NEW ISSUES—BOOK-ENTRY ONLY

RATINGS:
Fitch: "AA-"
S&P: "AA-"
See "RATINGS" herein.

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the Authority and the City with certain covenants, interest on the Series 2022 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. In addition, in the opinion of Bond Counsel, interest on the Series 2022 Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

$41,140,000
FINANCE AUTHORITY OF LONG BEACH
Lease Revenue Bonds, Series 2022

Dated: Date of Delivery **Due: August 1, as shown on inside cover**

The $41,140,000 Finance Authority of Long Beach Lease Revenue Bonds, Series 2022 (the "Series 2022 Bonds") are being issued by the Finance Authority of Long Beach, a joint exercise of powers agency organized and existing under the laws of the State of California (the "Authority") pursuant to an Indenture of Trust, dated as of May 1, 2022 (the "Series 2022 Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Series 2022 Bonds are secured by a pledge of and lien on the Series 2022 Revenues (as defined herein), consisting primarily of Series 2022 Lease Payments (as defined herein). The Series 2022 Bonds are being issued to (a) refund the outstanding Long Beach Bond Finance Authority Lease Revenue Refunding Bonds, Series 2012 Series A (the "Refunded Bonds"); (b) reimburse the City for costs related to the City's Public Safety Garage; and (c) pay costs of issuance of the Series 2022 Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The City will lease certain real property and the improvements thereon (the "Property," as more particularly described herein) from the Authority pursuant to a Lease Agreement, dated as of May 1, 2022 (the "Series 2022 Lease Agreement"), by and between the Authority and the City. Under the Series 2022 Lease Agreement, the City is required to make lease payments (the "Series 2022 Lease Payments") from legally available funds in amounts calculated to be sufficient to pay the principal of and interest on the Series 2022 Bonds when due, as described herein.

All of the Authority's right, title and interest in and to the Series 2022 Lease Agreement (except for the right to receive any Additional Payments under the Series 2022 Lease Agreement to the extent payable to the Authority and certain rights to indemnification), including the right to receive the Series 2022 Lease Payments under the Series 2022 Lease Agreement, are assigned to the Trustee under the Series 2022 Indenture for the benefit of the Series 2022 Bondowners. See "SECURITY FOR THE SERIES 2022 BONDS" herein. The obligation of the City to make Series 2022 Lease Payments and Additional Payments under the Series 2022 Lease Agreement is subject to abatement during any period in which, by reason of damage, destruction or a taking by eminent domain, there is substantial interference with the use and occupancy by the City of any portion of the Series 2022 Property. See "SECURITY FOR THE SERIES 2022 BONDS—Abatement."

The Series 2022 Bonds are subject to special mandatory redemption from insurance or condemnation proceeds prior to maturity as described herein. See "THE SERIES 2022 BONDS—Redemption."

The Series 2022 Bonds are issuable in denominations of $5,000 and any integral multiple thereof. Interest on the Series 2022 Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2022. See "THE SERIES 2022 BONDS" herein. The Series 2022 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 ("DTC"). DTC will act as securities depository of the Series 2022 Bonds. Ownership interests in the Series 2022 Bonds may be purchased in book-entry form only. Principal of and interest on the Series 2022 Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payment to its participants for subsequent disbursement to the beneficial owners of the Series 2022 Bonds. See "THE SERIES 2022 BONDS—General" herein and APPENDIX E—"BOOK-ENTRY ONLY SYSTEM."

THE SERIES 2022 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED SOLELY BY A PLEDGE OF THE SERIES 2022 REVENUES AND ANY OTHER AMOUNTS HELD IN ANY FUND OR ACCOUNT ESTABLISHED PURSUANT TO THE SERIES 2022 INDENTURE (OTHER THAN THE COSTS OF ISSUANCE FUND). THE CITY HAS COVENANTED IN THE SERIES 2022 LEASE AGREEMENT TO TAKE SUCH ACTION AS MAY BE NECESSARY TO INCLUDE ALL SERIES 2022 LEASE PAYMENTS DUE THEREUNDER IN EACH OF ITS BUDGETS AND TO MAKE THE NECESSARY ANNUAL APPROPRIATIONS THEREFOR. NEITHER THE SERIES 2022 BONDS NOR THE OBLIGATION OF THE CITY TO MAKE SERIES 2022 LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION, OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE SERIES 2022 LEASE PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

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

The Series 2022 Bonds will be offered when, as and if issued, and received by the Underwriter, subject to the approval as to their legality by Quint & Thimmig LLP, Larkspur, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority and the City by the City Attorney. Certain legal matters will be passed upon for the Authority by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain matters will be passed on for the Underwriter by Nixon Peabody LLP, Los Angeles, California. It is anticipated that the Series 2022 Bonds will be available for delivery through the facilities of DTC on or about May 18, 2022.

RBC Capital Markets, LLC

Cabrera Capital Markets, LLC **Stern Brothers**

Date of this Official Statement: May 3, 2022

$41,140,000
Finance Authority of Long Beach
Lease Revenue Bonds, Series 2022

MATURITY SCHEDULE

CUSIP Prefix: 54241Q†

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP Suffix†
2022	$ 4,615,000	5.000%	1.900%	100.620	CA4
2023	4,165,000	5.000	2.180	103.326	CB2
2024	4,405,000	5.000	2.420	105.498	CC0
2025	4,650,000	5.000	2.650	107.166	CD8
2026	4,900,000	5.000	2.750	108.868	CE6
2027	5,190,000	5.000	2.850	110.323	CF3
2028	4,685,000	5.000	2.940	111.598	CG1
2029	2,660,000	5.000	3.040	112.588	CH9
2030	2,840,000	5.000	3.100	113.664	CJ5
2031	3,030,000	5.000	3.150	114.675	CK2

† Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the registered owners of the Series 2022 Bonds. None of the Authority, the City or the Underwriter is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Series 2022 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Series 2022 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2022 Bonds.

FINANCE AUTHORITY OF LONG BEACH
CITY OF LONG BEACH

Authority Board of Directors

Thomas B. Modica, *Chairperson*
Kevin Riper, *Vice-Chair and Executive Director*
David Nakamoto, Interim *Treasurer/Auditor*

Long Beach Mayor and City Council

Dr. Robert Garcia
Mayor

Rex Richardson
Vice Mayor, Ninth District

Mary Zendejas, *First District*
Cindy Allen, *Second District*
Suzie Price, *Third District*
Daryl Supernaw, *Fourth District*
Stacy Mungo, *Fifth District*
Suely Saro, *Sixth District*
Roberto Uranga, *Seventh District*
Al Austin, *Eighth District*

City Officials

Charles Parkin, *City Attorney*
Laura L. Doud, *City Auditor*
Doug Haubert, *City Prosecutor*

City Staff

Thomas B. Modica, *City Manager*
Linda F. Tatum, *Assistant City Manager*
Richard F. Anthony, *Principal Deputy City Attorney*
Kevin Riper, *Director of Financial Management*
David Nakamoto, Interim *City Treasurer*
Monique De La Garza, CMC, *City Clerk*
Cassandra Peng, *Assistant City Treasurer*

Professional Services

KNN Public Finance, LLC
Municipal Advisor

U.S. Bank Trust Company, National Association
Trustee

Quint & Thimmig LLP
Bond Counsel

Stradling Yocca Carlson & Rauth, a Professional Corporation
Disclosure Counsel

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Authority, the City or the Underwriter to give any information or to make any representations with respect to the offer or sale of the Series 2022 Bonds other than as set forth in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the City or the Underwriter. 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 2022 Bonds by a 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 2022 Bonds. Statements contained in this Official Statement that involve estimates, 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 official sources and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation of the Underwriter. The information and expressions of opinion herein 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 Authority or the City since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2022 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. 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. No assurance is given that actual results will meet the Authority's or the City's forecasts in any way, regardless of the level of optimism communicated in the information. The Authority is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur. See "CONTINUING DISCLOSURE" herein.

In connection with the offering of the Series 2022 Bonds, the Underwriter may overallot or effect transactions that stabilize or maintain the market prices of the Series 2022 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Series 2022 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

The Series 2022 Bonds have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption from the registration requirements contained in the Securities Act. The Series 2022 Bonds have not been registered or qualified under the securities laws of any state.

The City maintains a website, however, the information presented on the website is not a part of this Official Statement and should not be relied on in making an investment decision with respect to the Series 2022 Bonds.

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OFFICIAL STATEMENT

$41,140,000
Finance Authority of Long Beach
Lease Revenue Bonds, Series 2022

INTRODUCTION

The following introduction presents a brief description of certain information in connection with the Series 2022 Bonds (as defined below) and is qualified in its entirety by reference to this entire Official Statement and the documents summarized or described herein. References to, and summaries of, provisions of the Constitution and the 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 thereof. Capitalized terms used in this Official Statement and not defined herein have the meanings given to such terms in the Indenture. See APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS—Definitions."

General Description

This Official Statement, including the cover page, the inside cover page and the attached appendices (this "Official Statement"), provides certain information concerning the issuance of the $41,140,000 Finance Authority of Long Beach Lease Revenue Bonds, Series 2022 (the "Series 2022 Bonds"), by the Finance Authority of Long Beach, a joint exercise of powers agency organized under the laws of the State (the "Authority").

The Series 2022 are being issued pursuant to an Indenture of Trust, dated as of May 1, 2022 (the "Series 2022 Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The Series 2022 Bonds are being issued pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code.

The Series 2022 Bonds are being issued to (a) refund the outstanding Long Beach Bond Finance Authority Lease Revenue Refunding Bonds, Series 2012 Series A (the "Refunded Bonds"); (b) reimburse the City for costs related to the City's Public Safety Garage; and (c) pay costs of issuance of the Series 2022 Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Terms of the Series 2022 Bonds

The Series 2022 Bonds will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2022 Bonds is payable semiannually on each February 1 and August 1 (each, an "Interest Payment Date"), commencing August 1, 2022, at the respective rates of interest set forth on the inside cover page of this Official Statement. The Series 2022 Bonds will be issuable in denominations of $5,000 or any integral multiple thereof. The Series 2022 Bonds are subject to redemption as described herein. See "THE SERIES 2022 BONDS."

Book-Entry Only

The Series 2022 Bonds will be issuable in fully registered form and, when issued and delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"). DTC will act as the depository of the Series 2022 Bonds and all payments due on the Series 2022 Bonds will be made to DTC or its nominee. Ownership interests in the Series 2022 Bonds may be purchased in book-entry form only. See APPENDIX F—"BOOK-ENTRY ONLY SYSTEM."

Source of Payment for the Series 2022 Bonds

Pursuant to a Site and Facility Lease, dated as of May 1, 2022 (the "Series 2022 Site and Facility Lease"), by and between the City and the Authority, the City will lease to the Authority certain real property and certain improvements located thereon (the "Series 2022 Property") owned by the City. See "THE SERIES 2022 PROPERTY." Concurrently, the City will sublease the Series 2022 Property from the Authority pursuant to a Lease Agreement, dated as of May 1, 2022 (the "Series 2022 Lease Agreement"), by and between the Authority and the City. Under the Series 2022 Lease Agreement, subject to abatement as provided therein, the City is required to make lease payments (the "Series 2022 Lease Payments") from legally available funds for the use and occupancy of the Series 2022 Property in amounts calculated to be sufficient to pay principal of and interest on the Series 2022 Bonds when due.

The Series 2022 Bonds are limited obligations of the Authority payable solely from and secured solely by a pledge of the Series 2022 Revenues and any other amounts held by in any fund or account established pursuant to the Indenture (other than the Costs of Issuance Fund), and the Series 2022 Revenues may not be used for any other purpose while any of the Series 2022 Bonds remain Outstanding; provided, however, that the Series 2022 Revenues may be applied for such other purposes as are permitted under the Indenture. "Series 2022 Revenues" means (i) all Series 2022 Lease Payments, prepayments, insurance proceeds, condemnation proceeds, and (ii) all interest or other income from the investment of amounts in certain funds and accounts established pursuant to the Series 2022 Indenture.

The City has covenanted in the Series 2022 Lease Agreement to take such action as may be necessary to include the Series 2022 Lease Payments in each of its annual budgets during the term of the Series 2022 Lease Agreement and has further covenanted to make the necessary annual appropriations for the Series 2022 Lease Payments. All of the Authority's right, title and interest in and to the Series 2022 Lease Agreement (apart from certain rights to receive Additional Payments to the extent payable to the Authority and to indemnification), including the right to receive the Series 2022 Lease Payments under the Series 2022 Lease Agreement, are assigned to the Trustee under the respective Series 2022 Indenture for the benefit of the Bondowners.

During any period in which, by reason of damage or destruction of the Series 2022 Property there is substantial interference with the use and occupancy by the City of any portion of the Series 2022 Property, the Series 2022 Lease Payments will be abated in an amount agreed upon by the City and the Authority such that the resulting Series 2022 Lease Payments represent fair consideration for the use and occupancy of the portions of the Series 2022 Property not damaged or destroyed and available for use and possession by the City. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction or the date when the remaining portion of the Series 2022 Property is available for use and possession by the City.

If all of the Series 2022 Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Series 2022 Lease Agreement will cease with respect to the Series 2022 Property as of the day possession shall be so taken; however, if less than all of the Series 2022 Property is taken permanently, or if all of the Series 2022 Property or any part thereof is taken temporarily under the power of eminent domain, (i) the Series 2022 Lease Agreement will continue in full force and effect and will not be terminated by virtue of such taking and (ii) there will be a partial abatement of the Series 2022 Lease Payments in an amount to be agreed upon by the City and the Authority such that the resulting Lease Payments for the Property represent fair consideration for the use and occupancy of the remaining usable portion of the Property. See "SECURITY FOR THE SERIES 2022 BONDS—Abatement."

No Reserve Account

A debt service reserve account will not be established for the Series 2022 Bonds.

No Additional Bonds; Additional Obligations Secured by the General Fund

The Authority may not issue additional bonds or other indebtedness payable from the Series 2022 Revenues in whole or in part. See "SECURITY FOR THE SERIES 2022 BONDS — No Additional Bonds."

However, the Series 2022 Lease Agreement does not prohibit the City from incurring additional obligations secured by its General Fund. In that regard, the City from time to time incurs various General Fund obligations to finance public improvements (see "CITY FINANCIAL INFORMATION—Bonded Indebtedness"), which may also include lease payments or other obligations payable from its General Fund.

The City

The City is a municipal corporation and chartered city, organized and existing under its charter and the laws of the State. See "THE CITY," "CITY FINANCIAL INFORMATION" and APPENDIX A—"GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF LONG BEACH."

The Authority

The Authority is a joint exercise of powers agency formed by agreement between the City and the Housing Authority of the City (the "Housing Authority") pursuant to Articles 1 through 4, Chapter 5, Division 7, Title 1 of the California Government Code. See "THE AUTHORITY."

Limited Liability

THE SERIES 2022 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED SOLELY BY A PLEDGE OF THE SERIES 2022 REVENUES AND ANY OTHER AMOUNTS HELD IN ANY FUND OR ACCOUNT ESTABLISHED PURSUANT TO THE SERIES 2022 INDENTURE (OTHER THAN THE COSTS OF ISSUANCE FUND). THE CITY HAS COVENANTED IN THE SERIES 2022 LEASE AGREEMENT TO TAKE SUCH ACTION AS MAY BE NECESSARY TO INCLUDE ALL SERIES 2022 LEASE PAYMENTS DUE THEREUNDER IN EACH OF ITS BUDGETS AND TO MAKE THE NECESSARY ANNUAL APPROPRIATIONS THEREFOR. NEITHER THE SERIES 2022 BONDS NOR THE OBLIGATION OF THE CITY TO MAKE SERIES 2022 LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION, OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE SERIES 2022 LEASE PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Continuing Disclosure

The City, as an obligated person with respect to the Series 2022 Bonds within the meaning of Rule 15c2–12(b)(5) adopted by the Securities and Exchange Commission (the "Rule"), has agreed to undertake the continuing disclosure responsibilities required by the Rule. The Authority has not undertaken a commitment to provide any continuing disclosure required by the Rule.

The City has covenanted in separate continuing disclosure certificates for the Series 2022 Bonds (the "Continuing Disclosure Certificates") to provide, or cause to be provided, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA") certain annual financial information and operating data of the type set forth herein including, but not limited to, its annual audited financial statements and, in a timely manner, notice of certain enumerated events. See "CONTINUING DISCLOSURE" and APPENDIX E—"FORM OF CONTINUING DISCLOSURE CERTIFICATES" for a description of the specific nature of the annual report and notices of enumerated events and a summary

description of the terms of the Continuing Disclosure Certificates pursuant to which such reports and notices are to be made.

Tax Matters

In the opinion of Quint & Thimmig LLP, Bond Counsel, assuming the Authority's and the City's compliance with certain covenants, interest on the Series 2022 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such covenants could cause interest on the Series 2022 Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2022 Bonds. Bond Counsel expresses no opinion regarding or concerning any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2022 Bonds. In addition, in the opinion of Bond Counsel, interest on the Series 2022 Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

Certain Risk Factors

Certain events could affect the ability of the City to make the Series 2022 Lease Payments when due. See "CERTAIN RISK FACTORS" for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Series 2022 Bonds.

Other Information

The descriptions herein of the Series 2022 Indenture, the Series 2022 Lease Agreement and other agreements relating to the Series 2022 Bonds are qualified in their entirety by reference to such documents, and the descriptions herein of the Series 2022 Bonds are qualified in their entirety by the form thereof and the information with respect thereto included in the aforementioned documents. See APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS." Copies of documents referred to in this Official Statement are on file and, upon request and payment to the City of a charge for copying, mailing and handling, copies are available from the City Treasurer, City of Long Beach, Department of Financial Management, 411 West Ocean Boulevard, 6th Floor, Long Beach, California 90802.

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement, under any circumstances, creates any implication that there has been no change in the affairs of the City or the Authority since the date hereof.

The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City or the Authority. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds realized upon the sale of the Series 2022 Bonds is as follows:

Estimated Sources:		
Principal Amount	$	41,140,000.00
Plus: Net Original Issue Premium		3,423,759.70
Total Sources	$	44,563,759.70
Estimated Uses:		
Deposit to Series 2022 Project Fund	$	1,600,000.00
Redemption of Refunded Bonds		42,475,707.02
Costs of Issuance [(1)]		488,052.68
Total Uses	$	44,563,759.70

(1) Includes, but is not limited to, the Underwriter's discount, the fees and expenses of Bond Counsel, Disclosure Counsel, the Trustee, the Municipal Advisor and the rating agencies, costs of printing the Official Statement and other costs incurred by the Authority and the City in connection with the issuance and delivery of the Series 2022 Bonds.

PLAN OF FINANCING

Refunding. A portion of the proceeds of the Series 2022 Bonds will be used to defease the Refunded Bonds on the date of issuance of the Series 2022 Bonds.

Certain information relating to the Refunded Bonds is set forth below.

Long Beach Bond Finance Authority
Lease Revenue Refunding Bonds, 2012 Series A
Redemption Date: August 1, 2022

Maturity Date (August 1)	Principal Amount	Interest Rate	Redemption Price	CUSIP† Number
2022	$4,065,000	4.00%	n/a	542402 KK7
2023	4,245,000	5.00	100%	542402 KL5
2024	4,495,000	5.00	100	542402 KM3
2025	4,745,000	5.00	100	542402 KN1
2026	4,995,000	5.00	100	542402 KP6
2027	5,295,000	5.00	100	542402 KQ4
2028	4,790,000	5.00	100	542402 KR2
2029	2,775,000	5.00	100	542402 KS0
2030	2,960,000	5.00	100	542402 KT8
2031	3,155,000	5.00	100	542402 KU5

Reimbursement of Capital Costs. Approximately $1.6 million of the proceeds of the Series 2022 Bonds will be used to reimburse the City for certain costs related to the City's Public Safety Garage. Construction of the Public Safety Garage was completed in 2020. Most of the cost of the Public Safety Parking Garage was paid from the proceeds of the Authority's Lease Revenue Bonds Series 2019A (Parking Garage). The additional costs to be paid from the proceeds of the Series 2022 Bonds consist of certain additional engineering and related costs not previously reimbursed.

THE SERIES 2022 PROPERTY

The Series 2022 Property initially consists of the West Long Beach Police Substation, the Public Safety Building and Fire Station 1, as described below.

West Long Beach Police Substation. The West Long Beach Police Substation (located at the southwest corner of Santa Fe Avenue and 19th Street) is a police substation located on a 2.5 acre site with perimeter fencing, lobby/front desk area, parking lot and vehicle refueling area. The main building (Police Station), built in 1997, is one story and is approximately 20,118 square feet. The building includes a central lobby, secretarial area, commander's office, lieutenants' offices, conference rooms, squad room, gear and weapons room, kitchen, men's dormitory/shower room/locker room, women's dormitory/shower room/locker room, interview rooms, booking and fingerprinting room and holding cells. A 1,383 square foot maintenance garage, built in 1997, is located at the south end of the site. The West Long Beach Police Substation has an insured value of approximately $6.6 million.

Public Safety Building. The Public Safety Building (located at the southeast corner of Magnolia Avenue and Broadway in the City) is a six-story, approximately 162,000 square foot structure, built in 1970, renovated and seismically retrofitted in 2005, which includes a public lobby and front desk; Patrol Division areas, with lockers, showers, briefing a briefing room and office spaces; a prisoner booking area and men's and women's jail; a Department Operations Center; Executive Team offices for the Chief and the four Deputy Chiefs; office/work spaces for the Executive Bureau, the Investigations Bureau, the Administration Bureau; and maintenance and support spaces. The building has two main elevators and a jail elevator. three parking lots and a fueling station are surrounded by a wrought iron fence with three electronic gates. Fire Station 1 is adjacent to the Public Safety Building. The Public Safety Building has an insured value of approximately $29.4 million.

Fire Station 1. Fire Station 1 (located at 100 Magnolia Avenue in the City) is a 21,319 square foot, three-story public safety facility. The station was built in 1958 and underwent major renovations in 2002, which included structural/seismic upgrades and privacy improvements to accommodate a dual-gender workforce. The station accommodates 10 firefighting personnel each day, on 24-hour shifts, and the following emergency response vehicles: one fire engine, one fire truck, and one paramedic ambulance. Personnel respond to fire, medical, and other emergency calls out of the facility. The building includes individual dormitories for assigned staff, separate men's and women's bathroom and shower facilities, a workshop area, and an apparatus floor for fire and emergency response vehicles. Fire Station 1 has an insured value of approximately $6.2 million.

Substitution of Property

The Series 2022 Lease Agreement provides that the City and the Authority may add any real property to, substitute any real property for, or delete any real property from the Series 2022 Property, subject to satisfaction of the requirements of the Series 2022 Lease Agreement. The Series 2022 Lease Agreement specifies a number of conditions which must be met prior to such addition, substitution or deletion.

See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS — LEASE AGREEMENT – Assignment, Leasing and Amendment."

THE SERIES 2022 BONDS

General

The Series 2022 Bonds will be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof, so long as no Series 2022 Bond will have more than one maturity. The Series 2022 Bonds will mature on August 1 in each of the years and in the respective principal amounts, and

will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the respective rates set forth on the inside cover page hereof.

Interest on the Series 2022 Bonds is payable semiannually on each Interest Payment Date, commencing August 1, 2022, to the person whose name appears on the Registration Books as the Owner thereof as of the fifteenth calendar day of the month immediately preceding each such Interest Payment Date (each, a "Record Date"), such interest to be paid by check of the Trustee mailed on such Interest Payment Date by first-class mail to the Owners at the respective addresses of such Owners as they appear on the Registration Books; provided, however, that payment of interest may be made by wire transfer in immediately available funds to an account in the United States of America to any Owner of Series 2022 Bonds in the aggregate principal amount of $1,000,000 or more who furnishes written wire instructions to the Trustee at least five days before the applicable Record Date. Principal of any Series 2022 Bond and any premium upon redemption will be paid by wire or check of the Trustee upon presentation and surrender thereof at the Office of the Trustee, except as provided in APPENDIX F—"BOOK-ENTRY ONLY SYSTEM." Principal of and interest and premium (if any) on the Series 2022 Bonds is payable in lawful money of the United States of America.

Each Series 2022 Bond will be dated as of its date of delivery and will bear interest from the Interest Payment Date next preceding such date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (b) it is authenticated on or before July 15, 2022, in which event it will bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Series 2022 Bond, interest thereon is in default, such Series 2022 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The Series 2022 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC," and together with any successor securities depository, the "Securities Depository"). DTC will act as Securities Depository for the Series 2022 Bonds. Individual purchases of the Series 2022 Bonds will be made in book-entry form. Purchasers will not receive certificates representing their ownership interest in the Series 2022 Bonds. *So long as Cede & Co. is the registered owner of the Series 2022 Bonds, as nominee of DTC, references herein to the Bondholders or registered owners thereof means Cede & Co. as aforesaid, and not the Beneficial Owners of the Series 2022 Bonds.* So long as Cede & Co. is the registered owner of the Series 2022 Bonds, principal of and interest on the Series 2022 Bonds are payable by wire transfer of same day funds by the Trustee to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX F—"BOOK-ENTRY ONLY SYSTEM."

Transfer and Exchange of Series 2022 Bonds

Any Series 2022 Bond may, in accordance with its terms, be transferred on the Registration Books maintained by the Trustee by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2022 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Transfer of any Series 2022 Bond will not be permitted by the Trustee during the period established by the Trustee for selection of Series 2022 Bonds for redemption or if such Series 2022 Bond has been selected for redemption pursuant to the Indenture. Whenever any Series 2022 Bond or Series 2022 Bonds are surrendered for transfer, the Authority will execute and the Trustee will authenticate and will deliver a new Series 2022 Bond or Series 2022 Bonds for a like aggregate principal amount and of like maturity. The Trustee may require the Series 2022 Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Any Series 2022 Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2022 Bonds of other authorized denominations and of like maturity. Exchange of any Series 2022 Bond will not be permitted during the period established by the Trustee for selection of Series 2022 Bonds for redemption or if such Series 2022 Bond has been selected for redemption. The Trustee may require

the Series 2022 Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

Special Mandatory Redemption from Insurance or Condemnation Proceeds

The Series 2022 Bonds are subject to redemption as a whole or in part on any date, pro rata between series, to the extent the Trustee has received hazard insurance proceeds or condemnation proceeds not used to repair or replace any portion of the Property damaged or destroyed and elected by the City to be used for such purpose as provided in the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium.

Selection of Series 2022 Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the Series 2022 Bonds of a particular maturity, the Trustee shall select the Series 2022 Bonds to be redeemed from all Series 2022 Bonds of such maturity or such given portion thereof not previously called for redemption, by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee will treat each Series 2022 Bond as consisting of separate $5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Series 2022 Bond. If less than all the Outstanding Series 2022 Bonds of a Series are called for redemption from proceeds of eminent domain or insurance at any one time, the City will specify to the Trustee a principal amount in each maturity to be redeemed which, to the extent practicable, results in approximately equal annual debt service on the Series 2022 Bonds of such Series Outstanding following such redemption.

Notice of Redemption

Notice of redemption will be mailed by the Trustee by first-class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books maintained by the Trustee, and to the Securities Depositories and the Information Services. Each notice of redemption will state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Series 2022 Bonds (or all Series 2022 Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Series 2022 Bonds to be redeemed, the maturity or maturities of the Series 2022 Bonds to be redeemed and in the case of Series 2022 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on the redemption date there will become due and payable on each of said Series 2022 Bonds the redemption price thereof, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2022 Bonds be then surrendered for payment. Neither the failure to receive any notice nor any defect therein will affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Series 2022 Bonds will be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

So long as the book-entry system is used for the Series 2022 Bonds, the Trustee will give any notice of redemption or any other notices required to be given to registered Owners of Bonds only to DTC. Any failure of DTC to advise any Participant, or of any Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Series 2022 Bonds called for redemption or any other action premised on such notice. See APPENDIX F—"BOOK-ENTRY ONLY SYSTEM."

Partial Redemption of Bonds

Upon surrender of any Series 2022 Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Series 2022

Bond or Series 2022 Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Series 2022 Bonds surrendered and of the same interest rate and maturity.

Effect of Redemption

If notice of redemption has been given as required by the Indenture, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Series 2022 Bonds (or portions thereof) so called for redemption are being held by the Trustee, on the redemption date designated in such notice, the Series 2022 Bonds (or portions thereof) so called for redemption will become due and payable, interest on the Series 2022 Bonds so called for redemption will cease to accrue, said Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

SECURITY FOR THE SERIES 2022 BONDS

General

The Series 2022 Bonds are limited obligations of the Authority payable solely from and secured solely by the Series 2022 Revenues pledged therefor under the Series 2022 Indenture, together with amounts on deposit from time to time in certain funds and accounts held by the Trustee under the Series 2022 Indenture. "Series 2022 Revenues" means (i) all Series 2022 Lease Payments, prepayments, insurance proceeds, condemnation proceeds, and (ii) all interest or other income from the investment of amounts in any fund or account established pursuant to the Indenture, other than the Costs of Issuance Fund.

Assignment to Trustee. Under the Series 2022 Indenture, the Authority assigns to the Trustee, for the benefit of the Owners from time to time of the Series 2022 Bonds, all of the Series 2022 Revenues, and all of the rights of the Authority in the Series 2022 Lease Agreement (except for the right to receive Additional Payments, rights to give approvals and consents thereunder, the right to enforce venue, and certain rights to indemnification and expenses set forth therein), and in the Series 2022 Site and Facility Lease (except for rights to give approvals and consents thereunder and certain rights to indemnification set forth therein). The Trustee is entitled to collect and receive all of the Series 2022 Revenues, and any Series 2022 Revenues collected or received by the Authority are required to be held, and to have been collected or received, by the Authority as the agent of the Trustee and must be paid by the Authority to the Trustee.

Limited Obligation

THE SERIES 2022 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED SOLELY BY A PLEDGE OF THE SERIES 2022 REVENUES AND ANY OTHER AMOUNTS HELD IN ANY FUND OR ACCOUNT ESTABLISHED PURSUANT TO THE SERIES 2022 INDENTURE (OTHER THAN THE COSTS OF ISSUANCE FUND). THE CITY HAS COVENANTED IN THE SERIES 2022 LEASE AGREEMENT TO TAKE SUCH ACTION AS MAY BE NECESSARY TO INCLUDE ALL SERIES 2022 LEASE PAYMENTS DUE THEREUNDER IN EACH OF ITS BUDGETS AND TO MAKE THE NECESSARY ANNUAL APPROPRIATIONS THEREFOR. NEITHER THE SERIES 2022 BONDS NOR THE OBLIGATION OF THE CITY TO MAKE SERIES 2022 LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION, OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE SERIES 2022 LEASE PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Lease Payments and Additional Payments

The Series 2022 Lease Agreement requires the City, subject to abatement as provided therein, to deposit with the Trustee, as assignee of the Authority, on the fifteenth day of the month preceding each February 1 and August 1, commencing with the fifteenth day of the month preceding August 1, 2022 (the "Lease Payment Dates"), an amount equal to the applicable aggregate Series 2022 Lease Payment coming due and payable on each such Lease Payment Date. The Series 2022 Lease Payments payable in any fiscal year of the City constitute rental for the use and occupancy of the Series 2022 Property during such fiscal year. The City will receive a credit towards payment of the Series 2022 Lease Payments for amounts on deposit in the Series 2022 Revenue Fund (including the Interest Account and the Principal Account therein) on each Lease Payment Date.

The Series 2022 Lease Payments are calculated to be sufficient to pay, when due, the principal of and interest on the Series 2022 Bonds.

In addition to the Series 2022 Lease Payments, under the Series 2022 Lease Agreement, the City is required to pay when due the following Additional Payments: (a) all taxes and assessments of any type or character charged to the Authority or to the Trustee affecting the amount available to the Authority or the Trustee from payments to be received under the Series 2022 Lease Agreement or in any way arising due to the transactions contemplated by the Series 2022 Lease Agreement (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the City has the right to protest any such taxes or assessments and to require the Authority or the Trustee, at the City's expense, to protest and contest any such taxes or assessments levied upon them and that the City has the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Trustee; (b) all reasonable fees, charges and expenses of the Trustee for services rendered under the Series 2022 Indenture as and when the same become due and payable; (c) the reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Series 2022 Site and Facility Lease, the Series 2022 Lease Agreement or the Series 2022 Indenture; (d) the reasonable fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with the Series 2022 Site and Facility Lease, the Series 2022 Lease Agreement or the Series 2022 Indenture or the Series 2022 Bonds, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of the Series 2022 Bonds or in connection with any litigation, investigation or other proceeding which may at any time be instituted involving the Series 2022 Site and Facility Lease, the Series 2022 Lease Agreement or the Series 2022 Indenture or the Series 2022 Bonds or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the City, its properties, assets or operations or otherwise in connection with the administration of the Series 2022 Site and Facility Lease, the Series 2022 Lease Agreement or the Series 2022 Indenture; and (e) any amounts due and payable by the City as arbitrage rebate under section 148 of the Code with respect to the Bonds, pursuant to City's covenants and agreements with respect thereto in the Series 2022 Indenture and Series 2022 Lease Agreement.

Pursuant to the Series 2022 Lease Agreement, the City covenants to take such action as may be necessary to include all Series 2022 Lease Payments due thereunder in each of its budgets during the term of the Series 2022 Lease Agreement and to make annual appropriations therefor. As provided in the Series 2022 Lease Agreement, the covenants of the City thereunder are duties imposed by law, and it is the duty of each and every public official of the City to take such action and to do such things as are required by law in the performance of the official duty of such official to enable the City to carry out and perform the covenants and agreements in the Series 2022 Lease Agreement agreed to be carried out and performed by the City.

California law requires, and the Series 2022 Lease Agreement provides, that the Series 2022 Lease Payments are required to be abated in whole or in part during any period in which there is substantial interference with the use and occupancy of the Series 2022 Property by the City due to damage, destruction or taking in eminent domain proceedings. Under these circumstances, failure to make any Series 2022 Lease Payment will not be an event of default under the Series 2022 Lease Agreement. See "SECURITY FOR THE SERIES 2022 BONDS—Abatement" below.

Series 2022 Lease Payments made by the City to the Authority are payable from any moneys lawfully available to the City therefor. The Series 2022 Lease Agreement and Series 2022 Indenture require that the Series 2022 Lease Payments be deposited in the Series 2022 Revenue Fund maintained by the Trustee, which fund is held for the benefit of the owners of the Series 2022 Bonds.

No Reserve Account

A debt service reserve account will not be established for the Series 2022 Bonds.

Addition, Deletion or Substitution of Property Constituting the Sites or the Project

The Series 2022 Lease Agreement provides that the City and the Authority may add any real property to, substitute any real property for, or delete any real property from the Series 2022 Property, subject to satisfaction of the requirements of the Series 2022 Lease Agreement. The Series 2022 Lease Agreement specifies a number of conditions which must be met prior to such addition, substitution or deletion.

See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS — LEASE AGREEMENT – Assignment, Leasing and Amendment."

Insurance and Condemnation Awards

Any Net Proceeds of insurance against accident to or destruction of the Series 2022 Property collected by the City in the event of any such accident or destruction are required to be paid to the Trustee by the City pursuant to the Series 2022 Lease Agreement and deposited by the Trustee promptly upon receipt thereof in the Insurance and Condemnation Fund. If the City fails to determine and notify the Trustee in writing of its determination, within 45 days following the date of such deposit, to replace, repair, restore, modify or improve the Series 2022 Property, then such Net Proceeds are required to be promptly transferred by the Trustee to the Redemption Fund and applied to the redemption of Series 2022 Bonds. All proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Redemption Fund are required to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Series 2022 Property by the City, as agent for the Authority. Any balance of the proceeds remaining after such work has been completed as certified by the City to the Trustee is required to be remitted by the Trustee to the City.

If all or any part of the Series 2022 Property is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom are required to be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to the Series 2022 Lease Agreement and applied and disbursed by the Trustee as follows: (i) if the City has not given written notice to the Trustee, within 45 days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for the replacement of the Series 2022 Property or such portion thereof, the Trustee is required to transfer such Net Proceeds to the Redemption Fund to be applied towards the redemption of the Bonds; or (ii) if the City has given written notice to the Trustee, within 45 days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for replacement of the Series 2022 Property or such portion thereof, the Trustee is required to pay to the City from said proceeds such amounts as the City may expend for such replacement as agent for the Authority.

No assurance can be given that the proceeds of any insurance or condemnation award will be sufficient under all circumstances to repair or replace any damaged or taken Series 2022 Property or to prepay all Series 2022 Lease Payments with respect to the Series 2022 Property. Also, the City makes no representation as to the sufficiency of any insurance awards or the adequacy of any self-insurance to pay, when and as due, amounts payable under the Series 2022 Lease Agreement.

Abatement

The Series 2022 Lease Agreement provides for the abatement of the Series 2022 Lease Payments during any period in which by reason of damage to or destruction of the Series 2022 Property (other than by eminent domain which may also cause abatement of the Series 2022 Lease Payments as described below), which causes substantial interference with the use and occupancy by the City of the Series 2022 Property or any portion thereof. The amount of such abatement will be an amount agreed upon by the City and the Authority such that the resulting Series 2022 Lease Payments represent fair consideration for the use and occupancy of the portions of the Series 2022 Property not damaged or destroyed and available for use and possession by the City. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction or the date when the remaining portion of the Series 2022 Property is available for use and possession by the City. In the event of any such damage or destruction, the Series 2022 Lease Agreement will continue in full force and effect and the City waives any right to terminate the Series 2022 Lease Agreement by virtue of any such damage and destruction. There will be no abatement of the Series 2022 Lease Payments to the extent that moneys derived from any person as a result of such damage or destruction are available to pay the amount which would otherwise be abated or if there is any money available in the Series 2022 Revenue Fund to pay the amount which would otherwise be abated.

If all of the Series 2022 Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Series 2022 Lease Agreement will cease with respect to the Series 2022 Property as of the day possession is so taken. If less than all of the Series 20201 Property is taken permanently, or if all of the Series 2022 Property or any part thereof is taken temporarily under the power of eminent domain, (i) the Series 2022 Lease Agreement will continue in full force and effect and will not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (ii) there will be a partial abatement of Series 2022 Lease Payments in an amount to be agreed upon by the City and the Authority such that the resulting Series 2022 Lease Payments for the Series 2022 Property represent fair consideration for the use and occupancy of the remaining usable portion of the Series 2022 Property.

