiscal year 2005 included $97,354,000 abandonment reserve payable to the California State Lands Commission.

(2) See Schedule of Demographic and Economic Statistics for personal income and population data. Restated prior years due to the data's annual revision.

(3) Includes Estimated Oil Field Abandonment Costs and starting with 2007 environmental remediation and site restoration are also included in this category.

See accompanying independent auditors' report.

City of Long Beach
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

	Outstanding General Bonded Debt					
Fiscal Year-end	Pension Obligation Bonds	Tax Allocation Bonds	Less: Amounts Restricted for Debt Service (1)	Net Bonded Debt (1)	Ratio of Net Bonded Debt to Assessed Value (2)	Per Capita (3)
2005	$ 97,255	$ 355,444	$ 39,059	$ 413,640	129%	$ 878.63
2006	89,465	348,626	36,936	401,155	113%	857.93
2007	83,635	340,813	42,945	381,503	96%	820.41
2008	77,275	332,562	45,796	364,041	84%	785.84
2009	70,340	323,890	53,895	340,335	73%	736.32
2010	62,775	347,740	57,937	352,578	78%	762.03
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

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.

See accompanying independent auditors' report.

City of Long Beach
Schedule of Direct and Overlapping Debt
September 30, 2014 (In Thousands)

2013-14 Assessed Valuation: $47,414,795

DIRECT DEBT:		Outstanding	Exclusions	Outstanding
City of Long Beach				
Lease Revenue Bonds		$ 98,991	$ -	$ 98,991
Tax Allocation Bonds		309,160	-	309,160
Notes Payable		6,137	-	6,137
Capital Leases		38,150	-	38,150
Pension Obligations		40,915	-	40,915
Total Direct Debt		$ 493,353	$ -	$ 493,353
OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable			
Cerritos Community College District	0.342 %	$ 185,745	$ 185,110	$ 635
Compton Community College District	2.544	75,625	73,701	1,924
Long Beach Community College District	86.118	413,423	57,392	356,031
Los Angeles Community College District	0.055	3,595,385	3,593,408	1,977
ABC Unified School District	1.029	39,365	38,960	405
Compton Unified School District	0.025	50,731	50,718	13
Long Beach Unified School District	86.120	511,407	70,983	440,424
Los Angeles Unified School District	0.069	10,348,740	10,341,599	7,141
Paramount Unified School District	8.871	115,638	105,380	10,258
Los Angeles County Flood Control District	4.158	17,480	16,753	727
Metropolitan Water District	2.171	132,275	129,403	2,872
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT(1)		$ 15,485,814	$ 14,663,407	$ 822,407
OVERLAPPING GENERAL FUND OBLIGATION DEBT:				
Los Angeles County General Fund Obligations	4.162 %	$ 1,787,485	$ 1,713,090	$ 74,395
Los Angeles County Superintendent of Schools Certificates of Participation	4.162	8,719	8,356	363
Compton Unified School District Certificates of Participation	0.025	25,670	25,664	6
Los Angeles Unified School District Certificates of Participation	0.069	364,539	364,287	252
Paramount Unified School District Certificates of Participation	8.871	27,375	24,947	2,428
County Sanitation District No. 1 Certificates of Participation	1.229	14,081	13,908	173
County Sanitation District No. 2 Certificates of Participation	0.195	21,741	21,699	42
County Sanitation District No. 3 Certificates of Participation	86.327	8,136	1,112	7,024
County Sanitation District No. 8 Certificates of Participation	2.372	8,581	8,377	204
County Sanitation District No. 19 Certificates of Participation	28.730	3,916	2,791	1,125
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT		$ 2,270,243	$ 2,184,231	$ 86,012
OVERLAPPING TAX INCREMENT DEBT (Successor Agency) :	100.000 %	$ 303,400	$ -	$ 303,400
TOTAL GROSS OVERLAPPING COMBINED DEBT		$ 18,059,457	$ 16,847,638	$ 1,211,819
Less: Los Angeles County General Fund Obligations supported by landfill revenues		23,875	23,665	210
Los Angeles Unified School District (Qualified Zone Academic Bonds supported by period payments to investment accounts)		10,000	9,997	3
TOTAL NET OVERLAPPING COMBINED DEBT		$ 18,025,582	$ 16,813,976	$ 1,211,606
TOTAL NET DIRECT AND OVERLAPPING COMBINED DEBT		$ 18,518,935	$ 16,813,976	$ 1,704,959

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				
	2005	2006	2007	2008	2009
Assessed valuation	$32,069,711	$35,519,905	$39,877,469	$43,345,421	$46,621,743
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	8,017,428	8,879,976	9,969,367	10,836,355	11,655,436
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,202,614	1,331,996	1,495,405	1,625,453	1,748,315
Total net debt applicable to limit:					
General obligation bonds	-	-	-		-
Legal debt margin	$ 1,202,614	$ 1,331,996	$ 1,495,405	$ 1,625,453	$ 1,748,315
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2010	2011	2012	2013	2014
Assessed valuation	$45,466,275	$44,589,625	$45,421,772	$47,952,110	$50,498,496
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	11,366,569	11,147,406	11,355,443	11,988,028	12,624,624
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,704,985	1,672,111	1,703,316	1,798,204	1,893,694
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	$ 1,704,985	$ 1,672,111	$ 1,703,316	$ 1,798,204	$ 1,893,694
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 (5)
(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 (4) Principal	Interest	Total	Times Coverage
2005	$ 98,998	$ 84,109	$ 14,889	$ 5,858	$ 20,747	$ 655	$ 394	$ 1,049	19.8
2006	107,481	96,786	10,695	5,807	16,502	885	195	1,080	15.3
2007	99,648	85,151	14,497	1,389	15,886	905	173	1,078	14.7
2008	123,085	89,115	33,970	993	34,963	925	29,697	30,622	1.1
2009	87,736	41,232	46,504	26,983	73,487	1,050	46,548	47,598	1.5
2010	79,732	39,803	39,929	1,566	41,495	9,480	33,918	43,398	1.0
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

Water Fund Revenue Bond Coverage
Last Ten Fiscal Years (2)
(In Thousands)

2005	$ 64,522	$ 50,146	$ 14,376	$ 1,710	$ 16,086	$ 1,110	$ 1,884	$ 2,994	5.4
2006	66,074	53,059	13,015	1,564	14,579	1,155	1,836	2,991	4.9
2007	70,259	55,965	14,294	823	15,117	1,210	1,785	2,995	5.0
2008	71,604	57,239	14,365	1,417	15,782	1,265	1,731	2,996	5.3
2009	80,933	61,637	19,296	861	20,157	1,330	1,661	2,991	6.7
2010	87,151	67,091	20,060	10,075	30,135	1,405	1,588	2,993	10.1
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

Solid Waste Management Fund
SERRF Authority Revenue Bond Coverage
Last Ten Fiscal Years (3)
(In Thousands)

2005	$ 70,128	$ 58,046	$ 12,082	$ 1,819	$ 13,901	$ 6,185	$ 4,985	$ 11,170	1.2
2006	78,173	65,218	12,955	5,385	18,340	6,355	4,813	11,168	1.6
2007	81,412	68,982	12,430	6,747	19,177	6,540	4,635	11,175	1.7
2008	83,628	72,102	11,526	6,342	17,868	6,690	4,478	11,168	1.6
2009	84,151	73,976	10,175	4,163	14,338	6,860	4,312	11,172	1.3
2010	77,419	64,608	12,811	4,228	17,039	7,050	4,121	11,171	1.5
2011	73,797	64,198	9,599	1,867	11,466	7,305	3,860	11,165	1.0
2012	77,111	62,718	14,393	662	15,055	7,635	3,535	11,170	1.3
2013	79,327	65,010	14,317	(716)	13,601	8,005	3,165	11,170	1.2
2014	80,701	70,639	10,062	224	10,286	8,410	2,758	11,168	0.9

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.

(3) The SERRF Authority issued revenue bonds on December 1, 1985, and August 1 and December 1, 1986. According to the December 1, 1986, bond resolution interest was funded from bond proceeds through August 1989. These bonds were refunded by the SERRF Authority Lease Revenue refunding Bond Series 1995. Current debt service payments for the previous issues were covered by the 1995 refunding issue proceeds. The 1995 refunding bonds were refunded by the SERRF Authority Lease Revenue Bonds Series 2003 in October 2003.

(4) The 2009 increase of Non-Operating Income for Gas was due to the $25.6 million savings attributable to the tender of 2007 Gas Prepay Bonds of $231 million.

(5) Gas Fund Revenue Bond Coverage for Debt Service Requirement for FY 2007-FY 2010 were restated to include the 2007 Gas Prepay Series A and B payments.

Source: City of Long Beach, Department of Financial Management

See accompanying independent auditors' report.

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)	Net Operating Income	Non-Operating Income (Loss) (1)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Times Coverage
2005	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0
2006	-	-	-	-	-	-	-	-	0.0
2007	-	-	-	-	-	-	-	-	0.0
2008	-	-	-	-	-	-	-	-	0.0
2009	-	-	-	-	-	-	-	-	0.0
2010	31,033	26,157	4,876	7,301	12,177	855	1,998	2,853	4.3
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

Fleet Services Fund
Temple Willow Revenue Bond Coverage
Last Ten Fiscal Years
(In Thousands)

2005	$ 25,900	$ 17,399	$ 8,501	$ 1,809	$ 10,310	$ 770	$ 1,717	$ 2,487	4.1
2006	26,926	18,598	8,328	789	9,117	940	1,526	2,466	3.7
2007	28,306	21,229	7,077	402	7,479	865	1,571	2,436	3.1
2008	28,408	21,088	7,320	908	8,228	900	1,534	2,434	3.4
2009	30,941	20,491	10,450	1,900	12,350	945	1,494	2,439	5.1
2010	33,028	20,396	12,632	36	12,668	980	1,449	2,429	5.2
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

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.

Source: City of Long Beach, Department of Financial Management

See accompanying independent auditors' report.

City of Long Beach
Pledged Revenue Coverage
Rainbow Harbor Area Segment
Revenue Bond Coverage
Last Ten Fiscal Years (2)
(In Thousands)

Fiscal Year-end	Operating Revenue	Operating Expenses (1)	Net Operating Income (Loss)	Non-Operating Income (Loss) (1)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Times Coverage
2005	$ 5,386	$ 8,897	$ (3,511)	$ 337	$ (3,174)	$ 1,455	$ 2,430	$ 3,885	-
2006	6,404	8,728	(2,324)	338	(1,986)	1,515	2,369	3,884	-
2007	7,230	10,305	(3,075)	465	(2,610)	2,070	2,184	4,254	-
2008	7,212	9,739	(2,527)	210	(2,317)	2,235	2,025	4,260	-
2009	6,880	9,498	(2,618)	2,275	(343)	2,325	1,936	4,261	-
2010	7,421	9,255	(1,834)	(20)	(1,854)	2,410	1,846	4,256	-
2011	8,780	9,869	(1,089)	69	(1,020)	2,500	1,761	4,261	-
2012	9,206	9,747	(541)	49	(492)	2,590	1,666	4,256	-
2013	9,578	10,070	(492)	64	(428)	2,680	1,570	4,250	-
2014	10,677	11,049	(372)	(12)	(384)	2,795	1,457	4,252	-

Tideland Operating Segment
Revenue Bond Coverage
Last Ten Fiscal Years (3)
(In Thousands)

2005	$ 33,593	$ 43,633	$ (10,040)	$ 1,679	$ (8,361)	$ 2,430	$ 6,558	$ 8,988	-
2006	48,859	57,923	(9,064)	4,732	(4,332)	2,369	6,558	8,927	-
2007	56,663	61,199	(4,536)	3,516	(1,020)	2,765	6,504	9,269	-
2008	52,739	69,138	(16,399)	6,563	(9,836)	2,870	6,393	9,263	-
2009	55,684	72,880	(17,196)	6,335	(10,861)	2,985	6,274	9,259	-
2010	55,288	65,736	(10,448)	1,055	(9,393)	3,105	6,147	9,252	-
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	-

Harbor Fund
Revenue Bond Coverage
Last Ten Fiscal Years (4)
(In Thousands)

2005	$ 329,208	$ 62,016	$ 267,192	$ 26,524	$ 293,716	$ 34,215	$ 58,444	$ 92,659	3.2
2006	353,294	75,541	277,753	27,741	305,494	34,935	54,556	89,491	3.4
2007	370,832	96,964	273,868	28,246	302,114	38,335	51,216	89,551	3.4
2008	359,345	116,166	243,179	55,866	299,045	40,090	49,432	89,522	3.3
2009	311,351	97,880	213,471	27,160	240,631	42,150	47,488	89,638	2.7
2010	321,639	98,026	223,613	44,166	267,779	40,120	42,427	82,547	3.2
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

Notes:

(1) Operating expenses exclude depreciation and amortization; non-operating income excludes interest expense.