Insurance

Public Liability and Property Damage Insurance. The City is required under the Series 2022 Lease Agreement to procure and maintain or cause to be procured and maintained, throughout the term of the Series 2022 Lease Agreement, a standard comprehensive general insurance policy or policies in protection of the Authority, the City, and their respective Board members, Council members, officers, agents, employees and assigns. Said policy or policies will provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Series 2022 Property. Said policy or policies will provide coverage in the minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of $100,000 (subject to a deductible clause of not to exceed $250,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and such liability insurance may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of the Series 2022 Lease Agreement, or in the form of the participation by the City in a joint powers agency or other program providing pooled

insurance. The proceeds of such insurance will be applied toward extinguishment or satisfaction of the liability with respect to which they are paid.

Fire and Extended Coverage Insurance. The City is required under the Series 2022 Lease Agreement to procure and maintain or cause to be procured and maintained, throughout the term of the Series 2022 Lease Agreement, insurance against loss or damage to the improvements constituting a part of the Series 2022 Property by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance, when required, shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount at least equal to the lesser of (a) one hundred percent (100%) of the replacement cost of all of the insured improvements, or (b) the aggregate principal amount of the outstanding Series 2022 Bonds. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided however, that such insurance may not be maintained by the City in the form of self-insurance. The net proceeds of such insurance will be applied as provided under the caption "SECURITY FOR THE SERIES 2022 BONDS—Insurance and Condemnation Awards" above.

Rental Interruption Insurance. The Series 2022 Lease Agreement requires the City to procure and maintain or cause to be procured and maintained rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Series 2022 Property as a result of certain hazards, in an amount at least equal to the maximum Series 2022 Lease Payments coming due and payable during any future 24-month period. Such insurance may be maintained as part of or in conjunction with any other property insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained in the form of self-insurance except for a time element deductible not to exceed 60 days in duration. The proceeds of such insurance, if any, will be paid to the Trustee and deposited in the Series 2022 Revenue Fund, and will be credited towards the payment of the Series 2022 Lease Payments as the same become due and payable.

Title Insurance. The City is required to obtain upon the execution and delivery of the Series 2022 Lease Agreement, a CLTA policy of title insurance on the related Series 2022 Property, in an amount not less than the aggregate initial principal amount of related Series 2022 Bonds issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances. Proceeds of such insurance are required to be delivered to the Trustee as a prepayment of rent under the Series 2022 Lease Agreement and are required to be applied by the Trustee to the redemption of the Series 2022 Bonds.

Debt Service Schedule

The following table sets forth the annual debt service due on the Series 2022 Bonds, assuming no redemption of the Series 2022 Bonds prior to maturity.

Fiscal Year Ending September 30	Principal	Interest	Total
2022	$ 4,615,000	$ 417,113.89	$ 5,032,113.89
2023	4,165,000	1,826,250.00	5,991,250.00
2024	4,405,000	1,618,000.00	6,023,000.00
2025	4,650,000	1,397,750.00	6,047,750.00
2026	4,900,000	1,165,250.00	6,065,250.00
2027	5,190,000	920,250.00	6,110,250.00
2028	4,685,000	660,750.00	5,345,750.00
2029	2,660,000	426,500.00	3,086,500.00
2030	2,840,000	293,500.00	3,133,500.00
2031	3,030,000	151,500.00	3,181,500.00
	$ 41,140,000	$ 8,876,863.89	$ 50,016,863.89

Pursuant to the Series 2022 Lease Agreement, the City is required, subject to abatement (see "SECURITY FOR THE SERIES 2022 BONDS—Abatement"), to make the related Series 2022 Lease Payments which have been calculated to be sufficient to make the scheduled interest and principal payments due on the related Series 2022 Bonds.

No Additional Bonds

Pursuant to the Series 2022 Indenture, the Authority may not issue additional bonds, notes or other indebtedness which would be payable out of the Series 2022 Revenues in whole or in part.

However, the Series 2022 Lease Agreement does not prohibit the City from incurring additional obligations secured by its General Fund. In that regard, the City from time to time incurs various General Fund obligations to finance public improvements (see "CITY FINANCIAL INFORMATION—Bonded Indebtedness"), which may also include lease obligations payable from its General Fund.

THE AUTHORITY

The Authority is a joint exercise of powers agency duly organized pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with section 6500) of the California Government Code (the "Act"), and a joint exercise of powers agreement, dated as of December 8, 2015 (the "Agreement"), by and between the City and the Housing Authority, and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, public entities, including its members, and to provide financing for public capital improvements of public entities, including its members. The Authority is governed by a board of directors comprised of three members, which are the City Manager, the City Treasurer and the Director of Financial Management of the City.

Except as provided by the Series 2022 Indenture, the Authority has no liability to the Owners or Beneficial Owners of the Series 2022 Bonds and has pledged none of its moneys, funds or assets toward the payment of any amount due in connection with the Series 2022 Bonds. The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Series 2022 Bonds and the Authority will not provide any such information.

THE CITY OF LONG BEACH

The City is a municipal corporation and chartered city of the State and encompasses approximately 52 square miles of coastal area located on the southern edge of Los Angeles County (the "County"). The City is the second largest city in the County and the seventh largest city in the State. The center of the City is 22 miles south of downtown Los Angeles and 110 miles north of San Diego. The City has long been a major industrial center and popular beach resort area.

The City owns the Port of Long Beach, which is operated by the Harbor Department of the City. The Port covers approximately 11.9 square miles, of which approximately 6.9 square miles are water and includes all harbor facilities of the City. The Port has approximately 31.5 miles of waterfront with 65 deep-water cargo berths. The City also owns and operates the Long Beach Airport which provides commercial airline service through a number of carriers, as well as cargo flights operated by Federal Express and United Parcel Service.

For general, economic and demographic information about the City see APPENDIX A—"GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF LONG BEACH."

CITY FINANCIAL INFORMATION

General

Accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. Operations of each fund are accounted for by providing a separate set of self-balancing accounts, which include its assets, liabilities, reserves, fund balances, revenues and expenditures.

The modified accrual basis of accounting is followed for the General Fund, Special Revenue Funds, Capital Project Funds, Expendable Trust and Agency Funds. Under this method, expenditures (other than interest on long-term debt) are recorded when the liability is incurred, and revenues are recorded in the accounting period in which they became measurable and available. The City considers the term "available" to mean collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. The accrual basis of accounting is utilized for all Enterprise and Internal Service Funds.

The City employs the encumbrance method of accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of applicable appropriations. Such commitments are provided for during the annual budget process as carried-over commitments.

Budgetary Process

The City's Charter governs the budget development process and deadlines. Per the Charter, the City Council adopts an annual budget for all funds prior to the start of the new fiscal year, which begins on October 1. Based upon the City Council's priorities and community feedback received during the budget development process, the City Manager submits a proposed budget to the Mayor on or before July 3. The Mayor then presents the City Manager's proposed budget with any additional recommendations to the City Council on or before August 2, after which public budget workshops and hearings are conducted with the City Council during which further amendments can be made. If the City Council does not successfully adopt a budget before September 15, the City Manager's budget as proposed becomes the budget for the new fiscal year.

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. In the past, the City Council has amended the budget, if necessary, on a periodic basis. The City Manager may transfer appropriations within departments, within a given fund, without City Council approval; provided that the total appropriation at the fund level and at the department level does not change. Transfers of appropriations between funds or between departments require City Council approval. Appropriations lapse at

the end of the fiscal year to the extent they have not been expended or encumbered, however unspent appropriations in all-year funds and subfunds roll over into subsequent fiscal years until they are exhausted.

In addition, the City's budgetary process may be affected by the fiscal condition of the State. See "CITY FINANCIAL INFORMATION—Current Financial Condition of the City" below.

COVID-19

The COVID-19 pandemic materially impacted economic activity throughout the world. It resulted in increased costs and challenges to the public health system in and around the City, cancellations of public events and disruption of the regional and local economy. The COVID-19 pandemic, and local, state and federal actions in response to the COVID-19 pandemic had a significant impact on the City's operations and finances. From time to time since the onset of the COVID-19 pandemic in March 2020, governments mandated a variety of responses ranging from travel bans and social distancing practices to complete shut-downs of certain services and facilities. Restrictions on personal and commercial activities were imposed and were subsequently revised by the City, Los Angeles County and the State throughout the COVID-19 pandemic based on the then-current status of infection rates and hospitalizations and other factors. Although most restrictions have currently been eased or repealed, there can be no assurances that restrictions will not be re-imposed if increasing infections and hospitalization rates attributed to the COVID variants occur in the future.

On March 27, 2020, the President signed the $2.2 trillion Coronavirus Aid, Relief, and Economic Stabilization Act (the "CARES Act") which provided, among other measures, $150 billion in financial assistance to states, tribal governments and local governments to provide emergency assistance to those most significantly impacted by COVID-19. Under the CARES Act, the City received an allocation of $40.3 million in Fiscal Year 2019-20. The City used the allocation in Fiscal Year 2019-20 for public safety efforts to combat the spread of COVID-19. Additionally, the City has submitted approximately $35.1 million in COVID-19 related expenditure reimbursement requests to the Federal Emergency Management Agency ("FEMA") for Fiscal Years 2019-20 and 2020-21. Since the expenditures have to be approved by FEMA before any reimbursements are made, the actual amount of assistance that will be received is difficult to determine currently.

On March 11, 2021, the President signed the $1.9 trillion American Rescue Plan Act of 2021 ("ARPA"). Approximately $130 billion of these funds are dedicated to local aid for relief to cities and counties. The City's total allocation is approximately $135.8 million payable over two years. The ARPA funds received can be used to cover costs associated with providing and maintaining specific current City services (e.g., provision of police and other public safety services) up to the amount of the City's calculated revenue loss due to the pandemic. With the majority of ARPA funding covering costs of current City services, this would then allow existing General Fund monies to be used to provide most of the funding for the Long Beach Recovery Act programs as described below. The other funding sources generally consist of other federal and state grants.

Long Beach Recovery Act

In March 2021, the City Council developed the Long Beach Recovery Act (the "Recovery Act") to address pandemic recovery. The Recovery Act allocates $268.5 million for major economic, public health and fiscal initiatives for Long Beach residents, business owners and workers critically impacted by the COVID-19 pandemic. The table below shows the currently expected sources and uses for the Recovery Act. The City anticipates that the sources and uses will change over time, as additional funds may become available and the City Council continues to consider the appropriate allocation of funds as circumstances related to the pandemic evolve over time.

LONG BEACH RECOVERY ACT SOURCES AND USES OF FUNDING

Sources		
Airport Grant	$	15,131,261
American Rescue Plan Act (ARPA) +		11,800,000
CDC Public Health Workforce Development Grant		2,751,815
Epidemiology and Laboratory Capacity Grant		26,753,750
Emergency Rental Assistance Program (Round 1)		30,159,145
Emergency Rental Assistance Program (Round 2)		34,108,147
General Fund*		123,953,078
General Fund**		831,156
Health Disparities Grant		7,700,000
HUD-Home ARP (Funding for Homelessness)		10,240,858
Vaccination Grant		5,118,900
Total Sources	**$**	**268,548,110**

+ This represents the portion of LBRA programs funded directly by ARPA. The remaining portion of ARPA funding will be used to support existing City services.
* Funds made available due to funding from ARPA covering existing City services.
**Funds made available due to funding from CARES covering existing City services.

Uses		
Economic Recovery	$	64,492,417
Healthy and Safe Community		128,347,615
Securing the Future of the City		75,708,078
Total Uses	**$**	**268,548,110**

The following is a description of the three categories of uses identified in the Recovery Plan.

Economic Recovery

The Long Beach Recovery Act focuses resources on residents and businesses most impacted by the pandemic and on relaunching business sectors hardest hit by the pandemic to promote economic recovery and stimulate lasting economic growth. In summary, this category uses funding for:

- COVID Protection for Businesses and Non-Profits: $13 million
- Direct Business Support: $20.3 million
- Economic Inclusion: $7.9 million
- Clean City: $4 million
- Technical Assistance: $500,000
- Economic Stability: $2.0 million
- Micro/Public Transit Pilot: $1.6 million
- Airport Assistance: $15.1 million

Healthy and Safe Community

The Long Beach Recovery Act focuses resources on addressing the mental and physical health of community members most adversely impacted by the pandemic. In summary, this category uses funding for:

- Public Health COVID-19 Response: $21.4 million
- Basic Needs: $6.1 million
- Physical and Mental Health Equity: $12.2 million
- Early Childhood Education and Childcare Supports: $2.8 million

- Violence Prevention and Safe Cities: $4.1 million
- Homelessness: $11.8 million
- Housing Support: $69.3 million
- Language Access: $350,000
- Long Beach Justice Fund: $300,000

Securing the Future of the City

The Recovery Act utilizes significant funds to maintain and provide City services that otherwise would not likely have been able to be maintained due to projected budgetary shortfalls in Fiscal Year 2020-21 and Fiscal Year 2021-22, and to recover revenue that was lost due to the pandemic. The City believes the Recovery Act addresses short term financial pressures exacerbated by the COVID 19 pandemic and provides time for the City to develop financial and service strategies for the future to address projected future operating budget shortfalls. In summary, this category uses funding for:

- Addressing Budget Shortfalls in Order to Maintain Services for Residents and Businesses in Fiscal Year 2020-21 and Fiscal Year 2021-22: $35.2 million
- Recover revenue that was lost due to the pandemic: $40.5 million

In Fiscal Year 2020-21, as approved as part of the Securing the City's Future category, $33.7 million was utilized for the uses listed below.

- $13.2 million to replace lost revenue that caused the General Fund Operating Reserve to be drawn down by that same amount in Fiscal Year 2019-20
- $9.2 million to replace lost revenue that caused the Emergency Reserve to be drawn down by that same amount in Fiscal Year 2019-20
- $1.5 million to replace the Uplands Oil Fund pandemic related revenue loss, making it possible to fund the annual set aside for future oil well abandonment costs
- $5.2 million to replace lost revenue of the Special Advertising and Promotions Fund due to the pandemic
- $4.5 million to cover General Fund costs due to the elimination of the planned employee furloughs for the second half of Fiscal Year 2020-21

For Fiscal Year 2021-22, the Adopted Budget identified a $30 million General Fund shortfall that was expected to be covered by Recovery Act funds. However, as described below in "Financial Condition of the City - March 2022 Fiscal Outlook," Fiscal Year 2021-22 revenues are higher than projections, and as a result not all of the Recovery Act Funds are likely to be required. The use of surplus Recovery Act funds resulting from improved General Fund projections will be determined by the City Council.

The City cannot predict future events relating to the pandemic. There can be no assurances that COVID-19 will not materially adversely impact the City's financial condition in the future.

Financial Condition of the City

Fiscal Year 2019-20 Budget. The City Council adopted the Fiscal Year 2019-20 Budget (the "Adopted Fiscal Year 2019-20 Budget") on September 3, 2019. The Adopted Fiscal Year 2019-20 Budget was adopted prior to the completion of labor negotiations and thus the potential financial impacts of employee contracts were not included in the adopted budget. On May 19, 2020 (after the onset of the COVID-19 pandemic, the City Manager provided a report to the City Council, projecting that the General Fund would have an overall year-end shortfall of $25 to $41 million due to revenue losses and increased expenditures due to the pandemic. This projection factored in a potential range of losses in major revenue streams including sales tax, oil revenue,

and Transient Occupancy Tax, as well as potential pandemic response cost increases related to unbudgeted staff time and material purchases.

On February 16, 2021, the City Manager issued a Year-End Performance report that detailed the final status of the City's General Fund for Fiscal Year 2019-20. The final General Fund shortfall was $21.0 million. This final result was better than the mid-year Fiscal Year 2019-20 projections due to several factors impacting both revenues and expenditures. In terms of revenue, some revenue streams performed better than originally budgeted, and these gains helped mitigate the severity of the overall pandemic-related losses that was expected at the beginning of the pandemic. While in Fiscal Year 2019-20 there were losses in oil, Transient Occupancy Tax, parking citations, ambulance fees, and other departmental revenues, revenues such as sales tax, property tax, and cannabis tax performed better than the Adopted Fiscal Year 2019-20 Budget projections. Additionally, revenue loss was mitigated by other staff action, such as making additional transfers from the Gas Fund due to strong revenue performance in the Gas Fund while staying within the City Charter limits of 12 percent.

With respect to expenditures in Fiscal Year 2019-20, the City Manager issued mid-year savings targets to departments to scale back on any non-essential spending to generate savings, implemented a mid-year hiring freeze to generate vacancy savings, and recommended to the City Council the suspension of some previously approved one-time projects. Federal and State grants also helped to mitigate losses and cover pandemic-related costs. Approximately $9.1 million of eligible General Fund costs were moved out of the General Fund and into the Special Grants Fund to be offset with FEMA or State CARES Act match funding. Additionally, $8.1 million of eligible General Fund pandemic-related operating expenses were covered by State CARES Act funding.

Ultimately, in Fiscal Year 2019-20, General Fund revenues were not sufficient in covering expenditures and uses, including unexpected expenses such as the civil unrest response, the negotiated raises that resulted in an impact of approximately $10.5 million for the General Fund, and the additional funds that needed to be reserved for negotiated one-time payouts in Fiscal Year 2020-21 and the Measure M litigation described herein.

The resulting $21.0 million General Fund shortfall was addressed by use of approximately $220,000 from the Uplands Oil Fund surplus, approximately $12.6 million from the Operating Reserve, and approximately $7.9 from the Emergency Reserve.

Fiscal Year 2020-21 Budget. The City Council adopted the Fiscal Year 2020-21 Budget (the "Adopted Fiscal Year 2020-21 Budget") on September 8, 2020. The City's General Fund had been facing a projected $30 million shortfall for Fiscal Year 2020-21, which was resolved through a combination of both structural solutions and one-time funding strategies. Given the level of uncertainty that existed with the economy and future, and the negative implications to the community of more severe service reductions, the use of one-time funds was a recommended strategic element for balancing Fiscal Year 2020-21. The one-time solutions included assistance from the employee labor force through the implementation of furloughs or other solutions to help generate approximately $11 million savings to the General Fund. At the time of adoption, the Adopted Fiscal Year 2020-21 Budget also anticipated that potentially up to $8 million of additional General Fund reserves might be needed to fund both the structural and one-time programs approved in the Adopted Fiscal 2020-21 Budget.

As described above in "-Long Beach Recovery Act," Recovery Act funds made it possible to address this shortfall and to eliminate the employee furloughs for half the year. The final year-end performance report for Fiscal Year 2020-21 that was reported to the City Council on February 8, 2022, noted that the General Fund ended with a small surplus of $2.2 million.

Fiscal Year 2021-22 Budget. The City Council adopted the Fiscal Year 2021-22 Budget (the "Adopted Fiscal Year 2021-22 Budget") on August 24, 2021. In connection with the preparation of the budget, the City had projected a Fiscal Year 2021-22 shortfall in the General Fund of $30 million (estimated to consist of an approximately $27 million structural shortfall and $3 million in one-time costs). This included some of the

structural shortfall that existed previously in Fiscal Year 2020-21 but, as described above, had been addressed temporarily with one-time solutions. The City initially anticipated that this projected shortfall would need to be resolved through department service reductions, which would have likely had a severe adverse impact to the community given the size of the shortfall. However, the City expects to address the projected Fiscal Year 2021-22 shortfall through the use of funding from the Long Beach Recovery Act.

The Adopted Fiscal Year 2021-22 Budget assumed a favorable outcome in litigation challenging the Measure M transfer. The City did not prevail. See "Recent Voter-Approved Measures – Measure M" below for a discussion of the City's actions to address the loss in the Measure M litigation and the resulting financial ramifications.

March 2022 Fiscal Outlook. During Fiscal Year 2020-21, the City projected that it would be facing a shortfall in Fiscal Year 2022-23 of approximately $36 million. One year later, on March 8, 2022, City staff presented a report to the City Council on the City's fiscal outlook (the "March 2022 Fiscal Outlook Report") as part of the preliminary work on the City's Fiscal Year 2022-23 Budget. The March 2022 Fiscal Outlook Report noted significant improvement in Fiscal Year 2021-22 (as compared to the Fiscal Year 2021-22 Adopted Budget) in sales and use taxes, as well as improvement in utility users tax and property taxes. In addition, the City's revenue projections for Fiscal Year 2022-23 improved from previous projections by $21 million, while projected expenses did not change. This reduced the projected shortfall for Fiscal Year 2022-23 to approximately $13.6 million. Because of the improved revenue performance in Fiscal Year 2021-22, the City expects to be able to address the remaining Fiscal Year 2022-23 projected shortfall from funds that are now expected to be available from the Long Beach Recovery Act and from Measure A funds. In addition, on a preliminary basis, the City has identified a potential shortfall of approximately $29.8 million for Fiscal Year 2023-24 (which includes an approximately $11.9 shortfall from Fiscal Year 2022-23 that was addressed with one-time funds, as well as $9 million attributable to the loss of revenues in connection with the Measure M litigation).

Recent Voter-Approved Measures

City voters have recently approved several measures which positively impact the City's financial condition.

Measure A. On June 7, 2016, voters in the City approved Measure A, which provides for the imposition of an additional transaction and use (sales) tax for a ten-year period, commencing January 1, 2017. In March 2020, voters in the City extended the additional sales tax permanently. As a result of the March 2020 ballot measure, the Measure A tax rate is 1% through the end of Fiscal Year 2021-22. In Fiscal Years 2022-23 through 2026-27, the rate will drop to 0.75%, and return to 1.0% in Fiscal Year 2027-28 and thereafter. Measure A requires that a five-member citizens' advisory committee review the City's use of the funds and to advise and make recommendations on the use of the funds by the City. The Measure further requires annual audits of expenditures. Measure A generated approximately $66.4 million in Fiscal Year 2018-19, approximately $66.2 million in Fiscal Year 2019-20, and approximately $73.5 million in Fiscal Year 2020-21. (The Fiscal Year 2021-22 Adopted Budget assumed $69.0 million in Measure A revenues but as described above the current projection is higher.)

Measure B (2016). On June 7, 2016, voters in the City also approved Measure B, which amended the Long Beach Municipal Code to establish a Budget Stabilization Fund. The Budget Stabilization Fund is required to be used to pay for future City operations and services that might otherwise be reduced in scope, suspended or eliminated due to unanticipated shortfalls in General Fund revenues, whether caused by economic recession or other financial hardship of the City. Pursuant to Measure B, the Budget Stabilization Fund receives automatic deposits/transfers of one percent of any new general tax revenues generated each year, commencing with Fiscal Year 2017-18. This includes revenues from Measure A (described above). Up to fifty percent of available amounts in the Budget Stabilization Fund could be expended by the City Council in any single fiscal year if the City Council declares a fiscal hardship requiring the use of such resources to maintain current levels of City services and programs. Measure B defines "fiscal hardship" as a projection by

the City Manager in the proposed budget for any fiscal year that slow growth or a decrease in General Fund revenues will result in a two percent or greater reduction in funding for general City services, as compared to the prior year's base budget required to maintain those services.

Under Measure B, the City Council cannot expend funds from the Budget Stabilization Fund more than three consecutive years, after which the City Council must consider alternative revenue sources or permanent reductions in general City services for future years. At no time could the balance of the fund exceed five percent of the City's General Gund revenues forecast in the adopted budget for the subsequent fiscal year. Measure B also includes mechanisms to establish and suspend automatic transfers to the fund based on revenue forecasts. In order to address the shortfall in the General Fund at the end of Fiscal Year 2019- 20, the use of operating reserves, including the Measure B Budget Stabilization Fund was needed. In accordance with the Measure B Ordinance, only half of the Measure B reserve can be used in one year, so this action left approximately $863,000 remaining in the Operating Reserve. Long Beach Recovery Act allows the City to recover revenue lost from the pandemic. As of Fiscal Year 2020-21 year-end, there was $2.6 million in the Budget Stabilization Fund and it is anticipated that an additional $817,000 will be added at the end of Fiscal Year 2021-22.

Measure MA. On November 8, 2016, voters in the City approved Measure MA, which imposed a tax on gross receipts of 6-8% for medical marijuana dispensaries, 10-12% for non medical dispensaries, and 6-8% percent on marijuana manufacturers, and a tax of $12 to $15 per square foot for marijuana cultivation. For Fiscal Year 2020-21, Measure MA generated $12.1 million. Measure MA is budgeted to generate approximately $9.2 million in Fiscal Year 2021-22, but this will be evaluated with updated projections throughout the fiscal year. Recently, the City Council asked City staff to study the feasibility of eliminating the tax on cannabis cultivation, which would reduce General Fund revenues from that source by approximately $1.0 million annually.

Measure M. In June 2018, voters in the City approved Measure M by a simple majority, which amended the City Charter to authorize the City to continue to transfer revenue from its water, sewer, and gas utilities to the General Fund in an amount not to exceed 12 percent of each utility's annual gross revenue. On October 22, 2018, certain plaintiffs filed a lawsuit (the "Measure M Litigation") against the City alleging, among other things that, pursuant to Proposition 218, passage of Measure M required the approval of two thirds of the voters voting in the June 2018 election, rather than a simple majority. The Superior Court ruled in favor of the plaintiffs and found that the transfer of water and sewer revenues pursuant to Measure M were invalid. The City's appeals were unsuccessful, and the judgment against the City became final on March 25, 2022.

As a result of the adverse decision, the City's General Fund is obligated to repay $30.8 million to the City's Water System within 180 days. In addition, the City's General Fund will not receive the approximately $9 million in Measure M transfers contained in the Fiscal Year 2021-22 Budget and assumed in planning for the Fiscal Year 2022-23 Budget. The City has set aside $9.0 million in an internal escrow account which will immediately fund part of the $30.8 million owed to the Water System. The City is currently considering options to fund the remaining $21.8 million owed by the General Fund to the Water System, which may include financing of the judgment. (The City has sufficient reserves to pay the judgment.) Finally, because of the possibility of an adverse outcome to the Measure M litigation, and to avoid service-level reductions to its residents and businesses, the City previously identified $9.0 million of one-time funding to replace the (now disallowed) transfer in Fiscal Year 2021-22, and another $6.7 million to replace most of the (now disallowed) transfer in Fiscal Year 2022-23. Going forward, the City will address the budgetary implications for Fiscal Year 2023-24 and future fiscal years. The City does not expect that the adverse result in the Measure M litigation will materially adversely impact its ability to make Series 2022 Lease Payments.

Measure B (2020**)**. On March 3, 2020, voters in the City approved Measure B, which increased the City's transient occupancy tax from 6% to 7%. Measure B (2020) is expected to generate additional revenues to the General Fund of approximately $2.05 million in Fiscal Year 2021-22 (taking into account the general decrease in hotel activity expected to continue as a result of the COVID-19 pandemic).

Measure US. On November 3, 2020, voters in the City approved Measure US, which increased the City's general-purpose oil production tax from $0.15 to up to $0.30 per barrel. Measure US is projected to result in a revenue increase to the General Fund of approximately $1.3 million in Fiscal Year 2021-22. The City Council adopted a policy which prioritizes the use of Measure US revenue for children and youth Services, community health, and climate change.

Financial Statements

The accompanying financial statements were developed from City records. Certain information such as Fund Balances, Revenues, Expenditures and Transfers of Tax Supported Funds and the Tax Supported Fund cash flow analysis were developed by City staff for use in this Official Statement.

Each year the City adopts and maintains a balanced budget in accordance with California law. Certain recurring revenues received by the City and savings accrued as a result of the City's fiscal management are reserved in the General Fund. The City uses certain of its special revenue funds to pay some of its general expenditures where permitted by law. The City has not increased general taxes to provide money for general fund expenditures since June 1992.

The following financial statements reflect transactions and balances in the City's General Fund. Table 1 provides a statement of revenues, expenditures and changes in fund balances. This table is an excerpt from the City's financial statements and may not include all relevant information. A complete compilation of the City's financial statements attached hereto as APPENDIX B—"ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021" including the footnotes thereto, is necessary in order to make an informed investment decision. Table 2 presents a summary of (i) the City's actual budget results for Fiscal Year 2019-20, (ii) the Adopted Budget and final results for Fiscal Year 2020-21, and (iii) the City's adopted General Fund budget for Fiscal Year 2021-22.

TABLE 1
CITY OF LONG BEACH
General Fund Revenues and Expenditures
(in thousands)

	Fiscal Year Ending 9/30				
	2017	***2018***	***2019***	***2020***	***2021***
REVENUES					
Property Taxes	$ 155,204	$ 157,906	$ 176,720	$ 181,700	$ 200,359
Other Taxes[1]	168,941	205,942	207,535	189,650	217,399
Franchise Fees	25,912	20,308	18,126	16,481	23,734
Licenses and Permits	17,057	18,501	27,869	35,615	36,550
Fines and Forfeitures	16,184	15,946	17,674	16,354	14,395
Use of Money & Property	30,119	35,470	39,489	32,175	30,001
From Other Agencies	3,798	5,723	6,493	4,564	8,482
Charges for Services	31,663	38,797	43,156	42,094	39,646
Other	6,838	7,749	12,798	3,100	5,391
Total Revenues	**$ 455,716**	**$ 506,342**	**$ 549,860**	**$ 521,733**	**$ 575,957**
EXPENDITURES CURRENT					
Legislative and Legal	$ 11,518	$ 13,378	$ 13,458	$ 13,108	$ 16,537
General Government	20,823	23,521	37,135	27,363	34,860
Public Safety	332,143	341,050	365,572	353,513	408,803
Public Health	6,774	8,464	9,006	9,612	19,885
Community & Cultural	46,781	46,607	49,862	45,052	53,645
Public Works	43,113	41,975	49,797	47,891	58,535
Oil Operations	2,563	2,945	2,774	2,572	2,446
Total Current Expenditures	**$ 463,715**	**$ 477,940**	**$ 527,604**	**$ 499,111**	**$ 594,711**
Capital Improvements			**12,081**	**347**	**24,765**
DEBT SERVICE[2]					
Principal	--	80	383	425	1,436
Interest	--	--	56	52	42
Fiscal Agent Fees	9	9	12	10	9
Costs of New Bonds	--	--	--	--	--
Total Expenditures	**$ 463,724**	**$ 478,029**	**$ 540,136**	**$ 499,945**	**$ 620,963**
Excess of Revenues Over (Under) Expenditures	(8,008)	28,313	9,724	21,788	(45,006)
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Asset	-	-	-	8,038	713
Debt Issuance	-	-	-	-	-
Premium on Debt Issuance	-	-	-	-	-
Operating Transfers In	46,525	57,689	51,148	71,663	170,669
Operating Transfers Out	(45,720)	(53,026)	(70,723)	(92,065)	(89,625)
Total Other Financing Sources (Uses)	**$ 805**	**$ 4,663**	**$ (19,575)**	**$ (12,364)**	**$ 81,757**
Net Change In Fund Balances	**(7,203)**	**32,976**	**(9,851)**	**9,424**	**36,751**
Fund Balance - October 1	**110,584**	**103,381**	**136,357**	**126,506**	**135,930**
Fund Balance - September 30	**$ 103,381**	**$ 136,357**	**$ 126,506**	**$ 135,930**	**$ 172,681**

(1) Includes sales and use tax, utility users tax, other taxes, and property tax in lieu of sales and use tax from Proposition 57.
(2) As part of the implementation of GASB 54 debt service payments were transferred from General Fund to a newly created General Debt Service Fund.
Source: City of Long Beach - Annual Comprehensive Financial Report.

TABLE 2
CITY OF LONG BEACH
General Fund Budget Summary
Fiscal Year ended September 30

	Actual 2020	Actual 2021	Adopted 2022
Resources:			
Revenues:			
Property Taxes	$181,700,132	$200,358,879	$199,544,921
Sales and Use Taxes	126,688,720	148,448,672	140,616,256
Other Taxes	29,194,803	30,404,632	36,446,252
Utility Users Tax	33,767,513	38,546,021	33,195,206
Franchise Fees	12,578,691	23,733,667	27,900,804
Licenses, Permits and Fees	35,683,706	36,549,802	32,443,786
Fines and Forfeitures	16,595,049	14,395,486	19,378,682
Use of Money & Property	19,940,164	30,000,554	21,403,652
Revenue from Other Agencies	4,564,125	8,482,034	6,921,539
Charges for Services	22,335,355	20,535,031	25,935,597
Other Revenues	11,135,509	6,104,472	3,571,155
Intrafund Services	2,454,405	2,212,169	4,689,444
Intrafund Transfers	10,170,316	-	-
Interfund Services	21,206,563	16,898,395	16,270,378
Interfund Transfers	71,664,111	170,669,000	22,698,963
Other Financing Sources	-	-	-
Release of Reservations/Adjustments	641,500		8,540,116
Carryover Revenue Budget	-	-	-
Total Resources/Sources	**$600,320,662**	**$747,338,814**	**$599,556,752**
Uses:			
Expenditures:			
Salaries, Wages and Benefits	$431,680,517	$469,710,600	$459,227,261
Materials, Supplies and Services	61,205,431	73,786,037	50,188,300
Interfund Support	45,994,602	49,656,098	70,533,494
Intrafund Support	2,453,343	2,212,493	1,632,892
Capital Purchases	485,006	25,108,000	129,111
Insurance Premiums and Losses	5,432	3,542	1,270
Other Non-Operational Expenditures	987,372	486,712	512,000
Operating Transfers	47,076,872	89,625,000	52,178,947
Intrafund Transfers Out	3,000,000		-
Purchase of Gas & Water	-	-	1,000
Depreciation and Non Cash Expenditures	-	-	-
Addition to Reservations/Adjustments	4,115,762		(5,167,790)
Carryover Expenditure Appropriation	-	-	-
Total Expenditures/Uses	**$597,004,338**	**$710,588,482**	**$629,236,485**
Net Increase/(Decrease) in Funds Avail.	3,316,325	36,750,332	(29,679,733)
Beginning Funds Available	(3,316,325)	-	
Projected Shortfall/Surplus*	**-**	**$36,750,332**	**(29,679,733)**

* See "-Long Beach Recovery Act" and "Financial Condition of the City" for a description of the manner in which the shortfalls were addressed. In Fiscal Year 2020-21, most of the $36.750 million surplus has been earmarked for application in accordance with the Long Beach Recovery Act. The budgetary funds available to City Council (above General Fund reserve levels) was $2.2 million at September 30, 2021.
Source: City of Long Beach

Pension Plans and Post-Retirement Health Care Benefits

CalPERS. The City contributes to the California Public Employees Retirement system ("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. See Note 13 - "Retirement Programs" in Appendix B – "Annual Comprehensive Financial Report of the City for the Fiscal Year Ended September 30, 2021" for additional information concerning the plan, including a summary of employees benefits.

Contribution Rates. Contribution rates are set forth in the table below. On July 12, 2021, CalPERS reported a preliminary 21.3 percent net return on investment for the fiscal year ending June 30, 2021. Since the return exceeds the CalPERS' actuarially assumed 7 percent rate of return for the fiscal year, the CalPERS Funding Risk Mitigation Policy was triggered. Approximately half of the excess return will be used for rate relief and half of the excess return will be used to lower to 6.8% (from the current level of 7.0%) the discount rate for all future years. The resulting impact to the required employer contribution rate changes will be effective for the City in fiscal year 2023-24. In addition, as a result of the change in investment rate and other factors, the City's required annual contributions to CalPERS are projected to increase. Employees in the City are required to pay the full portion of their required employee pension contributions. Actual required payments to CalPERS will depend on a variety of factors, including investment returns and changes in actuarial assumptions.

The following tables show the City's contribution rates, as determined by CalPERS.

TABLE 3
CITY OF LONG BEACH
CalPERS Contribution Rates

Safety Plan of the City of Long Beach

Fiscal Year	*Employer Normal Cost*	*Unfunded Liability Payment*
2017-18	19.001%	$20,702,786
2018-19	19.726	27,794,447
2019-20	20.338	34,854,451
2021-21	21.622	38,643,146
2021-22	20.82	43,228,316
2022-23	20.27	48,791,595

Miscellaneous Plan of the City of Long Beach

Fiscal Year	*Employer Normal Cost*	*Unfunded Liability Payment*
2017-18	9.344%	$31,752,031
2018-19	9.748	39,468,651
2019-20	10.214	49,796,572
2020-21	10.736	50,240,149
2021-22	10.25	54,721,299
2022-23	9.93	58,557,379

Source: CalPERS Actuarial Reports for the City.

Actuarially Determined Contributions. Commencing with the City's Annual Comprehensive Financial Report, Fiscal Year ended September 30, 2015, the City has utilized the concept of "actuarially determined contribution" in place of "annual pension cost" which it had previously utilized in annual financial reports. See Note 13- "Retirement Programs" and the Required Supplementary Information in Appendix B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021."

TABLE 4
CalPERS Actuarially Determined Contribution
(in thousands)

Fiscal Year	*Miscellaneous Actuarially Determined Contribution*[(1)]	*Safety Actuarially Determined Contribution*[(1)]	*Total Actuarially Determined Contribution*[(1)]	*Percentage Contribution*
2017	$ 45,864	$ 39,371	$ 85,235	100%
2018	53,278	46,437	99,715	100
2019	62,483	55,248	117,731	100
2020	71,565	64,654	136,219	100
2021	78,158	71,008	149,166	100

(1) Does not include debt service on the City's pension obligation bonds.
Source: City of Long Beach, California Annual Comprehensive Financial Reports through Fiscal Year 2021.

Funded Status and Funding Progress. The following table shows the City's historical funding progress.

TABLE 5
CITY OF LONG BEACH
Funding Status of Retirement Plans
(in thousands)

June 30 Actuarial Valuation Date	*Market Value of Assets*	*Actuarial Accrued Liability (AAL)*	*Unfunded AAL (UAAL)*	*Funded Ratio*	*Covered Payroll*	*UAAL as a % of Covered Payroll*
			Miscellaneous Employees			
2016	$1,798,587	$2,451,922	$653,334	73.4%	$227,944	286.6%
2017	1,932,183	2,527,614	595,430	76.4	235,744	252.5
2018	2,031,937	2,682,271	650,333	75.8	241,425	269.4
2019	2,105,967	2,770,769	664,802	76.0	248,102	267.9
2020	2,146,992	2,849,716	702,725	75.3	258,623	271.7
			Safety Employees			
2016	$1,807,038	$2,299,859	$492,821	78.6%	$122,845	401.1%
2017	1,944,346	2,408,676	464,330	80.7	132,806	349.6
2018	2,049,676	2,579,276	529,600	79.5	137,471	385.2
2019	2,127,317	2,673,258	545,941	79.6	144,512	377.7
2020	2,172,338	2,775,385	603,047	78.3	152,063	396.6

Source: CalPERS Actuarial Reports

GASB Statement 68. On June 25, 2012, the Governmental Accounting Standards Board ("GASB") approved two new standards with respect to pension accounting and financial reporting standards for state and local governments and pension plans. Pursuant to GASB Statement 68 states that, for pensions within the scope of the statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. While the new accounting standards change financial statement reporting

requirements, they do not impact funding policies of the pension systems. The Annual Comprehensive Financial Report of the City for the Fiscal Year Ended September 30, 2021 reflects implementation of the GASB requirements, and includes recognition of a net pension liability of approximately $527.9 million. See "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021."