(2) The Rainbow Harbor Area Segment of the Tidelands Fund fund balance is considered adequate to cover the debt service. Operating transfers are made to provide funding to the Rainbow Harbor Area from other Tidelands funds on an as-needed basis.

(3) 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.

(4) Harbor 2000 Revenue Bonds Series A was paid off in fiscal year 2010 and a new Harbor 2010 Revenue Bonds Series A was issued. Prior year adjustments are being made to reflect these bond changes.

Source: City of Long Beach, Department of Financial Management

See accompanying independent auditors' report.

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)
2005	470,781	$ 11,939	$ 25,360	96,319	5.9
2006	467,586	12,854	27,490	93,589	5.3
2007	465,017	13,222	28,434	90,663	5.6
2008	463,250	13,422	28,974	88,186	8.2
2009	462,211	12,866	27,836	87,509	12.8
2010	462,685	12,783	27,627	86,283	13.9
2011	462,257	12,981	28,081	84,812	13.4
2012	465,576	13,129	28,199	83,691	12.2
2013	467,646	13,451	28,764	82,256	10.3
2014	469,428	13,752	29,296	81,155	8.6

Sources:

(1) California Department of Finance

(2) Bureau of Economic Analysis (BEA)
Personal income and per capita personal income with exception of 2005 are based on percentage change of per capita personal income for Los Angeles-Long Beach-Anaheim, CA (Metropolitan Statistic Area). The BEA's report does not have personal income and per capita personal income available for 2014, 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) Restated prior years due to the data's annual revision.

See accompanying independent auditors' report.

City of Long Beach
Principal Employers
Current Year and Nine Years Ago

		Fiscal Year 2014			Fiscal Year 2005	
Ranking	Employer	Number of Employees (1)	Percentage of Total City Employment (2)	Ranking	Number of Employees (1)	Percentage of Total City Employment (2)
1	Long Beach Unified School District	12,143	5.01%	2	9,050	3.93%
2	Long Beach Memorial Medical Center	5,146	2.12%	5	4,675	2.03%
3	City of Long Beach	5,074	2.09%	3	6,153	2.67%
4	The Boeing Company	4,203	1.73%	1	9,175	3.99%
5	California State University Long Beach (CSULB)	2,881	1.19%	6	4,050	1.76%
6	Veteran Affairs Medical Center	2,480	1.02%	7	2,345	1.02%
7	Long Beach City College	2,456	1.01%	8	1,810	0.79%
8	CSULB Research Foundation	1,420	0.59%		N/A	N/A
	St. Mary Medical Center	1,420	0.59%	9	1,765	0.77%
9	Molina Healthcare Inc	861	0.35%		N/A	N/A
10	United States Postal Service	708	0.29%	10	980	0.43%
	Pacific Maritime Association	N/A	N/A	4	5,120	2.22%

Sources:

(1) Department of Financial Management Accounting and Business License

(2) State of California Employment Development Department Labor Market Info for 2005 and 2014

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.

See accompanying independent auditors' report.

City of Long Beach
Full-Time Equivalent City Government Employees by Function
Last Nine Fiscal Years

Function	Fiscal Year 2006	2007	2008	2009	2010	2011	2012	2013	2014
Legislative and Legal	143	148	144	138	138	133	130	129	130
General Government	447	451	522	506	483	438	424	513	536
Public Safety	2,143	2,127	2,120	2,022	1,927	1,826	1,796	1,765	1,757
Public Health	399	405	390	337	322	311	262	263	249
Community and Cultural	1,100	1,194	1,219	1,107	1,131	1,094	1,038	889	908
Public Works	373	373	298	326	321	336	287	273	275
Gas	178	181	185	181	178	195	194	202	201
Water	217	229	212	208	219	216	225	223	217
Airport	90	98	88	61	60	57	96	88	88
Solid Waste Management	143	135	184	209	200	205	189	177	181
Towing	38	42	38	35	32	34	29	22	26
Tideland Oil Revenue	34	35	34	31	22	22	19	15	15
Harbor	337	345	378	409	433	445	466	469	491
Total	5,642	5,763	5,812	5,570	5,466	5,312	5,155	5,028	5,074

Source: City of Long Beach, Department of Financial Management as of September 30, 2014

See accompanying independent auditors' report.

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City of Long Beach
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
Public Safety:					
Police priority one calls response time in minutes	N/A	4.5	4.3	4.4	4.07
Violent crime rate - per 1,000 residents	N/A	6.99	6.82	6.53	6.51
Fire on-scene arrival for emergency calls within six minutes	N/A	73.6%	73.9%	71.6%	70.5%
Public Health:					
Percentage of beach days that are safe for swimming in summer	N/A	94%	93%	87%	80%
Homeless population ratio vs. total population (1)	N/A	0.91%	0.93%	0.80%	0.80%
Community and Cultural:					
Public library computer session log-ons	N/A	305,130	348,982	437,211	420,100
Parks, recreation programs - youth and teen attendance	N/A	647,705	646,035	726,812	652,953
Public Works:					
Number of trees trimmed	25,629	28,401	34,342	25,682	19,300
Curbs and alleys swept in miles	157,976	165,706	176,542	163,298	154,152
Sidewalk repaired in square feet	379,070	436,505	363,089	260,742	203,805
Storm drain catch basins cleaned	3,911	5,110	4,744	5,800	3,122
Gas:					
Gas consumption in sales dollars-total	$ 91,575,000	$ 100,336,000	$ 92,323,000	$ 101,834,000	$ 71,294,000
Gas consumption in cubic feet (In 000's)	11,792,301	10,659,740	10,924,000	10,122,000	9,137,000
Average daily gas consumption (MCF)	32,308	30,186	29,928	27,655	25,034
Gas mains installed/replaced/relocated in feet (2)	60,460	83,086	80,096	69,026	91,217
Gas meters installed/removed/replaced	5,482	6,880	7,352	7,416	7,290
Water:					
Water daily demand in thousand gallons	53,118	59,317	60,969	55,302	50,688
Water annual demand in thousand gallons	19,388,070	21,650,844	22,253,636	20,185,133	18,501,135
Available supply total in thousand gallons	22,960,765	23,607,579	24,253,546	22,346,927	20,523,106
Sewer:					
Sewer mains cleaned in miles	338	474	361	365	424
Sewer mains and laterals repaired in number of jobs	246	296	270	278	215
Airport:					
Number of commercial passengers enplaned	1,520,918	1,412,636	1,446,120	1,439,598	1,466,499
Number of commercial passengers deplaned	1,506,953	1,402,379	1,434,463	1,438,407	1,464,412
Number of aircraft landings and take offs	344,377	360,811	399,622	354,727	302,672
Solid Waste Management:					
Number of refuse tons collected	225,467	216,725	199,995	201,816	217,349
Number of recycling tons collected	N/A	31,413	178,773	195,291	197,104
SERRF tons of refuse received	463,956	495,794	502,558	485,207	488,999
SERRF energy sold to So Cal Edison megawatt-hours	206,640	236,384	241,839	229,664	226,866
Harbor:					
Number of container movements in twenty-foot equivalent units	6,644,080	7,166,771	7,361,881	6,736,756	5,282,385
Cargo in thousands of metric revenue tons	158,136	168,416	173,037	162,910	135,255
Number of ship calls	5,301	5,588	5,653	5,140	4,933

Source: City Departments

(1) The homeless population count is biannual.

See accompanying independent auditors' report.

Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Function
					Public Safety:
4.00	4.20	4.35	4.35	4.69	Police priority one calls response time in minutes
6.42	5.90	6.18	5.85	4.37	Violent crime rate - per 1,000 residents
67.7%	62.9%	60.8%	55.1%	50.0%	Fire on-scene arrival for emergency calls within six minutes
83%	85%	91%	94%	97%	Percentage of beach days that are safe for swimming in summer
0.79%	0.93%	0.93%	0.93%	0.75%	Homeless population ratio vs. total population (1)
					Community and Cultural:
385,514	330,375	331,028	N/A	N/A	Public library computer session log-ons
699,391	744,103	745,052	636,796	760,641	Parks, recreation programs - youth and teen attendance
21,618	19,986	28,021	24,668	23,500	Number of trees trimmed
142,000	151,743	156,537	150,804	156,302	Curbs and alleys swept in miles
348,394	179,641	481,497	382,536	551,597	Sidewalk repaired in square feet
163,618	3,550	3,800	3,004	5,771	Storm drain catch basins cleaned
					Gas:
$ 67,674,000	$ 78,663,000	$ 70,193,000	$ 68,229,000	$ 72,544,000	Gas consumption in sales dollars-total
8,902,000	9,388,000	9,135,000	9,092,000	8,183,000	Gas consumption in cubic feet (In 000's)
24,389	25,721	24,959	24,910	22,421	Average daily gas consumption (MCF)
61,855	66,567	84,594	108,646	110,900	Gas mains installed/replaced/relocated in feet
8,713	7,150	8,664	6,093	3,529	Gas meters installed/removed/replaced
					Water:
50,653	50,910	52,260	53,079	52,389	Water daily demand in thousand gallons
18,488,492	18,581,979	19,074,861	19,373,993	19,122,012	Water annual demand in thousand gallons
20,687,237	20,604,243	21,330,532	21,538,947	21,019,736	Available supply total in thousand gallons
					Sewer:
547	470	414	535	498	Sewer mains cleaned in miles
182	259	261	241	213	Sewer mains and laterals repaired in number of jobs
					Airport:
1,460,041	1,532,442	1,643,383	1,497,503	1,433,273	Number of commercial passengers enplaned
1,461,890	1,549,164	1,634,345	1,492,430	1,426,830	Number of commercial passengers deplaned
317,328	302,763	287,699	284,193	325,527	Number of aircraft landings and take offs
					Solid Waste Management:
209,289	194,462	187,505	187,146	182,452	Number of refuse tons collected
193,820	180,160	172,143	169,264	169,420	Number of recycling tons collected
485,207	460,906	474,689	470,510	459,160	SERRF tons of refuse received
229,664	208,663	220,867	226,592	223,658	SERRF energy sold to So Cal Edison megawatt-hours
					Harbor:
5,936,066	6,298,840	5,857,218	6,647,975	6,817,590	Number of container movements in twenty-foot equivalent units
147,357	154,417	145,144	162,257	165,526	Cargo in thousands of metric revenue tons
4,826	4,758	3,993	3,425	2,752	Number of ship calls

See accompanying independent auditors' report.

City of Long Beach
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
Public Safety:					
Number of police stations	1	1	1	1	1
Number of police substations (full facility)	2	2	3	3	3
Number of police storefront stations	4	4	4	4	3
Number of fire stations	23	23	23	23	23
Community and Cultural:					
Number of parks	108	115	116	150	155
Parks and golf courses in acres	2,817	2,855	2,873	3,061	3,063
Number of libraries	12	12	12	12	12
Number of library holdings (books, videos, tapes)	998,330	984,727	972,499	977,197	916,504
Number of library circulations	1,467,069	1,396,443	1,458,862	1,695,540	1,562,913
Public Works:					
Street in miles	815	815	815	815	815
Storm drain lines in miles	180	180	180	181	181
Number of street lights (1)	31,582	31,582	31,582	31,000	31,000
Gas:					
Gas mains in miles (2)	922	922	921	920	931
Water:					
Water mains in miles	907	907	905	904	908
Number of fire hydrants	6,501	6,505	6,489	6,507	6,525
Number of water services	94,860	N/A	N/A	95,432	95,424
Sewer:					
Sanitary sewers in miles	712	712	711	711	712
Number of manholes	16,041	16,044	16,055	16,078	16,129
Sanitary sewer pump stations	28	28	28	28	28
Storm drain pump stations	23	23	23	23	23
Harbor:					
Sanitary sewer pump stations	N/A	N/A	N/A	N/A	32
Storm drain pump stations	N/A	N/A	N/A	N/A	20
Solid Waste Management:					
Number of waste-to-energy facilities	N/A	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 (2009-2013), due to updated reports from Gas Department.

Source: City Departments

See accompanying independent auditors' report.

Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Function
					Public Safety:
1	1	1	1	1	Number of police stations
3	3	3	3	3	Number of police substations (full facility)
3	3	-	-	-	Number of police storefront stations
23	23	23	23	23	Number of fire stations
					Community and Cultural:
159	160	162	161	162	Number of parks
3,120	3,120	3,124	3,121	3,123	Parks and golf courses in acres
12	12	12	12	12	Number of libraries
889,669	888,975	818,390	782,571	798,809	Number of library holdings (books, videos, tapes)
1,644,125	1,561,713	1,551,997	1,391,825	1,391,617	Number of library circulations
					Public Works:
815	823	823	823	823	Street in miles
180	180	180	180	180	Storm drain lines in miles
31,000	31,000	31,000	31,550	31,550	Number of street lights (1)
					Gas:
930	929	929	930	928	Gas mains in miles (2)
					Water:
909	911	911	912	912	Water mains in miles
6,529	6,603	6,594	6,589	6,604	Number of fire hydrants
95,398	95,629	95,643	95,607	95,999	Number of water services
					Sewer:
712	712	712	714	714	Sanitary sewers in miles
16,135	16,147	16,148	16,158	16,170	Number of manholes
28	28	28	28	28	Sanitary sewer pump stations
23	23	23	23	23	Storm drain pump stations
					Harbor:
34	36	34	37	37	Sanitary sewer pump stations
20	20	23	21	23	Storm drain pump stations
					Solid Waste Management:
1	1	1	1	1	Number of waste-to-energy facilities

See accompanying independent auditors' report.

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APPENDIX D

SUMMARY OF TRUST AGREEMENT

The following summary discussion of selected provisions of the Trust Agreement is made subject to all of the provisions of the Trust Agreement. This summary discussion does not purport to be a complete statement of said provisions and prospective purchasers of the Series 2015 Bonds are referred to the complete text of the Trust Agreement, a copy of which is available upon request sent to the Trustee.

DEFINITIONS

"Act" shall mean Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended and supplemented from time to time.

"Agency" shall mean the Successor Agency to the Redevelopment Agency of the City of Long Beach, as successor to the Former RDA in accordance with the Dissolution Act, and its successors.

"Agency Indenture" shall mean, as the context requires, each or all of the indentures and/or supplements executed and delivered by a successor agency participating the Refunding Program with respect to the Bonds issued under the Trust Agreement, as defined in Appendix A.

"Agency Trustee" shall mean, as the context requires, the trustee under the Agency Indenture.

"Authority" shall mean the County of Los Angeles Redevelopment Refunding Authority duly organized and existing under and pursuant to the laws of the State of California and a Joint Exercise of Powers Agreement, dated August 6, 2013, between the Los Angeles County Public Works Financing Authority and the County.

"Authorized Denominations" shall mean five thousand dollars ($5,000) and any integral multiple thereof, but not exceeding the principal amount of Bonds maturing on any one date.

"Authorized Officer" shall mean the Chairman, Treasurer, Secretary or any other Person authorized by the Authority in a Written Order to perform an act or sign a document on behalf of the Authority for purposes of the Trust Agreement.

"Bond" or **"Bonds"** shall mean any bond or all of the bonds, as the case may be, authorized and issued by the Authority and authenticated by the Trustee and delivered under the Trust Agreement, including the Series 2015A Bonds and the Series 2015B Bonds.

"Bond Counsel" shall mean Orrick, Herrington & Sutcliffe LLP or such other counsel of recognized national standing in the field of law relating to municipal bonds.

"Bond Register" shall mean the registration books specified as such in the Trust Agreement.

"Business Day" shall mean any day other than (i) a Saturday or Sunday or (ii) a day on which commercial banks in New York, New York or the city in which the Principal Corporate Trust Office of the Trustee is located are closed.

"Cash Flow Certificate" shall mean a written certificate executed by an Independent Financial Consultant.

"Chairman" shall mean the Chairman of the Authority.

"City" shall mean, the City of Long Beach, California, and its successors.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

"Continuing Disclosure Agreement" shall mean, as the context requires, each or all of the following undertakings executed and delivered by a successor agency participating in the Refunding Program with respect to the Bonds issued under the Trust Agreement, including that Continuing Disclosure Agreement, dated as of July 1, 2015, between the Authority and the Successor Agency to the Redevelopment Agency of the City of Long Beach, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Cost of Issuance Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Costs of Issuance" shall mean all items of expense directly or indirectly payable by or reimbursable to an Agency, the Authority or the City and related to the authorization, issuance, sale and delivery of the Local Obligations and the Authority Bonds, including but not limited to publication and printing costs, costs of preparation and reproduction of documents, filing and recording fees, fees and charges of the Trustee and the Agency Trustee, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Local Obligations and the Authority Bonds as provided in a Costs of Issuance invoice transmitted by the Authority to the Agency at the time of the original issuance of the Bonds to be paid from proceeds of the Local Obligations in accordance with the Trust Agreement (or similarly purposed section, if different) of the Agency Indenture.

"Debt Service Account" shall mean the account within the Revenue Fund by that name established and maintained pursuant to the Trust Agreement.

"Dissolution Act" shall mean Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of the Law.

"Event of Default" shall mean any event of default specified as such in the Trust Agreement.

"Federal Securities" means (a) non-callable direct obligations of the United States of America ("United States Treasury Obligations"), and (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

"Fiscal Year" shall mean the fiscal year of the Authority, which at the date of the Trust Agreement is the period commencing on July 1 in each calendar year and ending on June 30 in the following calendar year.

"Funds" shall mean, collectively, the Revenue Fund, the Interest Fund, the Principal Fund, the Cost of Issuance Fund, the Redemption Fund and the Rebate Fund, including all accounts in the Trust Agreement.

"Independent Financial Consultant" shall mean a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the applicable Agency and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency; and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

"Interest Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Interest Payment Date" shall mean February 1 and August 1 in each year, commencing, with respect to the Bonds, on February 1, 2016.

"Local Obligations" shall mean, as the context requires, the following (in each case as such agreement or instrument may be amended from time to time):

(i) $74,375,000 original principal amount of Successor Agency to the Redevelopment Agency of the City of Long Beach, Tax Allocation Refunding Bonds, Series 2015A; and

(ii) $81,445,000 original principal amount of Successor Agency to the Redevelopment Agency of the City of Long Beach, Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable).

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Officer's Certificate" shall mean a certificate signed by an Authorized Officer.

"Opinion of Bond Counsel" shall mean a legal opinion signed by Bond Counsel.

"Outstanding" shall mean, with respect to the Bonds and as of any date, the aggregate of Bonds authorized, issued, authenticated and delivered under the Trust Agreement, except:

(a) Bonds cancelled or surrendered to the Trustee for cancellation pursuant to the provisions of the Trust Agreement as described under the caption "TERMS OF BONDS – Cancellation of Bonds;"

(b) Bonds deemed to have been paid as provided in the Trust Agreement; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the provisions of the Trust Agreement as described under the caption "DEFEASANCE – Bonds Deemed to Have Been Paid."

"Owner" shall mean, as of any date, the Person or Persons in whose name or names a particular Bond shall be registered on the Bond Register as of such date.

"Permitted Investments" shall mean any of the following to the extent then permitted by the general laws of the State of California applicable to investments by counties:

(1) (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank, trust company or bank holding company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively "United States Obligations"). These include, but are not necessarily limited to:

- U.S. Treasury obligations
  All direct or fully guaranteed obligations
- Farmers Home Administration
  Certificates of beneficial ownership
- General Services Administration
  Participation certificates
- U.S. Maritime Administration
  Guaranteed Title XI financing
- Small Business Administration
  Guaranteed participation certificates
- Guaranteed pool certificates
- Government National Mortgage Association (GNMA)
  GNMA-guaranteed mortgage-backed securities
  GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
  Local authority bonds

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank Board ("FHLB"); (b) the Federal Home Loan Mortgage Corporation ("FHLMC"); (c) the Federal National Mortgage Association (FNMA); (d) Federal Farm Credit Bank ("FFCB"); (e) Government National Mortgage Association ("GNMA"); (f) Student Loan Marketing Association ("SLMA"); and (g) guaranteed portions of Small Business Administration ("SBA") notes.

(3) Commercial paper having original maturities of not more than 270 days, payable in the United States of America and issued by corporations that are organized and operating in the United States with total assets in excess of $500 million and having "A" or better rating for the issuer's long-term debt as provided by S&P, or Fitch and "A-1", "F1" or better rating for the issuer's short-term debt as provided by S&P or Fitch, respectively.

(4) The Los Angeles County Treasury Pool.

(5) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as "bankers' acceptances," having original maturities of not more than 180 days. The institution must have a minimum short-term debt rating of "A-1" or "F1" by S&P or Fitch, respectively, and a long-term debt rating of no less than "A" by S&P or Fitch.

(6) Shares of beneficial interest issued by diversified management companies, known as money market funds, registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and whose fund has received the highest possible rating from S&P and at least one other Rating Agency.

(7) Certificates of deposit issued by a nationally- or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank, in each case which has, or which is a subsidiary of a parent company which has, obligations outstanding having a rating in the "A" category or better from S&P or Fitch.

(8) Pre-refunded municipal obligations rated "AAA" by S&P meeting the following requirements:

(a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(9) Repurchase agreements which have a maximum maturity of 30 days, or due on demand, and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (2) above.

(10) Investment agreements and guaranteed investment contracts with issuers having a long-term debt rating of at least "AA-" by S&P.

(11) Local Agency Investment Fund (established under Section 16429.1 of the California Government Code), provided that such investment is held in the name and to the credit of the Trustee, and provided further that the Trustee may restrict such investment if required to keep moneys available for the purposes of the Trust Agreement.

(12) Shares in a State of California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"Prepayment" shall mean any amounts received with respect to a Local Obligation earlier than the time scheduled for payment resulting from an optional redemption of such Local Obligation (or portion thereof).

"Prepayment Account" shall mean the account by that name within the Revenue Fund established and maintained pursuant to the Trust Agreement.

"Principal Corporate Trust Office" shall mean the corporate trust office of the Trustee in Los Angeles, California, except that with respect to presentation of Bonds for payment, transfer or exchange, such term shall mean the corporate trust office of the Trustee in St. Paul, Minnesota, or such other offices as it shall designate from time to time.

"Principal Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Principal Installment" shall mean, with respect to any Principal Payment Date, the principal amount of Outstanding Bonds (including mandatory sinking fund payments) due on such date, if any.

"Principal Payment Date" shall mean August 1 of each year commencing August 1, 2016, and ending August 1, 2040.

"Rebate Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Rebate Instructions" shall mean those calculations and directions required to be delivered to the Trustee by the Authority pursuant to the Tax Certificate relating to the Series 2015A Bonds.

"Rebate Requirement" shall mean the Rebate Requirement defined in the Tax Certificate relating to the Series 2015A Bonds.

"Record Date" shall mean the close of business on the fifteenth (15th) day of the month preceding the month in which any Interest Payment Date occurs, whether or not such day is a Business Day.

"Redemption Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Related Documents" shall mean the Trust Agreement, the Agency Indenture, the Bonds, Local Obligations and other transaction documents.

"Responsible Officer" shall mean any Vice-President, Assistant Vice-President, Trust Officer or other trust officer of the Trustee having regular responsibility for corporate trust matters.

"Revenue Fund" shall mean the Fund by that name established pursuant to the Trust Agreement.

"Revenues" shall mean all amounts received by the Trustee as the payment of interest or redemption premium on, or the equivalent thereof, and the payment or return of principal of, or the equivalent thereof, all Local Obligations, whether as a result of scheduled payments or Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any moneys held in the Funds or accounts established under the Trust Agreement, except the Rebate Fund relating to the Series 2015A Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"S&P" shall mean Standard & Poor's Financial Services LLC and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally-recognized rating agency selected by the Authority.

"Secretary" shall mean the Secretary of the Authority.

"Securities Depository" shall mean, initially, The Depository Trust Company, New York, N.Y., or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as designated by the Trustee.

"Series 2015A Bonds" shall mean the County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds, Series 2015A (Tax-Exempt), issued pursuant to the Trust Agreement.

"Series 2015B Bonds" shall mean the County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds, Series 2015B (Federally Taxable), issued pursuant to the Trust Agreement.

"Special Record Date" shall mean the date established by the Trustee pursuant to the Trust Agreement as a record date for the payment of defaulted interest on the Bonds.

"State" shall mean the State of California.

"Substitute Depository" shall mean the substitute depository as defined in the Trust Agreement.