Post-Retirement Health Care Benefits. 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; however, 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 of the retiring employee's accumulated unused sick leave to pay for health, dental, vision and long-term care insurance premiums under the City's Retired Employees Health Insurance Program. Once the cash value of the retired employee's unused sick leave is exhausted, the retiree can terminate coverage or elect to continue paying premiums at the retiree's expense, which includes the option of deducting monthly premiums from the retiree's CalPERS pension warrant.

Termination Benefits. As of September 30, 2021, the City recorded a liability for accrued vacation and sick leave in the government-wide financial statements of approximately $172.6 million. These liabilities are being funded over time through burden rates, applied as a percentage of current productive salaries, and charged to the various City funds.

Other Postemployment Benefits. 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. The City has not prefunded the plan.

Certain Financial Information Relating to OPEB. The total OPEB liability in the September 30, 2021 actuarial valuation was determined using the actuarial assumptions and other inputs identified in the City's audited financial report, applied to all periods included in the measurement, unless otherwise specified:

TABLE 6
CITY OF LONG BEACH
Schedule of Changes in Total OPEB Liability and Related Ratios[(1)]
(As of September 30, in thousands)
(unaudited)

Total OPEB liability – balance at October 1, 2020	**$**	**9,655**
Service cost		1,718
Interest on total OPEB liability		265
Difference between expected and actual experience		1,221
Changes of assumptions		(539)
Benefit payments		(3,525)
Net change in total OPEB liability		**(870)**
Total OPEB liability – balance at September 30, 2021	**$**	**8,785**

Notes to Schedule:
(1) No assets are accumulated in a trust to pay related benefits
Source: City of Long Beach, California Annual Comprehensive Financial Reports through Fiscal Year 2020.

See "Note 14 – Post employment Heath care Benefits" in "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021" for additional information about the post-retirement health care benefits (including funded status and funding progress) provided to the employees of the City.

Employer/Employee Relations

The City recognizes various employee organizations, the largest ones being the International Association of Machinists ("IAM"), Police Officers Association ("POA") and the Association of Long Beach Employees (ALBE), which collectively represent approximately 70% of all represented City employees in a variety of classifications. Most City employees are covered by negotiated agreements.

The MOUs between the City and its 12 employee associations including Police and Fire expire between September 30, 2022 (Safety) and September 30, 2023 (Miscellaneous). The City is expected to enter negotiations with Safety groups in 2022 to reach MOU agreements. The City will be working with all other employee associations thereafter to secure fair agreements that recognize the value of its employees while also addressing the City's fiscal reality. (The bargaining units generally do not have binding arbitration clauses related to general wages increases; however, seven bargaining units have binding arbitration for grievance procedures.) The City has not experienced a major work stoppage by City employees in the past five years.

Currently the City maintains labor contracts with 12 of 12 employee associations, which altogether represent approximately 99% of the City's employees. Elected officials, as well as members of City Boards and Commissions remain unrepresented.

Insurance Coverage and Liability Claims

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

At September 30, 2021, the City accrued non-discounted estimates totaling $176.0 million for workers' compensation and general liability claims. This represents estimates of amounts to be paid for actual and incurred-but-not-reported claims based upon past experience, modified for current trends and developments. The City has recorded a current liability of $20.5 million and a long-term liability of $111.6

million in the Insurance Internal Service Fund. The City has recorded a current liability of $11.1 million and a long term liability of $33.2 million in the General Liability Insurance Fund.

The ultimate amount of losses incurred through September 30, 2021 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, 2021 and 2020 is as follows (in thousands):

	Workers' Compensation Claims	***General Liability Claims***	***Total***
Balance at September 30, 2019:	**$ 138,054**	**$ 33,502**	**$ 171,556**
Additions (Reductions)	**13,840**	**17,931**	**31,771**
Payments	(14,909)	(8,382)	(23,291)
Balance at September 30, 2020	**$ 136,985**	**$ 43,501**	**$ 180,036**
Additions (Reductions)	**7,511**	**4,434**	**11,946**
Payments	**(12,416)**	**(3,180)**	**(15,596)**
Balance at September 30,2021	**$ 132,080**	**$ 44,305**	**$ 176,385**

Source: City of Long Beach – Annual Comprehensive Financial Reports through Fiscal Year 2021.

Outstanding Obligations

This section contains certain information related to the City's indebtedness. In addition to the outstanding bonds described in this section, the City has established short-term borrowing programs.

The City has no outstanding general obligation debt and has never defaulted on any principal or interest payments associated with any of its debt obligations. The City's currently outstanding indebtedness is set forth in the tables below. From Fiscal Year 2022-23 through 2026-27, the City currently expects to issue approximately $150 million of obligations payable from the General Fund to finance infrastructure, including infrastructure in connection with the 2028 Olympics.

TABLE 7
CITY OF LONG BEACH
General Fund
Outstanding Debt
(as of September 30, 2021)

Lease Revenue Bonds

Bond Issue	*Final Maturity*	*Original Par Amount ($)*	*Amount Outstanding ($)*
Finance Authority of Long Beach, Lease Revenue Bonds Series 2019A (Parking Garage)	2039	$ 9,245,000	$ 8,720,000
Finance Authority of Long Beach, Lease Revenue Bonds Series 2019B (Open Space Refinancing Project) [1] [2]	2031	13,350,000	11,975,000
Finance Authority of Long Beach, Lease Revenue Bonds, Series 2016A (Courthouse Demolition Project)	2026	13,150,000	7,235,000
Finance Authority of Long Beach, Lease Revenue Bonds, Series 2016B (Rainbow Harbor Refinancing Project) [3]	2023	19,115,000	5,925,000
Long Beach Bond Finance Authority, Lease Revenue Refunding Bonds, Series 2012A (Taxable) [4]	2031	54,630,000	41,520,000

[1] Issued in May, 2019
[2] Refunded Long Beach Bond Finance Authority, Lease Revenue Bonds Series 2006B (Open Space Financing Project).
[3] Refunded the Lease Revenue Refunding Bonds, Series 2006 (Rainbow Harbor Refinancing).
[4] Refunded the Lease Revenue Refunding Bonds, Series 1998A and B (Temple Willlow), Lease Revenue Refunding Bonds, Series 2001 (Plaza Parking Facilities), Lease Revenue Bonds, Series 2002 (Public Safety Facilities), Lease Revenue Refunding Bonds, Series 2005A (Temple Willow), Lease Revenue Refunding Bonds, Series 2003 (Skylinks Golf Course Project), and the Taxable Variable Rate Demand Revenue Bonds, Series 2004A (Long Beach Towne Center).

Source: City of Long Beach

The table does not include the Civic Center Project Agreement (defined herein). See "-Civic Center Project Agreement."

TABLE 8
CITY OF LONG BEACH
City and Related Agencies (All Other Funds)
Outstanding Debt
(as of September 30, 2021)

Revenue Bonds

Bond Issue	*Final Maturity*	*Original Par Amount ($)*	*Amount Outstanding ($)*
City of Long Beach, Harbor Revenue Refunding Series 2020A (Private/Non-AMT) [1]	2027	$55,725,000	$55,725,000
City of Long Beach, Harbor Revenue Refunding Series 2020B (Private/AMT) [1]	2024	74,940,000	55,305,000
City of Long Beach, Harbor Revenue Refunding Series 2019A [2]	2049	161,310,000	161,310,000
City of Long Beach, Tidelands Revenue Bonds Series 2017A (Aquarium of the Pacific Project) [2]	2027	10,190,000	8,990,000
City of Long Beach, Tidelands Revenue Bonds Series 2017B (Queen Mary Improvements) [2]	2027	17,705,000	11,640,000
City of Long Beach, Harbor Revenue Bonds Series 2017A (AMT)	2040	101,610,000	101,610,000
City of Long Beach, Harbor Revenue Bonds Series 2017B (AMT)(Green Bonds)	2043	25,985,000	25,985,000
City of Long Beach, Harbor Revenue Bonds Series 2017C (Non-AMT)	2047	42,660,000	42,660,000
City of Long Beach, Senior Sewer Revenue Refunding Bonds, Series 2016A [3]	2036	9,830,000	7,960,000
City of Long Beach, Marina Revenue Bonds, Series 2015 (Alamitos Marina Project) [4]	2045	114,015,000	108,095,000
City of Long Beach, Harbor Revenue Refunding Bonds, Series 2015A (AMT) [5]	2023	44,845,000	21,430,000
City of Long Beach, Harbor Revenue Refunding Bonds, Series 2015B (Non-AMT) [5]	2025	20,130,000	20,130,000
City of Long Beach, Harbor Revenue Refunding Bonds, Series 2015C (Non-AMT)	2032	66,085,000	66,085,000
City of Long Beach, Harbor Revenue Refunding Bonds, Series 2015D (AMT)	2042	66,865,000	66,865,000
City of Long Beach, Harbor Revenue Refunding Bonds, Series 2014B (Non-AMT) [6]	2027	20,570,000	11,700,000
LBBFA, Revenue Refunding Bonds, Series 2012 (Aquarium of the Pacific Project) [7]	2030	102,580,000	63,470,000
City of Long Beach, Second Lien Water Revenue Bonds, Series 2012A [8]	2027	9,850,000	4,695,000
City of Long Beach, Water Revenue Refunding Bonds, Series 2010A [10]	2024	22,740,000	8,250,000
City of Long Beach, Senior Airport Revenue Bonds, Series 2010A [11]	2040	48,435,000	39,085,000
City of Long Beach, Senior Airport Revenue Bonds, Series 2010B [11]	2040	12,965,000	10,165,000
City of Long Beach, Senior Airport Revenue Bonds, Series 2009A	2022	9,795,000	1,660,000
City of Long Beach, Senior Airport Revenue Bonds, Series 2009C [12]	2039	44,890,000	44,890,000
LBBFA, Natural Gas Purchase Revenue Bonds, Series 2007A [13]	2037	635,665,000	477,550,000
LBBFA, Natural Gas Purchase Revenue Bonds, Series 2007B [13]	2033	251,695,000	69,005,000

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(1) Refunded the Harbor Revenue Bonds, Series 2010A and Harbor Revenue Refunding Bonds, Series 2010B
(2) Issued in July 2019.
(3) Refunded the Long Beach Water Department's Sewer Commercial Paper.
(4) Prepaid CA Boating and Waterway (DBW/DBAW) loans totaling $61.4 million.
(5) Refunded the Harbor Revenue Refunding Bonds, Series 2005A (AMT) and B (Non-AMT).
(6) Defeased 2014A in Fiscal Year 2017/Refunded Harbor Revenue Bonds, Series 2002B, and Revenue Refunding Bonds, Series 2004A and B.
(7) Refunded LBBFA Lease Revenue Refunding Bonds, Series 2001 (Aquarium of the Pacific).
(8) Refunded the Long Beach Water Department's Subordinate Commercial Paper, Series A.
(9) Partially refunded the Harbor Revenue Bonds, Series 2004A and 2005A.
(10) Refunded the Water Revenue Refunding Bonds, Series 1997A.
(11) Refunded the Long Beach Airport's Commercial Paper.
(12) Build America Bonds (BABs) include a Federal Direct subsidy equal to 35% of the interest payments.
(13) Redeemed by 2009 bond tenders; 2007A $48.3 million and 2007B $182.7 million.

Source: City of Long Beach

Tax Allocation Revenue Bonds

Bond Issue[4]	*Final Maturity*	*Original Par Amount ($)*	*Amount Outstanding ($)*
Successor Agency to the Redevelopment Agency of the City of Long Beach Tax Allocation Refunding Bonds, Series 2021	2039	$ 19,765,000	$ 18,950,000
County of Los Angeles Redevelopment Refunding Authority Series 2015A (Tax Exempt) [3]	2040	74,375,000	74,375,000
County of Los Angeles Redevelopment Refunding Authority Series 2015B (Federally Taxable) [3]	2028	81,445,000	45,505,000
Redevelopment Agency of the City of Long Beach, Taxable Recovery Zone Economic Development Bonds, 2010 Series A (North Long Beach Redevelopment Project) [1]	2040	22,235,000	0
Redevelopment Agency of the City of Long Beach, Taxable Build America Bonds, 2010 Series B (North Long Beach Redevelopment Project) [1]	2025	10,745,000	0
LBBFA, Tax Allocation Revenue Bonds, Series 2005C (Downtown Long Beach Redevelopment Project Areas) [2]	2031	7,900,000	1,860,000
LBBFA, Tax Allocation Revenue Bonds, Series 2005C (North Long Beach Redevelopment Project Areas) [2]	2031	27,145,000	15,585,000
LBBFA, Tax Allocation Revenue Bonds, Series 2002B (West Long Beach Industrial Projects) [3]	2024	21,860,000	5,210,000
LBBFA, Tax Allocation Revenue Bonds, Series 2002B (Downtown Industrial Projects) [3]	2022	25,920,000	10,505,000

[1] 2010A Build America Bonds (BABs) include a Federal Direct subsidy equal to 35% of the interest payments. The 2010B (RZEDB) include a Federal Direct subsidy equal to 45% of the interest payments.

[2] The 2005C Tax Allocation Revenue Bonds partially refunded the 2002 Tax Allocation Revenue Bonds. The 2005C Bonds were partially refunded by the County of Los Angeles Redevelopment Refunding Authority, Tax Allocation Revenue Refunding Bonds, Series 2015A and B.

[3] The 2002B Bonds were partially refunded by the County of Los Angeles Redevelopment Refunding Authority, Tax Allocation Revenue Refunding Bonds, Series 2015A and B.

Source: City of Long Beach

The following table sets forth a schedule of the City's direct and overlapping debt as of September 30, 2021.

TABLE 9
CITY OF LONG BEACH
Direct and Overlapping Debt
September 30, 2021 (in thousands)

2020-21 Assessed Valuation: $64,588,433

DIRECT DEBT:		Outstanding	Exclusions	Outstanding
City of Long Beach:				
Lease Revenue Bonds		$75,375	$0	$75,375
Total Direct Debt		$75,375	$0	$75,375
OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**			
Cerritos Community College District	0.383%	$ 379,877	$ 378,423	$ 1,454
Coast Community College District	0.001	867,300	867,291	9
Compton Community College District	2.646	103,571	100,831	2,740
Long Beach Community College District	86.010	481,796	67,403	414,393
Los Angeles Community College District	0.043	4,146,515	4,144,732	1,783
ABC Unified School District	1.220	69,143	68,299	844
Compton Unified School District	0.023	241,804	241,748	56
Long Beach Unified School District	86.011	1,354,375	189,464	1,164,911
Los Angeles Unified School District	0.053	10,335,150	10,329,672	5,478
Paramount Unified School District	9.365	184,609	167,320	17,289
Metropolitan Water District	1.979	26,830	26,299	531
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT (1)		$18,190,970	$16,581,482	$1,609,488
OVERLAPPING GENERAL FUND OBLIGATION DEBT:				
Los Angeles County General Fund Obligations	3.779%	$2,575,585	$2,478,254	$97,331
Los Angeles County Superintendent of Schools Certificates of Participation	3.779	3,972	3,822	150
Compton Unified School District Certificates of Participation	0.023	29,095	29,088	7
Los Alamitos Unified School District Certificates of Participation	0.011	35,937	35,933	4
Los Angeles Unified School District Certificates of Participation	0.053	130,970	130,901	69
Paramount Unified School District General Fund Obligations	9.365	25,480	23,094	2,386
County Sanitation District No. 1 General Fund Obligations	1.193	1,624	1,605	19
County Sanitation District No. 2 General Fund Obligations	0.184	2,508	2,503	5
County Sanitation District No. 3 General Fund Obligations	86.036	1,906	266	1,640
County Sanitation District No. 8 General Fund Obligations	2.578	992	966	26
County Sanitation District No. 19 General Fund Obligations	30.593	452	314	138
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT		$2,808,521	$2,706,746	$101,775
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	100. %	$171,990	$0	$171,990
TOTAL GROSS OVERLAPPING COMBINED DEBT		$21,171,481	$19,288,228	$1,883,253
Less: Los Angeles Unified School District General Obligation Bonds, supported obligations		154,870	154,788	82
TOTAL NET OVERLAPPING COMBINED DEBT		$21,016,611	$19,133,440	$1,883,171
TOTAL NET DIRECT AND OVERLAPPING COMBINED DEBT (2)		$21,091,986	$19,133,440	$1,958,546

(1) Excludes 1915 Act and Mello-Roos Act bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt ($1,609,488)	2.49%
Total Direct Debt ($75,375)	**0.12%**
Gross Combined Total Debt ($1,958,628)	3.03% (1)
Net Combined Total Debt ($1,958,546)	3.03%

Ratios to Redevelopment Successor Agency Incremental Valuation ($17,466,254):

Total Overlapping Tax Increment Debt	0.98%

(1)Includes supported Los Angeles Unified School District General Obligation Bonds.

Source: California Municipal Statistics, Inc.

Civic Center Project Agreement

The City has entered into a contract for the construction and long-term maintenance of a new City Hall (completed), a new Port of Long Beach administrative Headquarters (completed), a new Main Library facility for the City (completed), and the redevelopment of the City's Lincoln Park (completed) (collectively, the "Civic Center Project"). In total, the Civic Center Project and the related private and residential and commercial development is expected to include the construction of six new buildings, three new parking garages, as well as related infrastructure, street and landscaping improvements.

In connection with the Civic Center Project, the City entered into a Project Agreement, dated April 20, 2016 (the "Civic Center Project Agreement"), with Plenary Properties Long Beach LLC (the "Civic Center Project Developer"), pursuant to which the Civic Center Project Developer has constructed and delivered the majority of the Civic Center Project components and is currently operating and maintaining such completed components.

Pursuant to the Project Agreement, the City is required to make an annual payment (the "Civic Center Annual Payment") to the Civic Center Project Developer after delivery of the Civic Center Project or components thereof. The Civic Center Annual Payment for Fiscal Year 2019-2020 was approximately $16.3 million and the Civic Center Annual Payment for Fiscal Year 2020-2021 was approximately $17.0 million. The Civic Center Annual Payment for Fiscal Year 2021-2022 is currently projected to be approximately $17.3 million. Although the entire amount is legally payable from the General Fund, the cost will be shared by the various funds using the facility as has been historically done in the past. The General Fund portion of the Civic Center Annual Payment in Fiscal Year 2019-20 was approximately $11.7 million (72% of the total). One of the two contemplated private developments is complete and currently generating property tax revenue. Upon completion of the second private development, potentially after four to five years, the net cost and General Fund costs are expected to be offset in part by more than $1 million annually due to anticipated aggregate increased tax revenue. The Civic Center Annual Payment is subject to increase annually using a formula that is 65% based on a 2.18% fixed growth rate and 35% based on an inflation index specified in the Project Agreement. The Civic Center Annual Payment is also subject to increase under specific circumstances set forth in the Project Agreement including cost increases due to earthquake damage, and other unusual losses and costs.

The term of the Civic Center Project Agreement expires in November 2060. The Civic Center Project Agreement contains performance guarantees on the part of the Civic Center Project Developer as well as event of defaults, termination provisions, and indemnification provisions. Under the Civic Center Project Agreement, in the event the Civic Center Project Agreement is terminated (whether following an event of default on the part of the Civic Center Project Developer or of the City, or at the option of the City), the City would likely be required to make substantial payments, possibly including repayment or assumption of all or a significant portion of the outstanding debt of the Civic Center Project Developer (estimated to be in excess of $300 million).

Assessed Valuation

The City uses the facilities of the County for tax assessment and collection. City taxes are assessed and collected at the same times and on the same tax rolls as County, school and special district taxes.

Under California law, two additional types of exemptions were authorized beginning in the tax year 1969-70. The first of these exempts 50% of the assessed valuation of business inventories from taxation. The second provides an exemption of $7,000 of the assessed valuation of an owner-occupied dwelling from which application has been made to the County Assessor. Under a recently enacted constitutional amendment, the California Legislature can raise this exemption. Revenue estimated to be lost to local taxing agencies due to such exemption is reimbursed from State sources. The reimbursement is based upon total taxes due upon these exempt values and therefore is not reduced by any amounts for estimated delinquencies.

Summarized below is certain assessed valuation and tax collection information of the City.

TABLE 10
CITY OF LONG BEACH
Assessed Valuations

Fiscal Year	*Local Secured*	*Utility*	*Unsecured*	*Total*
2016-17	$ 48,606,862,800	$ 751,107,900	$ 2,867,420,362	$ 52,225,391,062
2017-18	50,962,228,837	574,956,288	3,081,510,096	54,618,695,221
2018-19	53,930,049,125	557,712,689	3,123,473,788	57,611,235,602
2019-20	56,854,364,278	854,097,511	3,340,681,045	61,049,142,834
2020-21	59,933,044,272	1,113,330,097	3,542,058,371	64,588,432,740
2021-22	62,330,423,028	1,150,061,390	3,387,736,357	66,868,220,775

Source: California Municipal Statistics, Inc.

See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS."

Largest Taxpayers

The following table shows the 10 largest owners of taxable property in the City as determined by secured assessed valuation in fiscal year 2021-22, representing 2.60% of the City's total secured assessed valuation. The table also shows taxable possessory interests in connection with Port operations.

TABLE 11
CITY OF LONG BEACH
Top 10 Taxpayers
Fiscal Year 2021-22

	Major Local Secured Taxpayers	Primary Land Use	2021-22 Assessed Valuation	% of Total [(a)]	
	LBCT LLC	Industrial-Terminal Operations	$ 469,721,415 [(b)]		0.75%
	Pacific Maritime Services LLC	Industrial-Terminal Operations	409,285,099 [(b)]		0.66
	Terminal Investment Limited Sàrl	Industrial-Terminal Operations	408,835,000 [(b)]		0.66
	Tidelands Oil Production Co.	Industrial-Petroleum	380,053,947 [(c)]		0.61
	Participants in Long Beach Unit	Industrial-Petroleum	294,965,477 [(c)]		0.47
1.	CF Alpha and Golf Prop Co LLC	Office Building	255,067,401	0.41%	
	International Trans Serv	Industrial-Terminal Operations	214,566,000 [(b)]		0.34
2.	GCC Long Beach LLC	Industrial	213,460,348	0.34	
	Massachusetts Mutual Life Insurance	Shopping Center	182,464,367 [(b)]		0.29
3.	Douglas Park Associates III & IV LLC	Industrial	173,646,628	0.28	
	Kilroy Realty LP	Office Building	169,784,711 [(b)]		0.27
4.	2009 CUSA Community Owner LLC	Apartments	163,610,156	0.26	
5.	John Hancock Life Insurance	Office Building	153,454,900	0.25	
6.	TABC Inc.	Industrial	138,045,963	0.22	
7.	707 East Ocean Boulevard LLC	Commercial	135,331,734	0.22	
	Urban Commons Queensway LLC	Hotel	133,687,303 [(b)]		0.21
	SSA Terminals LLC	Industrial-Terminal Operations	132,609,000 [(b)]		0.21
8.	Equity One LLC	Shopping Center	129,307,555	0.21	
9.	IMT Capital IV Gallery LLC	Commercial	129,045,456	0.21	
10.	LB Oceanaire Development LLC	Apartments	127,258,221	0.20	
			$ 4,414,200,681	2.60%	4.49%

Source: California Municipal Statistics, Inc.

(a) 2021-22 Local Secured Assessed Valuation: $62,330,423,028

(b) Cross Reference Roll – Possessory Interest

(c) Cross Reference Roll – Oil/Mineral Rights

Historically, properties in the County have been subject to taxation at varying rates by 80 municipalities, including the City and numerous special purpose districts. Each entity would set its budget expenses and then determine, subject to certain legal limitations, the property tax rate to be levied in order to raise sufficient funds. In 1979, the Constitution of the State of California was amended by Article XIII A ("Proposition 13") which provides that the maximum ad valorem tax on real property cannot exceed 1% of the "full cash value" of the real property as shown on the 1975-76 tax bill or the appraisal value of real property when purchased or newly constructed after the 1975 assessment. The "full cash value" may also be annually adjusted to reflect inflation at a rate not to exceed 2% per year, a reduction in the consumer price index or comparable local data, or decreases in property value caused by damage, destruction or other factors. Proposition 13 prohibits the levying of any other ad valorem property taxes except for property taxes required to pay debt service for voter-approved general obligation bonds.

Should real property in the City decline in market value, Proposition 8 allows for reassessment procedures under which the assessor is obligated to review the property and enroll the lesser of the factored base year value or the market value. The factored base year value of real property is the market value as established in 1975 or as established when the property last changed ownership or when the property was newly constructed. The assessed value of property that has been reassessed under Proposition 8 may rise more than the standard 2% maximum allowed for properties assessed under Proposition 13 up to its factored Proposition 13 base year value.

Prior to the adoption of Proposition 13, real property was assessed at 25% of market value, and the tax rate was $4 per $100 of assessed value. Beginning in 1982, assessed valuation is calculated at 100% of market value, which reduces the tax rate to $1 per $100 of assessed value.

The following chart summarizes property tax rates for all overlapping governments per $100 of assessed real property value within the City for the last five fiscal years.

Table 12
Property Tax Rate
All Overlapping Governments
(Per $100 of Assessed Value)

Fiscal Year Ending 9/30[(1)]	*City Direct Rate*	*County Of Los Angeles*	*Unified Schools*	*Community Colleges*	*Special Districts*	*Total*
2021	1.00000	0.00000	0.11323	0.04376	0.00350	1.16049
2020	1.00000	0.00000	0.139929	0.040162	0.003500	1.18359
2019	1.00000	0.00000	0.125520	0.027175	0.003500	1.15619
2018	1.00000	0.00000	0.12323	0.04621	0.00350	1.17294
2017	1.00000	0.00000	0.12219	0.04599	0.00350	1.17168

(1) Based on Los Angeles County's Fiscal Year Ending June 30.

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: City of Long Beach – Annual Comprehensive Financial Report – Fiscal Year 2020.

Tax Receipts

Taxes received by the City include Property Taxes, Utility Users Taxes, Sales and Use Taxes, Transient Occupancy Taxes, Business License Taxes, and an Oil Production Tax. Of such taxes, Property Taxes, Utility Users Taxes and Sales and Use Taxes constitute the major sources of tax revenues. The City's

ability to raise current taxes or impose future taxes is limited by Proposition 218. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Proposition 218."

The following table sets forth the total General Fund tax revenues received by the City by source.

TABLE 13
CITY OF LONG BEACH
General Fund Tax Revenues by Source
(in thousands)

Fiscal Year	2017	2018	2019	2020	2021
Property Tax	$ 155,204	$ 157,906	$ 176,720	$ 181,700	$ 200,359
Sales & Use Tax	97,254	130,852	136,161	126,689	148,449
Utility Users Tax	35,858	36,639	34,898	33,767	38,546
Transient Occupancy Tax	18,317	20,856	19,436	13,627	13,605
Other Tax	17,512	17,595	17,040	15,567	16,799
Total Taxes	$ 324,145	$ 363,848	$ 384,255	$ 371,350	$ 417,758

* Includes Business License Tax, Oil Production Tax, and Other Taxes
Source: City of Long Beach and the Annual Comprehensive Financial Reports through Fiscal Year 2021.

Oil Related General Fund Revenues

The Wilmington Oil Field, which is one of the largest oil fields in the United States, traverses the City. Since 1939, the City has developed and managed the oil operations on its Upland and Tideland properties. The Upland properties are owned by the City and the revenues can be used for general purpose activities. The Tideland properties are owned by the City in trust for the State. The revenues generated by the Tideland properties, by legislation, are shared between the City, State and two contracting oil production companies, Occidental Petroleum Corp. and Tidelands Oil Production Company. The City's share can only be used in support of Tidelands purposes. There are no revenue transfers between Tidelands Operating funds and the City's General Fund. Operation of the Wilmington Oil Field is managed by two contractors, Tidelands Oil Production Company and Occidental Petroleum Corporation. The City administers all City oil operations, contracts, leases and agreements and directs all subsidence control operations through the Long Beach Gas & Oil Department.

The following table shows General Fund revenues from the Upland Oil Fund for the last five fiscal years.

Table 14
CITY OF LONG BEACH
General Fund (Upland Oil Fund)
Oil Sales and Royalties Revenue[1]
(in thousands)

Fiscal Year Ended September 30	Upland Oil Fund
2017	$12,176
2018	16,058
2019	14,926
2020	9,743
2021	10,900[2]

(1) General Fund oil sales and royalty revenues are recorded in the Uplands Oil Fund that is then consolidated into General Fund.
(2) Estimated.
Source: City of Long Beach, California Annual Comprehensive Financial Report Fiscal Years 2016-17 through 2020-21.

The City's oil revenues are impacted by both price and production efforts. Since Fiscal Year 2013-14, decreases in oil prices has led to a dramatic reduction in both Uplands revenue and in Tidelands revenue. This was especially acute in 2020, when the impact of COVID-19 caused oil revenue to dip below $10 million. Uplands revenue covers General Fund operations and one-time investments. Tidelands revenue covers both operations and capital investment in the Tidelands area. The oil production-based taxes for both the City's General Fund and Police and Fire Public Safety Oil Production Act Fund (Proposition H) are also impacted. In Fiscal Year 2019-20, Proposition H revenues were approximately $3.2 million.

Investment of City Funds

The City maintains an Investment Policy, which, pursuant to the provisions of Section 53646 of the California Government Code, is annually submitted to and reviewed by the Investment Committee of the City and approved by the City Council. Any change in the Investment Policy in reviewed and approved by the City Council. Quarterly reports, which summarize the investment activity and portfolio balances, are also provided to the City Manager, the City Auditor and the City Council. In addition, the Investment Advisory Committee, comprised of the Deputy City Attorney, the Assistant City Auditor, , the City Treasurer, the Assistant City Treasurers, the City Controller, and the Director of Finance of the Harbor Department, and the Director of Finance of the Water Department, or their designated representatives meets quarterly, or as needed, to review investment policies and strategies and to make recommendations consistent with approved investment policies.

The goal of the Investment Policy is to invest public funds in a prudent manner, maintaining maximum security, meeting the daily cash flow demand of the City and conforming to all State and local statutes governing the investment of public funds and consistent with the aforementioned goals, managing the public funds in order to maximize the return on investments. The objectives of the Investment Policy are, in the following order of priority:

FIRST, *Safety of Principal*, through management of both credit risk and market risk as well as the application of the "Prudent Investor Rule." Credit risk is to be mitigated through prudent investment choices and portfolio diversification. Market risk is to be mitigated by limiting the weighted average maturity of the City's portfolio to a maximum of three years.

SECOND, *Liquidity*, to meet all operating requirements that might be reasonably anticipated.

THIRD, *Return on Investment*, to attain market average rates of return through economic cycles. The investment strategy is to maximize the return on investments consistent with the risk limitations and prudent investment principles of the City's Investment Policy. The City has established three benchmark measures for the pool funds portfolio: the Three month U.S. Treasury Bill rate for the short maturity portfolio, the One Year Constant Maturity Treasury Index or equivalent index for the intermediate maturity portfolio and the ICE BofA Merrill Lynch 1-5 year Treasury/Agency Index for the long maturity portfolio.

The City's investment alternatives are specified in California Government Code Sections 53600 et seq. Within this framework, the Investment Policy specifies authorized investments, subject to certain limitations.

The City does not have any outstanding obligations payable from its General Fund, where the interest rate on such obligation is set by means of a periodic auction (commonly known as "auction rate securities"). In addition, the City is not currently a party or counterparty to any contract, instrument or agreement commonly known as a "derivative," such as an interest rate swap, cap, collar, hedge, floor or "swaption" that has been entered into in connection with a General Fund obligation of the City.

According to the City Treasurer's Monthly Report for the month ending February 28, 2022, the City's invested funds and cash totaled approximately $2.0 billion in market value. The investment portfolio includes a variety of fixed income securities that vary in maturity from one day to five years. On February 28, 2022, 21.96% of the total City Portfolio was invested in Short Maturity investments (approximately 3 to 6 months to maturity), 40.75% in Intermediate Maturity investments (approximately 1 to 3 years to maturity) and 23.17% in Long Maturity investments (up to 5 years to maturity). The remaining 14.12% is cash held at various financial institutions.

Standard & Poor's Ratings Services has rated the City's investment portfolio "AA+" and a volatility rating of "S1." Any explanation of the significance of such a rating may be obtained from Standard & Poor's Ratings Services.

STATE BUDGET

As described herein, the State is a source of certain City revenues, and the State's financial condition has from time to time adversely affected the financial condition of the City. From time to time in the past, the State has experienced significant financial stress, experiencing budget shortfalls in the billions of dollars. There can be no assurances state financial pressures in the future will not adversely affect the City.

The City cannot predict the extent of any budgetary problems the State will encounter in future fiscal years, and, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the impact that State budgets will have on the City's finances and operations or what actions will be taken in the future by the State Legislature and the Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the City has no control.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

Article XIIIA of the California Constitution

On June 6, 1978, California voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIIIA to

the California Constitution, among other things affects the valuation of real property for the purpose of taxation in that it defines the full cash property 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 newly constructed, or when 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 a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any ad valorem tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition.

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 this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value. Tax rates for voter approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

The voters of the State subsequently 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 reappraisal under Article XIIIA. Other amendments permitted the State Legislature to allow persons over the age of 55 who meet certain criteria or "severely disabled homeowners" who sell their residence and 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. Other amendments permit the State Legislature to allow persons who are either 55 years of age or older, or who are "severely disabled," to transfer the old residence's assessed value to their new residence located in either the same or a different county and acquired or newly constructed within two years of the sale of their old residence.

In the April 1990 election, the voters approved an amendment of Article XIIIA to permit the State Legislature to exclude from the definition of "new construction" certain additions and improvements, including seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after April 6, 1990.

Article XIIIA has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of the property damaged or destroyed in a disaster.

Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restoration of value of the damaged property.

Section 4 of Article XIIIA also provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose special taxes, which has been interpreted to include special fees in excess of the cost of providing the services or facility for which the fee is charged, or fees levied for general revenue purposes.

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

Article XIIIB of the California Constitution

On April 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIIIB to the California Constitution. In June 1990, Article XIIIB was amended by the voters through their approval of Proposition 111. Article XIIIB of the California Constitution limits 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 annually for changes in the cost of living, population and services rendered by the governmental entity. The "base year" for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (1) if financial responsibility for providing services is transferred to the governmental entity, or (2) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIIIB include generally any authorization to expend during the fiscal year 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. Appropriations subject to limitation pursuant to Article XIIIB do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the Federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (1) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (2) the investment of tax revenues and (3) certain State subventions received by local governments. As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by the City over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

As amended in June 1990, the appropriations limit for the City in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living is, at the City's option, either (1) the percentage change in California per capita personal income, or (2) the percentage change in the local assessment roll for the jurisdiction due to the addition of nonresidential new construction. The measurement of change in population is a blended average of statewide overall population growth, and change in attendance at local school and community college ("K-14") districts.

Article XIIIB permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

Proposition 62

Proposition 62 was adopted by the voters at the April 4, 1986, general election which (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the City be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local government entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was

imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIIIA of the California Constitution, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by April 15, 1988.

On September 28, 1995, the California Supreme Court, in the case of *Santa Clara City Local Transportation Authority v. Guardino*, upheld the constitutionality of Proposition 62. In this case, the court held that a county-wide sales tax of one-half of one percent was a special tax that, under Section 53722 of the Government Code, required a two-thirds voter approval. The county-wide sales tax at issue received an affirmative vote of only 54.1% and was found to be invalid.

Following the California Supreme Court's decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62. On June 4, 2001, the California Supreme Court released its decision in one of these cases, *Howard Jarvis Taxpayers Association v. City of La Habra, et al*. ("*La Habra*"). In this case, the court held that public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

Proposition 218

Proposition 218. On April 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIIIC and XIIID to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Proposition 218 states that all taxes imposed by local governments shall be deemed to be either general taxes or special taxes. Special purpose districts, including school districts, have no power to levy general taxes. No local government may impose, extend or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote. No local government may impose, extend or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote.

Proposition 218 also provides that no tax, assessment, fee or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (i) the ad valorem property tax imposed pursuant to Article XIII and Article XIIIA of the California Constitution, (ii) any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIIIA the California Constitution, and (iii) assessments, fees, and charges for property related services as provided in Article XIIID. Proposition 218 added voter requirements for assessments and fees and charges imposed as an incident of property ownership, other than fees and charges for sewer, water, and refuse collection services. In addition, all assessments and fees and charges imposed as an incident of property ownership, including sewer, water, and refuse collection services, are subjected to various additional procedures, such as hearings and stricter and more individualized benefit requirements and findings. The effect of such provisions will presumably be to increase the difficulty a local agency will have in imposing, increasing or extending such assessments, fees and charges.

Proposition 218 also extended the initiative power to reducing or repealing any local taxes, assessments, fees and charges. This extension of the initiative power is not limited to taxes imposed on or after April 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairment of contracts.

Proposition 218 provides that, effective July 1, 1997, fees that are charged "as an incident of property ownership" may not "exceed the funds required to provide the property related services" and may only be charged for services that are "immediately available to the owner of the property."

On April 7, 2000, the voters of the City approved Measure J, which provided for a reduction in the tax rate imposed upon users of electricity, gas, telephone and water services within the City. No assurance can be given that the voters of the City will not, in the future, approve additional initiatives which reduce or repeal local taxes, assessments, fees or changes that currently are deposited in the City's General Fund.

Proposition 22

Proposition 22 ("Proposition 22"), which was approved by California voters in April 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See " – Proposition 1A" herein. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO states that Proposition 22 will prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The LAO anticipates that Proposition 22 will require the State to adopt alternative actions to address its fiscal and policy objectives, particularly with respect to short-term cash flow need. The County does not believe that the adoption of Proposition 22 will have a significant impact on its revenues and expenditures during Fiscal Year 2012-13.