"Supplemental Trust Agreement" shall mean any trust agreement supplemental to or amendatory of the Trust Agreement which is duly executed and delivered in accordance with the provisions of the Trust Agreement.

"Tax Certificate" shall mean each certificate, relating to various federal tax requirements of the Series 2015A Bonds, including the requirements of Section 148 of the Code, signed by the Authority and the Agency on the date the Series 2015A Bonds are issued, as the same may be amended or supplemented in accordance with its terms.

"Tax-Exempt" shall mean, with respect to interest on any obligations of a state or local government, including interest on the Series 2015A Bonds, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

"Treasurer" shall mean the Treasurer of the Authority.

"Trust Agreement" shall mean the Trust Agreement, dated as of July 1, 2015, between the Authority and the Trustee, pursuant to which the Bonds are to be issued, as amended or supplemented from time to time in accordance with its terms.

"Trustee" shall mean U.S. Bank National Association, a national banking association, in its capacity as trustee under the Trust Agreement and any other successor as trustee under the Trust Agreement.

"Trust Estate" shall have the meaning ascribed thereto in the granting clause of the Trust Agreement.

"Verification Report" shall mean a report of an independent firm of nationally recognized certified public accountants, addressed to the Authority and the Trustee , verifying the sufficiency of the escrow established to pay Bonds in full at maturity or on a redemption date.

"Written Request" or **"Written Order"** shall mean a written direction of the Authority to the Trustee signed by an Authorized Officer.

THE BONDS

Authorization of Bonds. Registered ownership of the Bonds, or any portion thereof, may not thereafter be except as set forth in the Trust Agreement. Notwithstanding any other provision contained in the Trust Agreement, any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, shall forthwith cease to be payable to the Owner on the Record Date and shall be paid to the Owner in whose name the Bond is authenticated at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such Special Record Date.

Bonds Mutilated, Destroyed, Stolen or Lost. In the event any Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request in writing, the Trustee shall authenticate and deliver a new Bond of the same principal amount and maturity as the mutilated, lost, stolen or destroyed Bond in exchange and substitution for such mutilated Bond, or in lieu of and substitution for such lost, stolen or destroyed Bond.

Application for exchange and substitution of mutilated, lost, stolen or destroyed Bonds shall be made to the Trustee at the Principal Corporate Trust Office. In every case the applicant for a substitute Bond shall furnish to the Authority and the Trustee security or indemnification to their satisfaction. In every case of loss, theft or destruction of a Bond, the applicant shall also furnish to the Authority and the Trustee evidence to their satisfaction of the loss, theft or destruction and of the identity of the applicant, and in every case of mutilation of a Bond, the applicant shall surrender the Bond so mutilated.

Notwithstanding the foregoing provisions of the Trust Agreement as described under this heading ("−Bonds Mutilated, Destroyed, Stolen or Lost"), in the event any such Bond shall have matured, and no

default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bonds, the Trustee may pay the same (without surrender thereof except in the case of a mutilated Bond) instead of issuing a substitute Bond so long as security or indemnification is furnished as above provided.

Upon the issuance of any substitute Bond, the Authority and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses in connection therewith. Every substitute Bond issued pursuant to the provisions of the Trust Agreement as described under this heading ("−Bonds Mutilated, Destroyed, Stolen or Lost"), by virtue of the fact that any Bond is lost, stolen or destroyed shall constitute an original additional contractual obligation of the Authority, whether or not the lost, stolen or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of the Trust Agreement equally and proportionally with any and all other Bonds duly issued under the Trust Agreement to the same extent as the Bonds in substitution for which such Bonds were issued.

Transfer and Registration of Bonds. The Bonds may be transferred or exchanged and title thereto shall pass only in the manner provided in the provisions for registration set forth in the form of the Bond contained in the Trust Agreement as described under the heading "TERMS OF BONDS" and the Trustee shall keep books constituting the Bond Register for the registration and transfer of the Bonds as provided in the Trust Agreement. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner or by his attorney duly authorized in writing and all such Bonds shall be surrendered to the Trustee and cancelled by the Trustee pursuant to the Trust Agreement. The Authority and the Trustee may deem and treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving any payment on such Bond and for all other purposes of the Trust Agreement, whether such Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. Payment of, or on account of, the principal of and redemption premium, if any, on and interest on any Bond shall be made to such Owner or, if such Owner owns $1,000,000 or more in aggregate principal amount of the Bonds upon such Owner's written order. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Regulations with Respect to Exchanges or Transfers of Bonds. (a) In all cases in which the privilege of exchanging or registering the transfer of Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Trust Agreement. There shall be no charge to the Owner for any such exchange or registration of transfer of Bonds, but the Authority may require the payment of a sum sufficient to pay any tax or other governmental charge required to be paid with respect to any such exchange or registration of transfer. Neither the Authority nor the Trustee shall be required to register the transfer of or exchange of any Bond on or after the fifteenth (15th) Business Day immediately preceding the date on which the notice of redemption is scheduled to be mailed and ending on the date scheduled for redemption or any Bond selected for redemption.

(b) Upon surrender for exchange or transfer of any Bond at the Principal Corporate Trust Office of the Trustee, the Authority shall execute (which may be by facsimile) and the Trustee shall authenticate and deliver in the name of the Owner (in the case of transfers) a new Bond or Bonds of Authorized Denominations, in the aggregate principal amount which the registered Owner is entitled to receive.

(c) New Bonds delivered upon any transfer or exchange shall be valid obligations of the Authority, evidencing the same debt as the Bonds surrendered, shall be secured by the Trust Agreement

and shall be entitled to all of the security and benefits under the Trust Agreement to the same extent as the Bonds surrendered.

Cancellation of Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bond, such Bond surrendered for transfer or exchange, such Bonds purchased, redeemed or paid at maturity, the same shall forthwith be cancelled and the Trustee shall destroy such Bonds and upon written request of the Authority deliver a certificate of destruction with respect thereto to the Authority.

Bonds as Special Obligations. The Bonds shall be special obligations of the Authority, payable and secured as to the payment of the principal thereof and the redemption premium, if any, and the interest thereon in accordance with their terms and the terms of the Trust Agreement, solely from the Trust Estate. The Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of or redemption premium, if any, or interest on the Bonds except from the Trust Estate. Neither the State nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of or redemption premium, if any, or interest on the Bonds, and neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of or redemption premium, if any, or interest on the Bonds. The payment of the principal of or redemption premium, if any, or interest on the Bonds does not constitute a debt, liability or obligation of the State or any public agency (other than the Authority) or any member of the Authority.

No agreement or covenant contained in any Bond or the Trust Agreement shall be deemed to be an agreement or covenant of any officer, member, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer or employee thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of such Bonds.

REVENUES AND FUNDS

Establishment of Funds. There is established with the Trustee and the Trustee will agree to maintain the following special trust funds for the Bonds, which the Trustee shall keep separate and apart from all other funds and moneys held by it: the Revenue Fund (and the Debt Service Account and the Prepayment Account therein), the Interest Fund, the Principal Fund, the Cost of Issuance Fund, the Redemption Fund and the Rebate Fund.

Revenue Fund. (a) All Revenues, other than Revenues described in paragraph (b) below, received by the Trustee shall be deposited by the Trustee into the Debt Service Account within the Revenue Fund, which account is created by the Trust Agreement. The Trustee shall transfer Revenues from the Debt Service Account, in the amounts and at the times specified in the Trust Agreement for deposit into the following respective funds in the following order of priority, the requirements of each fund to be fully satisfied, leaving no deficiencies therein, prior to any deposit into any fund later in priority:

(i) Interest Fund; and

(ii) Principal Fund.

(b) All Revenues derived from Prepayments, or the acceleration of amounts due on Local Obligations upon an event of default thereunder, received by the Trustee shall be deposited in the Prepayment Account within the Revenue Fund, which account is created by the Trust Agreement. Amounts in the Prepayment Account shall be transferred as soon as practicable (and in any event prior to

the next succeeding Interest Payment Date which is at least forty-five (45) days following receipt of such Prepayment) to the Redemption Fund to be used to redeem Bonds pursuant to the redemption provisions of the Trust Agreement, subject to the terms of the purchase in lieu of redemption provisions of the Trust Agreement.

Interest Fund. The Trustee shall deposit in the Interest Fund not later than each Interest Payment Date from the Debt Service Account an amount of Revenues which together with any amounts then on deposit in said Fund is equal to the interest on the Bonds due on such date. On each Interest Payment Date, the Trustee shall pay the interest due and payable on the Bonds on such date from the Interest Fund. All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying interest on Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to the Trust Agreement).

Principal Fund. The Trustee shall deposit in the Principal Fund not later than each Principal Payment Date from the Debt Service Account an amount of Revenues which together with any amounts then on deposit in said Fund is equal to the principal on the Bonds due on such date. On each Principal Payment Date, the Trustee shall pay the principal due and payable on the Bonds on such date from the Principal Fund. All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying principal on Bonds as it shall become due and payable.

Cost of Issuance Fund. Moneys deposited in the Costs of Issuance Fund shall be held by the Trustee in trust and applied to the payment of Costs of Issuance upon a Requisition of the Authority filed with the Trustee. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. In no event shall moneys from any other fund or account established under the Trust Agreement be used to pay Costs of Issuance. All payments from the Costs of Issuance Fund shall be reflected on the Trustee's regular accounting statements. At the end of twelve months from the date of issuance of the Bonds, or upon earlier receipt of a Written Order of the Authority stating that amounts in such fund are no longer required for the payment of Costs of Issuance, such fund shall be terminated and any amounts then remaining in such fund shall be transferred to the Agency Trustee for deposit in the Tax Increment Fund (or similarly purposed fund if named differently) in proportion to the original amount deposited in the Cost of Issuance Fund by the Agency Trustee. The Trustee shall then close the Costs of Issuance Fund.

Redemption Fund. (a) All moneys held in or transferred to the Redemption Fund pursuant to the provisions of the Trust Agreement as described under paragraph (b) under the heading "REVENUES AND FUNDS – Revenue Fund," shall be used for the purpose of redeeming or purchasing all or a portion of the Outstanding Bonds pursuant to the Trust Agreement.

(b) The Trustee shall use amounts in the Redemption Fund solely for the payment of the redemption price of Bonds called for redemption pursuant to the Trust Agreement or the purchase price of Bonds purchased pursuant to the Trust Agreement (accrued interest to the redemption or purchase date on such Bonds shall be paid from the Interest Fund).

Rebate Fund. The Trustee shall deposit in the Rebate Fund the Rebate Requirement all in accordance with Rebate Instructions received from the Authority. The Trustee will apply moneys held in the Rebate Fund as provided in the Trust Agreement as described under the heading "COVENANTS OF THE AUTHORITY – Tax Covenants" and according to instructions provided by the Authority. Subject to the provisions of the Trust Agreement as described under the heading "COVENANTS OF THE AUTHORITY – Tax Covenants," moneys held in the Rebate Fund are pledged by the Trust Agreement to secure payments to the United States of America. The Authority and the Owners will have no rights in or claim to such moneys. The Trustee will invest all amounts held in the Rebate Fund in Permitted

Investments as directed in writing by the Authority and all investment earnings with respect thereto shall be deposited in the Rebate Fund.

Upon receipt of the Rebate Instructions required by the Tax Certificate to be delivered to the Trustee, the Trustee will remit part or all of the balance held in the Rebate Fund to the United States of America as so directed. In addition, if the Rebate Instructions so direct, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as the Rebate Instructions shall direct. The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority including supplying all necessary information in the manner provided in the Tax Certificate to the extent such information is reasonably available to the Trustee, and shall have no liability or responsibility to monitor or enforce compliance by the Authority with the terms of the Tax Certificate.

The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to the provisions of the Trust Agreement as described under the heading "REVENUES AND FUNDS – Rebate Fund," other than from moneys held in the Rebate Fund or from other moneys provided to it by the Authority. The Trustee shall not be responsible for computing the Rebate Requirement. Computations of the Rebate Requirement shall be furnished to the Trustee or on behalf of the Authority in accordance with the Tax Certificate.

Notwithstanding any other provision of the Trust Agreement, including in particular the provisions of the Trust Agreement as described under the heading "DEFEASANCE," the obligation to remit the rebate amounts to the United States and to comply with all other requirements of the provisions of the Trust Agreement as described under the heading "REVENUES AND FUNDS – Rebate Fund," and the Tax Certificate shall survive the defeasance or payment in full of the Tax-Exempt Bonds.