Proposition 26

Proposition 26 ("Proposition 26"), which was approved by California voters on April 2, 2010, revises the California Constitution to expand the definition of "taxes." Proposition 26 re-categorizes many State and local fees as taxes and specifies a requirement of two-thirds voter approval for taxes levied by local governments.

Proposition 26 requires the State obtain the approval of two-thirds of both houses of the State Legislature for any proposed change in State statutes, which would result in any taxpayer paying a higher tax. Proposition 26 eliminates the previous practice whereby a tax increase coupled with a tax reduction that resulted in an overall neutral fiscal effect was subject only to a majority vote in the State Legislature. Furthermore, pursuant to Proposition 26, any increase in a fee above the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require such two-thirds vote of approval to be effective. In addition, for State imposed fees and charges, any fee or charge adopted after January 1, 2010 with a majority vote of approval of the State Legislature which would have required a two-thirds vote of approval of the State Legislature if Proposition 26 were effective at the time of such adoption is repealed as of April 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, 30 enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218. See " – Proposition 218."

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after April 3, 2010, unless exempted, as stated above. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies. As of the date hereof, none of the County's fees or charges has been challenged in a court of law in connection with the requirements of Proposition 26.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 generally are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of the affected property owners.

Future Initiatives

Articles XIIIA, XIIIB, XIIIC and XIIID and Propositions 22 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. The limitations imposed upon the City by these provisions hinder the City's ability to raise revenues through taxes or otherwise and may therefore prevent the City from meeting increased expenditure requirements. From time to time, other initiative measures could be adopted, some of which may place further limitations on the ability of the State, the City or local districts to increase revenues or to spend money or which could have other financially adverse effects such as requiring the City to undertake new responsibilities. Such other initiatives could have a material adverse effect on the City's financial condition.

RISK FACTORS

This section provides a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Series 2022 Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Series 2022 Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Series 2022 Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Series 2022 Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Limited Obligation

The Series 2022 Bonds are limited obligations of the Authority, payable solely from and secured solely by a pledge of amounts in certain funds and accounts pursuant to the applicable Series 2022 Indenture and the revenues derived from the related Series 2022 Lease Payments by the City pursuant to the related Series 2022 Lease Agreement. the City has covenanted in each Series 2022 Lease Agreement to take such actions as may be necessary to include all Series 2022 Lease Payments due thereunder in its annual budgets and to make the necessary annual appropriations therefor. neither the Series 2022 Bonds nor the obligation of the City to make Series 2022 Lease Payments constitutes an indebtedness of the Authority, the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation, or a pledge of the faith and credit of the City. The Authority has no taxing power. The obligation of the City to make Series 2022 Lease Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Additional Obligations Payable from the General Fund

The obligation of the City to make the Series 2022 Lease Payments under the Series 2022 Leases does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Series 2022 Bonds nor the obligation of the City to make Series 2022 Lease Payments constitute a debt of the City, the State of California or any political subdivision thereof (other than the Authority) within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease does not create a pledge, lien or encumbrance upon the funds of the City, the City is obligated under the Series 2022 Lease Agreement to pay the Series 2022 Lease Payments from any source of legally available funds and the City has covenanted in each Series 2022 Lease Agreement that, for so long as the related Series 2022 Property is available for its use, it will make the necessary annual appropriations within its budget for the related Series 2022 Lease Payments. The City is currently liable and may become liable on other obligations payable from general revenues, some of which may have a priority over the Lease Payments, or which the City, in its discretion, may determine to pay prior to the Series 2022 Lease Payments.

The City has the capacity to enter into other obligations payable from the City's General Fund, without the consent of or prior notice to the Owners of the Series 2022 Bonds. To the extent that additional obligations are incurred by the City, the funds available to make Series 2022 Lease Payments may be decreased. In the event the City's revenue sources are less than its total obligations, the City could choose to fund other municipal services before making Series 2022 Lease Payments. The same result could occur if, because of State constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues. The City's appropriations, however, have never exceeded the limitations on appropriations under Article XIIIB of the California Constitution. For information on the City's current limitations on appropriations, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS–Article XIIIB of the California Constitution."

Valid and Binding Covenant to Budget and Appropriate

Pursuant to the Series 2022 Lease Agreement, the City covenants to take such action as may be necessary to include related Series 2022 Lease Payments due in its annual budgets and to make necessary appropriations for all such payments. Such covenants are deemed to be duties imposed by law, and it is the duty of the public officials of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform such covenants. A court, however, in its discretion may decline to enforce such covenants. Upon issuance of the Series 2022 Bonds, Bond Counsel will render its opinion (substantially in the form of APPENDIX D—"PROPOSED FORM OF BOND COUNSEL OPINION") to the effect that, subject to the limitations and qualifications

described therein, the Series 2022 Lease Agreement constitutes a valid and binding obligation of the City. As to the Authority's practical realization of remedies upon default by the City, see "RISK FACTORS–Limitations on Remedies."

COVID-19

The COVID-19 pandemic significantly impacted state and local economies, and City revenues. Although the impacts of the pandemic are abating, any resurgence of the pandemic could materials adversely impact the City's financial condition.

Abatement

In the event of loss or substantial interference in the use and possession by the City of all or any portion of either of the Series 2022 Properties caused by material damage, title defect, destruction to or condemnation of either of the Series 2022 Properties, the related Series 2022 Lease Payments will be subject to abatement. In the event that such component of such Series 2022 Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time that proceeds of the City's rental interruption insurance will be available in lieu of the related Series 2022 Lease Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such component of the Series 2022 Property or prepayment of the related Series 2022 Bonds, there could be insufficient funds to make payments to Owners in full. Reduction in Series 2022 Lease Payments due to abatement as provided in the Lease Agreement does not constitute a default thereunder.

It is not possible to predict the circumstances under which such an abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of either or both of the Series 2022 Properties is substantially higher or lower than its value at the time of the execution and delivery of the Series 2022 Bonds. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Series 2022 Bonds.

No Acceleration Upon Default

In the event of a default, there is no remedy of acceleration of the total Series 2022 Lease Payments due over the term of the Series 2022 Lease Agreement and the Trustee is not empowered to sell a fee simple interest in the Series 2022 Property and use the proceeds of such sale to prepay the Series 2022 Bonds or pay debt service thereon. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest as described below.

Limitation on Remedies

The enforcement of any remedies provided in the Series 2022 Lease Agreement and the Series 2022 Indenture could prove both expensive and time consuming. Although the Series 2022 Lease Agreement each provide that if the City defaults the Trustee may reenter the related Series 2022 Property and re-let the related Series 2022 Property, portions of the related Series 2022 Property may not be easily recoverable, and each of the Series 2022 Properties is subject to certain agreements with respect to its operation. See "THE SERIES 2022 PROPERTIES." Additionally, the Trustee may have limited ability to re-let the Series 2022 Properties to provide a source of rental payments sufficient to pay the principal of and interest on the related Series 2022 Bonds so as to preserve the tax-exempt nature of interest on the related Series 2022 Bonds. The Trustee is not obligated to re-let the Series 2022 Properties in a manner so as to preserve the tax-exempt nature of interest on the related Series 2022 Bonds.

Alternatively, the Trustee may terminate the Series 2022 Lease Agreement and proceed against the City to recover damages pursuant to the Series 2022 Lease Agreement. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

The rights of the Owners of the Series 2022 Bonds are subject to certain limitations on legal remedies against cities, redevelopment agencies and other governmental entities in the State, including but not limited to a limitation on enforcement against funds that are otherwise needed to serve the public welfare and interest. Additionally, the rights of the Owners of the Series 2022 Bonds may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, or similar laws limiting or otherwise affecting the enforcement of creditors' rights generally (as such laws are now or hereafter may be in effect), (ii) equity principles (including but not limited to concepts of materiality, reasonableness, good faith and fair dealing) and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or law, (iii) the exercise by the United States of America of the powers delegated to it by the Constitution, and (iv) the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs bankruptcy proceedings for public agencies, there are no involuntary petitions in bankruptcy. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the Trustee and the Authority could be prohibited or severely restricted from taking any steps to enforce their rights under the Series 2022 Lease Agreement and from taking any steps to collect amounts due from the City under the Series 2022 Lease Agreement.

Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the City, there are no involuntary petitions in bankruptcy. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners of Series 2022 Bonds, the Trustee and the Authority could be prohibited from taking any steps to enforce their rights under the Series 2022 Lease Agreement, and from taking any steps to collect amounts due from the City under the Series 2022 Lease Agreement. See "Bankruptcy" below.

All legal opinions with respect to the enforcement of the Series 2022 Lease Agreement and the Series 2022 Indenture will be expressly subject to a qualification that such agreements may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally and by the exercise of judicial discretion in accordance with general principles of equity.

Risk of Uninsured Loss

The City covenants under the Series 2022 Lease Agreement to maintain certain insurance policies on the related Series 2022 Property. See "SECURITY FOR THE SERIES 2022 BONDS—Insurance." These insurance policies do not cover all types of risk, and the City need not obtain insurance except as available on the open market from reputable insurers. For instance, the City is not required to maintain, and currently does not maintain, earthquake insurance. Either of both of the Series 2022 Properties could be damaged or destroyed due to earthquake or other casualty for which the Series 2022 Property is uninsured. Additionally, the either or both of the Series 2022 Properties could be the subject of an eminent domain proceeding. Under these circumstances an abatement of the related Series 2022 Lease Payments could occur and could continue indefinitely. There can be no assurance that the providers of the City's liability and rental interruption insurance will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. Further, there can be no assurances that amounts received as proceeds from insurance or from condemnation of either or both of the Series 2022 Properties will be sufficient to redeem the related Series 2022 Bonds.

Eminent Domain

If either or both of the Series 2022 Properties is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the related Series 2022 Lease Agreement will cease as of the day possession is taken. If less than all of the Series 2022 Property is taken permanently, or if the Series 2022 Property or any part thereof is taken temporarily, under the power of eminent domain, (a) the related Series 2022 Lease will continue in full force and effect and will not be terminated by virtue of such taking, and (b) there will be a partial abatement of the related Series 2022Lease Payments as a result of the application of net proceeds of any eminent domain award to the prepayment of the related Series 2022 Lease Payments, in an amount to be agreed upon by the City and the Authority such that the resulting related Series 2022 Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the related Series 2022 Property.

Hazardous Substances

The existence or discovery of hazardous materials may limit the beneficial use of either or both of the Series 2022 Properties. In general, the owners and lessees of the Series 2022 Property may be required by law to remedy conditions of such parcel relating to release 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 similarly stringent. Under many of these laws, the owner or lessee is obligated to remedy a hazardous substance condition of the property whether or not the owner or lessee had anything to do with creating or handling the hazardous substance.

Further it is possible that the beneficial use of either or both of the Series 2022 Properties may be limited in the future resulting from the current existence on either or both of the Series 2022 Properties of a substance currently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the current existence on the Series 2022 Property of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method in which it is handled. All of these possibilities could significantly limit the beneficial use of the Series 2022 Property.

The City is unaware of the existence of hazardous substances on the Series 2022 Property site which would materially interfere with the beneficial use thereof.

Cybersecurity

The City relies on computers and technology to conduct its operations. The City and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. To date, there have been no significant cyber-attacks on the City's computers and technologies.

While the city is routinely maintaining its technology systems and continuously implementing new information security controls, no assurances can be given that the City's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the City's computer and technology could negatively impact the City's operations, and the costs related to such attacks could be substantial.

Bankruptcy

The City is a unit of State government and therefore is not subject to the involuntary procedures of the United States Bankruptcy Code (the "Bankruptcy Code"). However, pursuant to Chapter 9 of the Bankruptcy Code, the City may seek voluntary protection from its creditors for purposes of adjusting its debts. A City or

Authority bankruptcy petition could have a material adverse effect on the payment of the Series 2022 Bonds. The following paragraphs present a discussion of certain potential consequences surrounding a potential City or Authority bankruptcy. It is not intended to be an exhaustive discussion of all potential adverse consequences or potential outcomes.

In the event the City were to become a debtor under the Bankruptcy Code, the City would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have a priority of payment superior to that of Owners of Bonds; and (iv) the possibility of the adoption of a plan for the adjustment of the City's debt (a "Plan") without the consent of the Trustee or all of the Owners of Bonds, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable.

In addition, the City could either reject the Lease Agreement or assume the Lease Agreement despite any provision of the Lease which makes the bankruptcy or insolvency of the City an event of default thereunder. In the event the City rejects the Lease Agreement, the Trustee, on behalf of the Owners of the Series 2022 Bonds, would have a pre-petition claim that may be limited under the Bankruptcy Code and treated in a manner under a Plan over the objections of the Trustee or Owners of the Series 2022 Bonds. Moreover, such rejection would terminate the Lease Agreement and the City's obligations to make payments thereunder.

The Authority is a public agency and, like the City, is not subject to the involuntary procedures of the Bankruptcy Code. The Authority may also seek voluntary protection under Chapter 9 of the Bankruptcy Code. In the event the Authority were to become a debtor under the Bankruptcy Code, the Authority would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Such a bankruptcy could adversely affect the payments under the Indenture. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the Authority or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the Authority; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have priority of payment superior to that of the Owners of the Series 2022 Bonds; and (iv) the possibility of the adoption of a plan for the adjustment of the Authority's debt without the consent of the Trustee or all of the Owners of the Series 2022 Bonds, which plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable.

Climate Change

In November 2015, the City Mayor signed an official commitment to the Compact of Mayors (now called the Global Covenant of Mayors), a global coalition working to collectively reduce greenhouse gas emissions and enhance resilience to climate change. As part of this commitment, the City is currently developing a Climate Action and Adaptation Plan ("CAAP"). The CAAP will also be used to ensure City compliance with various state and regional mandates. As part of the larger CAAP report process, the City filed a report with the State Lands Commission in June 2019 that included a number of scenarios relating to sea level rise and coastal flooding due to increased intensity storms. The report included projections of the cost of damage to public infrastructure in the City from coastal storms and sea level rise could be significant, ranging from preliminary projections of up to $5 million as early as 2030, to as much as $123.7 million by 2100. The report also identified other significant costs to the City's economy.

The CAAP is intended to provide a framework for creating or updating policies, programs, practices, and incentives for City residents and businesses to reduce the City's greenhouse gas footprint, and better protect the City community and its physical assets from the impacts of climate change. The CAAP process to date has included the preparation of technical analyses and vulnerability assessments of critical City assets. On January 5, 2021, the City Council confirmed the CAAP, directing staff to move forward and prepare an Environmental Impact Report. The CAAP is anticipated to be adopted in 2022. The CAAP provides for the implementation of a range of actions to reduce greenhouse gas (GHG) emissions and adapt to climate change impacts. CAAP development efforts indicate that, in the future, climate-related hazards may adversely impact the City, including sea level rise, flooding and extreme heat. Related impacts could include damage to critical City infrastructure, such as the City's buildings, and wastewater and transportation systems. The CAAP development process has included the development of mitigation and adaptation strategies for the City to consider, including reductions of greenhouse gas emissions, strengthening emergency response and disaster recovery planning, and the relocation or elevation of infrastructure, business' and homes in areas particularly subject to climate impact.

The City cannot predict the timing, extent, or severity of climate change and its impact on the City's operations and finances or economy, but there can be no assurances such impacts will not be material and adverse.

No Liability of Authority to the Owners

Except as expressly provided in the Indenture, the Authority will not have any obligation or liability to the Owners of the Series 2022 Bonds with respect to the payment when due of the Lease Payments by the City, or with respect to the performance by the City of other agreements and covenants required to be performed by it contained in the Lease or the Indenture, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Indenture.

Risk of Tax Audit

The Internal Revenue Service (the "IRS") has an ongoing program of examining tax-exempt obligations to determine whether, in the view of the IRS, interest on such obligations is properly excluded from gross income for federal income tax purposes. It is possible that the Series 2022 Bonds or other tax-exempt obligations of the City may be selected for examination under such program. There is no assurance that an IRS examination of the Series 2022 Bonds or other tax-exempt obligations of the City will not adversely affect the market value of the Series 2022 Bonds. See "TAX MATTERS."

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2022 Bonds, the City has covenanted in the Lease Agreement not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2022 Bonds under section 103 of the Internal Revenue Code of 1986, as amended. Interest on the Series 2022 Bonds could become includable in gross income for purposes of Federal income taxation retroactive to the date the Series 2022 Bonds were issued, as a result of acts or omissions of the City or the Authority in violation of the Code. Should such an event of taxability occur, the Series 2022 Bonds are not subject to early redemption and will remain outstanding to maturity.

Limited Secondary Market

As stated herein, investment in the Series 2022 Bonds poses certain economic risks which may not be appropriate for certain investors, and only persons with substantial financial resources who understand the risk of investment in the Series 2022 Bonds should consider such investment. There can be no guarantee that there

will be a secondary market for purchase or sale of the Series 2022 Bonds or, if a secondary market exists, that the Series 2022 Bonds can or could be sold for any particular price.

No Reserve Accounts

No debt service reserve accounts have been or will be established with respect to the Series 2022 Bonds.

Retirement Liabilities

The City has significant financial obligations relating to employee retirement, including significant unfunded liabilities. Many factors influence the amount of the City's pension benefit liability, including, without limitation, inflationary factors, changes in statutory provisions of applicable law, changes in the levels of benefits provided or in the contribution rates of the City, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods, and differences between actual and anticipated investment experience of CalPERS. Any of these factors could give rise to additional liability of the City to CalPERS as a result of which the City would be obligated to make additional payments to CalPERS over the amortization schedule for full funding of the City's obligation to CalPERS.

Changes in Law

There can be no assurance that the electorate of the State will not at some future time adopt additional initiatives or that the Legislature will not enact legislation that will amend the laws or the Constitution of the State resulting in a reduction of the general fund revenues of the City and consequently, having an adverse effect on the security for the Series 2022 Bonds.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Series 2022 Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Authority and the City have covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2022 Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest with respect to the Series 2022 Bonds to become includable in gross income for federal income tax purposes retroactively to the date of delivery of the Series 2022 Bonds.

Subject to the Authority's and the City's compliance with the above referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Bond Counsel, interest on the Series 2022 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals.

In rendering its opinion, Bond Counsel will rely upon certifications of the Authority and the City with respect to certain material facts within their knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Code includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT for a corporation, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporations' taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction).

"Adjusted current earnings" would generally include certain tax-exempt interest, but not interest on the Series 2022 Bonds.

Ownership of the Series 2022 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2022 Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Series 2022 Bonds is the price at which a substantial amount of such maturity of the Series 2022 Bonds is first sold to the public. The Issue Price of a maturity of the Series 2022 Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

Owners of Series 2022 Bonds who dispose of Series 2022 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2022 Bonds in the initial public offering, but at a price different from the Issue Price, or purchase Series 2022 Bonds subsequent to the initial public offering, should consult their own tax advisors.

If a Series 2022 Bond is purchased at any time for a price that is less than the Series 2022 Bond's stated redemption price at maturity (the "Reduced Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2022 Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases a Series 2022 Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2022 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2022 Bonds.

An investor may purchase a Series 2022 Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2022 Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Series 2022 Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2022 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2022 Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Series 2022 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Series 2022 Bonds issued prior to enactment. Prospective purchasers of the Series 2022 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Series 2022 Bonds. If an audit is commenced, under

current procedures the Service may treat the Authority or the City as a taxpayer and the Series 2022 Bond Owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2022 Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest with respect to, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Series 2022 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Series 2022 Bond Owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2022 Bond Owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest with respect to the Series 2022 Bonds is exempt from California personal income taxes.

Ownership of the Series 2022 Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2022 Bonds. Prospective purchasers of the Series 2022 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon the delivery of the Series 2022 Bonds is set forth in APPENDIX D—PROPOSED FORM OF BOND COUNSEL OPINION.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance, sale and delivery by the Authority of the Series 2022 Bonds are subject to the approval as to their validity of Quint & Thimmig LLP, Larkspur, California, Bond Counsel. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the City by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, acting as Disclosure Counsel, and for the Authority and the City by the City Attorney. Certain matters will be passed on for the Underwriter by Nixon Peabody LLP, Los Angeles, California. Compensation of Bond Counsel and Disclosure Counsel is contingent upon the issuance and delivery of the Series 2022 Bonds.

FINANCIAL STATEMENTS

The City's financial statements for the fiscal year ended September 30, 2021, included in APPENDIX B—"ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021," have been audited by KPMG, LLC, as stated in their reports appearing in such appendix. KPMG, LLC has not undertaken to update its reports or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by KPMG, LLC with respect to any event subsequent to its report.

LITIGATION

To the best knowledge of the Authority and the City, there is no pending or threatened litigation concerning the validity of the Series 2022 Bonds or the pledge of the Revenues or challenging any action taken by the Authority or the City in connection with the authorization of the Indenture or the Lease Agreement, or any other document relating to the Series 2022 Bonds or the defeasance and prepayment of the Series 2022 Bonds to which the Authority or the City is or is to be become a party or the performance by the Authority or the City of any of their obligations under any of the foregoing.

RATINGS

Fitch Ratings ("Fitch") and S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), have assigned their municipal bond ratings of "AA-" and "AA-," respectively, to the Series 2022 Bonds. Such ratings reflect only the views of Fitch and S&P and an explanation of the significance of such ratings may be obtained from Fitch and from S&P. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by Fitch or S&P if, in the judgment of Fitch or S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2022 Bonds.

UNDERWRITING

The Series 2022 Bonds are being purchased by the underwriter listed on the cover page of this Official Statement (the "Underwriters") at a price of $44,440,339.70, which amount represents the principal amount of the Series 2022 Bonds of $41,140,000.00, less $123,420.00 representing the Underwriters' discount, plus $3,423,759.70 representing original issue premium. The Underwriters intend to offer the Series 2022 Bonds to the public at the offering prices set forth on the cover page of this Official Statement. The Underwriters may offer and sell to certain dealers and others at a price lower than the offering prices stated on the cover page hereof. The offering price may be changed from time to time by the Underwriters.

The Underwriters have provided the following for inclusion in the Official Statement:

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the City and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Upon delivery of the Series 2022 Bonds, Causey Demgen & Moore P.C., independent certified public accountants, will deliver a report stating that the firm has verified the mathematical accuracy of certain computations relating to the adequacy of the Defeasance Securities and the interest thereon, together with cash deposits, to pay when due the principal of and interest on the Refunded Bonds to their respective redemption dates and the redemption price of the Refunded Bonds on their respective redemption dates.

MUNICIPAL ADVISOR

The City has retained KNN Public Finance, LLC, Los Angeles, California, as municipal advisor (the "Municipal Advisor") in connection with the delivery of the Series 2022 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

Compensation of the Municipal Advisor is contingent upon the issuance and delivery of the Series 2022 Bonds.

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the City has entered into separate Continuing Disclosure Certificates for the Series 2022 Bonds pursuant to which it has agreed, for the benefit of owners of the Series 2022 Bonds, to provide certain financial information and operating data, by not later than nine months after the end of each of its fiscal years commencing with the report for the 2021-22 fiscal year (the "Annual Information"), and to provide notices of the occurrence of certain enumerated events. The Annual Information and notices of material events will be filed by the City, with the Municipal Securities Rulemaking Board (the "MSRB"), via its Electronic Municipal Market Access ("EMMA") system. The nature of the information to be provided in the Annual Information and the notices of material events is set forth in APPENDIX E—"FORM OF CONTINUING DISCLOSURE CERTIFICATES."

In 2020, the City filed notice of a material "financial obligation" 18 business days after the incurrence of the obligation.

ADDITIONAL INFORMATION

Summaries and explanations of the Series 2022 Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements of their provisions.

The preparation and distribution of this Official Statement have been authorized by the Authority and the City.

FINANCE AUTHORITY OF LONG BEACH

By /s/Kevin Riper
Executive Director

CITY OF LONG BEACH

By /s/Kevin Riper
Director of Financial Management

APPENDIX A

GENERAL, ECONOMIC, AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF LONG BEACH

Municipal Government

The City was originally incorporated in 1888, and, after a short period of disincorporation, was reincorporated on December 13, 1897. Since 1907, the City has been governed as a charter city. The present City charter was originally adopted in 1921 and has been amended from time to time.

The City operates under the council-manager form of government with a nine-member City Council (the "City Council"). The nine City Council members are nominated and elected by district to serve four-year terms, with a maximum of two such terms. The Mayor is nominated and elected by the City at large. The Vice-Mayor is elected by the City Council from among its members. Other city-wide elected offices are City Attorney, City Auditor and City Prosecutor.

The City Manager is appointed by and serves at the discretion of the City Council. As head of the municipal government, the City Manager is responsible for the efficient administration of all departments, with the exception of the elective offices noted above and the following three semi-autonomous commissions: Civil Service Commission, Board of Water Commissioners and Board of Harbor Commissioners.

In 1931, a Charter amendment was passed which created the Board of Water Commissioners and authorized the City to join the Metropolitan Water District of Southern California. These decisions sought to ensure an adequate water supply for the City.

Population

The following table contains the population of the City, the County and the State of California for the last five years.

TABLE A1
CITY OF LONG BEACH, COUNTY OF LOS ANGELES
AND STATE OF CALIFORNIA
Population Data

Year	City of Long Beach	County of Los Angeles	State of California
2017	474,530	10,181,162	39,352,398
2018	474,257	10,192,593	39,519,535
2019	472,870	10,163,139	39,605,361
2020	472,052	10,135,614	39,648,938
2021	467,730	10,044,458	39,466,855

Source: California Department of Finance E-4 Population Estimates for Cities, Counties and State, 2017-2021 with 2010 Benchmark

Personal Income

The following table sets forth certain yearly median household income for the City, the County, the State of California, the United States:

TABLE A2
CITY OF LONG BEACH, COUNTY OF LOS ANGELES,
STATE OF CALIFORNIA AND UNITED STATES
Median Household Income

Year	Long Beach	Los Angeles County	California	United States
2010	$ 51,173	$ 55,476	$ 60,883	$ 51,914
2011	52,945	56,266	61,632	52,762
2012	52,900	56,241	61,400	53,046
2013	52,711	55,909	61,094	53,046
2014	52,944	55,870	61,489	53,482
2015	52,783	56,196	61,818	53,889
2016	55,151	57,952	63,783	55,322
2017	58,314	61,015	67,169	57,652
2018	60,551	64,251	71,228	60,293
2019	63,017	68,044	75,235	62,843
2020	66,410	71,358	78,672	64,994

Source: U.S. Census Bureau, American Community Survey (ACS)

Employment by Industry

The California Employment Development Department compiles data annually on the status of employment and unemployment in the County. As an integral part of the Los Angeles metropolitan area, the City benefits from the wide variety of job opportunities available in neighboring communities throughout the County.

The following table sets forth the average employment for major industry types within the County for the last five years.

TABLE A3
COUNTY OF LOS ANGELES
(LOS ANGELES LONG BEACH GLENDALE MD)
Labor Force and Industry Employment
Annual Averages by Industry [1]

	2017	2018	2019	2020	2021	March 2022
Total, All Industries	4,455,000	4,520,700	4,566,100	4,171,700	4,300,000	4,484,200
Total Farm	5,700	4,600	4,400	4,400	4,600	4,400
Mining and Logging	2,000	1,900	1,900	1,700	1,600	1,600
Construction	138,700	146,300	149,800	146,500	149,800	155,300
Manufacturing	350,400	342,600	340,700	315,100	311,700	318,300
Wholesale Trade	221,500	223,200	220,500	200,000	202,000	204,600
Retail Trade	425,900	424,600	417,700	380,200	401,400	411,100
Transportation, Warehousing & Utilities	198,200	203,600	212,900	207,800	214,200	225,700
Information	214,000	214,700	215,300	191,000	213,200	226,700
Financial Activities	221,600	223,200	223,600	212,600	210,800	210,800
Professional & Business Services	613,200	632,300	647,000	599,800	629,500	652,300
Educational & Health Services	797,400	817,900	839,900	820,300	839,600	875,600
Leisure & Hospitality	524,600	536,500	547,200	393,500	429,300	482,300
Other Services	155,700	158,800	158,400	128,700	134,100	146,200
Government	586,100	590,600	586,900	570,200	558,200	569,300

Source: California Employment Development Department, Labor Market Information Division, Employment By Industry Data, March 2021 Benchmark. Monthly preliminary data for March 2022.
Note: Data may not add due to rounding.
(1) Data not seasonally adjusted.

The following table summarizes the civilian labor force, employment and unemployment average statistics for the City, the County, the State and the United States for the past five years.

TABLE A4
CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AND UNITED STATES
Civilian Labor Force, Employment and Unemployment
(Annual Averages) [(1)]

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate
2017	Los Angeles County	5,123,900	4,883,600	240,300	4.7%
	City of Long Beach	237,700	226,100	11,500	4.9
	California	19,312,000	18,393,100	918,900	4.8
	United States	160,313,000	153,337,000	6,982,000	4.3
2018	Los Angeles County	5,094,300	4,857,300	237,000	4.7%
	City of Long Beach	238,500	227,300	11,300	4.7
	California	19,263,900	18,442,400	821,500	4.3
	United States	162,075,000	155,761,000	6,314,000	3.9
2019	Los Angeles County	5,122,800	4,888,600	234,300	4.6%
	City of Long Beach	239,800	228,900	10,900	4.6
	California	19,353,700	18,550,500	803,200	4.2
	United States	163,539,000	157,538,000	6,001,000	3.7
2020	Los Angeles County	4,921,500	4,291,700	629,800	12.8%
	City of Long Beach	230,700	200,00	30,700	13.3
	California	18,821,200	16,913,100	1,908,100	10.1
	United States	160,742,000	147,795,000	12,947,000	8.1
2021	Los Angeles County	4,994,100	4,548,900	445,200	8.9%
	City of Long Beach	232,500	210,300	22,200	9.6
	California	18,923,200	17,541,900	1,381,200	7.3
	United States	161,204,000	152,581,000	8,623,000	5.3
March 2022	Los Angeles County	5,072,300	4,824,600	247,700	4.9%
	City of Long Beach	234,800	223,100	11,700	5.0
	California	19,374,100	18,551,100	823,000	4.2
	United States	164,274,000	158,106,000	6,168,000	3.8

Sources: California Employment Development Department, and US Bureau of Labor Statistics, Annual Averages 2017-2021, monthly data for March 2022.

(1) Data not seasonally adjusted.

Major Employers

The following table sets forth the City's major employers:

TABLE A5
CITY OF LONG BEACH
Major Employers
As of September 30, 2021

	Employer	Number of Employees	Percent of City Employment
1.	Long Beach Unified School District	11,157	4.72%
2.	City of Long Beach	5,384	2.28
3.	Long Beach Memorial Medical Center	5,114	2.16
4.	Veteran Affairs Medical Center	3,300	1.40
5.	California State University Long Beach (CSULB)	3,120	1.32
6.	Long Beach City College	2,515	1.06
7.	The Boeing Company	1,844	0.78
8.	St. Mary Medical Center	1,558	0.66
9.	CSULB Research Foundation	1,227	0.52
10.	Molina Healthcare Inc.	1,119	0.47

Source: Annual Comprehensive Financial Report, Fiscal Year 2021.

Taxable Sales

Taxable sales transactions in the City for the five most recent available calendar years are shown below.

TABLE A6
CITY OF LONG BEACH
Taxable Sales
(in Thousands)

	2016	2017	2018	2019	2020
Motor Vehicle and Parts Dealers	$359,262	$367,657	$379,933	$374,283	$378,845
Home Furnishings and Appliance Stores	126,075	124,113	127,343	105,498	92,312
Building Material and Garden Equipment and Supplies Dealers	889,076	911,203	939,561	1,063,820	1,091,643
Food and Beverage Stores	311,650	320,234	334,299	342,653	383,143
Gasoline Stations	478,571	522,898	573,905	581,142	363,727
Clothing and Clothing Accessories Stores	216,693	219,884	239,966	242,790	178,129
General Merchandise Stores	288,730	285,164	301,576	317,197	293,063
Food Services and Drinking Places	914,597	944,077	961,499	1,007,334	749,128
Other Retail Group	314,158	317,573	329,468	356,090	378,364
Total Retail and Food Services	3,898,816	4,012,807	4,187,553	4,390,811	3,908,358
All Other Outlets	1,146,089	1,291,634	1,564,026	1,528,067	1,212,548
Total All Outlets	$5,044,905	$5,304,442	$5,751,580	$5,918,879	$5,120,907

Source: California Department of Tax and Fee Administration

Construction

The following table reflects the five-year history of building permit valuation for the City:

TABLE A7
CITY OF LONG BEACH
Building Permits and Valuation
(in Thousands)

	2017	2018	2019	2020	2021
Permit Valuation:					
New Single-family	$13,869	$25,350	$15,010	$13,343	$15,269
New Multi-family	197,105	30,395	190,670	96,304	138,180
Res. Alterations/Additions	105,541	107,953	101,999	105,800	97,771
Total Residential	325,035	163,698	310,620	147,906	251,220
Total Nonresidential	371,991	378,572	345,952	248,723	159,794
Total All Building	$697,026	$542,270	$656,572	$396,629	$411,014
New Dwelling Units:					
Single Family	104	128	126	211	221
Multiple Family	1116	107	951	697	473
Total	1220	235	1077	908	694

Source: City of Long Beach – Development Services Department (formerly Planning & Building Department).
Note: Totals may not add due to independent rounding.

Long Beach Convention Center and Entertainment Center

The City has fostered convention business by expanding convention facilities and encouraging private sector participation. Trade shows, conventions, athletic contests and other events are held regularly at the Long Beach Convention and Entertainment Center (the "Convention Center"), which is part of the Pike at Rainbow Harbor oceanfront development. The Convention Center was closed for customary events at the onset of the COVID-19 pandemic, and reopened in August 2021. During the period it was closed to meetings and events, the Convention Center served as a personal protective equipment distribution center, a mass vaccination site, and as a temporary shelter for unaccompanied migrant children. The following table shows certain information relating to the Convention Center

TABLE A8
CITY OF LONG BEACH
Convention and Delegate Attendance

Calendar Year	Number of Conventions	Number of Delegates
2017	293	1,360,923
2018	297	1,410,056
2019	294	1,264,330
2020	53	152,179
2021	54	279,160

Source: Long Beach Convention Center.

APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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City of Long Beach

California

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2021

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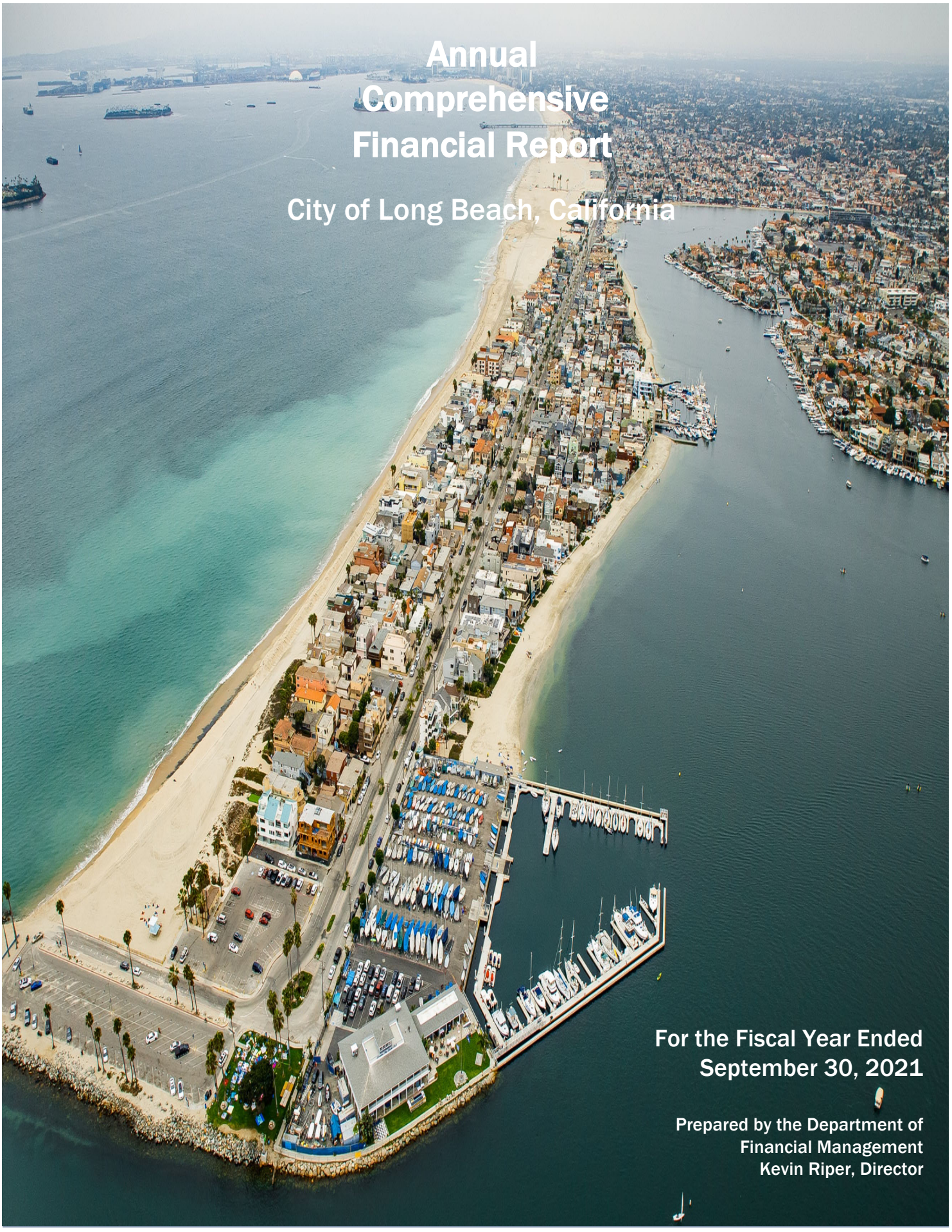

Annual Comprehensive Financial Report

City of Long Beach, California

For the Fiscal Year Ended September 30, 2021

Prepared by the Department of Financial Management
Kevin Riper, Director

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City of Long Beach, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2021

Prepared by the Department of Financial Management

Kevin Riper
Director of Financial Management

Ruby Carrillo-Quincey
City Controller

Stefannie Kodrat
Assistant City Controller

Francine Wiegelman
Assistant City Controller

Claudia Buenrostro
Accounting Management Officer

Glenda Pakingan
Accounting Operations Officer

Sarah Castillo-Wright
Grants Accounting Officer

Angie Tran
Senior Accountant

Michael Carrigg
Senior Accountant

Georgia Will
Senior Accountant

Khanh Do
Senior Accountant

Toulip Torn
Senior Accountant

Kalpna Desai
Senior Accountant

Kim-Hang Nguyen
Accountant

Shelby Miller
Accountant

Mai-Ly Nguyen
Accountant

Nazanin Hamidi
Accountant

Phuong Pham
Accountant

Alex Powers
Accountant

Jennifer Mota
Accounting Technician

Jackie Pham
Accounting Technician

Reuben Belleza
Accounting Technician

Elaine Harmon
Accounting Technician

Tiffany Pierce
Administrative Analyst

Elsa Castaneda
Administrative Analyst

Cassandra Tan
Assistant City Treasurer

Cover Photography by Liezl Estipona

Insert Photography by Liezl Estipona

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City of Long Beach
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021

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INTRODUCTORY SECTION

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CITY OF LONG BEACH

Office of the City Manager
411 West Ocean Boulevard, 10th Floor Long Beach, CA 90802
(562) 570-6711 FAX (562) 570-7650

March 29, 2022

Honorable Mayor and City Council
City of Long Beach

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Long Beach (City) for the fiscal year ended September 30, 2021. This report was prepared in accordance with all the appropriate rules and guidelines and audited by KPMG LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the City's financial statements are free of material misstatement. As anticipated, the independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion for this fiscal year. The independent auditors' report is presented as the first component of the financial section of this report.

This ACFR contains management's representations concerning the City's finances, is free of material misstatement, and management assumes full responsibility for the completeness and reliability of all the information presented. To provide a reasonable basis for making these representations, the City's management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for this report. As the cost of internal controls should not exceed the benefits derived from those controls, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.
The Management's Discussion and Analysis (MD&A) immediately follows the independent auditors report and provides a narrative overview and analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and the financial statements and should be read along with them.

Financial data for all funds of the City, as well as all its blended component units, are included within the ACFR. Blended component units are, though legally separate entities, in substance, part of the City's operations. A discretely presented component unit, Long Beach Transit, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City and to differentiate its financial position and results of operations from that of the City.
A specialized audit of City financial transactions, called the Single Audit, is separately required due to the City's receipt and use of Federal funding. The unique standards governing Single Audit engagements require the independent auditor to report on the City's fair presentation of the financial statements, and the City's internal controls, and compliance with legal requirements, with a special emphasis on those involving federal awards. The City's separately issued Single Audit report will be available on the Financial Management Department's webpage when completed.

Budgetary Controls

In accordance with the City Charter, the City Manager must submit the Proposed Budget to the Mayor no later than 90 days prior to the beginning of the fiscal year, or July 3. Then the Mayor must transmit

the Proposed Budget to the City Council no later than 60 days prior to the beginning of the fiscal year, or August 2. The City Council must adopt a budget no later than 15 days prior to the end of the current fiscal year, or September 15, at which time the Mayor will have an additional five (5) days to review the Adopted Budget. The Mayor may concur or exercise a line-item veto of any expenditure. The City Council has until the end of the fiscal year to concur with the Mayor's changes or override any veto. The City Council may amend the budget by motion during the fiscal year. The City Manager may transfer appropriations within the departments or within a given fund, provided that the total appropriations at the fund level and at the department level do not change. Transfers of appropriation between funds or departments require City Council approval.

The City uses encumbrance accounting to ensure effective budgetary control and accountability. Unencumbered appropriations lapse at the end of the fiscal year, and encumbrances outstanding at the time are reported as restricted, committed or assigned fund balances for subsequent year expenditures.

About the City and its Government

Long Beach is a charter city, incorporated in 1897, in Southern California within the County of Los Angeles. Having an estimated 467,000 residents, it is the seventh most populous city in the state. The City has a Mayor, elected at-large, and a nine-member council, elected by district, all serving four-year terms. The City Auditor, Prosecutor and Attorney are elected at-large and serve four-year terms, as well. The City Council appoints the City Clerk and the City Manager. As head of the municipal government, the City Manager is responsible for the efficient administration of all departments, with the exception of the elective offices, City Clerk, and the three semi-autonomous commission-led departments. The City has a diverse economic base including international trade, oil, aerospace, aviation, healthcare, education, and tourism.
Many award-winning facilities and services are available to Long Beach residents and visitors. These include public safety, parks, recreation, libraries, health and human services, public works, water, sewer and gas utilities, oil and gas production, a world class port, and a nationally recognized airport.

In 2021, the Long Beach Police Department continued to partner with the community to build positive relationships and prevent crime in the community. This resulted in an award for excellence and innovation in overdose prevention mapping, 63 commendations from residents and visitors about exemplary service and a $4.3 million Homeland Security Award for critical training and equipment. The Long Beach Fire Department continued to serve the City by responding to 79,000 calls during 2021 and sending experienced firefighters to help quell 13 wildfires plaguing the state of California. The City's fleet has been recognized as a Top 20 Fleet in Government Fleet Magazine competition for the sixth consecutive year and ranked ninth best Green Fleet in the country by the National Association of Fleet Administrators. The Water Department remains the lowest cost provider among the seven largest cities in California, and Long Beach Airport continues to be ranked in the Top 10 Best Small Airports by *USA Today*.

Long Beach is making continuous improvement in livability throughout the community with its award-winning inclusion, increased resources for streets and infrastructure, awards for technology, and more. Long Beach has been named one of the best cities in the nation for inclusion of the LGBTQ community in municipal law and policy, earning a perfect score from the Human Rights Campaign Foundation's Municipal Equity Index and dedicating a Pride Lifeguard Tower which both protects those visiting the City's beaches and demonstrates the City's commitment to serving all the diverse

members of the community. The City's Racial Equity and Reconciliation Initiative has 21 distinct strategies and 107 action plans – many already complete or under way -- to address anti-Black racism, advance racial equity, and create a vision for Long Beach's future where race does not determine social and economic outcomes.

Long Beach remains one of the most bike friendly cities in the nation, adding 3.5 miles of new bikeways during 2021, of which 2.75 miles are classified as "all ages." That arrangement separates street and bike lanes with physical barriers, increasing safety and comfort for both riders and motorists. For the eleventh consecutive year, Long Beach was recognized as a Top 10 Digital City and was awarded the highest honor in this ranking as the Top Digital City in the country by the Center for Digital Government for 2021. The City was also named a Digital Inclusion Trailblazer by the National Digital Inclusion Alliance for its work towards inclusive digital access throughout the City.

The City remains committed to providing support services and a healthy environment for Long Beach residents. Thousands of housing units were built or rehabilitated to provide clean and safe housing opportunities for residents in all economic situations. Several City departments (e.g. Health and Human Services, Police, Fire) provide outreach services to address the causes affecting persons experiencing homelessness and the impact on the community.

The City swept over 128,000 miles of street surfaces, filled over 25,000 potholes, and collected 385,000 tons of trash which was processed by the City's waste-to-energy plant, helping to generate clean power and preventing over 7,700 tons of recyclable materials from being disposed in landfills. The Police Department's Homeless Outreach and Mental Evaluation (HOME) Detail made over 8,200 contacts offering services to persons experiencing homelessness, resulting in temporary housing for 200 and permanent housing for 60 individuals. The City facilitated 7,952 visits from people experiencing homelessness to the Multi-Service Center and provided showers, hygiene services and linkages to comprehensive services and housing. The City also received 582 new Housing Authority vouchers for people experiencing homelessness or at-risk of homelessness. The City piloted an employment program to provide job readiness skills and employment opportunities for 40 people at-risk of or currently experiencing homelessness. The City's Clean Team conducted 1,000 homeless encampment clean-ups throughout the City, and 765 tons of illegally dumped items were collected from City and private properties and alleyways. During the California Coastal Cleanup Day, 560 volunteers picked up and properly disposed of 180,000 pounds of trash improving the beauty and environmental health of Long Beach's coastal areas.

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

Economic Outlook

Long Beach has drawn from the strength and adaptability of the local economy to maximize opportunities in today's global world economy. The blending of local, national, and international businesses keep Long Beach growing and adapting to meet the constantly changing needs of today's modern life. The City began to see a return of the television and film industry in 2021. Long Beach has been selected for the filming of many television shows like "NCIS:LA" and "Battlebots" as well as feature films such as "Chip n' Dale Rescue Rangers," "Purple Hearts," and "Me Time." In 2021, 350 film permits were issued, bringing 604 production days to the City. As the City's business community

grows, the need for housing of all types also grows. To accommodate this need, thousands of diverse new residential projects have been approved for construction. In addition to the improvements that can be easily seen, and equally important to the safety of residents and visitors, were the 13.7 lane-miles of residential streets and 2.1 lane-miles of alleys rehabilitated and the 1.45 million square feet of graffiti abated by City staff and contractors.

The City is committed to protecting the environment and the City's resources. The Port continues to actively manage pollution generated by vessels stopping in Long Beach. In its efforts to reduce carbon emissions, the City participated in a pilot program to test ten hybrid police Interceptor vehicles. Through Long Beach Transit, the City continues to maintain and improve a reliable, low-polluting public transportation system, improving the mobility and livability of Long Beach's diverse communities. As buses and City vehicles are replaced, they are converted to compressed natural gas and electric power. Transitioning to renewable energy sources will allow these services to continue, but with a lower cost to the environment. Improvement and cleaning of bus stops, updating crosswalks and coordinating the timing of traffic signals have provided a safer and more secure environment for bus riders, pedestrians, and motorists.

The City continues to use innovation to maintain and improve services. The 2021 budget included innovative changes throughout the City's organization. Some of these improvements included: outreach focused on meeting the specialized needs of persons experiencing homelessness, including creating a Homeless Court and Safe Parking program; surveying 600 miles of natural gas pipelines for leaks; adaptation of the new Billie Jean King Main Library to remote services; and achieving a 60% increase in adoptions since 2018 at Long Beach Animal Care Services. The Long Beach Airport held the Festival of Flight event and worked to continue the planned Terminal Improvements, allowing both residents and visitors to feel safe and comfortable during their aviation journey to Long Beach, including maintaining the first PPE (Personal Protective Equipment) vending machine in the City and providing a COVID-19 testing site for travelers.

The City continues to leverage improvements in technology to deliver service to residents and visitors. City staff have become expert users, adapting systems to improve information and service delivery. A Digital Inclusion Roadmap has been developed to assure that City residents may access and make use of the information and services available online.

The 2021 year included many improvements to the services and facilities available in Long Beach. The City has approved nineteen residential and mixed-use projects, ten affordable housing projects and adopted a citywide Enhanced Density Bonus Ordinance which offers incentives for the development of mixed-income, multifamily housing citywide. The City continues to search for ways to improve affordable housing with $3.6 million Community Development Block Grant funding and $4.5 million in support of the Long Beach CARES Emergency Rental Assistance programs. Houghton Park held a Youth Festival with 200 youth and family members attending, and the Parks, Recreation and Marine Department will continue to provide over 47,000 healthy meals to children through the Summer Youth Program. Outreach and education events from all departments will continue to bring quality-of-life improvements to Long Beach residents.

<u>The Challenge of and Response to the COVID-19 Pandemic</u>

There have been and will always be challenges that the City must address. The COVID-19 pandemic has become one of its most important challenges and the City has been a state and national leader in

addressing the pandemic and minimizing the impact on the city, its residents, and its businesses. On March 11, 2020, the World Health Organization declared a global pandemic due to the outbreak of the coronavirus respiratory disease (COVID-19). Since that time, the City has been a leader in many necessary actions including issuing health orders to restrict social gatherings, requiring face coverings when in a business or within six feet of another person, and holding some of the largest COVID-19 vaccination and testing events throughout various City locations. Despite the financial impacts, there were deferrals of business taxes and fees for those businesses impacted by the pandemic, deferrals of lease payments to the City by impacted tenants, as well as grants and other actions (often supported by federal financial assistance) to assist businesses and residents. A moratorium on evictions was enacted to provide relief to residential tenants facing hardships, temporary relief from parking penalties, and financing options for business and residents having difficulty paying these costs.

Additionally, City employees whose positions enabled them to work remotely were encouraged to telecommute to support social distancing efforts and the City improved its technology and equipment to better support telecommuting. The City continued to maintain most services throughout the pandemic while reducing or eliminating affected services as needed to comply with health orders. During 2021, measures were taken to carefully reopen Long Beach City Hall to better serve the needs of the public. While some services remain limited or by appointment only, others have moved to a walk-in basis, allowing easier access to the public while protecting both staff and visitors.

Long Beach will continue to meet the challenge of the pandemic and is continuously searching for new opportunities to reduce the economic hardship endured by its residents and economic partners. Through the Long Beach Recovery Act (LBRA), the City has programmed $252.0 million of federal, state, and City funding for this purpose. LBRA programs fall under three categories. The Economic Recovery programs focus on residents and businesses most impacted by the pandemic and provide funding to promote an effective and inclusive economic recovery that strengthens revenue generation and leverages consumer spending to stimulate lasting economic growth. The Healthy and Safe Community programs address the underlying social determinants of health and prioritize basic needs and the mental and physical health of residents most adversely impacted by the pandemic. The Securing our City's Future category funds the restoration of City services by eliminating employee furloughs, helping the City's financial position by replacing lost revenues due to the pandemic, and developing financial and service strategies to address projected future budget shortfalls. LBRA programs will continue to evolve and grow as additional funding sources and recovery needs are identified.

Acknowledgments and Certificate of Achievement for Financial Reporting

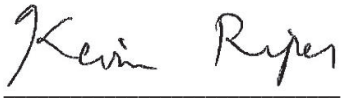
We wish to acknowledge the participation and professional contribution of the Financial Management Department and other City departments' staff in the preparation of this document. The ACFR requires much effort and time, above that of normal daily job duties. The continued dedication of all staff involved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

For the fourteenth 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. To be awarded a Certificate of Achievement, a government must publish an easy to read and efficiently organized ACFR. This report must satisfy both Generally Accepted Accounting Principles

(GAAP) and applicable legal requirements. We believe that our current Annual Comprehensive Financial Report will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Respectfully submitted,

Thomas B. Modica
City Manager



Kevin Riper
Director of Financial Management

Directory of City Officials
As of September 30, 2021

Dr. Robert Garcia
Mayor

Rex Richardson
Vice Mayor
9th District

Mary Zendejas Councilmember 1st District	Cindy Allen Councilmember 2nd District
Suzie Price Councilmember 3rd District	Daryl Supernaw Councilmember 4th District
Stacy Mungo Councilmember 5th District	Suely Saro Councilmember 6th District
Roberto Uranga Councilmember 7th District	Al Austin Councilmember 8th District

Elected Department Heads

City Attorney	Charles Parkin
City Auditor	Laura L. Doud
City Prosecutor	Douglas P. Haubert

Appointed by Council or Commission

City Clerk	Monique De La Garza
Executive Director - Civil Service	Christina P. Winting
Executive Director - Harbor	Mario Cordero
General Manager - Water	Christopher J. Garner

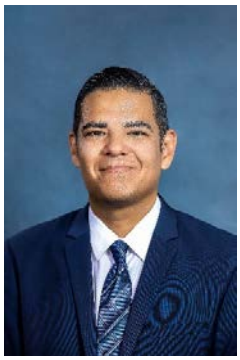
City Manager
Thomas Modica

Assistant City Manager	Deputy City Manager
Linda F. Tatum	Kevin J. Jackson

Director of Financial Management	Kevin Riper
Director of Health and Human Services	Kelly Colopy
Director of Development Services	Oscar Orci
Director of Economic Development	John Keisler
Director of the Long Beach Airport	Cynthia Guidry
Director of Human Resources	Joseph Ambrosini
Director of Library Services	Glenda Williams
Director of Energy Resources	Robert Dowell
Director of Parks, Recreation, and Marine	Brent Dennis
Director of Public Works	Eric Lopez
Director of Technology and Innovation	Lea Eriksen
Director of Disaster Preparedness and Emergency	Reginald Harrison
Fire Chief	Xavier Espino
Chief of Police	Robert Luna

Council District 1
Mary Zendajas

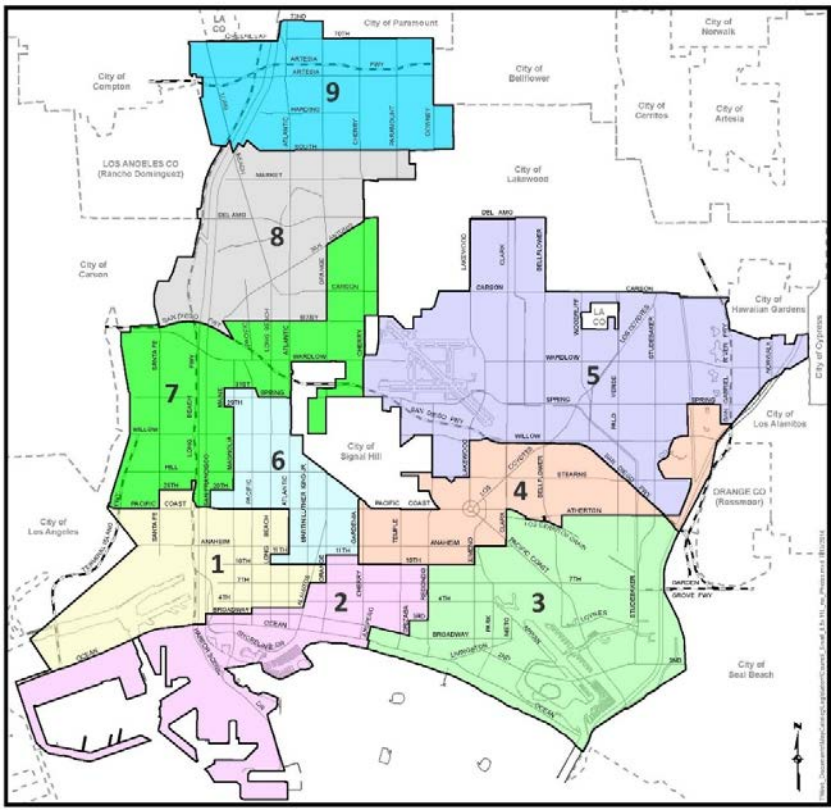
Council District 2
Cindy Allen



Mayor
Robert Garcia

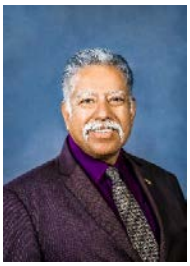
Council District 3
Suzie Price

Council District 4
Daryl Supernaw



Council District 5
Stacy Mungo

Council District 6
Suely Saro

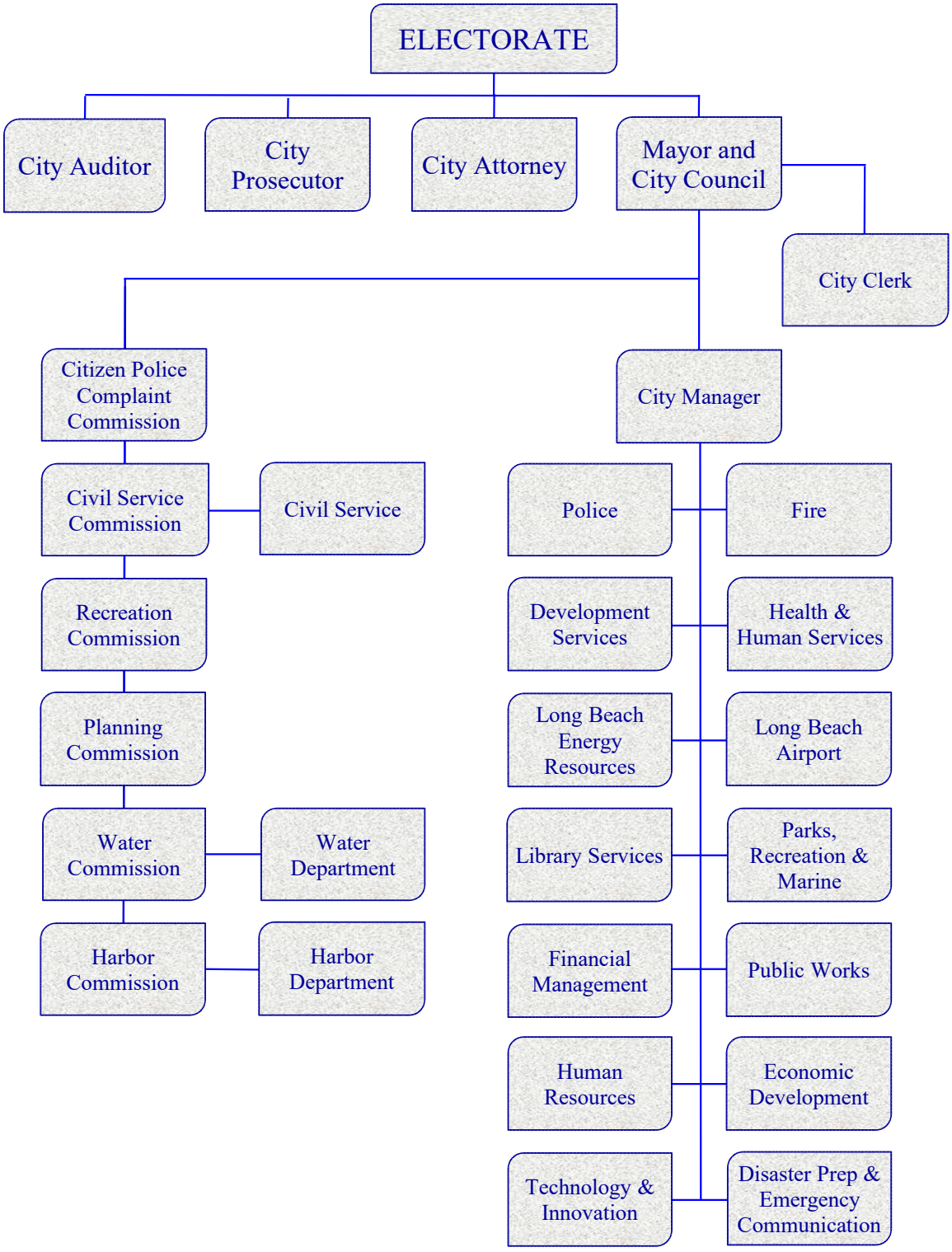


Council District 7
Roberto Uranga

Council District 8
Al Austin

Council District 9
Vice Mayor
Rex Richardson

ORGANIZATIONAL CHART
CITY OF LONG BEACH, CALIFORNIA
As of September 30, 2021



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Long Beach
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Long Beach Public Transportation Company (the Company), which is the City's only discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Company, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Long Beach, California as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the housing assistance fund for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The additional financial and other supplementary information sections are the responsibility of management and were derived from and 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 additional financial and other supplementary information sections are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

KPMG LLP

Los Angeles, California
March 29, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

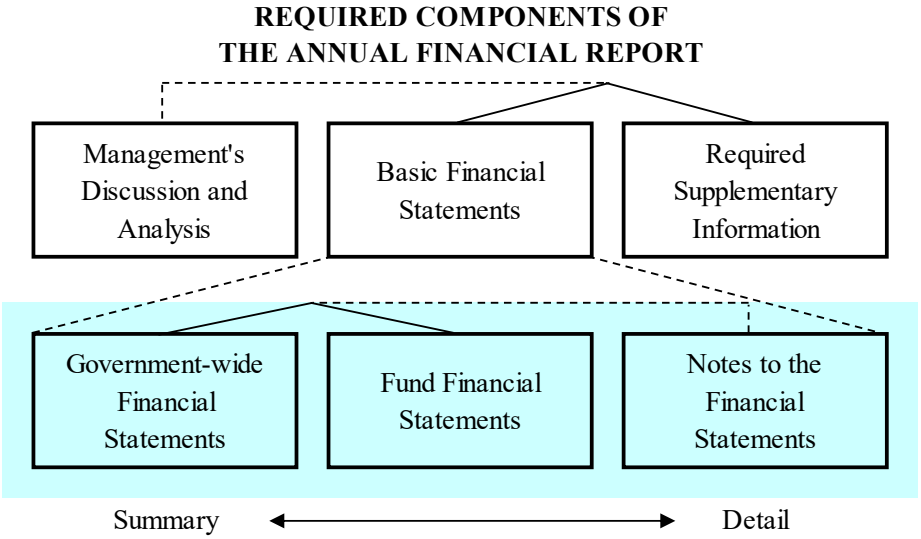
As the management team for the City of Long Beach (the City), we present to the readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider this information in conjunction with the information found in the letter of transmittal.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by $5.8 billion. Of this amount, $5.2 billion represents net investment in capital assets, and $802.4 million represents resources that are subject to restrictions on how they may be used *(restricted net position)*. The City reports a deficit unrestricted net position of $168.5 million.
- At the close of the fiscal year, the City's governmental funds reported combined fund balances of $490.9 million, an increase of $83.6 million or 20.5 percent, from the prior fiscal year end. Of these balances, $4.5 million are nonspendable, $222.8 million are restricted, $78.0 million are committed, $202.1 million are assigned, and a deficit $16.5 million is unassigned.
- The fund balance of the General Fund was $172.7 million. This represents an increase of $36.8 million or 27.0 percent from the prior fiscal year. Of this balance, $2.1 million is nonspendable, $2.8 million is restricted, $76.5 million is committed, $107.7 million is assigned, and a deficit $16.5 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.



Basic Financial Statements

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

Government-wide financial statements: The Government-wide Financial Statements provide a long-term view of the City's activities as a whole and include the Statement of Net Position and the Statement of Activities. The *statement of net position* includes the City's capital assets and long-term liabilities on a full accrual basis of accounting similar to that used by private sector companies. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* provides information about the City's revenues and expenses on a full accrual basis, with an emphasis on measuring net revenues or expenses for each of the City's programs. The Statement of Activities explains in detail the change in net position for the 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.

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

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

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

Fund financial statements: The *fund financial statements* focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The funds of the City can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*. The focus of governmental and proprietary fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth in Governmental Accounting Standards Board (GASB). Like states and other 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 for the General Fund, General Capital Projects Fund, and Housing Assistance Special Revenue 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 statement for the General Fund is located in the basic financial statements.

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

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

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

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

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

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

Government-Wide Financial Analysis - Analysis of Net Position

As noted earlier, *net position* may serve over time as a useful indicator of a government's financial position. As of September 30, 2021, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $5.8 billion, an increase of $431.9 million.

Net investment in capital assets accounted for $5.2 billion, or 89.1 percent, of the City's total net position. This component of net position consists of capital assets (land, structures and improvements, equipment, infrastructure, and construction-in-progress) net of accumulated depreciation, reduced by outstanding debt attributable to the acquisition, construction, or improvement of the assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets increased by $39.5 million, or 0.8 percent, from the prior fiscal year. The increase of $20.1 million in governmental activities is mostly attributable to payment of related debt. The $19.4 million increase in business-type activities is also mostly due to payment of related debt.

Restricted net position amounted to $802.4 million, representing 13.8 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.

The remaining deficit balance of $168.5 million is the net of the $655.9 million governmental activities deficit unrestricted net position (mostly related to pension liabilities) and the $487.4 million business-type activities unrestricted net position balance.

Net Position
September 30, 2021 and 2020
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2021	***2020***	***2021***	***2020***	***2021***	***2020***
Assets:						
Current and Other Assets	$1,175,621	$1,172,847	$ 2,423,230	$ 2,546,851	$ 3,598,851	$ 3,719,698
Capital Assets	1,051,221	1,050,381	6,492,058	6,298,649	7,543,279	7,349,030
Total Assets	2,226,842	2,223,228	8,915,288	8,845,500	11,142,130	11,068,728
Deferred Outflows of Resources	99,311	81,213	55,762	49,180	155,073	130,393
Total Assets and Deferred Outflows of Resources	2,326,153	2,304,441	8,971,050	8,894,680	11,297,203	11,199,121
Liabilities:						
Current Liabilities	287,315	294,201	468,415	779,224	755,730	1,073,425
Noncurrent Liabilities, Net	1,249,474	1,801,685	2,376,008	2,143,488	3,625,482	3,945,173
Total Liabilities	1,536,789	2,095,886	2,844,423	2,922,712	4,381,212	5,018,598
Deferred Inflows of Resources	517,378	167,468	585,498	631,880	1,102,876	799,348
Total Liabilities and Deferred Inflows of Resources	2,054,167	2,263,354	3,429,921	3,554,592	5,484,088	5,817,946
Net Position:						
Net Investment in Capital Assets	452,155	432,090	4,727,066	4,707,630	5,179,221	5,139,720
Restricted	475,699	442,908	326,665	312,076	802,364	754,984
Unrestricted	(655,868)	(833,911)	487,398	320,382	(168,470)	(513,529)
Total Net Position	$ 271,986	$ 41,087	$ 5,541,129	$ 5,340,088	$ 5,813,115	$ 5,381,175

Key Changes in the Statement of Net Position:

The City's current and other assets decreased $120.8 million when compared to the prior fiscal year. Governmental activities increased $2.8 million, primarily due to increased cash received from property tax, sales tax, and federal grant revenues. Business-type activities decreased $123.6 million mostly due to a decrease in fair value of the commodity swap for natural gas.

Citywide, capital assets increased $194.2 million or 2.6 percent. Governmental activities had a slight increase of $0.8 million and is mostly attributable to the purchase of vehicles. Business-type activities increased $193.4 million, or 3.1 percent. The change in business-type activities resulted from completion of the Long Beach Container Terminal at Middle Harbor, taxiway improvements at the Airport, and completion of the second phase of construction and repair of the Naples seawalls.

Deferred outflows of resources increased $24.7 million. Governmental activities deferred outflows increased $18.1 million and business-type activities increased $6.6 million. The increase is mostly attributable to an increase in the CalPERS pension contributions made after the measurement date, as the City selected to make the annual prepayment of the CalPERS unfunded liability.

Current liabilities decreased $317.7 million, or 29.6 percent. Governmental activities decreased $6.9 million, or 2.3 percent, and business-type activities decreased $310.8 million or 39.9 percent. The decrease in governmental activities resulted from decreased accounts payable and liabilities related to accrued employee benefits at fiscal year-end, offset by an increase in the receipt of grant funds received in advance of program expenses. The decrease in business-type activity is due to the Harbor fund reporting the 2018A and 2020C Notes as short-term in the prior year due to the refunded dates being in fiscal year 2021.

Overall, noncurrent liabilities decreased $319.7 million or 8.1 percent City-wide. Governmental activities decreased $552.2 million, or 30.6 percent primarily due to a decrease in the net pension liability as a result of a significant increase in investment returns in the CalPERS pension plans. Business-type activities increased $232.5 million or 10.8 percent. The increase is mostly due to the Harbor Fund borrowing funds through the Transportation Infrastructure Finance and Innovation Act (TIFIA).

In total, deferred inflows of resources increased $303.5 million or 38.0 percent. The change is due to an increase in Governmental activities of $349.9 million mostly due to the difference between actual and expected investment returns by CalPERS for the City's pension plans, offset by a decrease of $46.4 million in business-type activities resulting from a decrease in the fair value of the gas commodity swap.

Analysis of Changes in Net Position

The following table presents condensed information from the statement of activities for the fiscal years 2021 and 2020. As previously stated, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Changes in Net Position
September 30, 2021 and 2020
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2021	***2020***	***2021***	***2020***	***2021***	***2020***
Revenues:						
Program Revenues:						
Charges for Services	$ 150,848	$ 157,229	$1,031,852	$ 917,276	$1,182,700	$1,074,505
Operating Grants and Contributions	352,336	200,489	160	3,394	352,496	203,883
Capital Grants and Contributions	76,033	65,232	40,099	80,020	116,132	145,252
General Revenues:						
Taxes:						
Property	225,820	220,665	-	-	225,820	220,665
Sales	150,887	129,095	-	-	150,887	129,095
Utility Users	38,546	33,767	-	-	38,546	33,767
Other	40,098	39,449	-	-	40,098	39,449
Franchise Taxes	23,734	16,481	-	-	23,734	16,481
Unrestricted Investment Earnings	3,496	11,426	1,469	34,336	4,965	45,762
Total Revenues	1,061,798	873,833	1,073,580	1,035,026	2,135,378	1,908,859
Expenses:						
Legislative and Legal	13,058	13,155	-	-	13,058	13,155
General Government	36,564	40,408	-	-	36,564	40,408
Public Safety	311,933	389,489	-	-	311,933	389,489
Public Health	60,016	71,880	-	-	60,016	71,880
Community and Cultural	217,381	190,370	-	-	217,381	190,370
Public Works	163,203	136,067	-	-	163,203	136,067
Oil Operations	3,679	1,775	-	-	3,679	1,775
Interest on Long-Term Debt	19,781	19,055	-	-	19,781	19,055
Loss on Sale of Capital Assets	-	2	-	-	-	2
Gas Utility	-	-	83,900	94,835	83,900	94,835
Water Utility	-	-	93,075	111,219	93,075	111,219
Tidelands Operating	-	-	110,419	143,249	110,419	143,249
Harbor	-	-	336,106	327,081	336,106	327,081
Non-major Enterprise Funds	-	-	254,323	232,428	254,323	232,428
Total Expenses	825,615	862,201	877,823	908,812	1,703,438	1,771,013
Increase (Decrease) in Net Position before Transfers	236,183	11,632	195,757	126,214	431,940	137,846
Capital Assets Transfers	-	(37)	-	37	-	-
Transfers	(5,284)	26,881	5,284	(26,881)	-	-
Total Change in Net Position	230,899	38,476	201,041	99,370	431,940	137,846
Net Position, Beginning of Year	41,087	2,611	5,340,088	5,240,718	5,381,175	5,243,329
Net Position, End of Year	$ 271,986	$ 41,087	$5,541,129	$5,340,088	$5,813,115	$5,381,175

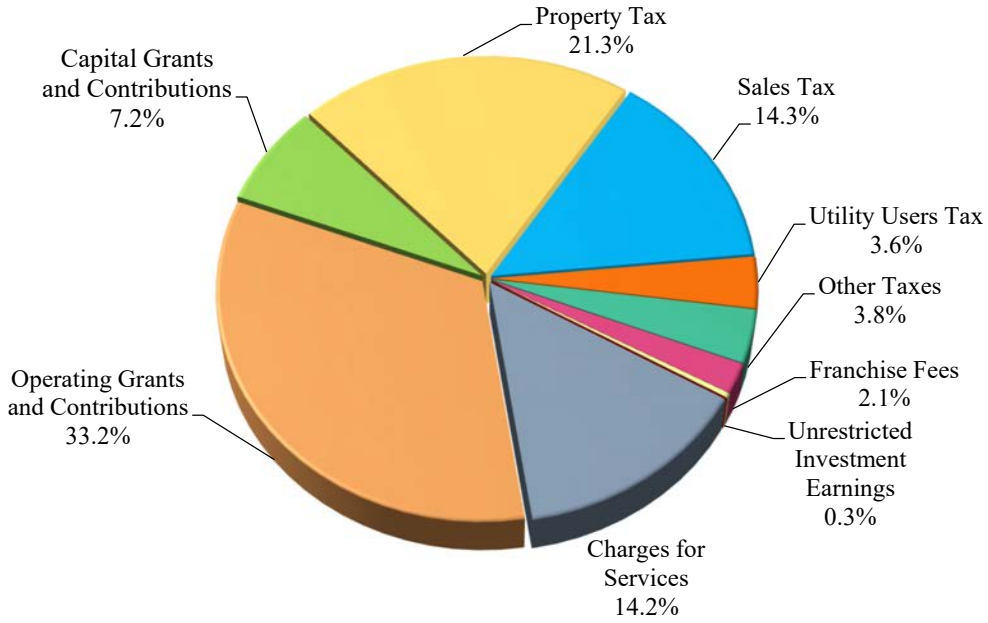
Governmental activities

Governmental activities net position increased $230.9 million when compared to the fiscal year 2020 financial report.

Total revenues for governmental activities (excluding transfers) increased $187.9 million, or 21.5 percent, with the majority of the increase reported in operating and capital grants that include funding allocated through the American Rescue Plan Act (ARPA) and reimbursements from the Federal Emergency Management Agency (FEMA). Contributing to the change was also an increase in general revenues including sales and property taxes. Total governmental program expenses decreased $36.6 million, or 4.2 percent. These changes are further discussed in the paragraphs that follow.

The following chart illustrates governmental activities revenues by source.

Governmental Activities - Revenues by Source
For the Year Ended September 30, 2021



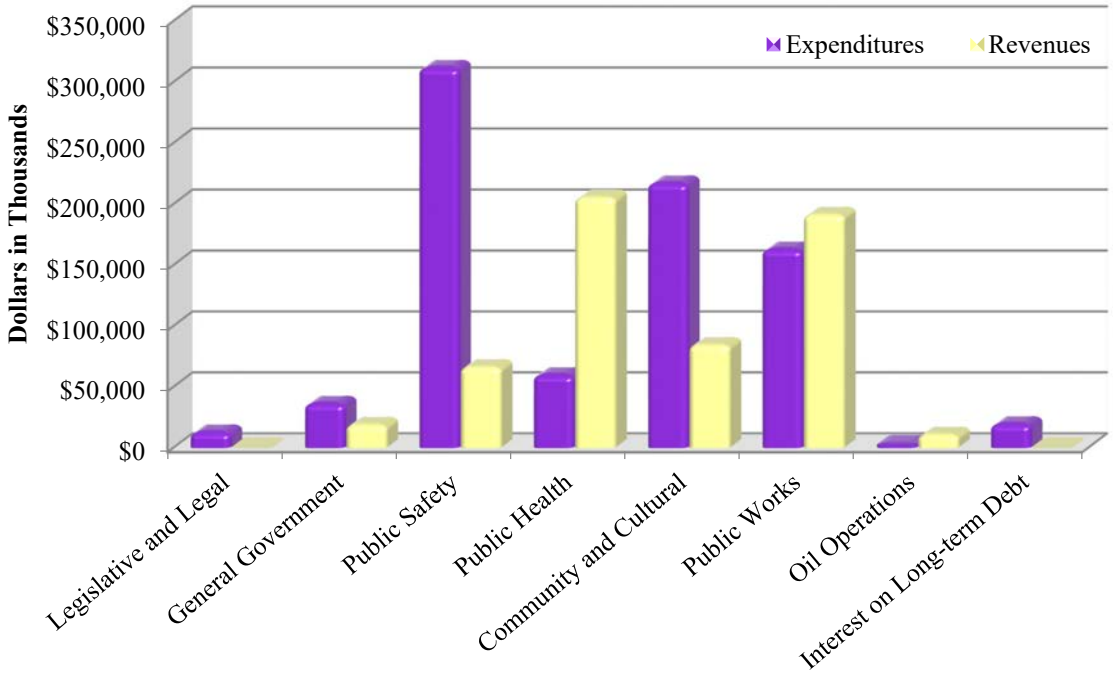
- The three largest revenue sources for governmental activities were operating grants and contributions, property taxes, and sales tax. Excluding transfers, these sources accounted for 68.8 percent of revenues. Together, these primary sources of governmental revenues increased $178.8 million, or 32.5 percent, from the previous year. Operating grants and contributions increased $151.8 million primarily due to the federal ARPA allocation, FEMA federal awards and state grants. Property tax revenues increased $5.2 million due to the City's share of property tax revenues from the former Redevelopment Agency (RDA) project areas and higher assessed valuations as a result of an active housing market and new development projects. Sales tax increased $21.8 million due to significant increase of sales and use tax collected during the year across several categories including Autos & Transportation and Food and Drugs, which accounts for higher cannabis sales.