SECURITY FOR AND INVESTMENT OF MONEYS

Security. All moneys required to be deposited with or paid to the Trustee in any of the Funds (other than the Rebate Fund) referred to in any provision of the Trust Agreement shall be held by the Trustee in trust, and except for moneys held for the payment or redemption of Bonds or the payment of interest on Bonds pursuant to the provisions of the Trust Agreement as described under the heading "DEFEASANCE," shall, while held by the Trustee, constitute part of the Trust Estate and shall be subject to the lien and pledge created by the Trust Agreement.

Investment of Funds. So long as the Bonds are Outstanding and there is no default under the Trust Agreement, moneys on deposit to the credit of the Revenue Fund, the Interest Fund, the Principal Fund, and the Cost of Issuance Fund and all accounts within such funds shall, at the request of an Authorized Officer, which may be telephonic if confirmed in writing within two (2) Business Days, specifying and directing that such investment of such funds be made, be invested by the Trustee in Permitted Investments, and moneys held in the Rebate Fund or the Redemption Fund shall, at the request of an Authorized Officer, which may be telephonic if confirmed in writing within two (2) Business Days, specifying and directing that such investment of such funds be made, be invested by the Trustee in Federal Securities, and the Trustee shall be entitled to rely on such instructions for purposes of the Trust Agreement as described under this heading ("–Investment of Funds"). If no such instructions are provided, the Trustee shall invest such funds in Permitted Investments described in clause (6) of the definitions thereof, and the Trustee shall thereupon immediately request investment instructions from the Authority. The Trustee shall not be responsible for any losses or consequences of any investment if it follows such instructions in good faith. The Trustee and its affiliates may act as principal, agent, sponsor or otherwise with respect to any Permitted Investment.

The securities purchased with the moneys in each such Fund shall be deemed a part of such Fund. If at any time it shall become necessary or appropriate that some or all of the securities purchased with the moneys in any such Fund be redeemed or sold in order to raise moneys necessary to comply with the provisions of the Trust Agreement, the Trustee shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same. The Trustee shall not be liable or responsible for any consequences resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as authorized pursuant to the provisions of the Trust Agreement as described under this heading ("–Investment of Funds").

Investments in the Revenue Fund, the Interest Fund, the Principal Fund, the Redemption Fund, and the Cost of Issuance Fund may be commingled at the written direction of the Authority for purposes of making, holding and disposing of investments, notwithstanding provisions the Trust Agreement for transfer to or holding in particular Funds amounts received or held by the Trustee; provided, that the Trustee shall at all times account for such investments strictly in accordance with the Funds to which they are credited and otherwise as provided in the Trust Agreement.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee under the Trust Agreement.

COVENANTS OF THE AUTHORITY

Payment of Bonds; No Encumbrances. The Authority shall cause the Trustee to promptly pay, from Revenues and other funds derived from the Trust Estate pledged under the Trust Agreement, the principal of and redemption premium, if any, and the interest on every Bond issued under and secured by the Trust Agreement at the place, on the dates and in the manner specified in the Trust Agreement and in such Bonds according to the true intent and meaning thereof. The Authority shall not issue any bonds, notes or other evidences of indebtedness or incur any obligations payable from or secured by the Trust Estate, other than the Bonds.

Enforcement and Amendment of Local Obligations. The Authority shall enforce all of its rights with respect to the Local Obligations to the fullest extent necessary to preserve the rights and protect the security of the Owners under the Trust Agreement. The Authority covenants to take such actions as may be reasonable and necessary to compel the County Auditor-Controller to comply with the irrevocable direction of the Agency to transfer to an account of the Agency, held by the Agency Trustee under the Agency Indenture, all amounts set forth in any duly approved Recognized Obligation Payment Schedule ("ROPS") with respect to principal and interest payments due on the related Local Obligations and any senior and/or parity obligations, and any deficiency in the related reserve accounts for such related Local Obligations and parity obligations related thereto.

The Authority and the Trustee may, without the consent of or notice to the Owners, consent to any amendment, change or modification of any Local Obligation that may be required (a) to conform to the provisions of the Trust Agreement (including any modifications or changes contained in any Supplemental Trust Agreement), (b) for the purpose of curing any ambiguity or inconsistency or formal defect or omission, (c) so as to add additional rights acquired in accordance with the provisions of such Local Obligation, (d) in connection with any other change therein which is not to the material prejudice of the Trustee or the owners of the Bonds pursuant to an Opinion of Bond Counsel, or (e) in the Opinion of Bond Counsel, to preserve or assure the exemption of interest on the Tax-Exempt Bonds from federal income taxes or the exemption from California personal income tax.

Except for amendments, changes or modifications provided for in the preceding paragraph, neither the Authority nor the Trustee shall consent to any amendment, change or modification of any Local Obligation without the mailing of notice and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and procured as in the Trust Agreement as described under this heading ("– Enforcement and Amendment of Local Obligations"). If at any time the Authority or any Agency, as the case may be, shall request the consent of the Trustee to any such proposed amendment, change or modification of a Local Obligation, the Trustee shall, upon being satisfactorily indemnified with respect to reasonable expenses, cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided by the Trust Agreement as described under the heading "MISCELLANEOUS − Notice." Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file with the Trustee for inspection by all Owners. Nothing contained in the Trust Agreement as described under this heading ("− Enforcement and Amendment of Local Obligations") shall be construed to prevent the Trustee, with the consent of the Authority, from settling a default under any Local Obligation on such terms as the Trustee may determine to be in the best interests of the Owners.

Further Documents. The Authority covenants that it will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose of the Trust Agreement; provided, that no such instruments or actions shall pledge the faith and credit or the taxing power of the Authority, any member of the Authority, the Agency, the City, the County of Los Angeles, the State of California, or any political subdivision thereof.

Tax Covenants.

(a) The Authority will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds under Section 103 of the Code. The Authority will not directly or indirectly use or permit the use of any proceeds of the Tax-Exempt Bonds or any other funds of the Authority or take or omit to take any action that would cause the Tax-Exempt Bonds to be "private activity bonds" within the meaning of Section 141(a) of the Code or obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Code. The Authority will not allow ten percent (10%) or more of the proceeds of the Tax-Exempt Bonds to be used in the trade or business of any nongovernmental units and will not lend five percent (5%) or more of the proceeds of the Tax-Exempt Bonds to any nongovernmental units.

(b) The Authority will not directly or indirectly use or permit the use of any proceeds of the Tax-Exempt Bonds or any other funds of the Authority to take or omit to take any action that would cause the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the Authority will comply with all requirements of Section 148 of the Code to the extent applicable to the Tax-Exempt Bonds. In the event that at any time the Authority is of the opinion that for purposes of the provisions of the Trust Agreement as described under this heading ("− Tax Covenants") it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under the Trust Agreement, the Authority will so instruct the Trustee in writing, and the Trustee will take such actions as directed by such instructions.

(c) The Authority will pay or cause to be paid the Rebate Requirement as provided in the Tax Certificate. The provisions of the Trust Agreement as described under this heading ("− Tax Covenants") shall survive payment in full or defeasance of the Tax-Exempt Bonds. The Authority will cause the Rebate Requirement to be deposited in the Rebate Fund as provided in the Series 2015A Tax Certificate (which is incorporated in the Trust Agreement by reference).

The Trustee will conclusively be deemed to have complied with the provisions of the Trust Agreement as described under this heading ("− Tax Covenants") including the provisions of the Tax Certificate if it follows the directions of the Authority set forth in the Tax Certificate and the Rebate Instructions and shall not be required to take any actions under the Trust Agreement in the absence of Rebate Instructions from the Authority.

(d) Notwithstanding any provision of the Trust Agreement as described under this heading ("− Tax Covenants"), if the Authority shall provide to the Trustee an Opinion of Bond Counsel that any specified action required under the provisions of the Trust Agreement as described under this heading ("− Tax Covenants") is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest with respect to the Tax-Exempt Bonds, the Trustee and the Authority may conclusively rely on such Opinion in complying with the requirements of the Trust Agreement as described under this heading ("− Tax Covenants"), and the covenants under the Trust Agreement shall be deemed to be modified to that extent.

(e) The provisions of the Trust Agreement as described under the heading "− Tax Covenants" shall survive the defeasance of the Tax-Exempt Bonds.

Maintenance of Existence. The Authority shall maintain its existence, powers and authority as a joint powers authority under California law.

Continuing Disclosure. So long as any of the Bonds are Outstanding, the Authority covenants and will agree that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement for which it has assumed responsibility as Dissemination Agent. Notwithstanding any other provision of the Trust Agreement, failure of the Authority or the Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, the Trustee (at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Owners or Beneficial Owners of at least 25% aggregate principal amount of Bonds Outstanding) shall take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Agency to comply with its obligations under this paragraph and the Continuing Disclosure Agreement. For purposes of this paragraph, "Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Notifications Required by the Act. The Trustee shall notify the Authority in writing if the Trustee fails to pay principal or interest due on any scheduled payment date for the Bonds and shall notify the Authority in writing of any withdrawal of funds from any reserve fund to pay principal and interest on a Local Obligation, as applicable, and, in accordance with Section 6599.1(c) of the Act, the Authority shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal, as applicable, within 10 days of the failure or withdrawal, as applicable.

DEFAULTS AND REMEDIES

Events of Default. The following shall constitute "Events of Default" under the Trust Agreement:

(a) if payment of interest on the Bonds shall not be made when due; or

(b) if payment of any Principal Installment shall not be made when due and payable, whether at maturity, by proceedings for redemption, by acceleration or otherwise; or

(c) if the Authority shall fail to observe or perform in any material way any agreement, condition, covenant or term contained in the Trust Agreement on its part to be performed, and such failure shall continue for thirty (30) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Authority by the Trustee or by the Owner(s) of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, provided, that if such default (other than a default arising from nonpayment of the Trustee's fees and expenses) be such that it cannot be corrected within such thirty (30) day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within such thirty (30) day period and the Authority shall thereafter diligently and in good faith cure such failure in a reasonable period of time; or

(d) the Authority or any Agency shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Action on Default. Upon the happening and continuance of any Event of Default, the Trustee in its discretion may, or at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding shall, upon notice in writing to the Authority, take whatever action at law or in equity as may appear necessary or desirable to protect and enforce any of the rights vested in the Trustee or the Owners by the Trust Agreement or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in the Trust Agreement.

Other Remedies of the Trustee. During the continuance of an Event of Default, the Trustee shall have the right to do the following:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, including the right to receive and collect the Revenues;

(b) bring suit upon or otherwise enforce any defaulting Local Obligation;

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners;

(d) as a matter of right, have a receiver or receivers appointed for the Trust Estate and of the earnings, income, issues, products, profits and revenues thereof pending such proceedings, with such powers as the court making such appointment shall confer; and

(e) take such action with respect to any and all Local Obligations or Permitted Investments as the Trustee shall deem necessary and appropriate, subject to the Trust Agreement and to the terms of such Local Obligations or Permitted Investments.

Effect of Discontinuance or Abandonment. In case any proceeding taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Trustee and the Owners shall be restored to their former positions and rights under the Trust Agreement, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Rights of Owners. Anything in the Trust Agreement to the contrary notwithstanding, subject to the limitations and restrictions as to the rights of the Owners in the Trust Agreement, upon the happening and continuance of any Event of Default, the Owners of not less than twenty-five percent (25%) in

aggregate principal amount of the Bonds then Outstanding shall have the right, upon providing the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Trust Agreement.

The Trustee may refuse to follow any direction that conflicts with applicable laws, the Trust Agreement or that the Trustee reasonably determines is prejudicial to rights of other Owners or would subject the Trustee to personal liability without adequate indemnification therefor.

Restriction on Owner's Action. In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in the Trust Agreement under the heading "DEFAULTS AND REMEDIES," no Owner of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust under the Trust Agreement, or any other remedy under the Trust Agreement or on the Bonds, unless such Owner previously shall have given to the Trustee written notice of an Event of Default as provided in the Trust Agreement and unless the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee to institute any such suit, action, proceeding or other remedy, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Trust Agreement, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are by the Trust Agreement declared in every such case to be conditions precedent to the execution of the trusts of the Trust Agreement or for any other remedy under the Trust Agreement, it being understood and intended that no one or more Owners of the Bonds secured by the Trust Agreement shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Trust Agreement, or to enforce any rights under the Trust Agreement or under the Bonds, except in the manner provided in the Trust Agreement, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Trust Agreement, and for the equal benefit of all Owners of Outstanding Bonds; subject, however, to the provisions of this paragraph. Notwithstanding the foregoing provisions of this paragraph, the obligation of the Authority shall be absolute and unconditional to pay, but solely from the Trust Estate, the principal of and the redemption premium, if any, and the interest on the Bonds to the respective Owners thereof at the respective due dates thereof, and nothing in the Trust Agreement shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

Power of Trustee to Enforce. All rights of action under the Trust Agreement or under any of the Bonds secured by the Trust Agreement which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceedings instituted by the Trustee shall be brought in its own name, as Trustee, for the equal and ratable benefit of the Owners subject to the provisions of the Trust Agreement.