Governmental activities expenses, excluding transfers, decreased $36.6 million or 4.2 percent. The most significant changes were as follows:

- Public safety expenses reported the largest decrease of $77.6 million, or 19.9 percent. The change is primarily due to lower personnel expenses as a result of higher investment returns of the CalPERS pension plans, which resulted in a significant decrease in the City's net pension liability.
- Public works expenses increased $27.1 million, or 19.9 percent. The change is attributable to increased street repairs and maintenance, landscape improvements, and other infrastructure projects.
- An increase of $27.0 million, or 14.2 percent, in expenses was also noted in Community and Cultural mostly due to increased grant funding for the emergency rental assistance and Section 8 Housing Choice Voucher programs.

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

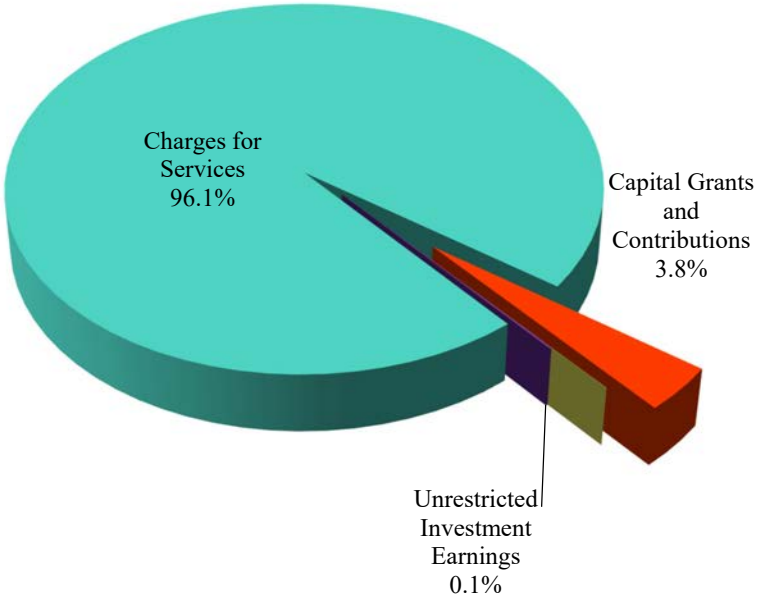
Governmental Activities - Program Expenditures and Revenues
For the Year Ended September 30, 2021



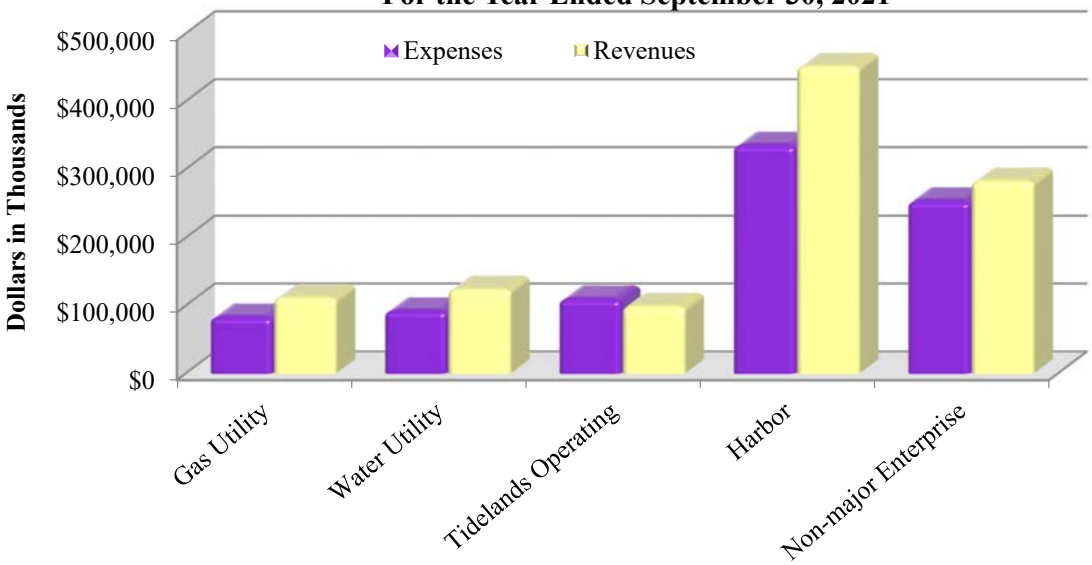
Business-type activities

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

Business-type Activities - Revenues by Source
For the Year Ended September 30, 2021



Business-type Activities - Program Expenditures and Revenues
For the Year Ended September 30, 2021



Business-type activities increased net position by $201.0 million or 3.8 percent. Key elements in the current year's change in net position for various funds include:

- Gas Utility net position at fiscal year-end was deficit $9.5 million, a $15.3 million increase from the prior fiscal year. The increase was due to higher transmission and commodity revenues as a result of continued strong demand due to cooler weather, and lower personnel expenses as a result of higher investment returns of the CalPERS pension plans that led to a decrease in the net pension liability.
- Water Utility net position at fiscal year-end was $348.1 million, a $54.4 million increase from the prior fiscal year. The Water Utility realized higher charges for service revenues than in the prior year and lower personnel expenses as a result of higher investment returns of the CalPERS pension plans that led to a decrease in the net pension liability. The City also reported a transfer out of $30.8 million from the General Fund to the Water Utility Fund as a result of a court ruling against the City on litigation related to Measure M (see *Note 25 – Subsequent Events* for further details).
- Tidelands Operating Fund net position increased $18.0 million, totaling $292.1 million at fiscal year-end. Convention Center revenues were higher due to its use in providing emergency shelter for migrant children. Also reported were lower personnel expenses as a result of higher investment returns of the CalPERS pension plans that led to a decrease in the net pension liability. Tidelands transfers in from Tidelands Oil and Harbor amounted to $35.2 million. Of this amount Harbor transferred $21.7 million, consistent with City Charter mandated revenue sharing; and Tidelands Oil transferred $13.5 million to fund tidelands operations and capital improvements.
- Harbor's net position increased $95.9 million, totaling $4.5 billion at fiscal year-end. The increase primarily resulted from operating income of $127.1 million along with the receipt of $11.8 million in capital grants. Operating income increased $36.0 million from prior fiscal year was primarily due to a surge in imported containerized cargo during the year. Containerized cargo volume alone was 24% higher than prior fiscal year. In addition, rental property revenue was increased $8.2 million from the prior fiscal year mostly due to an increase in leased land for container storage.
- Overall, total net position for non-major business-type activities increased $17.4 million, to $480.4 million at fiscal year-end. Significant changes in the non-major funds included increased net position in the Tidelands Oil Revenue fund of $7.1 million due to increased oil production revenues as a result of the oil price averaging $59 per barrel during fiscal year 2021, and the Towing Fund reported a deficit net position of $2.4 million due to decreased revenue as a result of a citywide moratorium on non-essential tows and a COVID-19 related storage fee waiver program.

Governmental Funds Financial Analysis

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

As of September 30, 2021, the City's governmental funds reported combined fund balances of $490.9 million, an increase of $83.6 million from the prior year. Further information can be found in *Note 16 – Governmental Fund Balances and Fund Deficits*.

Governmental fund assets increased $133.4 million, or 14.7 percent, from the prior fiscal year. Pooled and non-pooled Cash and Investments increased $92.7 million and Receivables, including Noncurrent

Receivables, increased $38.9 million. The increases were mostly due to increased federal and state grant revenues as a result of the pandemic, including ARPA and FEMA reimbursements.

Governmental fund liabilities increased $43.2 million, or 24.5 percent. Due to Other Funds increased $33.7 million mostly due to the General Fund owing the Water Utility Fund $30.8 million at fiscal year-end as a result of a court order ruling against the City on the Measure M litigation. The City set aside funds of $9.0 million for the payment and has started analyzing options to fund the remaining amount. Unearned revenues increased $19.8 million due to advance grant funding to be used in the subsequent fiscal period, which was offset by a decrease of $11.4 million in accounts payable and liabilities related to accrued employee wages and benefits at fiscal year-end.

Of the $490.9 million total fund balances, $222.8 million or 45.4 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 $32.8 million. This amount is restricted for payment of former Redevelopment Agency and City related debt.

Restricted for Public Safety
Amounts restricted for public safety totaled $7.4 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 million at the end of the fiscal year.
- Proposition H (Prop H), the Police and Fire Public Safety Oil Production Tax proceeds may be used only for police officers, fire fighters, and related costs, including but not limited to equipment, facilities, and training in order to ensure timely responses to public needs. As of September 30, 2021, Prop H funds for police and fire amounted to $176 thousand.
- Impact fees restricted for public safety amounted to $4.4 million.

Restricted for Public Health
Fund balance restricted for public health amounted to $13.0 million.

Restricted for Community and Cultural
Amounts restricted for community and cultural activities totaled $97.7 million. Restrictions include the following:

- Fund balance restricted within the Housing Development fund for the provision of low-and-moderate-income housing amounted to $25.9 million. Of this, $3.8 million offsets advances to other funds.
- Fund balance restricted within the Housing Assistance fund for programs to assist very low-income families, the elderly, and the disabled amounted to $23.3 million.
- Former Redevelopment Agency capital projects fund balance restricted for the purposes of winding down the activities of the Agency amounted to $9.0 million.
- The Belmont Shore Parking Meter fund has restricted $97 thousand as the first pledge of revenue for special assessment debt that benefited the Belmont Shore area.
- Grant funding in the amount of $5.9 million is restricted in the General Grants fund.
- Fund balance restricted within the Community Development Grant fund amounted to $11.5 million.
- Fund balance restricted within the Other Special Revenue fund for economic development totaled $10.7 million at the close of the fiscal year.
- Development Impact Fees restricted for parks development amounted to $6.3 million.

Restricted for Public Works
As of September 30, 2021, fund balance restricted for public works amounted to $71.8 million. The most significant restrictions include:

- $12.5 million is restricted pursuant to the provisions of Proposition A. Proposition A funds are to be used exclusively to benefit public transit and may be traded with other jurisdiction in exchange for general or other funds.
- $21.1 million pursuant to the provisions of Proposition C. Proposition C also benefits public transit but has a wider range of uses including congestion management programs, bikeways and bike lanes, street improvement supporting public transit, and pavement management projects.
- $2.9 million pursuant to Air Quality Management District AB2766 requirements. AB2766 funding is used to assist the City in meeting federal and state Clean Air Act requirements.
- $2.9 million pursuant to Measure M. Measure M is a one-half cent sales tax approved by Los Angeles County voters and is restricted for transportation purposes.
- $1.8 million is restricted for Measure R, a separate one-half cent sales tax approved by Los Angeles County voters and is restricted for transportation purposes, including bus and highway corridor projects, streets and roads, and traffic control management.
- $14.0 million is restricted related to State gas tax funding. Gas tax funding is restricted to constructing and maintenance of streets and sidewalks.

The General Capital Projects Fund reported a year-end fund balance of $158.1 million, which represented an increase of $28.7 million in fund balance. The change in fund balance was primarily due to higher grant revenues and sales tax allocations through Prop A and Prop C funding that is used for transportation related programs and projects.

The Housing Assistance Special Revenue Fund reported a year-end fund balance of $23.3 million, which represented an increase of $7.0 million in fund balance. The change in fund balance was primarily attributable to higher grant reimbursement revenues for the Section 8 Housing Choice Voucher program.

General Fund Revenues and Other Financing Sources

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

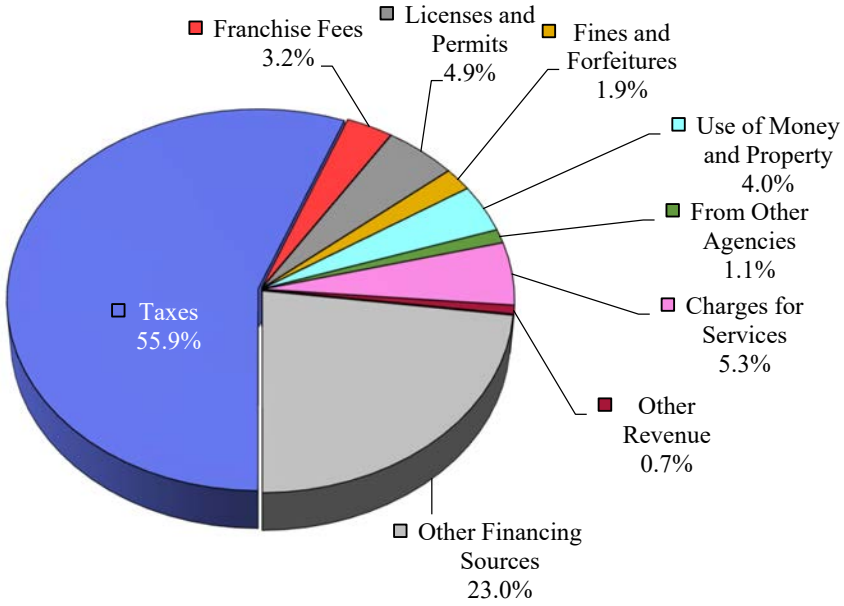
General Fund Revenues and Other Financing Sources
September 30, 2021 and 2020
(In Thousands)

Revenues and Other Financing Sources	*Fiscal Year 2021*	*Percent of Total*	*Fiscal Year 2020*	*Percent of Total*
Taxes	$ 417,758	55.9%	$ 371,350	61.7%
Franchise Fees	23,734	3.2%	16,481	2.7%
Licenses and Permits	36,550	4.9%	35,615	5.9%
Fines and Forfeitures	14,395	1.9%	16,354	2.7%
Use of Money and Property	30,001	4.0%	32,175	5.3%
From Other Agencies	8,482	1.1%	4,564	0.8%
Charges for Services	39,646	5.3%	42,094	7.0%
Other Revenue	5,391	0.7%	3,100	0.5%
Other Financing Sources	171,382	23.0%	79,701	13.3%
	$ 747,339	100%	$ 601,434	100%

General Fund revenues and other financing sources increased $145.9 million, or 24.3 percent, from the prior fiscal year. Significant year-over-year changes include:

- Taxes increased $46.4 million, or 12.5 percent primarily reflecting a significant increase from the prior year in property taxes of $18.7 million due to higher revenues in the City's share of property tax revenues from the former Redevelopment Agency (RDA) project areas, and higher assessed valuations as a result of an active housing market and new development projects. Increases in sales taxes of $10.5 million and Measure A sales taxes of $11.3 million were across several sales tax categories including Autos & Transportation and Food and Drugs, which accounts for higher cannabis sales.
- Revenues derived from other financing sources increased $91.7 million, or 115.0 percent from the prior year. The increase is due to the transfer out of General Grants to the General Fund in the amount of $71.8 million as a result of the City's approach to use ARPA funding. The City followed the ARPA regulations that allow use of funding to provide and maintain current government services, including public safety services, up to the amount of the City's calculated revenue loss due to the pandemic.

General Fund Revenues and Other Financing Sources
For the Year Ended September 30, 2021



General Fund Expenditures

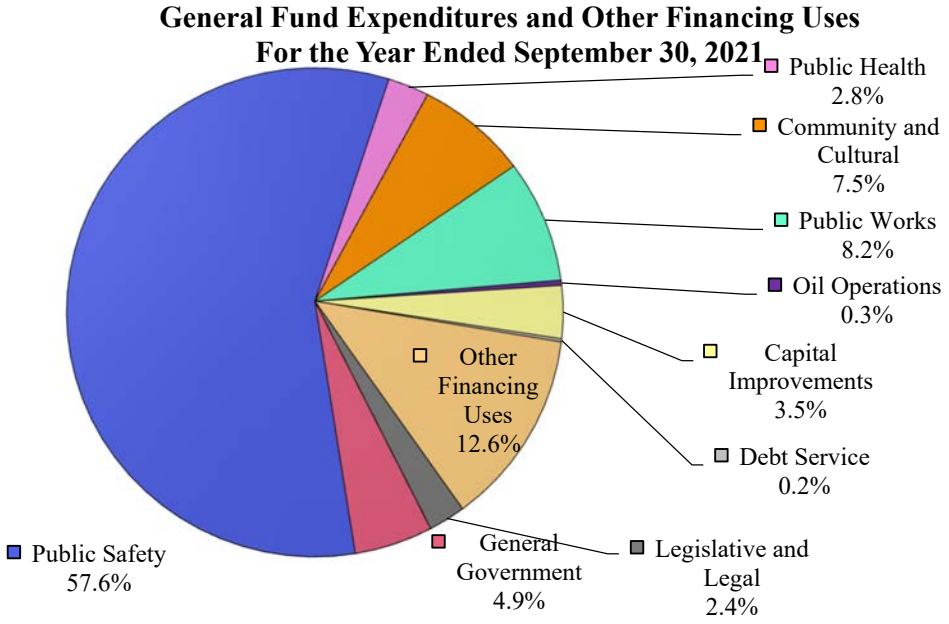
Expenditures and other financing uses for the General Fund, including comparative amounts from the preceding year, are shown in following table:

General Fund Expenditures and Other Financing Uses
September 30, 2021 and 2020
(In Thousands)

Expenditures and Other Financing Uses	*Fiscal Year 2021*	*Percent of Total*	*Fiscal Year 2020*	*Percent of Total*
Legislative and Legal	$ 16,537	2.4%	$ 13,108	2.1%
General Government	34,860	4.9%	27,363	4.6%
Public Safety	408,803	57.6%	353,513	59.7%
Public Health	19,885	2.8%	9,612	1.6%
Community and Cultural	53,645	7.5%	45,052	7.6%
Public Works	58,535	8.2%	47,891	8.1%
Oil Operations	2,446	0.3%	2,572	0.4%
Capital Improvements	24,765	3.5%	347	0.1%
Debt Service	1,487	0.2%	487	0.1%
Other Financing Uses	89,625	12.6%	92,065	15.6%
	$ 710,588	100%	$ 592,010	100%

Expenditures, including other financing uses, increased $118.6 million, or 20.0 percent, from fiscal year 2020. Significant changes include:

- An increase in public safety of $55.3 million, or 15.6 percent. The majority of the increase was due to increased pension expenses that resulted from the City's prepayment to CalPERS in July 2021 of the unfunded accrued liability. The City did not prepay CalPERS in July 2020.
- Capital improvements reported an increase of $24.4 million due to the land and property purchase for Homeless Services Housing.
- An increase in Public Works for the same reason cited for Public Safety above, and for operating costs related to the street light maintenance program and increased permit inspection costs.
- An increase in Public Health of $10.3 million due to increased expenses for homeless services and efforts for activities related to the COVID-19 response.



Proprietary Funds Financial Analysis

Enterprise Funds: The combined net position of enterprise funds totaled $5.5 billion at the close of the fiscal year. Total unrestricted net position amounted to $516.2 million before the allocation of internal service fund activities. The total growth in net position was $200.9 million before 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.

The Water Utility Fund reported net position of $348.1 million, an increase of $54.4 million mostly because of the Measure M litigation, which resulted in reporting a receivable due from the General Fund of $30.8 million. Tidelands Operating reported net position of $292.1 million, an increase of $18.0 million from the prior year. Most of the increase was due to the higher Convention Center revenues due to the use of the Convention Center to provide emergency shelter for migrant children. Also reported were lower personnel expenses as a result of higher investment returns of the CalPERS pension plans that led to a decrease in the net pension liability. The Harbor reported net position of $4.5 billion, an increase of $95.9 million from the prior year, primarily due to operating income of $127.1 million along with the receipt of $11.8 million in capital grants. The Gas Utility reported a deficit net position of $9.5 million consisting of a net pension liability of $15.5 million and compensated absences of $6.6 million. Other Proprietary funds reported net position of $480.4 million.

Internal Service Funds

Internal service funds are used to finance and account for goods and services provided internally to City departments. As of September 30, 2021, internal service funds reported a net position of $49.1 million, an increase of $109.8 million. This is attributable to the reclassification of compensated absences from the Employee Benefit Fund to government-wide activities. There were also deficit net positions reported in the Workers' Compensation Insurance Fund and General Liability Insurance Fund, which reported deficit balances of $101.1 million and $49.7 million, respectively. It is the City's practice to bill City departments on a pay-as-you-go basis for functions performed by both funds, therefore, the long-term portions 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 eventually any deficit net position. In addition, City management believes that the cash position of each fund is sufficient to cover the current costs related to health insurance, workers' compensation, and general liability claims. The Civic Center, General Services, and Fleet Services funds reported net positions of $56.8 million, $23.5 million, and $81.3 million, respectively.

Fiduciary Funds

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

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 2021 final budget for estimated revenues and expenditure appropriations reflected a net increase to budgeted fund balance of $67.6 million. The change between original and final budgeted amounts was $209.2 million and consisted of additional appropriation for expenditures and other financing uses of $194.4 million and a decrease in revenue and other financing sources of $14.8 million. The changes to revenue forecasts were mostly due to transfers in from other funds to provide additional funding for the purchase of the Project Homekey site.

Significant changes in the appropriations budget include:

- An increase of $59.0 million to fund Long Beach Recovery Act programs focused on public health and economic recovery for residents and businesses in the community, which was made possible due to the use of federal ARPA funds paying for police costs that would normally be funded by the General Fund.
- Economic Development appropriations were increased by $24.4 million for purchase of land for Fire Station 9, and the purchase of land and property for the Project Homekey site.
- A $9.8 million increase in Public Health to fund costs not supported by other grants or funding sources to relieve COVID-19 impacts to the community.
- A $6.0 million increase in Citywide Activities to place Measure M revenue in escrow in accordance with a Stay Order Agreement on Water Utility and Sewer transfers.
- Increased appropriations in the amount of $5.2 million to transfer funds to the Special Advertising and Promotions Fund to replace lost revenues due to the pandemic.
- A $4.5 million increase in Public Works related to capital outlay and improvements activities.

The actual budgetary basis results of the General Fund as compared to the final budget reflect a net positive variance of $238.9 million. This consists of favorable variances in both revenues and other financing sources of $190.3 million and expenditures and other financing uses of $48.5 million.

The General Fund revenues and other financing sources positive budget to actual variance of $190.3 million is mostly due to transfers in from the General Grants fund as a result of the federal ARPA award funding police costs normally budgeted and paid by the General Fund. Other notable positive variances

between the final budget and actual results include $10.5 million in property tax revenues, $19.0 million in sales tax revenues and, $31.2 million in charges for services.

General Fund expenditures and other financing uses reflect a positive budget to actual variance of $48.5 million primarily due to lower operational costs than anticipated in Public Works, Public Health and Financial Management.

Capital Assets and Debt Administration

Capital Assets: As of September 30, 2021, the City's capital assets held by governmental and business-type activities amounted to $7.5 billion (net of accumulated depreciation). There was an overall increase of $194.2 million, or 2.6 percent, in the City's capital assets over the prior fiscal year.

Capital Assets, Net of Depreciation
September 30, 2021 and 2020
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	$ 225,112	$ 222,835	$1,376,585	$1,314,278	$1,601,697	$ 1,537,113
Rights-of-way	81,340	81,340	203,304	203,304	284,644	284,644
Water Rights	-	-	40	40	40	40
Historic Collections	-	-	3,442	-	3,442	-
Construction in Progress	62,905	61,221	602,338	2,097,145	665,243	2,158,366
Buildings	433,171	430,296	2,007,211	1,732,169	2,440,382	2,162,465
Improvements Other than Buildings	66,600	61,311	331,238	330,791	397,838	392,102
Infrastructure	64,796	71,133	1,859,235	503,997	1,924,031	575,130
Machinery and Equipment	40,165	43,234	30,539	37,081	70,704	80,315
Vehicles and Aircrafts	58,581	58,685	72,583	74,978	131,164	133,663
Software and Patents	18,551	20,326	5,543	4,866	24,094	25,192
Total Net Capital Assets	$1,051,221	$ 1,050,381	$6,492,058	$6,298,649	$7,543,279	$ 7,349,030

Governmental activities' net capital assets increased very slightly ($840 thousand), or 0.1 percent. Significant activities during the year include the following:

- Land increased by $2.3 million and Buildings increased by $2.9 million, due to a land purchase for Fire Station 9 and a land and property purchase for the Project Homekey site.
- Improvements other than Buildings increased by $5.3 million for the Public Safety Parking Structure.
- Infrastructure decreased by $6.3 million and Machinery and Equipment decreased by $3.1 million from the depreciation of those assets.

Business-type activities' net capital assets increased $193.4 million, or 3.1 percent, over the prior fiscal year. Significant capital asset activities during the year include:

- Harbor capital assets increased by $166.9 million. The increase was due mostly to completion of the Long Beach Container Terminal at Middle Harbor and land purchases.
- Other Enterprise Funds capital asset increases resulted from taxiway improvements at the Airport, completion of the second phase of construction and repair of the Naples seawalls, and continued investment in the replacement of the gas distribution system.

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

Long-Term Indebtedness: As of September 30, 2021, the City's net long-term debt outstanding totaled $2.8 billion. Of this amount, $2.5 billion relates to notes, bonds, capital leases, and $289.8 million to the new Civic Center complex.

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

- Moody's Investors Service: Aa2, Stable Outlook
- S&P Global Ratings: AA, Stable Outlook
- Fitch Ratings: AA, Stable Outlook

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

Outstanding Debt Obligations
September 30, 2021 and 2020
(In Thousands)

	Governmental Activities		*Business-type Activities*		*Totals*	
	2021	2020	2021	2020	2021	2020
Notes Payable	$ 7,569	$ 7,905	$ 545,309	$ 477,884	$ 552,878	$ 485,789
Bonds Payable	258,203	291,570	1,600,382	1,670,260	1,858,585	1,961,830
Capital Leases	38,943	44,676	32,943	37,747	71,886	82,423
Other Obligations	313,765	319,864	-	-	313,765	319,864
Total Outstanding	$ 618,480	$ 664,015	$ 2,178,634	$ 2,185,891	$ 2,797,114	$ 2,849,906

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

Governmental Activities

- Bonds payable decreased by $33.4 million as a result of annual principal payments and premium amortization. During the year, the City also refunded two RDA tax allocation bond issues. For capital leases, the City is reporting a decrease of $5.7 million primarily due to principal payments offset by new leases for purchase of technology equipment. The Other Obligations of $313.8 million is mostly attributable to City Hall and Civic Center complex.

Business-Type Activities

- Bonds payable reported a decrease of $69.9 million mostly due to the payoff of various bond issues by the Harbor Department and principal payments made by other enterprise funds. Notes payable increased by $67.4 million mostly due to the Harbor Department making draws on a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan in the total amount of $495.0 million. The funds were used to finance and refinance costs related to the replacement of the Gerald Desmond Bridge, including, but not limited to, the repayment of the 2018A Notes and the 2020C Notes.

Additional information on the City's long-term obligations can be found in Notes 8 through 11 to the basic financial statements.

Economic Outlook

In March 2021, President Biden signed into law the American Rescue Plan Act of 2021. Through the legislation, the City of Long Beach received an ARPA allocation of $135.8 million for various purposes including responding to the COVID-19 emergency, addressing its public health and economic effects, and providing government services affected by a loss in revenue due to the pandemic. The receipt of these federal funds has allowed the City to begin its recovery from the pandemic.

At the end of fiscal year 2021, the General Fund's Operating Reserve stood at $16.0 million, or 2.7 percent of normal operating expenditures, which is within the policy required range of 2 to 7 percent. The General Fund's Emergency Reserve, at $48.4 million, is 8.1 percent of normal operating expenditures and is below the target level of 10 percent but above the minimum of 8 percent. The General Fund unassigned balance is a deficit $16.5 million as a result of the transfer out to the Water Utility Fund related to the Measure M litigation.

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

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

City of Long Beach
Statement of Net Position
September 30, 2021
(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	$ 107,847	$ 234,104	$ 341,951	$ -
Non-Pooled Cash and Cash Equivalents	24,510	35,544	60,054	52,615
Pooled Investments	203,964	442,744	646,708	-
Interest Receivable	168	125	293	-
Property Tax Receivable, Net	107,886	-	107,886	-
Accounts and Loans Receivables, Net	25,660	120,805	146,465	8,110
Due from Other Governments	142,559	29,414	171,973	-
Internal Balances	10,093	(10,093)	-	-
Inventory	3,221	11,183	14,404	2,717
Other Assets and Deposits	13,087	38,669	51,756	1,149
Land Held for Resale	5,874	-	5,874	-
Total Current Assets:	644,869	902,495	1,547,364	64,591
Noncurrent Restricted Assets:				
Non-Pooled Investments	-	52,813	52,813	22,890
Total Noncurrent Restricted Assets:	-	52,813	52,813	22,890
Other Noncurrent Assets:				
Pooled Investments	303,385	658,557	961,942	-
Other Noncurrent Receivables	220,992	-	220,992	-
Prepaid Gas - Long-term	-	310,780	310,780	-
Fair Value - Commodity Swap	-	443,833	443,833	-
Land and Other Capital Assets not being Depreciated	369,357	2,185,709	2,555,066	16,186
Capital Assets, net of Accumulated Depreciation	681,864	4,306,349	4,988,213	80,171
Other Assets	6,375	54,752	61,127	-
Total Other Noncurrent Assets:	1,581,973	7,959,980	9,541,953	96,357
Total Assets	2,226,842	8,915,288	11,142,130	183,838
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources	99,311	55,762	155,073	7,326
LIABILITIES				
Current Liabilities:				
Accounts Payable	58,576	233,802	292,378	4,195
Accrued Wages and Benefits Payable	20,575	5,986	26,561	4,426
Accrued Interest Payable	2,728	29,979	32,707	-
Due to Other Governments	258	-	258	-
Unearned Revenue, Credits, and Other Payables	72,983	49,436	122,419	42,180
Employee Benefits and Accrued Long-Term Obligations	92,973	17,709	110,682	19,884
Bonds, Loans, Capital Leases, and Other Long-Term Obligations	39,222	131,503	170,725	1,124
Total Current Liabilities	287,315	468,415	755,730	71,809
Noncurrent Liabilities:				
Fair Value - Interest Rate Swap	-	10,079	10,079	-
Other Payables	-	9,575	9,575	8,471
Employee Benefits and Accrued Long-Term Obligations	287,790	149,164	436,954	4,720
Bonds, Loans, Capital Leases, and Other Long-Term Obligations	579,258	2,052,956	2,632,214	3,628
Total OPEB Liability	6,730	2,055	8,785	-
Net Pension Liability	375,696	152,179	527,875	13,866
Total Noncurrent Liabilities:	1,249,474	2,376,008	3,625,482	30,685
Total Liabilities	1,536,789	2,844,423	4,381,212	102,494
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	517,378	585,498	1,102,876	15,419
Total Liabilities and Deferred Inflows of Resources	2,054,167	3,429,921	5,484,088	117,913
NET POSITION				
Net Investment in Capital Assets	452,155	4,727,066	5,179,221	91,604
Restricted for:				
Debt Service	27,790	25,464	53,254	-
Capital Projects	91,264	79,444	170,708	304
Public Safety	7,424	-	7,424	-
Public Health	13,049	-	13,049	-
Community and Cultural	317,561	-	317,561	-
Healthcare Insurance	18,611	-	18,611	-
Tidelands	-	20,970	20,970	-
Airport	-	9,636	9,636	-
Subsidence	-	191,151	191,151	-
Unrestricted	(655,868)	487,398	(168,470)	(18,657)
Total Net Position	$ 271,986	$ 5,541,129	$ 5,813,115	$ 73,251

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, 2021
(In Thousands)

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
GOVERNMENTAL ACTIVITIES:				
Legislative and Legal	$ 13,058	$ 18	$ -	$ -
General Government	36,564	15,729	3,505	-
Public Safety	311,933	49,116	17,494	-
Public Health	60,016	7,471	198,277	-
Community and Cultural	217,381	34,452	50,281	18
Public Works	163,203	32,872	82,779	76,015
Oil Operations	3,679	11,190	-	-
Interest on Long-Term Debt	19,781	-	-	-
Total Governmental Activities	825,615	150,848	352,336	76,033
BUSINESS-TYPE ACTIVITIES				
Gas Utility	83,900	112,277	-	-
Water Utility	93,075	122,089	-	2,665
Tidelands Operating	110,419	99,458	69	134
Harbor	336,106	440,340	-	11,769
Non-major Enterprise Funds	254,323	257,688	91	25,531
Total Business-Type Activities	877,823	1,031,852	160	40,099
Total Primary Government	$ 1,703,438	$ 1,182,700	$ 352,496	$ 116,132
COMPONENT UNIT				
Long Beach Public Transportation Company	$ 110,756	$ 1,988	$ 91,987	$ 22,739
Taxes:				
Property				
Sales				
Utility Users				
Other				
Franchise Taxes				
Unrestricted Investment Earnings				
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
$ (13,040)	$ -	$ (13,040)	$ -
(17,330)	-	(17,330)	-
(245,323)	-	(245,323)	-
145,732	-	145,732	-
(132,630)	-	(132,630)	-
28,463	-	28,463	-
7,511	-	7,511	-
(19,781)	-	(19,781)	-
(246,398)	-	(246,398)	-
-	28,377	28,377	-
-	31,679	31,679	-
-	(10,758)	(10,758)	-
-	116,003	116,003	-
-	28,987	28,987	
-	194,288	194,288	-
(246,398)	194,288	(52,110)	-
-	-	-	5,958
225,820	-	225,820	-
150,887	-	150,887	-
38,546	-	38,546	-
40,098	-	40,098	-
23,734	-	23,734	-
3,496	1,469	4,965	287
(5,284)	5,284	-	-
477,297	6,753	484,050	287
230,899	201,041	431,940	6,245
41,087	5,340,088	5,381,175	67,006
$ 271,986	$ 5,541,129	$ 5,813,115	$ 73,251

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

City of Long Beach
Governmental Funds
Balance Sheet
September 30, 2021
(In Thousands)

	General	General Capital Projects	Housing Assistance Special Revenue	Other Governmental Funds	Total September 30, 2021
ASSETS					
Pooled Cash and Cash Equivalents	$ 172,337	$ 170,437	$ 25,083	$ 100,540	$ 468,397
Non-Pooled Cash and Cash Equivalents	1,373	-	2,183	19,376	22,932
Receivables:					
Property Taxes	113,077	-	-	-	113,077
Accounts Receivable	29,093	309	200	4,291	33,893
Due from Other Governments	40,851	16,733	-	84,945	142,529
Due from Other Funds	29,972	24	2,273	5,748	38,017
Allowance for Receivables	(8,890)	(63)	(167)	(5,812)	(14,932)
Inventory	-	102	-	-	102
Other Assets	2,127	1,489	-	106	3,722
Advances to Other Funds	-	-	-	3,809	3,809
Land Held for Resale	-	-	-	5,874	5,874
Other Noncurrent Receivables	-	-	-	220,992	220,992
Total Assets	$ 379,940	$ 189,031	$ 29,572	$ 439,869	$ 1,038,412
LIABILITIES					
Liabilities:					
Accounts Payable	$ 15,564	$ 16,569	$ 2,848	$ 7,454	$ 42,435
Accrued Wages and Benefits Payable	11,677	230	109	1,521	13,537
Due to Other Governments	251	-	7	-	258
Due to Other Funds	57,293	259	123	23,824	81,499
Unearned Revenues	6,138	12,810	1,612	46,970	67,530
Deposits and Collections Held in Trust	3,819	1,103	1,537	2,044	8,503
Advances from Other Funds	114	-	-	5,409	5,523
Total Liabilities	94,856	30,971	6,236	87,222	219,285
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources	112,403	-	-	215,784	328,187
FUND BALANCES					
Nonspendable	2,127	1,489	-	927	4,543
Restricted	2,836	62,462	23,336	134,149	222,783
Committed	76,543	-	-	1,414	77,957
Assigned	107,658	94,109	-	373	202,140
Unassigned	(16,483)	-	-	-	(16,483)
Total Fund Balances	172,681	158,060	23,336	136,863	490,940
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 379,940	$ 189,031	$ 29,572	$ 439,869	$ 1,038,412

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, 2021
(In Thousands)

Total governmental fund balances	$ 490,940
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, consisting of $327,078 of non-depreciable assets and $247,806 of depreciable assets, used in the governmental activities, which are not included in the internal service funds, are not financial resources and, therefore, are not reported in the funds.	574,884
Deferred outflows of resources related to postemployment and economic losses from refinancing of debt are not included in the governmental funds.	89,960
Deferred inflows of resources related to postemployment and economic gains from refinancing of debt are not included in the governmental funds.	(157,925)
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.	(803,808)
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.	77,935
Net position of governmental activities	$ 271,986

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, 2021
(In Thousands)

	General	General Capital Projects	Housing Assistance Special Revenue	Other Governmental Funds	Total September 30, 2021
Revenues:					
Taxes:					
Property	$ 200,359	$ -	$ -	$ 25,784	$ 226,143
Sales	148,449	-	-	2,438	150,887
Utility Users	38,546	-	-	-	38,546
Other Taxes	30,404	-	-	9,694	40,098
Franchise Fees	23,734	-	-	-	23,734
Licenses and Permits	36,550	-	-	10,460	47,010
Fines and Forfeitures	14,395	-	-	-	14,395
Use of Money and Property	30,001	389	139	3,317	33,846
From Other Agencies	8,482	76,106	113,266	230,603	428,457
Charges for Services	39,646	-	-	2,030	41,676
Other	5,391	580	308	5,165	11,444
Total Revenues	575,957	77,075	113,713	289,491	1,056,236
Expenditures:					
Current:					
Legislative and Legal	16,537	-	-	-	16,537
General Government	34,860	-	22	6,951	41,833
Public Safety	408,803	-	-	14,966	423,769
Public Health	19,885	-	-	74,866	94,751
Community and Cultural	53,645	-	108,934	60,199	222,778
Public Works	58,535	8,569	-	11	67,115
Oil Operations	2,446	-	-	-	2,446
Total Current Expenditures	594,711	8,569	108,956	156,993	869,229
Capital Improvements	24,765	76,203	-	1,744	102,712
Debt Service:					
Principal	1,436	-	-	20,723	22,159
Interest	42	-	-	11,928	11,970
Debt Administration Fees	9	-	-	17	26
Total Expenditures	620,963	84,772	108,956	191,405	1,006,096
Excess of Revenues over (under) Expenditures	(45,006)	(7,697)	4,757	98,086	50,140
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Asset	713	-		826	1,539
Debt Issuance	-	-	-	19,765	19,765
Premium on Debt Issuance	-	-	-	4,170	4,170
Payment to Refunded Bond Escrow Agent	-	-	-	(26,300)	(26,300)
Cost of Issuance	-	-	-	(410)	(410)
Transfers In	170,669	37,465	2,273	18,079	228,486
Transfers Out	(89,625)	(1,109)	-	(103,037)	(193,771)
Total Other Financing Sources (Uses)	81,757	36,356	2,273	(86,907)	33,479
Net Change in Fund Balances	36,751	28,659	7,030	11,179	83,619
Fund Balances - October 1	135,930	129,401	16,306	125,684	407,321
Fund Balances - September 30	$ 172,681	$ 158,060	$ 23,336	$ 136,863	$ 490,940

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, 2021
(In Thousands)

Excess of expenditures and other uses over revenue and other sources - total governmental funds	$	83,619
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 ($33,713) is less than depreciation ($22,487) in the current period.		11,226
The net effect of miscellaneous transactions involving capital assets (e.g., sales, trade-ins, disposal of capital assets, and donations) results in a decrease to net position.		(4,416)
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.		(949)
Pension contributions made subsequent to the measurement date are an expenditure in the governmental funds, but reported as a deferred outflow of resources in the statement of net position.		46,915
Pension income reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues in governmental funds.		165,980
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt and other long-term obligations consumes current financial resources. Neither transaction, however, has any affect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when long-term debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		25,853
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.		(51,779)
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.		(45,550)
Change in net position of governmental activities	$	230,899

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 (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis [1]	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	$ 189,843	$ 189,843	$ 200,359	$ 10,516
Sales Taxes	129,427	129,427	148,449	19,022
Utility Users Taxes	34,905	34,905	38,546	3,641
Other Taxes	32,491	32,491	30,404	(2,087)
Franchise Fees	27,079	27,079	23,734	(3,345)
Licenses and Permits	30,738	31,788	36,550	4,762
Fines and Forfeitures	19,379	19,379	14,395	(4,984)
Use of Money and Property	29,487	31,228	30,001	(1,227)
From Other Agencies	6,479	6,580	8,482	1,902
Charges for Services	45,804	8,402	39,646	31,244
Other	3,968	1,163	5,391	4,228
Proceeds from Sale of Capital Asset	-	-	713	713
Transfers In	22,213	44,719	170,669	125,950
Total Revenues	571,813	557,004	747,339	190,335
Expenditures:				
Current:				
Legislative and Legal				
Mayor and City Council	6,626	7,793	6,915	878
City Attorney	3,744	3,604	4,328	(724)
City Clerk	6,190	6,340	5,294	1,046
General Government				
City Auditor	3,024	3,024	3,374	(350)
City Manager	6,700	10,209	10,057	152
Civil Service	3,302	3,223	3,615	(392)
Financial Management	8,955	61,832	16,473	45,359
Planning and Building	843	1,867	2,122	(255)
Public Safety				
Police	247,762	252,373	260,373	(8,000)
Fire	107,913	113,655	123,380	(9,725)
Disaster Preparedness	12,596	12,706	14,342	(1,636)
City Prosecutor	6,712	7,128	7,169	(41)
Planning and Building - Code Enforcement	3,824	3,371	4,397	(1,026)
Public Health	10,279	39,423	20,584	18,839
Community and Cultural				
Community Development	1,497	7,275	679	6,596
Library	19,619	20,608	20,690	(82)
Parks and Recreation	30,773	34,103	32,407	1,696
Public Works	45,999	93,049	58,669	34,380
Oil Operations	3,302	3,302	2,446	856
Debt Service	512	512	1,487	(975)
Capital Outlay	169	24,539	24,765	(226)
Transfers Out	36,976	51,788	89,625	(37,837)
Total Expenditures	567,317	761,724	713,191	48,533
Net Change in Budgetary Fund Balance:	$ 4,496	$ (204,720)	$ 34,148	$ 238,868

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ 34,148
Add: Encumbrances	2,603
Change in Fund Balance - September 30, GAAP Basis	36,751
Fund Balance, October 1, GAAP Basis	135,930
Fund Balance, September 30, GAAP Basis	$ 172,681

[1] Incorporates adjustments due to prepayment of the CalPERS unfunded liability. See page 161 for details.