Remedies Not Exclusive. No remedy in the Trust Agreement conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Trust Agreement or existing at law or in equity or by statute.

Waiver of Events of Default; Effect of Waiver. Upon the written request of the Owners of at least a majority in aggregate principal amount of all Outstanding Bonds the Trustee shall waive any Event of Default under the Trust Agreement and its consequences. The Trustee may waive any Event of Default under the Trust Agreement and its consequences at any time. If any Event of Default shall have been waived as provided in the Trust Agreement, the Trustee shall promptly give written notice of such waiver to the Authority and shall give notice thereof by first class mail, postage prepaid, to all Owners of Outstanding Bonds if such Owners had previously been given notices of such Event of Default; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default, or impair any right or remedy consequent thereon.

No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein; and every power and remedy given by the provisions of the Trust Agreement as described under the heading "DEFAULTS AND REMEDIES" to the Trustee and to the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Application of Moneys. Any moneys received by the Trustee pursuant to the provisions of the Trust Agreement as described under the heading "DEFAULTS AND REMEDIES" shall, after payment of all fees and expenses of the Trustee, and the reasonable fees and expenses of its outside counsel, if any, incurred in connection with the performance of the Trustee's duties under the Trust Agreement, be applied as follows:

(a) to the payment of the Owners entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

(b) to the payment of the Owners entitled thereto of the unpaid principal of and redemption premium, if any, and any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of the Trust Agreement) in the order of their due dates, and if the amount available shall not be sufficient to pay in full the principal of and redemption premium, if any, on such Bonds due on any particular date, then to the payment ratably, according to the amount due on such date, to the Persons entitled thereto without any discrimination or privilege; and

(c) to be held for the payment to the Owners entitled thereto as the same shall become due of the principal of and redemption premium, if any, on and interest on the Bonds which may thereafter become due, either at maturity or upon call for redemption prior to maturity, and if the amount available shall not be sufficient to pay in full such principal and redemption premium, if any, due on any particular date, together with interest then due and owing thereon, payment shall be made in accordance with paragraphs (a) and (b) above.

Whenever moneys are to be applied pursuant to the provisions of the Trust Agreement as described under this heading ("− Application of Moneys"), such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The Trustee shall give prompt notice to the Owner of the deposit with it of any such moneys.

THE TRUSTEE

Duties, Immunities and Liability of Trustee.

(a) In accordance with the Trust Agreement, the Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in the Trust Agreement, and no implied duties or obligations shall be read into the Trust Agreement against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise the rights and powers vested in it by the Trust Agreement, and use the same degree of care and skill in their exercise as a reasonable individual would exercise or use under the circumstances in the conduct of his own affairs.

(b) In accordance with the Trust Agreement, the Authority may, in the absence of an Event of Default, and upon receipt of an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) following an Event of Default (irrespective of cause), or if at any time the Trustee shall cease to be eligible in accordance with paragraph (e) below, or shall become incapable of acting, or shall commence a case under any bankruptcy, insolvency or similar law, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation, shall, remove the Trustee by giving written notice of such removal to the Trustee, and thereupon the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may, subject to paragraph (d) below, resign by giving written notice of such resignation to the Authority and by giving notice of such resignation by mail, first class postage prepaid, to the Owners at the addresses listed in the Bond Register. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Trust Agreement shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee in the Trust Agreement; but, nevertheless, at the written request of the Authority or of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Trust Agreement and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in the Trust Agreement. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this paragraph, such successor Trustee shall mail a notice of the succession of such Trustee to the trusts under the Trust Agreement by first class mail, postage prepaid, to the Owners at their addresses listed in the Bond Register.

(e) Any Trustee appointed under the provisions of the Trust Agreement as described under the heading "THE TRUSTEE – Duties, Immunities and Liability of Trustee" shall be a trust company or bank having the powers of a trust company or authorized to exercise trust powers, having a corporate trust office in California, having (or in the case of a bank, trust company or bank holding company which is a member of a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars ($50,000,000), and subject to supervision or examination by federal or state authority. If such bank, trust company or bank holding company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this paragraph the combined capital and surplus of such bank, trust company or bank holding company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this paragraph, the Trustee shall resign immediately in the manner and with the effect specified in the provisions of the Trust Agreement as described under the heading "THE TRUSTEE – Duties, Immunities and Liability of Trustee."

(f) No provision in the Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties under the Trust Agreement unless the Owners shall have offered to the Trustee security or indemnity it deems reasonable, against the costs, expenses and liabilities that may be incurred.

(g) In accepting the trust created by the Trust Agreement, the Trustee acts solely as Trustee for the Owners and not in its individual capacity, and under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

(h) The Trustee makes no representation or warranty, express or implied, as to the compliance with legal requirements of the use contemplated by the Authority of the funds under the Trust Agreement including, without limitation, the purchase of the Local Obligations under the Trust Agreement.

(i) The Trustee shall not be responsible for the validity or effectiveness or value of any collateral or security securing any Local Obligation. The Trustee shall not be responsible for the recording or filing of any document relating to the Trust Agreement or any Local Obligation or of financing statements (or continuation statements in connection therewith) or mortgage or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests or lien on or in any collateral or security securing any Local Obligation. The Trustee shall not be deemed to have made representations as to the security afforded thereby or as to the validity, sufficiency or priority of any such document, collateral or security of the Bonds.

(j) The Trustee shall not be deemed to have knowledge of any Event of Default under the Trust Agreement unless and until a Responsible Officer shall have actual knowledge thereof at the Trustee's Principal Corporate Trust Office.

(k) The Trustee shall not be accountable for the use or application by the Authority or any other party of any funds which the Trustee has released under the Trust Agreement.

(l) The Trustee shall provide a monthly accounting of all Funds held pursuant to the Trust Agreement to the Authority within fifteen (15) Business Days after the end of each month and shall provide statements of account for each annual period beginning July 1 and ending June 30, within 90 days after the end of such period. Such accounting shall show in reasonable detail all financial transactions made by the Trustee during the accounting period and the balance in any Funds and accounts created under the Trust Agreement as of the beginning and close of such accounting period.

(m) All moneys received by the Trustee shall, until used or applied or invested as provided in the Trust Agreement, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(n) The permissive rights of the Trustee to do things enumerated in the Trust Agreement shall not be construed as a duty unless so specified in the Trust Agreement.

(o) The Trustee may appoint and act through an agent and shall not be responsible for any misconduct or negligence of any such agent appointed with due care.

(p) The Trustee will not be considered in breach of or in default in its obligations under the Trust Agreement or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

Liability of Trustee. The recitals of facts in the Trust Agreement and in the Bonds contained shall be taken as statements of the Authority, and the Trustee does not assume any responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency of the Trust Agreement or of the Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Trust Agreement or in the Bonds assigned to or imposed upon it; provided, that the Trustee shall be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties under the Trust Agreement except for its own negligence or willful misconduct. The Trustee (in its individual or any other capacity) may become the Owner of Bonds with the same rights it would have if it were not Trustee under the Trust Agreement, and, to the extent permitted by law, may act as depository for and permit any of its officers, directors and employees to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of the Trust Agreement) of the Bonds then Outstanding. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount (or any lesser amount that may direct the Trustee in accordance with, and as provided in, the provisions of the Trust Agreement) of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Trust Agreement. Whether or not therein expressly so provided, every provision of the Trust Agreement or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of the Trust Agreement described under the heading "THE TRUSTEE." All indemnifications and releases from liability granted in the Trust Agreement to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

Indemnity for Trustee. Before taking any action or exercising any rights or powers under the Trust Agreement, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses which it may incur and to indemnify it against all liability,

except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

MODIFICATION OF TRUST AGREEMENT AND SUPPLEMENTAL TRUST AGREEMENTS

Supplemental Trust Agreements Without Consent of Owners. The Authority may, without the consent of the Owners, enter into any Supplemental Trust Agreement, which thereafter shall form a part of the Trust Agreement, for any one or more of the following purposes:

(a) to add to the agreements and covenants of the Authority contained in the Trust Agreement other agreements and covenants thereafter to be observed, or to surrender any right or power in the Trust Agreement reserved to or conferred upon the Authority; provided, that no such agreement, covenant or surrender shall materially adversely affect the rights of any Owner;

(b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect or inconsistent provisions contained in the Trust Agreement or in any Supplemental Trust Agreement;

(c) to make any change which does not materially adversely affect the rights of any Owner;

(d) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;

(e) to subject to the Trust Agreement additional collateral or to add other agreements of the Authority;

(f) to modify the Trust Agreement or the Bonds to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States of America;

(g) to make any change necessary or appropriate to accommodate changes to the Dissolution Act; provided, that no such change shall permit the creation by the Authority of any lien prior to or on a parity with the lien of the Trust Agreement upon the Trust Estate or which will affect the times, amounts and currency of payment of the principal of or the redemption premium, if any, on or the interest on the Bonds;

(h) to evidence the succession of a new Trustee; or

(i) in the Opinion of Bond Counsel, to preserve or assure the exemption of interest on the Tax-Exempt Bonds from federal income taxes or the exemption from California personal income tax.

The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment, any particular Bond would be affected by any such modification or amendment of the Trust Agreement and any such determination shall be binding and conclusive on the Authority and all Owners of Bonds. For all purposes of the provisions described in the Trust Agreement described under this heading ("– Supplemental Trust Agreements Without Consent of Owners"), the Trustee shall be entitled to rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel, in form and substance satisfactory to it, with respect to the extent, if any, to which any action affects the rights under

the Trust Agreement of any Owner. Notwithstanding anything to the contrary in the Trust Agreement described under this heading ("− Supplemental Trust Agreements Without Consent of Owners").

Trustee Authorized to Enter into Supplemental Trust Agreement. The Trustee is authorized to enter into any Supplemental Trust Agreement with the Authority authorized or permitted by the terms of the Trust Agreement, and to make the further agreements and stipulations which may be therein contained, and for all purposes of this paragraph, the Trustee shall be entitled to rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel, in form and substance satisfactory to it, to the effect that such Supplemental Trust Agreement is authorized or permitted by the provisions of the Trust Agreement.

Supplemental Trust Agreements With Consent of Owners. Any modification or alteration of the Trust Agreement or of the rights and obligations of the Authority or of the Owners of the Bonds may be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided, that no such modification or alteration shall be made which will reduce the percentage of aggregate principal amount of Bonds the consent of the Owners of which is required for any such modification or alteration, or permit the creation by the Authority of any lien prior to or on a parity with the lien of the Trust Agreement upon the Trust Estate or which will affect the times, amounts and currency of payment of the principal of or the redemption premium, if any, on or the interest on the Bonds or affect the rights, duties or obligations of the Trustee without the consent of the party affected thereby.

Notice and Information Requirements. The Authority shall deliver a copy of any modification or amendment to the Trust Agreement to S&P at least ten days prior to the effective date thereof.

DEFEASANCE

Defeasance. (a) If (i) the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated in the Trust Agreement, and (ii) all other amounts due and payable under the Trust Agreement shall have been paid, then the Owners shall cease to be entitled to the lien created by the Trust Agreement, and all agreements, covenants and other obligations of the Authority under the Trust Agreement shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant to the Trust Agreement which are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of paragraph (a) above, when any Bond shall have been paid and if, at the time of such payment, the Authority shall have kept, performed and observed all of the covenants and promises in such Bonds and in the Trust Agreement required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then the Trust Agreement shall be considered to have been discharged in respect of such Bond and such Bond shall cease to be entitled to the lien created by the Trust Agreement, and all agreements, covenants and other obligations of the Authority under the Trust Agreement shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

(c) Notwithstanding the discharge and satisfaction of the Trust Agreement or the discharge and satisfaction of the Trust Agreement in respect of any Bond, for as long as any Bond remain outstanding those provisions of the Trust Agreement relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or

stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of the Bonds the funds so held by the Trustee as and when such payment becomes due.

Bonds Deemed to Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in the provisions of the Trust Agreement described under the heading "DEFEASANCE - Defeasance." Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in the provisions of the Trust Agreement described under the heading "DEFEASANCE - Defeasance" if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the redemption provisions of the Trust Agreement, notice of redemption of such Bond on said redemption date, said notice to be given in accordance with the provisions of the Trust Agreement, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient, or (B) Federal Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which shall be sufficient to pay when due the interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond, and (iii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Bond that the deposit required by clause (ii) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with the provisions of the Trust Agreement described under this heading ("− Bonds Deemed to Have Been Paid") and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond. Neither the money nor the Federal Securities deposited with the Trustee pursuant to this paragraph (a) in connection with the deemed payment of Bonds, nor principal or interest payments on any such Federal Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for and pledged to, the payment of the principal of and, premium, if any, and interest on such Bonds.

(b) No Bond shall be deemed to have been paid pursuant to clause (ii)(B) of paragraph (a) above unless the Authority shall cause to be delivered (A) an executed copy of a Verification Report with respect to such deemed payment, addressed to the Authority and the Trustee, (B) a copy of any escrow agreement or instruction entered into in connection with the deposit pursuant to clause (ii)(B) of paragraph (a) above resulting in such deemed payment, which escrow agreement or instruction shall provide that no substitution of Federal Securities shall be permitted except with other Federal Securities and upon delivery of a new Verification Report and no reinvestment of Federal Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (C) a copy of an Opinion of Bond Counsel, dated the date of such deemed payment and addressed to the Authority and the Trustee, to the effect that such Bond has been paid within the meaning and with the effect expressed in the Trust Agreement, and all agreements, covenants and other obligations of the Authority under the Trust Agreement as to such Bond have ceased, terminated, become void and been completely discharged and satisfied.

(c) The Trustee may seek and is entitled to rely upon (i) an Opinion of Bond Counsel reasonably satisfactory to the Trustee to the effect that the conditions precedent to a deemed payment pursuant to clause (ii) of paragraph (a) above have been satisfied, and (ii) such other opinions,

certifications and computations, as the Trustee may reasonably request, of accountants or other financial consultants concerning the matters described in paragraph (b) above.

MISCELLANEOUS

Dissolution of Authority. In the event of the dissolution of the Authority, all the agreements, conditions, covenants and terms contained in the Trust Agreement by or on behalf of, or for the benefit of, the Authority shall bind or inure to the benefit of the successors of the Authority from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Authority shall be transferred.

Parties Interested in the Trust Agreement. Except as in the Trust Agreement otherwise specifically provided, nothing in the Trust Agreement expressed or implied is intended or shall be construed to confer upon any Person other than the Authority, the Trustee and the Owners of the Bonds issued under the Trust Agreement any right, remedy or claim under or by reason of the Trust Agreement, the Trust Agreement being intended to be for the sole and exclusive benefit of the Authority, the Trustee and the Owners of the Bonds issued under the Trust Agreement.

Severability of Invalid Provisions. If any clause, provision or section of the Trust Agreement is held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections of the Trust Agreement, and the Trust Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in the Trust Agreement.

Governing Law. The Trust Agreement shall be governed as to validity, construction and performance by the laws of the State.

Non-Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Trust Agreement, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in the Trust Agreement, and no interest shall accrue for the period from and after such nominal date.

Limitation of Liability. The Authority shall not be obligated to make any payments required under the Trust Agreement or under any Bond, or be deemed to incur any liability under the Trust Agreement or arising out of any of the transactions contemplated by the Trust Agreement, payable from any funds or assets other than the Trust Estate as provided in the Trust Agreement. The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto will not constitute indebtedness or an obligation of the Authority, the members and officers of the Authority, any Agency, any City, the County of Los Angeles, the State of California or any other political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a special obligation of the Authority, payable solely from the Trust Estate duly pledged therefor. Neither the faith and credit nor the taxing power of the Authority, any member of the Authority, any Agency, any City, the County of Los Angeles, the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Unclaimed Money. Anything contained in the Trust Agreement to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on, or principal or prepayment premium, if any, of any Bond which remains unclaimed for two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2)

years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable shall be paid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Authority for the payment of such amounts; provided, that before being required to make any such payment to the Authority, the Trustee shall, at the expense of the Authority, give notice by first class mail to all Owners and to the Securities Depository and the MSRB that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Authority.

Moneys Held for Particular Bonds. The money held by the Trustee for the payment of the principal of or premium or interest on particular Bonds due on any date (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of the Trust Agreement as described under the heading "MISCELLANEOUS – Unclaimed Money," but without any liability for interest thereon.

APPENDIX E

FORM OF OPINIONS OF BOND COUNSEL

Upon delivery of the Series 2015 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, proposes to render its final opinions in substantially the following forms with respect to each Series of Series 2015 Bonds:

[Date of Delivery]

County of Los Angeles Redevelopment Refunding Authority
Los Angeles, California

County of Los Angeles Redevelopment Refunding Authority
Tax Allocation Revenue Refunding Bonds, Series 2015A (Tax-Exempt)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the County of Los Angeles Redevelopment Refunding Authority (the "Authority") in connection with the issuance of its County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds, Series 2015A (Tax-Exempt) (the "Series 2015A Bonds"), in the aggregate principal amount of $74,375,000, issued pursuant to a Trust Agreement relating to the Series 2015A Bonds, dated as of July 1, 2015 (the "Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

In such connection, we have reviewed the Indenture, dated as of July 1, 2015 (the "Agency Indenture") by and between the Agency Participant and U.S. Bank National Association, as trustee, the Trust Agreement, the Tax Certificate of the Authority, dated the date hereof, relating to the Series 2015A Bonds and the tax certificate of the Agency Participant, dated the date hereof relating to the Local Obligations (collectively, the "Tax Certificate"), opinions of counsel to the Authority, the Agency Participant, the Trustee and others, certificates of the Authority, the Agency Participant, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Series 2015A Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have

assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Agreement, the Agency Indenture and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2015A Bonds to be included in gross income for federal income tax purposes.

We call attention to the fact that the rights and obligations under the Series 2015A Bonds, the Trust Agreement, the Local Obligations, the Agency Indenture and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against joint powers authorities and successor agencies to former redevelopment agencies in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in the Trust Agreement or the Agency Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2015A Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series 2015A Bonds constitute the valid and binding special obligations of the Authority, payable solely from the Revenues and the other assets pledged therefor under the Trust Agreement.

2. The Trust Agreement has been duly executed and delivered by, and constitutes a valid and binding obligation of, the Authority.

3. The Agency Indenture and the Local Obligations issued thereunder have been duly executed and delivered by, and constitute valid and binding obligations of, the Agency Participant.

4. Interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Series 2015A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2015A Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

[Date of Delivery]

County of Los Angeles Redevelopment Refunding Authority
Los Angeles, California

County of Los Angeles Redevelopment Refunding Authority
Tax Allocation Revenue Refunding Bonds, Series 2015B (Federally Taxable)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the County of Los Angeles Redevelopment Refunding Authority (the "Authority") in connection with the issuance of its County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds, Series 2015B (Federally Taxable) (the "Series 2015B Bonds"), in the aggregate principal amount of $81,445,000, issued pursuant to a Trust Agreement relating to the Series 2015B Bonds, dated as of July 1, 2015 (the "Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

In such connection, we have reviewed the Indenture, dated as of July 1, 2015 (the "Agency Indenture") by and between the Agency Participant and U.S. Bank National Association, as trustee, the Trust Agreement, opinions of counsel to the Authority, the Agency Participant, the Trustee and others, certificates of the Authority, the Agency Participant, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Series 2015B Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Agreement and the Agency Indenture.

We call attention to the fact that the rights and obligations under the Series 2015B Bonds, the Trust Agreement, the Local Obligations and the Agency Indenture and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against joint powers authorities and successor agencies to former redevelopment agencies in the State of California.

We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in the Trust Agreement or the Agency Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2015B Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series 2015B Bonds constitute the valid and binding special obligations of the Authority, payable solely from the Revenues and the other assets pledged therefor under the Trust Agreement.

2. The Trust Agreement has been duly executed and delivered by, and constitutes a valid and binding obligation of, the Authority.

3. The Agency Indenture and the Local Obligations issued thereunder have been duly executed and delivered by, and constitute valid and binding obligations of, the Agency Participant.

4. Interest on the Series 2015B Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2015B Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of July 1, 2015 (this "Disclosure Agreement"), is by and between the COUNTY OF LOS ANGELES REDEVELOPMENT REFUNDING AUTHORITY, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "Authority") and the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic, duly organized and existing pursuant to the Community Redevelopment Law of the State of California (as successor agency to the Redevelopment Agency of the City of Long Beach, the "Agency"), in connection with the issuance of the Authority's Tax Allocation Revenue Refunding Bonds, Series 2015A (Tax-Exempt) and the Authority's Tax Allocation Revenue Refunding Bonds, Series 2015B (Federally Taxable) (together, the "Authority Bonds") pursuant to a Trust Agreement, dated as of July 1, 2015 (the "Trust Agreement"), between the Authority and U.S. Bank National Association, as trustee (the "Authority Trustee").

W I T N E S S E T H :

WHEREAS, the County of Los Angeles (the "County") has developed a program (the "Refunding Program") to assist the successor agencies to former community redevelopment agencies within the County to refund tax increment obligations pursuant to California Assembly Bill 1484 (Stats 2012 c. 26) ("AB 1484") in order to provide debt service savings to successor agencies and to increase property tax revenues available for distribution to affected taxing entities, including the County; and

WHEREAS, the Authority is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code to issue its bonds for the purpose of purchasing certain local obligations issued by certain local agencies and other purposes, including refunding any of its then-outstanding bonds, and the purchase of tax allocation obligations issued by said successor agencies as described in Section 34173 of the California Health and Safety Code; and

WHEREAS, the Authority has determined to issue the Authority Bonds in order to provide funds to acquire certain local obligations issued by the Agency in order to assist the Agency in refunding outstanding bonds or other indebtedness pursuant to AB 1484; and

WHEREAS, the Agency has issued its Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015A and its Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2015B (Federally Taxable) (together, the "Refunding Bonds") pursuant to an Indenture of Trust, dated as of July 1, 2015 (the "Indenture"), by and between the Agency and

U.S. Bank National Association, as trustee (the "Agency Trustee"), as may be amended or supplemented in accordance with its terms; and

WHEREAS, such Refunding Bonds will be secured by a pledge of, and lien on, and shall be repaid from property tax revenues pledged under the Indenture; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Authority and the Agency for the benefit of the holders and beneficial owners of the Authority Bonds and in order to assist the underwriters of the Authority Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Trust Agreement or the Indenture, as applicable.

"Annual Report" means any Annual Report provided by the Agency pursuant to, and as described in, Sections 2 and 3 hereof.

"Annual Report Date" means the date in each year that is 180 days after the end of the Agency's fiscal year (presently ending September 30).

"Agency" means the Successor Agency to the Redevelopment Agency of the City of Long Beach, a public body, corporate and politic, duly organized and existing under and pursuant to the Law.

"Agency Trustee" means U.S. Bank National Association, as trustee under the Indenture, or any successor thereto as trustee thereunder, substituted in its place as provided thereunder.

"Authority" means the County of Los Angeles Redevelopment Refunding Authority duly organized and existing under and pursuant to the laws of the State of California and a Joint Exercise of Powers Agreement, dated August 6, 2013, between the Los Angeles County Public Works Financing Authority and the County.

"Authority Trustee" means U.S. Bank National Association, as trustee under the Trust Agreement, or any successor trustee substituted in its place as provided thereunder.

"Bonds" means, collectively, the Authority Bonds and the Refunding Bonds.

"City" means the City of Long Beach, California.

"Disclosure Representative" means the Director of Financial Management or the Debt Manager of the City, or such other officer as the City Manager, the Director of Financial Management or the Debt Manager of the City shall designate in writing to the Authority and the Dissemination Agent (if other than the Authority) from time to time.

"Dissemination Agent" means the Authority, acting solely in its capacity as Dissemination Agent hereunder, or any successor dissemination agent designated in writing by the Agency and which has filed with the Authority and the Agency a written acceptance of such designation.

"Listed Events" means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" means the Official Statement, dated June 23, 2015, relating to the Authority Bonds.

"Participating Underwriter" means any of the original underwriters of the Authority Bonds required to comply with the Rule in connection with the offering of the Authority Bonds.

"Project Area" shall have the meaning specified in Appendix A to the Official Statement.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports. (a) The Agency shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2014-15 fiscal year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the Agency, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Agency's fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a form acceptable to the MSRB and shall identify the Authority Bonds by name and CUSIP number.