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

City of Long Beach
Housing Assistance Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of Money and Property	$ 92	$ 92	$ 139	$ 47
From Other Agencies	91,946	110,078	113,266	3,188
Other	177	177	308	131
Transfers In	-	-	2,273	2,273
Total Revenues	92,215	110,347	115,986	5,639
Expenditures:				
General Government				
Financial Management	175	175	22	153
Community and Cultural				
Development Services	93,730	111,718	108,938	2,780
Total Expenditures	93,905	111,893	108,960	2,933
Net Change in Budgetary Fund Balance	$ (1,690)	$ (1,546)	$ 7,026	$ 8,572

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ 7,026
Add: Encumbrances	4
Change in Fund Balance - September 30, GAAP Basis	7,030
Fund Balance, October 1, GAAP Basis	16,306
Fund Balance, September 30, GAAP Basis	$ 23,336

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

City of Long Beach
Proprietary Funds
Statement of Net Position (Deficit)
September 30, 2021
(In Thousands)

	Business-type Activities - Enterprise Funds		
	Gas Utility	Water Utility	Tidelands Operating
ASSETS			
Current Assets:			
Pooled Cash and Cash Equivalents	$ 58,150	$ 27,643	$ 140,988
Non-Pooled Cash and Cash Equivalents	89	510	27,962
Receivables:			
Interest Receivable	15	10	61
Accounts Receivable	14,662	10,925	13,642
Notes and Loans Receivable	-	-	-
Due from Other Governments	-	475	268
Due from Other Funds	-	30,846	21,733
Allowance for Receivables	(3,023)	(1,071)	(1,904)
Deposits	-	-	-
Inventory	3,679	6,557	-
Prepaid Gas - Current	23,689	-	-
Other Assets - Current	104	5,050	-
Total Current Asset	97,365	80,945	202,750
Noncurrent Assets:			
Restricted Noncurrent Assets:			
Non-Pooled Investments	27,085	2,395	15,884
Noncurrent Receivables:			
Advances to Other Funds	-	-	-
Fair Value - Commodity Swap	443,833	-	-
Capital Assets:			
Land and Other Capital Assets not being Depreciated	13,401	71,269	68,752
Capital Assets, Net of Accumulated Depreciation	163,919	288,936	276,768
Prepaid Gas - Long Term	310,780	-	-
Other Assets - Long-Term	-	-	-
Total Noncurrent Assets	959,018	362,600	361,404
Total Assets	1,056,383	443,545	564,154
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources	13,874	5,423	12,330

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

Business-type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
$ 741,086	$ 367,538	$ 1,335,405	$ 146,799
1	6,982	35,544	1,578
7	32	125	-
61,857	32,000	133,086	1,532
-	-	-	-
24,975	3,696	29,414	30
444	2,825	55,848	27,333
(2,171)	(4,112)	(12,281)	(24)
-	-	-	9,365
762	185	11,183	3,119
-	-	23,689	-
9,816	10	14,980	-
836,777	409,156	1,626,993	189,732
-	7,449	52,813	-
1,210	114	1,324	5,687
-	-	443,833	-
1,953,119	79,168	2,185,709	42,279
3,244,455	332,271	4,306,349	434,058
-	-	310,780	-
54,752	-	54,752	6,375
5,253,536	419,002	7,355,560	488,399
6,090,313	828,158	8,982,553	678,131
15,990	8,145	55,762	9,351

(Continued)

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

City of Long Beach
Proprietary Funds
Statement of Net Position (Deficit)
September 30, 2021
(In Thousands)

(Continued)

	Business-type Activities - Enterprise Funds		
	Gas Utility	Water Utility	Tidelands Operating
LIABILITIES			
Current Liabilities Payable from Current Assets:			
Accounts Payable	6,447	15,686	4,375
Accrued Wages	645	816	886
Accrued Interest Payable	9,954	247	3,604
Due to Other Funds	1,341	1,535	1,629
Unearned Revenues	1,407	180	2,143
Collections Held in Trust	-	88	215
Customers Deposits	2,680	20	763
Advances from Developers	-	1,597	-
Accrued Self-Insurance Claims - Current	-	-	-
Environmental Remediation - Current	-	-	-
Due to State of California	-	-	-
Compensated Absences and Accrued Employee Benefits	2,003	2,294	2,761
Obligations Under Capital Leases - Current	1,158	1,640	41
Bonds Payable Due Within One Year	16,040	3,300	13,165
Other Long-Term Obligations - Current	-	-	29
Total Current Liabilities	41,675	27,403	29,611
Noncurrent Liabilities:			
Advances from Other Funds	-	-	1,210
Unearned Revenues	-	-	4,526
Accrued Self-Insurance Claims	-	-	-
Accrued Oil Field Abandonment Costs	-	-	-
Environmental Remediation	-	-	-
Site Restoration	-	1,000	-
Due to State of California	-	-	-
Fair Value - Interest Rate Swap	10,079	-	-
Compensated Absences and Accrued Employee Benefits	4,607	4,712	6,614
Obligations Under Capital Leases	10,333	19,586	185
Other Long-Term Obligations	-	-	280
Bonds Payable	540,121	10,239	195,088
Total OPEB Liability	272	282	392
Net Pension Liability	15,457	20,005	22,141
Total Noncurrent Liabilities	580,869	55,824	230,436
Total Liabilities	622,544	83,227	260,047
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources	457,223	17,604	24,311
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	162,671	326,635	156,322
Restricted for:			
Debt Service	-	1,441	5,927
Capital Projects	13,249	-	389
Insurance	-	-	-
Tidelands	-	-	20,970
Airport	-	-	-
Subsidence	-	-	-
Unrestricted	(185,430)	20,061	108,518
Total Net Position (Deficit)	$ (9,510)	$ 348,137	$ 292,126
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			
Net Position of Business-type Activities			

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

Business-type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
180,916	26,378	233,802	16,141
2,257	1,382	5,986	7,038
13,908	2,266	29,979	773
25,970	2,703	33,178	6,521
18,472	5,875	28,077	-
3,393	763	4,459	4,097
-	835	4,298	-
-	11,005	12,602	-
450	-	450	31,605
-	-	-	175
-	5,825	5,825	-
6,207	3,994	17,259	6,795
-	-	2,839	9,130
35,530	3,700	71,735	1,612
51,075	-	51,104	5,189
338,178	64,726	501,593	89,076
4,087	-	5,297	-
-	5,049	9,575	-
-	-	-	144,780
-	110,300	110,300	-
2,600	-	2,600	-
-	-	1,000	-
-	-	-	725
-	-	10,079	-
12,238	7,093	35,264	7,855
-	-	30,104	29,813
493,925	-	494,205	284,576
682,062	101,137	1,528,647	16,340
675	434	2,055	472
60,174	34,402	152,179	33,434
1,255,761	258,415	2,381,305	517,995
1,593,939	323,141	2,882,898	607,071
53,642	32,718	585,498	31,266
3,768,983	312,455	4,727,066	130,634
13,717	4,379	25,464	-
37,743	28,063	79,444	1,395
-	-	-	18,611
-	-	20,970	-
-	9,636	9,636	-
-	191,151	191,151	-
638,279	(65,240)	516,188	(101,495)
$ 4,458,722	$ 480,444	5,569,919	$ 49,145
		(28,790)	
		$ 5,541,129	

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, 2021
(In Thousands)

	Business-type Activities - Enterprise Funds		
	Gas Utility	Water Utility	Tidelands Operating
Operating Revenues:			
Licenses and Permits	$ -	$ -	$ 470
Fines and Forfeitures	-	-	311
Fees, Concessions, and Rentals	-	-	39,563
From Other Agencies	-	-	-
Charges for Services	108,871	117,593	46,383
Other	3,059	1,375	4,273
Total Operating Revenues	111,930	118,968	91,000
Operating Expenses:			
Personnel Services	$ 12,924	$ 15,555	$ 23,261
Purchases of Gas and Water	14,693	27,672	-
Maintenance and Other Operations	18,726	33,499	54,491
Rental Expense	-	-	-
Insurance Premiums	-	-	-
Self-Insured Losses	-	-	-
Compensated Absences	-	-	-
Employee Benefits	-	-	-
Payments to Other Entities	-	-	-
Depreciation	7,724	13,428	21,846
Total Operating Expenses	54,067	90,154	99,598
Operating Income (Loss)	57,863	28,814	(8,598)
Non-Operating Income (Expenses):			
Interest Income	1,276	101	84
Interest Expense	(28,689)	(1,394)	(8,589)
Gain (Loss) on Disposition of Capital Assets	(472)	(325)	17
Oil Field Abandonment	-	-	-
Operating Grants	-	-	69
Other Income	347	3,121	8,457
Other Expense	(729)	(789)	(3,151)
Total Non-Operating Income (Expenses)	(28,267)	714	(3,113)
Income (Loss) Before Contributions and Transfers	29,596	29,528	(11,711)
Capital Grants and Contributions	-	2,665	134
Transfers:			
Transfers In	980	30,832	35,228
Transfers Out	(15,323)	(8,628)	(5,700)
Change in Net Position	15,253	54,397	17,951
Net Position (Deficit) - October 1, as adjusted	(24,763)	293,740	274,175
Net Position (Deficit) - September 30	$ (9,510)	$ 348,137	$ 292,126
Change in Net Position of Business - Enterprise Funds			
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			
Change in Net Position of Business-type Activities			

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

Business-Type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
$ -	$ 18,406	$ 18,876	$ -
-	15	326	-
-	123,536	163,099	-
-	2,335	2,335	-
431,373	109,558	813,778	480,246
3,271	692	12,670	5,787
434,644	254,542	1,011,084	486,033
$ 37,258	$ 36,685	$ 125,683	35,075
-	-	42,365	-
59,145	113,706	279,567	67,818
-	184	184	-
-	-	-	10,508
-	-	-	12,567
-	-	-	60,982
-	-	-	266,180
38,320	69,919	108,239	-
172,827	18,782	234,607	30,289
307,550	239,276	790,645	483,419
127,094	15,266	220,439	2,614
-	8	1,469	1
(27,068)	(7,021)	(72,761)	(9,897)
-	1	(779)	899
-	(7,700)	(7,700)	-
-	91	160	984
5,696	3,146	20,767	1,609
-	(1,416)	(6,085)	(1,613)
(21,372)	(12,891)	(64,929)	(8,017)
105,722	2,375	155,510	(5,403)
11,769	25,531	40,099	-
134	5,992	73,166	13,195
(21,733)	(16,498)	(67,882)	(53,194)
95,892	17,400	200,893	(45,402)
4,362,830	463,044	5,369,026	94,547
$ 4,458,722	$ 480,444	5,569,919	$ 49,145
		200,893	
		148	
		$ 201,041	

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, 2021
(In Thousands)

	Business-Type Activities - Enterprise Funds		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Gas Utility	Water Utility	Tidelands Operating
Cash Flows from Operating Activities:			
Receipts from Customers	$ 108,660	$ 118,419	$ 82,790
Receipts from Oil Companies	-	-	-
Receipts from Other Entities	-	-	5,052
Receipts from Other Funds	-	-	-
Payments for Employee Salaries	(19,144)	(22,871)	(33,610)
Payments for Goods and Services	(7,619)	(59,575)	(59,134)
Payments for Compensated Absences	-	-	-
Payments for Employee Benefits	-	-	-
Payments for Liability Claims	-	-	-
Payments to Other Funds	-	-	-
Payments to Other Entities	-	(1,948)	(5,564)
Other Income	347	375	13,149
Other Expense	(729)	(792)	(3,153)
Net Cash Provided by (Used for) Operating Activities	81,515	33,608	(470)
Cash Flows from Non-Capital Financing Activities:			
Other Income	-	1,036	-
Operating Grants Received from Other Governments	-	-	71
Operating Subsidies Paid to Other Funds	-	-	-
Payments of Principal on Bonds Payable	(13,990)	-	-
Payments of Interest	(28,690)	-	-
Transfers In	980	1,710	35,228
Transfers Out	(15,323)	(8,628)	(5,700)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(57,023)	(5,882)	29,599
Cash Flows from Capital and Related Financing Activities:			
Receipt of Capital Grants	-	-	134
Proceeds from the Sale of Capital Assets	-	238	17
Proceeds from Issuance of Long-Term Obligations	-	-	-
Receipts of Contributed Capital	-	4,082	-
Receipts from Passenger Facility Charges	-	-	-
Receipt of Federal Subsidy	-	-	-
Payments for Capital Acquisitions	(12,570)	(17,828)	(10,738)
Payments of Principal on Bonds Payable	-	(3,170)	(12,871)
Payments of Principal on Other Long-Term Obligations	(1,735)	(3,634)	(66)
Payments of Interest	(285)	(1,530)	(8,921)
Net Cash Used for Capital and Related Financing Activities	(14,590)	(21,842)	(32,445)
Cash Flows from Investing Activities:			
Proceeds from the Sale of Investments	-	-	1,499
Payments for Purchase of Investments	(1,586)	-	-
Receipt from Joint Venture	-	-	-
Payments of Interest	-	-	(301)
Receipts of Interest	1,282	553	-
Net Cash Provided by Investing Activities	(304)	553	1,198
Net Increase (Decrease) in Cash and Cash Equivalents			
Net Increase (Decrease) in Cash and Cash Equivalents	9,598	6,437	(2,118)
Cash and Cash Equivalents - October 1	48,641	21,716	171,068
Cash and Cash Equivalents - September 30	$ 58,239	$ 28,153	$ 168,950

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

Business-Type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
$ 457,190	$ 158,056	$ 925,115	$ 5,092
-	91,717	91,717	-
-	16,647	21,699	(8,274)
-	760	760	508,513
(53,006)	(51,175)	(179,806)	(47,812)
(125,119)	(117,867)	(369,314)	(64,919)
-	-	-	(59,972)
-	-	-	(290,448)
-	-	-	(26,726)
-	(1,141)	(1,141)	-
-	(75,136)	(82,648)	-
-	1,452	15,323	1,443
(1,209)	(1,416)	(7,299)	(1,613)
277,856	21,897	414,406	15,284
-	-	1,036	166
-	91	162	984
-	(29)	(29)	-
-	-	(13,990)	-
-	-	(28,690)	-
-	5,992	43,910	(53,194)
(19,797)	(16,498)	(65,946)	13,195
(19,797)	(10,444)	(63,547)	(38,849)
33,046	-	33,180	-
-	1	256	954
545,000	-	545,000	-
-	22,062	26,144	-
-	3,469	3,469	-
-	1,156	1,156	-
(203,230)	(48,544)	(292,910)	(24,375)
(24,470)	(3,532)	(44,043)	(8,307)
(472,050)	-	(477,485)	(11,132)
(46,727)	(6,364)	(63,827)	(8,505)
(168,431)	(31,752)	(269,060)	(51,365)
-	1,238	2,737	-
-	-	(1,586)	-
3,000	-	3,000	-
-	(221)	(522)	(2,006)
4,866	-	6,701	-
7,866	1,017	10,330	(2,006)
97,494	(19,282)	92,129	(76,936)
643,593	393,802	1,278,820	225,313
$ 741,087	$ 374,520	$ 1,370,949	$ 148,377

(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	Water Utility	Tidelands Operating
Operating Income (Loss)	$ 57,863	$ 28,814	$ (8,598)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization Expense	7,724	13,428	21,846
Other Income	-	375	8,457
Other Expense	(382)	(792)	(3,153)
(Increase) Decrease in Accounts Receivable, Net	(1,118)	(1,447)	(8,103)
(Increase) Decrease in Amounts Due from Other Governments	-	-	(991)
(Increase) Decrease in Amounts Due from Other Funds	304	896	9,483
(Increase) Decrease in Inventory	(659)	(45)	-
(Increase) Decrease in Other Assets	23,396	-	-
Increase in Other Non-Operating Assets	-	(2,498)	-
Increase (Decrease) in Accounts Payable	2,959	1,729	(4,694)
Increase (Decrease) in Accrued Wages Payable	(6,220)	(7,251)	(10,349)
Increase (Decrease) in Amounts Due to Other Funds	(1,735)	460	(4,574)
Increase in Accrued Claims Payable	-	-	-
Increase in Unearned Revenues	(450)	82	54
Increase (Decrease) in Collections Held in Trust	(167)	(143)	152
Total Adjustments	23,652	4,794	8,128
Net Cash Provided by (Used for) Operating Activities	$ 81,515	$ 33,608	$ (470)
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Amortization of Bond Premium (Discount), Net	$ 23,501	$ -	$ 481
Accrued Capital Assets	-	-	-
Accrued Oilfield Abandonment Costs	-	-	-
Amortization of Deferred Outflows on Debt Refunding	-	-	(441)
Amortization of Deferred Inflows on Debt Refunding	-	-	-
Accrued Transfers to Other Fund	-	-	-
Accrued Transfers from Other Fund	-	(30,832)	-
Borrowing under Capital Lease or Other Long-term Debt	-	-	-
Discontinued Capital Projects	-	-	-

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

Business-Type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
$ 127,094	$ 15,266	$ 220,439	$ 2,614
172,827	18,782	234,607	30,289
(1,209)	1,564	9,187	1,443
-	(1,416)	(5,743)	(1,613)
9,655	(8,263)	(9,276)	3,805
-	12,097	11,106	-
-	387	11,070	6,376
-	-	(704)	(259)
(20,492)	6	2,910	29,369
-	-	(2,498)	-
(10,362)	2,773	(7,595)	(13,827)
(1,101)	(14,491)	(39,412)	(22,625)
(694)	(2,423)	(8,966)	(17,245)
(4,800)	-	(4,800)	(3,651)
6,938	(1,094)	5,530	-
-	(1,291)	(1,449)	608
150,762	6,631	193,967	12,670
$ 277,856	$ 21,897	$ 414,406	$ 15,284
$ 15,014	$ -	$ 38,996	$ -
135,773	-	135,773	-
-	7,700	7,700	-
-	-	(441)	-
1,254	-	1,254	-
21,732	-	21,732	-
-	-	(30,832)	-
-	-	-	99,287
839	-	839	-

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, 2021
(In Thousands)

	Private Purpose Trust Funds	Custodial Funds
ASSETS:		
Pooled Cash and Cash Equivalents	$ 618	$ 13,159
Non-Pooled Investments	-	1,095
Non-Pooled Cash and Cash Equivalents	-	8,719
Property Taxes Receivable	-	147
Interest Receivable	-	30
Accounts Receivable	-	1,058
Prepaid Expense	-	8
Land	-	11,000
Total Assets	618	35,216
LIABILITIES:		
Accounts Payable	-	308
Total Liabilities	-	308
NET POSITION:		
Restricted for:		
Miller Library Trust	613	-
Mayor's Fund for the Homeless	5	-
Oil Rights	-	1,819
Special Assesment Districts	-	10,950
Intermodal Container Transfer Facility	-	6,500
Los Cerritos Wetlands Authority	-	11,268
Other Custodial Funds	-	4,371
Total Restricted Net Position	$ 618	$ 34,908

City of Long Beach
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Contributions	$ -	$ 4,730
Taxes	-	10,609
Grants	-	356
Use of Money and Property	-	234
Miscellaneous Revenue	-	52
Total Additions	-	15,981
DEDUCTIONS:		
Administrative Expense	37	13
Payments to Bond Holders	-	11,344
Payments to Others	-	5,376
Total Deductions	37	16,733
Change in Net Position	(37)	(752)
Net Position, October 1	655	35,660
Net Position, September 30	$ 618	$ 34,908

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

NOTES TO THE FINANCIAL STATEMENTS

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 Mayor, City Auditor, City Attorney, and City Prosecutor are all elected Citywide. The City Council appoints a City Manager who serves at the discretion of the Council.

Financial Reporting Entity

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

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

Blended Component Entities

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

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

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

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

Non-profit Financing Corporations and Authorities

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

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

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

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

Discretely Presented Component Unit

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

The LBT is governed by a seven-member Board of Directors (Board), which provides broad policy and financial decisions, setting direction for management. The Mayor, with the approval of the City Council, appoints residents of the community to the Board to serve overlapping four-year terms. In addition, two designees of the City Manager's Office serve as ex-officio Board members but do not have voting authority. The LBT's mission is "to provide public transit services that enhance and improve the quality of life for the people in our community."

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

The City reports the following major governmental and enterprise funds:

Major Governmental Funds

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

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

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

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 by the Energy Resources Department. The Long Beach Financing Authority Gas Prepay Function is combined with the City's Gas Operating Function for the purpose of financial statement presentation.

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

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

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

The City also reports the following other fund types:

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

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

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

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

City of Long Beach Investment Pool

The City pools the cash resources of its various funds into the City of Long Beach Investment Pool (Pool). The Pool is an internal investment pool that is used to facilitate the management of cash and provide income through conservative investment activities. The Pool is used as a demand deposit account by the various funds.

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

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

Cash Equivalents

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

Fair Value

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

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

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

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

Receivables and Payables

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

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

Inventories

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

Capital Assets

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

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

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

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

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

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

Long-Term Obligations

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

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

Pensions

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

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

Employee Benefits, Compensated Absences and Termination Benefits

Historically, benefits for City employees have been paid and compensated leave balances at year-end have been reported in the in the City's Employee Benefits Internal Service Fund (EBF). Effective October 1, 2020, the City changed its accounting policy to report the compensated leave balances of the City employees in the government-wide financial statements for reporting consistency of governmental funds long-term employee benefits.

The adjustment to the beginning EBF net position amount is summarized below (in thousands):

October 1, 2020, as previously reported	$	(42,659)
Adjustment due to change of accounting principle		155,200
October 1, 2020, as adjusted	$	112,541

For the fiscal year ended September 30, 2021, a proprietary fund liability is accrued for leave benefits in the respective fund's statement of net position. The City's policy is to pay all accumulated vacation and holiday pay when an employee retires or terminates. Beginning August 1, 2007, management employees, upon retirement, may have 75 percent of their outstanding vacation leave converted to sick leave. Vacation and holiday benefits are recognized when earned. The City also allows retirees the option of purchasing additional pension benefits from CalPERS with their unused sick leave balances.

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

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

The conversion of unused sick leave for postemployment benefits is reflected as accrued compensated absences benefits and accrued as other post-employment benefits (OPEB) liability in the accompanying financial statements. The employee benefits and OPEB liability of $6.3 million associated with governmental funds will be reported within the government-wide financial statements. These liabilities are being funded over time through burden rates, applied as a percentage of current productive salaries, and charged to the various City funds.

As of September 30, 2021, the City has recorded compensated absence and OPEB liabilities in the following categories and funds (in thousands):

	Reported in Fund Financial Statements as			
	Compensated Absences		*Total OPEB*	
Recorded In	***Vacation***	***Sick***	***Liability***	***Total***
IS Funds	$ 6,088	$ 8,562	$ 472	$ 15,122
Enterprise Funds	15,287	37,236	2,055	54,578
Total	$ 21,375	$ 45,798	$ 2,527	$ 69,700

	Reported In Government-wide Financial Statements as			
	Employee Benefits		*Total OPEB*	
Recorded In	***Vacation***	***Sick***	***Liability***	***Total***
Governmental Activities	$ 50,666	$ 121,930	$ 6,730	$ 179,326
Business-Type Activities	15,287	37,236	2,055	54,578
Total	$ 65,953	$ 159,166	$ 8,785	$ 233,904

Deferred Outflows/Inflows of Resources

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

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

Net Position and Fund Balance

In the government-wide financial statements and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Restricted net position represents amounts restricted by parties outside of the City, such as creditors, grantors, or laws and regulations of other governments. Nonexpendable portions of the private-purpose trust funds are reported as held in trust. All other net position is considered unrestricted. When both the restricted and unrestricted components of net position are available, restricted resources are used first and then unrestricted resources are used to the extent necessary. At September 30, 2021, the restricted net position balances were $475.7 million and $326.7 million for governmental activities and business type activities, respectively.

Fund balance reported in governmental funds is calculated as assets and deferred outflows of resources less liabilities and deferred inflows of resources. There are five categories of fund balances, each of which is based upon the extent to which the City is bound to observe constraints imposed upon the use of the resources reported in governmental funds. 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; 6. Revenues restricted by enabling legislation.
Unrestricted	**Committed**	Used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.	1. The City Council has decided to set aside $1 million for a new senior center. 2. By resolution, e.g., 15% of Sales tax has been set aside to fund safety operations.
	Assigned	Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.	1. The City Council or its designee has formalized an intended use of fund balance or positive residual balances in governmental funds other than the general fund.
	Unassigned	Unassigned fund balance is the residual classification for the General Fund. This is fund balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds would report deficit fund balances as unassigned.	

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

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

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

Property Tax Calendar

Under the State Constitution, the property tax rate is limited to one percent of assessed value, but may be adjusted for specific voter-approved indebtedness. Property taxes are levied by the Los Angeles County (County) Tax Assessor and shared among all other local taxing authorities within the City. Accordingly, the County collects property taxes and distributes such taxes on the basis of the taxing authorities' tax rate percentages, allowing for adjustments as 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 the second is due February 1st. The City recognizes property tax receivable when levied and defers the portion that is neither intended nor available to finance current year expenditures.

Budgetary Principles

The City Council adopted the fiscal year 2021 budget prior to October 1, 2020 for all funds except for fiduciary funds. The City Council may amend the budget by motion during the fiscal year. The City Manager may transfer appropriations within the departments or within a given fund, provided that the total appropriations at the fund level and at the department level do not change. Transfers of appropriation between funds or departments require City Council approval. Unencumbered appropriations lapse at the end of the fiscal year.

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

Subsidence

In accordance with State legislation, the City established a Reserve for Subsidence Contingencies to indemnify the City, State, and contractors for claims or costs arising from subsidence alleged to result from oil operations. As of September 30, 2021, the reserve balance within the Subsidence Fund is $191.2 million. As part of the adoption of the State's 2005 fiscal year budget, 100 percent of this fund's interest earnings for calendar years 2004 and 2005 were eligible to be loaned to the City's General Fund without interest and with repayment commencing in fiscal year 2008 in equal annual installments of $500 thousand for up to 20 years. This action was taken to assist the City in making $5 million contributions to the State in fiscal years 2005 and 2006. At September 30, 2021, the remaining loan balance was $614 thousand.

Implementation of New Accounting Pronouncements

The City applies all Governmental Accounting Standards Board (GASB) Statements and Interpretations. Application of the following Statements was effective for the City's fiscal year ended September 30, 2021:

In August of 2018, GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods after December 31, 2020. Application of this Statement did not have a material impact to the City's financial statements for the fiscal year ended September 30, 2021.

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The requirements in paragraph 6-9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15,

2021. Early application of this Statement did not have a material impact to the City's financial statements for the fiscal year ended September 30, 2021.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The objectives of this Statement is to address references in authoritative literature to the term comprehensive annual financial report. The Statement is effective for reporting periods after December 15, 2021. The City elected to early implement this Statement for the fiscal year ended September 30, 2021.

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

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

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

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

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

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

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

Reclassifications

Certain accounts presented in the fiscal year 2021 financial statements have been reclassified to be consistent with the current year's presentation. Such reclassifications have no effect on the net change in financial position and net position as previously reported.

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 28)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations and Conversions	Total Statement of Net Position (Page 25)
ASSETS					
Current Assets:					
Pooled Cash and Cash Equivalents	$ 468,397	$ -	$ 146,799	$ (507,349)	$ 107,847
Non-Pooled Cash and Cash Equivalents	22,932	-	1,578	-	24,510
Pooled Investments	-	-	-	203,964	203,964
Interest Receivable	-	168	-	-	168
Property Taxes Receivable, Net	113,077	-	-	(5,191)	107,886
Accounts Receivable	33,893	-	1,532	(35,425)	-
Due from Other Governments	142,529	-	30	-	142,559
Due from Other Funds	38,017	-	27,333	(65,350)	-
Allowance for Receivables	(14,932)	-	(24)	14,956	-
Accounts and Loans Receivables, Net	-	-	-	25,660	25,660
Internal Balances	-	-	-	10,093	10,093
Deposits	-	-	9,365	(9,365)	-
Inventory	102	-	3,119	-	3,221
Other Assets	3,722	-	-	9,365	13,087
Advances to Other Funds	3,809	-	5,687	(9,496)	-
Land Held for Resale	5,874	-	-	-	5,874
Other Noncurrent Assets:					
Noncurrent Pooled Investments	-	-	-	303,385	303,385
Other Noncurrent Receivables	220,992	-	-	-	220,992
Capital Assets:					
Nondepreciable	-	327,078	42,279	-	369,357
Depreciable, Net	-	247,806	434,058	-	681,864
Other Noncurrent Assets	-	-	6,375	-	6,375
Total Assets	1,038,412	575,052	678,131	(64,753)	2,226,842
Deferred Outflows of Resources	-	-	9,351	89,960	99,311
Total Assets and Deferred Outflows of Resources	$ 1,038,412	$ 575,052	$ 687,482	$ 25,207	$ 2,326,153

(continued)

	Total Governmental Funds (Page 28)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations and Conversions	Total Statement of Net Position (Page 25)
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 42,435	$ -	$ 16,141	$ -	$ 58,576
Accrued Wages and Benefits Payable	13,537	-	7,038	-	20,575
Accrued Interest Payable	-	1,955	773	-	2,728
Due to Other Governments	258	-	-	-	258
Due to Other Funds	81,499	-	6,521	(88,020)	-
Unearned Revenue	67,530	(7,147)	-	12,600	72,983
Deposits and Collections Held in Trust	8,503	-	4,097	(12,600)	-
Advances from Other Funds	5,523	-	-	(5,523)	-
Long-term Liabilities Due Within One Year:					
Bonds Payable	-	21,703	1,612	(23,315)	-
Notes Payable	-	1,588	-	(1,588)	-
Capital Leases Payable	-	-	9,130	(9,130)	-
Other Long-term Obligation	-	-	5,189	(5,189)	
Environmental Remediation	-	3,376	175	(3,551)	-
Accrued Self Insurance Claims Payable	-	-	31,605	(31,605)	-
Employee Benefits Payable	-	51,022	-	(51,022)	-
Employee Benefits and Accrued LT Obligations	-	-	6,795	86,178	92,973
Total LT Debt and Other LT Obligations	-	-	-	39,222	39,222
Long-term Liabilities Due Beyond One Year:					
Bonds Payable	-	218,460	16,340	(234,800)	-
Notes Payable	-	7,069	-	(7,069)	-
Capital Leases Payable	-	-	29,813	(29,813)	-
Other Long-term Obligation	-	23,000	284,576	(307,576)	-
Police and Fire Annuities Payable	-	4,436	-	(4,436)	-
Estimated Oil Field Abandonment Costs Payable	-	23,070	-	(23,070)	-
Enviromental Remediation	-	-	725	(725)	-
Accrued Self Insurance Claims Payable	-	-	144,780	(144,780)	-
Employee Benefits Payable	-	106,924	7,855	(114,779)	-
Total OPEB Liability	-	6,258	472	-	6,730
Net Pension Liability	-	342,262	33,434	-	375,696
Employee Benefits and Accrued LT Obligations	-	-	-	287,790	287,790
Total LT Debt and Other LT Obligations	-	-	-	579,258	579,258
Total Liabilities	219,285	803,976	607,071	(93,543)	1,536,789
Deferred Inflows of Resources	328,187	-	31,266	157,925	517,378
Fund Balance / Net Position					
Total Fund Balance / Net Position	490,940	(228,924)	49,145	(39,175)	271,986
Total Liabilities, Deferred Inflows and Fund Balance / Net Position	$ 1,038,412	$ 575,052	$ 687,482	$ 25,207	$ 2,326,153

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 30)	Debt and Capital Related Transactions	Internal Service Funds	Reclass and Adjust-ments	Statement of Activities (Pages 26 - 27)
Revenues:					
Taxes	$ 455,674	$ -	$ -	$ (323)	$ 455,351
Franchise Fees	23,734	-	-	-	23,734
Licenses and Permits	47,010	-	-	(47,010)	-
Fines and Forfeitures	14,395	-	-	(14,395)	-
Use of Money and Property / Unrestricted Investment Earnings	33,846	-	1	(30,351)	3,496
From Other Agencies	428,457	-	-	(428,457)	-
Charges for Services	41,676	-	-	(41,676)	-
Other	11,444	-	-	(11,444)	-
Program Revenue:					
Charges for Services	-	-	5,787	145,061	150,848
Operating Grants and Contributions	-	-	-	352,336	352,336
Capital Grants and Contributions	-	-	-	76,033	76,033
Other Financing Sources :					
Proceeds from Sale of Capital Asset	1,539	(1,539)	-	-	-
Debt Issuance	19,765	(19,765)	-	-	-
Premium on Debt Issuance	4,170	(4,170)	-	-	-
Transfers, Net	34,715	-	(39,999)	-	(5,284)
Total Revenues	1,116,425	(25,474)	(34,211)	(226)	1,056,514
Expenditures / Expenses:					
Current:					
Legislative and Legal	16,537	(3,569)	90	-	13,058
General Government	41,833	(6,292)	1,023	-	36,564
Public Safety	423,769	(112,358)	522	-	311,933
Public Health	94,751	(35,484)	749	-	60,016
Community and Cultural	222,778	(5,943)	(182)	728	217,381
Public Works	67,115	96,851	(763)	-	163,203
Oil Operations	2,446	1,233	-	-	3,679
Capital Improvements	102,712	(102,712)	-	-	-
Debt Service:					
Principal	22,159	(22,159)	-	-	-
Interest on Long-Term Debt	11,970	(2,086)	9,897	-	19,781
Debt Administration Fees	26	(26)	-	-	-
Issuance Costs	410	-	-	(410)	-
Other Financing (Uses):					
Pymt Refunded Bond Escrow Agent	26,300	-	-	(26,300)	-
Total Expenditures / Expenses	1,032,806	(192,545)	11,336	(25,982)	825,615
Net Change in Fund Balances	$ 83,619	$ 167,071	$(45,547)	$ 25,756	$ 230,899

Note: Amounts reflected in the internal service funds column are net of all eliminations and allocations to business-type activities.