The Authority, on behalf of the Agency, shall provide the Agency with the information specified in Exhibit B for inclusion in the Annual Report not later than 60 days prior to the applicable Annual Report Date.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the Agency shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Agency and the Authority to determine if the Agency is in compliance with the first sentence of subsection (a) of this Section.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) of this Section, the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the Authority and the Agency certifying the filing date and that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement.

Section 3. Content of Annual Reports. The Annual Report shall contain or include by reference the following:

(a) The Agency's audited financial statements, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements in a format similar to that used for the audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Agency, substantially similar to that provided in the corresponding tables relating to the Agency and the Project Area in Appendix A to the Official Statement:

(i) An update of the ten largest assessees in substantially the format of Table A-2 of Appendix A to the Official Statement for the current fiscal year;

(ii) An update of taxable assessed and incremental values in substantially the format of Table A-3 of Appendix A to the Official Statement including the current fiscal year;

(iii) An update of tax levy, total collections and total collections as a percentage of the tax levy in substantially the format of Table A-4 of Appendix A to the Official Statement including the most recent fiscal year;

(iv) An update of the number of pending appeals, the combined values of pending appeals, the number of resolved appeals and resulting reduction of value provided in Table A-5 of Appendix A to the Official Statement as of the most recent fiscal year;

(v) An entry in substantially the format of the entries in Table A-7 of Appendix A to the Official Statement reflecting Tax Revenues of the most recent fiscal year;

(vi) An entry in substantially the format of the entries in Table A-9 of Appendix A to the Official Statement reflecting the aggregate debt service coverage of the most recent fiscal year;

(vii) If applicable in furtherance of the Agency covenant in Section 6.09 of the Indenture regarding Redevelopment Plan limits, the amount of all Agency debt outstanding secured by a pledge of the Tax Revenues and cumulative amount of Tax Revenues available to the Agency to date: (A) a statement of annual debt service remaining to be paid on all Outstanding Bonds and Senior Bonds and the amount of Tax Revenues which the Agency is permitted to receive under its Redevelopment Plan, (B) the amount of tax increment revenues allocated to the Agency during the one year period covered by the statement, and (C) the amount, if any, to be used or escrowed for use to pay principal and interest on Refunding Bonds; and

(viii) An update of the residual RPTTF revenues (as defined in the Official Statement) substantially in the format of Table A-10 of Appendix A to the Official Statement for the most recent fiscal year.

(c) In addition to any of the information expressly required to be provided under subsections (a) and (b) of this Section, the Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items described above may be included by specific reference to other documents, including official statements of debt issues of the Agency or related public entities, which have been submitted to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Agency shall clearly identify each such other document so included by reference.

Section 4. Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the Agency shall give, or cause to be given with respect to the Bonds, and hereby authorizes the Dissemination Agent to give, or cause to be given, with respect to the Bonds, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties.

(iv) Substitution of credit or liquidity providers, or their failure to perform.

(v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).

(vi) Tender offers.

(vii) Defeasances.

(viii) Rating changes.

(ix) Bankruptcy, insolvency, receivership or similar event of the obligated person.

For purposes of each event identified in paragraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section, the Agency shall give, or cause to be given with respect to the Bonds, and hereby authorizes the Dissemination Agent to give, or cause to be given, with respect to the Bonds, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) Unless described in paragraph (v) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.

(ii) Modifications to rights of holders of the Bonds.

(iii) Bond calls.

(iv) Release, substitution, or sale of property securing repayment of the Bonds.

(v) Non-payment related defaults.

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to

undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vii) Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The Dissemination Agent shall, within one business day of obtaining knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and inform such person of the event.

(d) Whenever the Agency obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the Agency shall determine if such event would be material under applicable Federal securities law.

(e) Whenever the Agency obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that the occurrence of a Listed Event described in subsection (b) of this Section is material under subsection (d) of this Section, the Agency shall, or shall cause the Dissemination Agent to, file a notice of the occurrence of such Listed Event with the MSRB within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notice of Listed Events described in paragraph (iii) of subsection (b) of this Section and in paragraph (vii) of subsection (a) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Authority Bonds pursuant to the Trust Agreement.

Section 5. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted as prescribed by the MSRB in electronic format.

Section 6. Termination of Reporting Obligation. The obligations of the Agency and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Authority Bonds relating to the Refunding Bonds or the legal defeasance, prior redemption or payment in full of all of the Refunding Bonds, if earlier. If such termination occurs prior to the final principal payment date of the Authority Bonds, the Agency or the Dissemination Agent, on behalf of the Agency, shall give notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The Authority has agreed to be the initial Dissemination Agent under this Disclosure Agreement. However, if the Dissemination Agent shall fail to comply with this Disclosure Agreement (including the obligations under Section 2(a) hereof), the Agency may appoint a successor dissemination agent to assist it to carry out the obligations of Dissemination Agent under this Disclosure Agreement, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The Authority agrees to continue to serve as Dissemination Agent (and to continue to obtain and provide the Agency with the information described in the second paragraph of Section 2(a) hereof), unless and until the Agency has appointed a successor dissemination agent or has discharged the Authority as Dissemination Agent. In the event the Agency appoints a successor dissemination agent or discharges the Authority as Dissemination Agent, the Authority's obligations under Section 2(a) shall terminate.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Agency may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsections (a) or (b) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Authority Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Authority Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Authority Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Authority Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Agency shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall prevent the Agency from voluntarily disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other reasonable means of communication, or including such information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement. If the Agency chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Agency shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 10. Default. The parties hereto acknowledge that in the event of a failure of the Agency or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Authority Trustee may (and, at the written direction of any Participating Underwriter or the

Owners of at least 25% of the aggregate amount of principal evidenced by Outstanding Authority Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Authority Trustee), or any Owner or Beneficial Owner of the Authority Bonds, may seek specific performance by court order, to cause the Agency or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Agency or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall (so long as the Authority is the Dissemination Agent) be entitled to the protections and limitations from liability afforded to the Authority under the Trust Agreement. The Dissemination Agent shall not be responsible for the form or content of financial statements made part of any Annual Report or notice of Listed Event or for information sourced to the Agency. So long as the Authority is the Dissemination Agent hereunder, no compensation shall be due from the Agency for the Dissemination Agent services provided herein. Any replacement Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement as may be agreed upon by the Agency. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent permitted by law, the Agency shall indemnify and save the Dissemination Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to the negligence or willful misconduct of the Dissemination Agent. The obligations of the Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Authority Bonds and the Refunding Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Agency, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Authority Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

COUNTY OF LOS ANGELES
REDEVELOPMENT REFUNDING
AUTHORITY

By: _____
Joseph Kelly
Treasurer

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF LONG BEACH

By: _____
City Treasurer, acting for the Successor
Agency to the Redevelopment Agency
of the City of Long Beach

ACCEPTED AND AGREED:

COUNTY OF LOS ANGELES
REDEVELOPMENT REFUNDING
AUTHORITY, as Dissemination Agent

By: _____
Authorized Officer

ACKNOWLEDGED AND AGREED:

U.S. BANK NATIONAL ASSOCIATION,
as Authority Trustee

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	County of Los Angeles Redevelopment Refunding Authority
Name of Issue:	County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds, Series 2015A (Tax-Exempt) County of Los Angeles Redevelopment Refunding Authority Tax Allocation Revenue Refunding Bonds, Series 2015B (Federally Taxable)
Obligated Person:	Successor Agency to the Redevelopment Agency of the City of Long Beach
Date of Issuance:	July 23, 2015

NOTICE IS HEREBY GIVEN that the Successor Agency to the Redevelopment Agency of the City of Long Beach (the "Agency") has not provided an Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement, dated as of July 1, 2015, by and between the County of Los Angeles Redevelopment Refunding Authority and the Agency. [The Agency anticipates that the Annual Report will be filed by _____.]

Dated: _____

COUNTY OF LOS ANGELES REDEVELOPMENT REFUNDING AUTHORITY, as Dissemination Agent, on behalf of the Successor Agency to the Redevelopment Agency of the City of Long Beach

cc: Successor Agency to the Redevelopment Agency of the City of Long Beach

EXHIBIT B

INFORMATION TO BE ASSEMBLED BY THE
COUNTY OF LOS ANGELES REDEVELOPMENT REFUNDING AUTHORITY,

relating to the

Successor Agency to the Redevelopment Agency of the City of Long Beach
Tax Allocation Refunding Bonds, Series 2015A and Series 2015B (Federally Taxable)

The Authority will provide the following financial information and operating data with respect to the Agency, substantially similar to that provided in the corresponding tables relating to the Agency and the Project Area in Appendix A to the Official Statement:

(i) An update of the ten largest assessees in substantially the format of Table A-2 of Appendix A to the Official Statement for the current fiscal year;

(ii) An update of taxable assessed and incremental values in substantially the format of Table A-3 of Appendix A to the Official Statement including the current fiscal year;

(iii) An update of tax levy, total collections and total collections as a percentage of the tax levy in substantially the format of Table A-4 of Appendix A to the Official Statement including the most recent fiscal year;

(iv) An update of the number of pending appeals, the combined values of pending appeals, the number of resolved appeals and resulting reduction of value provided in Table A-5 of Appendix A to the Official Statement as of the most recent fiscal year;

(v) An entry in substantially the format of the entries in Table A-7 of Appendix A to the Official Statement reflecting Tax Revenues of the most recent fiscal year;

(vi) An entry in substantially the format of the entries in Table A-9 of Appendix A to the Official Statement reflecting the aggregate debt service coverage of the most recent fiscal year;

(vii) If applicable in furtherance of the Agency covenant in Section 6.09 of the Indenture regarding Redevelopment Plan limits, the amount of all Agency debt outstanding secured by a pledge of the Tax Revenues and cumulative amount of Tax Revenues available to the Agency to date: (A) a statement of annual debt service remaining to be paid on all Outstanding Bonds and Senior Bonds and the amount of Tax Revenues which the Agency is permitted to receive under its Redevelopment Plan, (B) the amount of tax increment revenues allocated to the Agency during the one year period covered by the statement, and (C) the amount, if any, to be used or escrowed for use to pay principal and interest on Refunding Bonds; and

(viii) An update of the residual RPTTF revenues (as defined in the Official Statement) substantially in the format of Table A-10 of Appendix A to the Official Statement for the most recent fiscal year.

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2015 Bonds, payment of principal of, premium (if any) and interest on the Series 2015 Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Series 2015 Bonds, and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on information furnished by DTC which the Authority believes to be reliable, but the Authority does not take responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of the principal of, premium (if any) and interest on the Series 2015 Bonds or (b) certificates representing ownership interests in or other confirmation of ownership interests in the Series 2015 Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity (and each individual yield in the case of bifurcated maturities) of the Series 2015 Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and

Exchange Commission. More information about DTC can be found at www.dtcc.com; provided that nothing contained in such website is incorporated into this Official Statement.

Purchases of Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Agreement. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2015 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by

standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF SERIES 2015 BONDS FOR REDEMPTION.

DTC (or a successor securities depository) may discontinue providing its services as securities depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the Authority. The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC (or a successor securities depository) with respect to the Series 2015 Bonds. The Authority undertakes no obligation to investigate matters that would enable the Authority to make such a determination. In the event that the book-entry system is discontinued as described above, the requirements of the Trust Agreement will apply.

THE AUTHORITY AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL, INTEREST OR PREMIUM, IF ANY, WITH RESPECT TO THE SERIES 2015 BONDS PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR WILL DISTRIBUTE ANY REDEMPTION NOTICES OR OTHER NOTICES, TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE AUTHORITY AND THE UNDERWRITERS ARE NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANT TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE SERIES 2015 BONDS OR AN ERROR OR DELAY RELATING THERETO.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority deems reliable, but the Authority takes no responsibility for the accuracy thereof.

DTC may discontinue providing its services as securities depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2015 Bonds are required to be printed and delivered as described in the Trust Agreement.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2015 Bonds will be printed and delivered as described in the Trust Agreement and payment of interest to each Owner who owns of record $1,000,000

or more in aggregate principal amount of Series 2015 Bonds may be made to such Owner by wire transfer to such wire address within the United States that such Owner may request in writing for all Interest Payment Dates following the 15th day after the Trustee's receipt of such request.

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COUNTY OF LOS ANGELES REDEVELOPMENT REFUNDING AUTHORITY • TAX ALLOCATION REVENUE REFUNDING BONDS, SERIES 2015A (TAX-EXEMPT) AND SERIES 2015B (FEDERALLY TAXABLE)

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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