NOTE 4 – CASH AND INVESTMENTS

Cash and investments as of September 30, 2021 are classified in the accompanying financial statements as follows (in thousands):

Cash and Investments	
Pooled cash and investments	$ 1,964,378
Non-pooled cash and investments	122,681
Total cash and investments	$ 2,087,059
Cash and investments as of September 30, 2021 consist of the following:	
Cash and deposits	$ 206,578
Investments	1,880,481
Total cash and investments	$ 2,087,059

A breakdown of cash, cash equivalents, and investments between the basic financial statements and the fair value of the investment portfolio at September 30, 2021 is as follows (in thousands):

	Governmental Activities	*Business-type Activities*	*Fiduciary Funds*	*Total*
Pooled Cash and Cash Equivalents	$ 107,847	$ 234,104	$13,777	$ 355,728
Non-Pooled Cash and Cash Equivalents	24,510	35,544	8,719	68,773
Pooled Investments	203,964	442,744	-	646,708
Non-Pooled Investments	-	-	1,095	1,095
Noncurrent Pooled Investments	303,385	658,557	-	961,942
Restricted Assets:				
Non-Pooled Investments	-	52,813	-	52,813
Total Cash and Investments	$ 639,706	$ 1,423,762	$23,591	$2,087,059

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements and authorized by the City Council.

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, 2021. Highly sensitive investments are investments whose sensitivity to market interest rate fluctuations are not fully addressed by use of one of the five methods for reporting interest rate risk.

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

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

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, Treasury Notes, or Bonds of the state of California	5 years *	30%	None
Local Agency Bonds	5 years *	30%	None
Federal Agency Securities	5 years *	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	5 years *	30%	10%
Time Certificates of Deposit	5 years *	100%	10%
Repurchase Agreements	90 days	100%	None
Reverse Repurchase Agreements	92 days	20%	None
Securities Lending Program	92 days	20%	None
Medium-Term Notes	5 years *	30%	5%
Money Market Mutual Funds	N/A	20%	20%
Local Agency Investment Fund (LAIF) (per account)	N/A	None	$75 million
Asset-Backed Securities	5 years	20%	None
Mortgage-Backed Securities	5 years	20%	None
Supranational Bonds	5 years	30%	5%

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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and timing cash flows from maturities so that a near-level portion of the portfolio is maturing or coming closer to maturity over time to provide the cash flow and liquidity needed for operations.

At September 30, 2021, the weighted average maturity in years for the City's pooled investments was 1.44 years. The following schedule indicates the interest rate risk of the City's investments as of September 30, 2021 (in thousands):

Investment Type	*Fair Value*	*Weighted Average Maturity (in years)*
Pooled Cash and Investments		
Money market mutual funds	$ 6,437	-
U.S. Treasury notes	1,234,191	1.70
Federal agency securities	276,744	2.15
Corporate notes	21,316	4.22
Local Agency Investment Fund (LAIF)	221,623	0.88
Subtotal Pooled Cash and Investments	1,760,311	
Cash and deposits	204,067	N/A
Total Pooled Cash and Investments	$ 1,964,378	
Non-Pooled Cash And Investments		
Money market mutual funds	$ 67,557	-
U.S. Treasury notes	25,528	0.78
Guaranteed Investment Contracts (GIC)	27,085	16.14
Subtotal Non-Pooled Cash And Investments	120,170	
Cash and deposits	2,511	N/A
Total Non-Pooled Cash And Investments	$ 122,681	

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, 2021 for each investment type (in thousands):

		Rating as of Year End						
Investment Type	*Minimum Legal Rating*	*Total*	*A-*	*A+*	*AA*	*AA+*	*AAA*	*Unrated*
Pooled cash and investments								
Money market mutual funds	N/A	$ 6,437	$ -	$ -	$ -	$ 6,437	$ -	$ -
U.S. Treasury notes	N/A	1,234,191	-	-	-	-	1,234,191	-
Federal agency securities	N/A	276,744	-	-	-	276,744	-	-
Corporate notes	N/A	21,316	7,138	5,992	1,190	3,156	3,840	-
Local Agency Investment Fund (LAIF)	N/A	221,623	-	-	-	-	-	221,623
Total pooled investments		$ 1,760,311	$ 7,138	$ 5,992	$ 1,190	$ 286,337	$1,238,031	$ 221,623
Non-pooled cash and investments								
Money market mutual funds	N/A	$ 67,557	$ -	$ -	$ -	$ -	$ -	$ 67,557
U.S. Treasury notes	N/A	25,528	-	-	-	-	25,528	-
Guaranteed Investment Contracts (GIC)	N/A	27,085	-	-	-	-	-	27,085
Total non-pooled investments		$ 120,170	$ -	$ -	$ -	$ -	$ 25,528	$ 94,642

Concentration of Credit Risk

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

Issuer	*Investment Type*	*Reported Amount*
Federal National Mortgage Association	Federal Agency Securities	$ 127,444
Federal Home Loan Bank	Federal Agency Securities	91,210

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, 2021, the City reported deposits of $223.2 million, collateralized in compliance with California Government Code, $16.6 million for checks outstanding.

Fair Value Hierarchy

The City has the following recurring fair value measurements as of September 30, 2021:

- U.S. Treasury Notes totaling $1,259.7 million, Federal Agency Securities totaling $276.7 million, and Corporate Notes totaling $21.3 million are classified in Level 2 of the fair value hierarchy, as the valuation uses a market-based model which considers yield, price of comparable securities, coupon rate, maturity, credit quality and dealer-provided prices. These prices are obtained from various pricing sources by the City's custodian bank.
- Local Agency Investment Funds (LAIF) totaling $221.6 million is measured at fair value, however, the investment is not subject to the fair value hierarchy.
- Money Market Funds and Guaranteed Investment Contracts totaling $74.0 million and $27.1 million, respectively, are not subject to the fair value hierarchy as the investments are reported at amortized cost and contract value, respectively.

The following table categorizes the City's investments within the fair value hierarchy as of September 30, 2021 (in thousands):

		Fair Value Measurement		
Investments at Fair Value Level	***Total***	***Level 1***	***Level 2***	***Level 3***
Debt Securities				
U.S. Treasury notes	$ 1,259,719	$ -	$ 1,259,719	$ -
Federal agency securities	276,744	-	276,744	-
Corporate Notes	21,316	-	21,316	-
Total investments at fair value	1,557,779	$ -	$ 1,557,779	$ -
Other Investments at Fair Value				
Local Agency Investment Fund (LAIF)	221,623			
Other Investments at Cost or Contract Value				
Money market mutual funds	73,994			
Guaranteed investment contracts	27,085			
Total investments	$ 1,880,481			

NOTE 5 – RECEIVABLES

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

Receivables at September 30, 2021 for the City's individual major funds, nonmajor and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows (in thousands):

	General Fund	*General Capital Projects*	*Housing Assistance Special Revenue*	*Nonmajor Governmental Funds*	*Internal Service Funds*	*Total*
Governmental Activities:						
Receivables:						
Interest[1]	$ -	$ -	$ -	$ -	$ -	$ -
Taxes	113,077	-	-	-	-	113,077
Accounts	29,093	309	200	4,291	1,532	35,425
Due from Other Governments	40,851	16,733	-	84,945	30	142,559
Other Noncurrent Receivables	-	-	-	220,992	-	220,992
Total Receivables	183,021	17,042	200	310,228	1,562	512,053
Less: Allowance for Receivables	(8,890)	(63)	(167)	(5,812)	(24)	(14,956)
Net Receivables	$ 174,131	$ 16,979	$ 33	$ 304,416	$ 1,538	$ 497,097

[1] Excludes $168 thousand for Build America Subsidy

	Gas Utility	*Water Utility*	*Tidelands Operating*	*Harbor*	*Nonmajor Proprietary Funds*	*Total*
Business-type Activities:						
Receivables:						
Interest	$ 15	$ 10	$ 61	$ 7	$ 32	$ 125
Accounts	14,662	10,925	13,642	61,857	32,000	133,086
Notes and Loans Receivable	-	-	-	-	-	-
Due from Other Governments	-	475	268	24,975	3,696	29,414
Total Receivables	14,677	11,410	13,971	86,839	35,728	162,625
Less: Allowance for Receivables	(3,023)	(1,071)	(1,904)	(2,171)	(4,112)	(12,281)
Net Receivables	$11,654	$10,339	$12,067	$84,668	$31,616	$150,344

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2021 is as follows (in thousands):

	Receivable - Due To:				
	General	***General Capital Projects***	***Housing Assistance Special***	***Nonmajor Governmental Funds***	***Water Utility***
Payable - Due From:					
General	$ -	$ 24	$ 2,273	$ 5,342	$ 30,832
General Capital Projects	-	-	-	-	-
Nonmajor Governmental	21,591	-	-	62	14
Gas Utility	655	-	-	-	-
Water Utility	656	-	-	-	-
Tidelands Operating	653	-	-	-	-
Harbor	243	-	-	344	-
Nonmajor Proprietary	1,174	-	-	-	-
Internal Service	5,000	-	-	-	-
Total Due To	$ 29,972	$ 24	$ 2,273	$ 5,748	$ 30,846

	Receivable - Due To:				
	Tidelands Operating	***Harbor***	***Nonmajor Proprietary Funds***	***Internal Service Funds***	***Total Due From***
Payable - Due From:					
General	$ -	$ -	$ 2,823	$ 15,999	$ 57,293
General Capital Projects	-	-	-	259	259
Housing Assistance Special Revenue	-	-	-	123	123
Nonmajor Governmental	-	444	-	1,713	23,824
Gas Utility	-	-	-	686	1,341
Water Utility	-	-	-	879	1,535
Tidelands Operating	-	-	-	976	1,629
Harbor	21,733	-	2	3,648	25,970
Nonmajor Proprietary	-	-	-	1,529	2,703
Internal Service	-	-	-	1,521	6,521
Total Due To	$ 21,733	$ 444	$ 2,825	$ 27,333	$ 121,198

	Receivable - Advances To:				
	Nonmajor Governmental Funds	***Harbor***	***Nonmajor Proprietary Funds***	***Internal Service***	***Total Advances From***
Payable - Advances From:					
General	$ -	$ -	114	$ -	$ 114
Nonmajor Governmental	3,809	-	-	1,600	5,409
Tidelands Operating	-	1,210	-	-	1,210
Harbor	-	-	-	4,087	4,087
Total Advances To	$ 3,809	$ 1,210	$ 114	$ 5,687	$ 10,820

Due to / Due from Other Funds

The General Fund has provided $21.6 million to various grant funds to cover operating expenses prior to receipt of reimbursements.

The General Fund owes the Water Utility Fund $30.8 million as a result of a court ruling against the City on the Measure M litigation.

The City, under authority of the City Charter Chapter XII, Section 1209(c)(4), and with the approval of the Board of Harbor Commissioners, adopted a resolution to transfer 5 percent of the Harbor operating revenues to the Tidelands Operating Fund. The amount accrued for the Harbor's 2021 operating revenues is $21.7 million and will be paid in fiscal year 2022.

The General Fund recorded a total due to Internal Service Funds of $16.0 million. Of this amount, $13.0 million pertains to wages and benefits accrued at fiscal year-end in the Employee Benefit Fund to be reimbursed by the General Fund in the subsequent fiscal period.

Advances from Other Funds

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

The Subsidence Fund advanced interest earnings on reserves to the General Fund in the amount of $4.1 million in both fiscal years 2005 and 2006. In fiscal year 2007, the General Fund started repayment of $500 thousand per year at zero percent interest. The balance outstanding as of September 30, 2021 is $614 thousand, of which $114 thousand is long-term and $500 thousand is current.

In fiscal year 2001, the Housing Development Fund entered into a $4.0 million zero interest loan agreement with the Community Development Grants Fund for the acquisition of 26 parcels of land for low and very low-income affordable rental housing. The Housing Fund is required to make principal payments using 25 percent of the proceeds from repayments of promissory notes from the developer. Any remaining balance of the promissory note owed on April 1, 2034 shall be immediately due and payable. The outstanding balance is $3.8 million at September 30, 2021.

In fiscal year 2011, the Harbor Fund advanced $1.3 million to the Tidelands Operating fund to move forward with the Colorado Lagoon Restoration Project. The advance funding will be applied to the value of future mitigation credits and as matching funds for a grant from the State Water Resources Control Board. The balance outstanding as of September 30, 2021 is $1.2 million.

In fiscal year 2020, the City identified paid time off amounts paid in prior years by the Employee Benefit Fund on behalf of Harbor Fund employees. Repayment for these costs by the Harbor Fund will be over a ten-year period. The balance outstanding as of September 30, 2021 is $5.0 million, of which $4.1 million is long-term and $1.0 million is current.

Interfund Transfers

The City regularly executes transfers from one fund to another, such as for the reimbursement of services. At September 30, 2021, interfund transfers are as follows (in thousands):

	Transfers In:										
	General	*General Capital Projects*	*Housing Assistance Special Revenue*	*Nonmajor Governmental Funds*	*Gas Utility*	*Water Utility*	*Tidelands Operating*	*Harbor*	*Nonmajor Proprietary Funds*	*Internal Service Funds*	*Total Transfers Out*
Transfers Out:											
General	$ -	$ 34,122	$ 2,273	14,088	$ 980	$ 30,832	$ -	$ -	$ 292	$ 7,038	$ 89,625
General Capital Projects	866	-	-	243	-	-	-	-	-	-	1,109
Nonmajor Governmental	94,031	1,479	-	3,748	-	-	-	134	-	3,645	103,037
Gas Utility	13,520	1,195	-	-	-	-	-	-	-	608	15,323
Water Utility	8,628	-	-	-	-	-	-	-	-	-	8,628
Tidelands Operating	-	-	-	-	-	-	-	-	5,700	-	5,700
Harbor	-	-	-	-	-	-	21,733	-	-	-	21,733
Nonmajor Proprietary	500	599	-	-	-	-	13,495	-	-	1,904	16,498
Internal Service Funds	53,124	70	-	-	-	-	-	-	-	-	53,194
Total Transfers In	$ 170,669	$ 37,465	$ 2,273	$ 18,079	$ 980	$ 30,832	$ 35,228	$ 134	$ 5,992	$ 13,195	$ 314,847

Significant transfers include the following:

The General Fund reported a transfer out of $30.8 million to the Water Utility Fund representing the amount owed as a result of a court ruling against the City on the Measure M litigation.

The General Fund transferred $34.1 million to the General Capital Projects funds to fund various capital projects. Of this amount, $23.0 million was City Measure A funds.

The General Fund transferred a total of $14.1 million to non-major governmental funds in fiscal year 2021. Of this amount, $6.1 million was transferred to the General Debt Service Fund for debt service payments and fiscal agent fees.

Non-major Governmental Funds transferred $94.0 million to the General Fund. Of this amount, $71.2 million was reimbursement for Police Department personnel eligible expenditures funded by the American Rescue Plan Act. In addition, $15.5 million was transferred from the Health Grants Fund for the purchase of property to provide interim housing options for persons experiencing homelessness.

Non-major Governmental Funds transferred $3.7 million to other Non-major Governmental Funds. Significant transfers include the Successor Agency transferring $2.3 million to the Successor Agency Debt Service Fund and $4.0 million to the Housing Development Fund for current and future debt service payments.

The Harbor transferred $21.7 million to the Tidelands Operating Fund as allowed by the City Charter.

The Tidelands Oil Revenue Fund transferred $13.5 million under the optimized water flood program to the Tidelands Operating Fund.

The Gas and Water Utilities transferred $13.5 million and $8.6 million, respectively, to the General Fund in compliance with the voter approved Utility Revenue Charter Amendment (Measure M). This amendment authorized the annual payment of funds to General Fund, provided that the maximum amount does not exceed 12% of each Utilities' audited annual gross revenues.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for governmental activity for the year ended September 30, 2021 is as follows (in thousands):

Governmental Activities:	*Balance at October 1, 2020*	*Increase*	*Decrease*	*Transfers*	*Balance at September 30 2021*
Capital Assets not being Depreciated:					
Land	$ 222,835	$ 4,332	$ (4,405)	$ 2,350	$ 225,112
Rights-of-way	81,340	-	-	-	81,340
Construction In Progress	61,221	18,831	-	(17,147)	62,905
Total Capital Assets not being Depreciated	365,396	23,163	(4,405)	(14,797)	369,357
Capital Assets being Depreciated:					
Buildings	571,045	17,385	-	133	588,563
Improvements Other than Buildings	147,177		(36)	11,244	158,385
Infrastructure	426,995	-	-	3,420	430,415
Machinery and Equipment	96,681	5,632	(7,451)	-	94,862
Vehicles and Aircraft	138,396	11,908	(6,949)	-	143,355
Software and Patents	37,979	-	(171)	-	37,808
Total Capital Assets being Depreciated	1,418,273	34,925	(14,607)	14,797	1,453,388
Less Accumulated Depreciation for:					
Buildings	(140,749)	(14,643)	-	-	(155,392)
Improvements Other than Buildings	(85,866)	(5,955)	36	-	(91,785)
Infrastructure	(355,862)	(9,757)	-	-	(365,619)
Machinery and Equipment	(53,447)	(8,679)	7,429	-	(54,697)
Vehicles and Aircraft	(79,711)	(11,967)	6,904	-	(84,774)
Software and Patents	(17,653)	(1,775)	171	-	(19,257)
Total Accumulated Depreciation	(733,288)	(52,776)	14,540	-	(771,524)
Total Capital Assets being Depreciated, Net	684,985	(17,851)	(67)	14,797	681,864
Governmental Activities Capital Assets, Net	$ 1,050,381	$ 5,312	$ (4,472)	$ -	$ 1,051,221

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

General Government	$ 19
Public Safety	3,179
Public Health	602
Community and Cultural	5,705
Public Works	12,982
Capital Assets held by City's internal services funds allocated to various functions on a prorated basis based on their usage of the assets	30,289
Total governmental activities depreciation	$ 52,776

Capital asset activity for business-type activities for the year ended September 30, 2021 is as follows (in thousands):

Business-type Activities:	*Balance at October 1, 2020*	*Increase*	*Decrease*	*Transfers*	*Balance at September 30, 2021*
Capital Assets not being Depreciated:					
Land	$ 1,314,278	$ -	$ -	$ 62,307	$ 1,376,585
Rights-of-way	203,304	-	-	-	203,304
Water Rights	40	-	-	-	40
Historic Collections	3,442	-	-	-	3,442
Construction In Progress	2,097,145	430,627	(6,313)	(1,919,121)	602,338
Total Capital Assets not being Depreciated	3,618,209	430,627	(6,313)	(1,856,814)	2,185,709
Capital Assets being Depreciated:					
Buildings [1]	3,990,792	-	(114)	422,955	4,413,633
Improvements Other than Buildings	713,540	-	(20)	27,143	740,663
Infrastructure	1,243,005	-	(1,793)	1,402,858	2,644,070
Machinery and Equipment [1]	236,118	2,727	(884)	2,073	240,034
Vehicles and Aircraft	105,637	2,008	(398)	-	107,247
Software and Patents	28,362	-	(1)	1,785	30,146
Total Capital Assets being Depreciated	6,317,454	4,735	(3,210)	1,856,814	8,175,793
Less Accumulated Depreciation for:					
Buildings	(2,261,483)	(148,712)	110	3,663	(2,406,422)
Improvements Other than Buildings	(382,749)	(26,689)	13	-	(409,425)
Infrastructure	(739,008)	(46,890)	784	279	(784,835)
Machinery and Equipment	(199,619)	(7,674)	884	(3,086)	(209,495)
Vehicles and Aircraft	(30,659)	(3,535)	385	(855)	(34,664)
Software and Patents	(23,496)	(1,107)	1	(1)	(24,603)
Total Accumulated Depreciation	(3,637,014)	(234,607)	2,177	-	(3,869,444)
Total Capital Assets being Depreciated, Net	2,680,440	(229,872)	(1,033)	1,856,814	4,306,349
Business-type Activities Capital Assets, Net	$ 6,298,649	$ 200,755	$ (7,346)	$ -	$ 6,492,058

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

Gas Utility	$ 7,724
Tidelands Operating	21,846
Harbor	172,827
Water Utility	13,428
Nonmajor Business-type Funds:	
Sewer Utility	2,842
Solid Waste Management	772
Tideland Oil Revenue	330
Airport	14,827
Development Services	11
Total Business-type Activities Depreciation	$ 234,607

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended September 30, 2021 are as follows (in thousands):

	Balance at October 1, 2020	*Additions*	*Reductions*	*Balance at September 30, 2021*	*Due Within One Year*
Governmental Activities:					
Bonds Payable:					
Revenue Bonds	$ 76,320	$ -	$ (6,870)	$ 69,450	$ 7,235
Pension Obligation Bonds	6,765	-	(6,765)	-	-
Tax Allocation Bonds	193,920	19,765	(41,695)	171,990	16,080
Plus (Less) Unamortized Amounts:					
Premium	14,567	4,170	(1,974)	16,763	-
Discount	(2)	-	2	-	-
Total Bonds Payable	291,570	23,935	(57,302)	258,203	23,315
Notes, Loans and LOC Payable	7,905	142	(478)	7,569	588
Capital Leases	44,676	1,571	(7,304)	38,943	9,130
Police and Fire Annuities	5,765	-	(1,329)	4,436	-
Estimated Oil Field Abandonment Costs	21,530	1,540	-	23,070	-
Environmental Remediation	1,912	2,689	(325)	4,276	3,551
Accrued Self-Insured Claims	180,036	176,385	(180,036)	176,385	31,605
Accrued Employee Benefits	169,274	181,743	(178,421)	172,596	57,817
Total OPEB Liability	7,515	-	(785)	6,730	-
Net Pension Liability	881,147	-	(505,451)	375,696	-
Community Hospital-Seismic Work	25,000	-	(1,000)	24,000	1,000
Other LT Obligations-Civic Center	294,864	-	(5,099)	289,765	5,189
Total, Governmental Activities	$ 1,931,194	$ 388,005	$ (937,530)	$ 1,381,669	$ 132,195
Business-Type Activities:					
Bonds Payable:					
Revenue Bonds	$ 1,547,950	$ -	$ (57,765)	$ 1,490,185	$ 71,735
Plus (Less) Unamortized Amounts:					
Premium	122,330	-	(12,120)	110,210	-
Discount	(20)	-	7	(13)	-
Total Bonds Payable	1,670,260	-	(69,878)	1,600,382	71,735
Notes, Loans and LOC Payable	472,387	545,000	(472,078)	545,309	51,104
Premium	5,497	-	(5,497)	-	-
Total Notes, Loans and Lines of Credit Payable	477,884	545,000	(477,575)	545,309	51,104
Capital Leases	37,747	-	(4,804)	32,943	2,839
Due to State of California	9,072	5,825	(9,072)	5,825	5,825
Estimated Oil Field Abandonment Costs	102,600	7,700	-	110,300	-
Fair Value of Derivative	13,862	10,079	(13,862)	10,079	-
Environmental Remediation	2,600	-	-	2,600	-
Accrued Claims Liability	5,250	5,200	(10,000)	450	450
Accrued Employee Benefits	48,239	4,284	-	52,523	17,259
Total OPEB Liability	2,140	-	(85)	2,055	-
Net Pension Liability	324,349	-	(172,170)	152,179	-
Site Restoration	1,000	-	-	1,000	-
Total, Business-Type Activities	$ 2,695,003	$ 578,088	$ (757,446)	$ 2,515,645	$ 149,212

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

NOTE 9 – BONDS PAYABLE

At September 30, 2021, bonded indebtedness consisted of the following (in thousands):

Description	*Date Issued*	*Final Maturity*	*Range of Interest Rates*	*Authorized and Issued*	*Outstanding September 30, 2021*
GOVERNMENTAL ACTIVITIES					
LEASE REVENUE BONDS:					
2012A LBBFA	11/28/12	08/01/31	4.00% - 5.00%	$ 32,969	$ 25,057
2016 Courthouse Demolition	01/13/16	08/01/26	2.00% - 5.00%	13,150	7,235
FALB2019A PS Parking Garage	05/22/19	08/01/39	3.00% - 5.00%	9,245	8,720
FALB2019B Lease Rev Ref Bonds	05/22/19	08/01/31	5.00%	13,350	11,975
Premium/Discount				-	4,960
Subtotal, General City Bonds				68,714	57,947
TAX ALLOCATION BONDS:					
Tax Allocation Bonds:					
2002B West Long Beach Industrial Project	12/05/02	11/01/24	2.25% - 5.50%	21,860	5,210
2002B Downtown Project	12/05/02	11/01/22	2.25% - 5.50%	25,920	10,505
2005C Downtown Project	02/01/06	08/01/24	3.25% - 5.50%	7,900	1,860
2005C North Long Beach Project	02/01/06	08/01/31	3.25% - 5.50%	27,145	15,585
2015AB SA	06/23/15	08/01/40	4.00% - 5.00%	155,820	119,880
2021 SA Lease Revenue Bonds	02/11/21	08/01/39	3.00% - 4.00%	19,765	18,950
Premium/Discount				-	10,314
Subtotal, Tax Allocation Bonds				291,390	182,304
INTERNAL SERVICE FUND BONDS:					
2012A LBBFA IS	11/28/12	08/01/31	4.00% - 5.00%	21,661	16,463
Premium/Discount				-	1,489
Subtotal, Internal Service Fund Bonds				98,211	17,952
Total, Governmental Activities				$ 458,315	$ 258,203

(continued)

Description	*Date Issued*	*Final Maturity*	*Range of Interest Rates*	*Authorized and Issued*	*Outstanding September 30, 2021*
BUSINESS-TYPE ACTIVITIES					
ENTERPRISE FUND BONDS:					
Gas Utility Fund:					
2007A Natural Gas Purchase	10/18/07	11/15/37	4.25% - 5.50%	$ 635,665	$ 477,550
2007B Natural Gas Purchase	10/18/07	11/15/33	4.90% - 5.07%	251,695	69,005
Premium/Discount				-	9,606
Subtotal, Gas Utility Bonds				887,360	556,161
Tidelands Fund:					
2012 Aquarium	03/14/12	11/01/30	3.50% - 5.00%	102,580	63,470
2015 Marina	06/03/15	05/15/45	4.00% - 5.00%	114,015	108,095
2016 Rainbow	07/26/16	08/01/23	3.00% - 5.00%	19,115	5,925
2017A Tidelands	11/01/17	11/01/27	1.35% - 2.55%	10,190	8,990
2017B Tidelands	11/01/17	11/01/27	1.79% - 3.49%	17,705	11,640
Premium/Discount				-	10,133
Subtotal, Tidelands Bonds				263,605	208,253
Harbor Fund:					
2014B Harbor	04/24/14	05/15/27	3.00% - 5.00%	20,570	11,700
2015A Harbor	04/16/15	05/15/23	4.00% - 5.00%	44,845	21,430
2015B Harbor	04/16/15	05/15/25	5.00%	20,130	20,130
2015C Harbor	07/15/15	05/15/32	5.00%	66,085	66,085
2015D Harbor	07/15/15	05/15/42	5.00%	66,865	66,865
2017A Harbor	06/15/17	05/15/40	5.00%	101,610	101,610
2017B Harbor	06/15/17	05/15/43	5.00%	25,985	25,985
2017C Harbor	06/15/17	05/15/47	5.00%	42,660	42,660
2019A Harbor	07/11/19	05/15/49	5.00%	161,310	161,310
2020A Harbor	05/15/20	05/15/27	4.00% - 5.00%	55,725	55,725
2020B Harbor	05/15/20	05/15/24	3.00% - 5.00%	74,940	55,305
Premium/Discount				-	88,787
Subtotal, Harbor Bonds				1,039,645	717,592
Water Utility Fund:					
2010A Water	09/15/10	05/01/24	3.00% - 5.00%	22,740	8,250
2012 Water	08/30/12	05/01/27	2.00% - 5.00%	9,850	4,695
Premium/Discount				-	594
Subtotal, Water Utility Bonds				32,590	13,539
Non-Major Enterprise Funds:					
2009A Airport	12/08/09	06/01/22	4.00% - 5.00%	9,795	1,660
2009C Airport	12/08/09	06/01/39	7.00% - 7.80%	44,890	44,890
2010A Airport	11/23/10	06/01/40	4.00% - 5.00%	48,435	39,085
2010B Airport	11/23/10	06/01/40	3.00% - 5.00%	12,965	10,165
2016 Sewer	08/24/16	05/01/36	4.00% - 5.00%	9,830	7,960
Premium/Discount				-	1,077
Subtotal, Non-Major Enterprise Bonds				125,915	104,837
Total, Business-Type				2,349,115	1,600,382
Grand Total, Primary Government Bonds Payable				$ 2,807,430	$ 1,858,585

Governmental Funds

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

	Governmental Funds		*Internal Service Funds*			
Year Ending	*Lease Revenue*	*Tax Allocation*	*Lease Revenue*	*Annual Debt Service Requirements Principal*	*Interest*	*Total*
2022	$ 5,623	$ 16,080	$ 1,612	$ 23,315	$ 11,358	$ 34,673
2023	5,862	19,655	1,683	27,200	9,963	37,163
2024	6,153	17,625	1,782	25,560	8,927	34,487
2025	6,444	7,475	1,881	15,800	7,755	23,555
2026	6,724	7,880	1,981	16,585	7,069	23,654
2027 - 2031	17,445	45,485	7,524	70,454	24,541	94,995
2032 - 2036	2,815	37,395	-	40,210	9,740	49,950
2037 - 2041	1,921	20,395	-	22,316	2,111	24,427
Subtotal	52,987	171,990	16,463	241,440	81,464	322,904
Premium / Discount	4,960	10,314	1,489	16,763	-	16,763
Totals	$ 57,947	$ 182,304	$ 17,952	$258,203	$ 81,464	$339,667

Advance Refundings

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

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

In February 2021, the Agency issued $19.8 million Tax Allocation Refunding Bonds, Series 2021 (the "2021 Bonds"). The 2021 Bonds were issued: (a) to refund certain obligations of the former Redevelopment Agency of the City of Long Beach; (b) to purchase a municipal bond debt service reserve insurance policy and a municipal bond insurance policy; and (c) to pay certain costs of issuance of the 2021 Bonds. The interest rates for the 2021 Bonds range from 3.0 percent to 4.0 percent.

Proceeds from the sale of the bonds were deposited in an irrevocable trust with an escrow agent to provide for the prepayment of debt service payments on the refunded bonds. Accordingly, the refunded bonds were considered to be defeased and the liabilities for those bonds were removed from the government-wide statement of net position – governmental activities. Specific disclosures related to the refunding issue are as follows (in thousands):

Proceeds of refunding bonds issued	$ 19,765
Prior years' net bond reserves and/or premiums	7,005
Cost of issuance	(410)
Deposit to escrow	$ 26,360
Net present value savings (economic gain)	$ 8,998

For the refunding transaction, the net carrying amount of the refunded debt of $26.3 million was less than the reacquisition price by $60 thousand. This amount was fully amortized for governmental activities and has been reported as interest expense in the accompanying basic financial statements.

Pledged Revenues

The Agency has pledged a portion of property tax revenues attributable to the Project Areas of the former Redevelopment Agency to repay tax allocation bonds issued between 1992 and 2015. The bonds were issued to finance either redevelopment activities within various project areas or to refinance existing debt that was originally issued for the same purpose. Property tax revenues attributable to the Project Areas of the former Redevelopment Agency are projected to produce 100 percent of the debt service requirements over the life of the bonds. As of September 30, 2021, total principal and interest requirement for the bonds is $234.7 million ($172 million for principal and $62.7 million for interest), payable semiannually through 2040. For the current year, tax increment revenues received and total debt service paid were $ 51.3 million which are sufficient to pay debt service costs.

Business-Type Funds

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

	Enterprise Funds							
	Major Funds				*Non*			
Year	*Gas*				*Major*	*Annual Debt Service Requirements*		
Ending	*Utility*	*Tidelands*	*Harbor*	*Water*	*Funds*	*Principal*	*Interest*	*Total*
2022	$ 16,040	$ 13,165	35,530	$ 3,300	$ 3,700	$ 71,735	$ 75,178	$ 146,913
2023	18,645	13,810	37,090	3,450	3,875	76,870	71,829	148,699
2024	21,655	11,635	38,945	3,720	4,040	79,995	67,921	147,916
2025	25,280	12,190	32,000	795	4,220	74,485	63,968	138,453
2026	19,195	10,900	33,525	820	4,425	68,865	60,331	129,196
2027 - 2031	151,285	56,950	98,075	860	25,615	332,785	250,178	582,963
2032 - 2036	146,365	22,410	89,485	-	32,610	290,870	180,222	471,092
2037 - 2041	148,090	28,595	110,330	-	25,275	312,290	78,934	391,224
2042 - 2046	-	28,465	107,595	-	-	136,060	29,539	165,599
2047 - 2051	-	-	46,230	-	-	46,230	4,695	50,925
Subtotal	546,555	198,120	628,805	12,945	103,760	1,490,185	882,795	2,372,980
Premium / Discount	9,606	10,133	88,787	594	1,077	110,197	-	110,197
Totals	$ 556,161	$ 208,253	$ 717,592	$ 13,539	$ 104,837	$ 1,600,382	$ 882,795	$ 2,483,177

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, 2021, aggregate special assessment debt issued through the City consisted of five issues and is summarized as follows:

- Dates Issued: 7/11/02 – 6/15/10
- Final Maturities: 10/01/25 – 10/1/40
- Range of Interest Rates: 2.0% – 6.30%
- Amounts Authorized and Issued: $1,060,000 – $43,000,000
- Range of Amounts Outstanding: $650,000 – $28,020,000
- Aggregate Outstanding at September 30, 2021: $44,380,000

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

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

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

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

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

Toledo Utility Underground: In June 2010, Assessment District No. 08-01 (the Toledo Utility Undergrounding) issued $1.1 million of Limited Obligation Improvement Bonds. The Bonds were issued under the provisions of the City Code, and where applicable, the Improvement Bond Act of 1915. The Bonds are secured by the tax assessments levied against parcels within the District. Proceeds were 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, 2021, the City's Conduit Debt outstanding consisted of the following (in thousands):

Description	*Final Maturity*	*Amount Authorized*	*Outstanding at September 30, 2021*
Carnival Bonds	2030	$ 30,000	$ 19,350
Grisham Housing Bonds Series A	2035	10,245	934
Total Conduit Debt		$ 40,245	$ 20,284

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

At September 30, 2021, the City had notes, loans payable and other long-term obligations, consisting of the following (in thousands):

Description	*Date Issued*	*Final Maturity*	*Range of Interest Rates*	*Authorized and Issued*	*Outstanding at September 30, 2021*
GOVERNMENTAL ACTIVITIES					
NOTES, LOANS AND LINES OF CREDIT PAYABLE:					
General Fund:					
Southern California Edison	12/08/17	05/25/25	2.11%	$ 396	$ 210
Southern California Edison	01/09/18	02/25/25	2.18%	877	459
Southern California Edison	05/08/18	10/23/24	2.69%	869	365
Southern California Edison	01/31/19	02/27/27	2.37%	715	498
Premium/Discount				-	70
Total General Fund				2,857	1,602
Successor Agency Fund:					
Los Angeles County	01/21/92	N/A	3.75%	-	5,967
OTHER LONG-TERM OBLIGATIONS:					
Civic Center Fund:					
New Civic Center Complex	N/A	N/A	N/A	-	289,765
General Fund:					
Police and Fire Annuity	N/A	N/A	N/A	-	4,436
MWN Community Hospital	N/A	N/A	N/A	25,000	24,000
Total General Fund				25,000	28,436
Total, Governmental Activities				$ 27,857	$ 325,770
BUSINESS-TYPE ACTIVITIES					
NOTES, LOANS AND LINES OF CREDIT PAYABLE:					
Tidelands Fund:					
State of Calif DBAW - Lighthouse	06/23/00	08/01/30	4.50%	$ 700	$ 309
Harbor Fund:					
Harbor 2021 Line of Credit	12/01/20	05/01/22	N/A	50,000	50,000
Harbor 2021 TIFIA Loan	05/03/21	05/15/55	1.26%	495,000	495,000
Total Harbor Fund				545,000	545,000
OTHER LONG-TERM OBLIGATIONS:					
Water Fund:					
Site Restoration	N/A	N/A	N/A	-	1,000
Total, Business-Type Activities				$ 545,713	$ 546,309

Governmental Activities

Other Long-term Obligation – MWN Community Hospital, LLC

During fiscal year 2020, the City entered a short-term lease with MWN Community Hospital, LLC, for the lease of property owned by the City at 1720 Termino Avenue, 1760 Termino Ave, and 4111 East Wilton Street. City will pay the Lessee 50 percent of the total Seismic Costs, not to exceed $25.0 million, and would be payable, in arrears in installments of $1.0 million for the first 5 years, and $2.0 million per year for years 6-15, commencing from the effective date of the replacement lease. The balance at September 30, 2021 totaled $24.0 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 generated by the Los Altos Project area shall be deferred through 2020. The deferral accrues simple interest at a rate of 3.8%. The outstanding balance of the deferral and any accrued interest are due prior to the termination of the project area in 2031. The balance at September 30, 2021 totaled $5.9 million.

General Fund Loans

The City participated in the Energy Management Solutions Incentives program by Southern California Edison (SCE). By completing installation of eligible energy efficient equipment that included Street Light LED conversions, SCE provided the City with zero-percent interest financing to be repaid over a specified period through the City's electric utility bill. The balance at September 30, 2021 totaled $1.5 million.

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

	Governmental Activities				
	General	*Successor*	*Annual Debt Service Requirements*		
Year ending	*Fund*	*Agency*	*Principal*	*Interest*	*Total*
2022	$ 445	$ 143	$ 588	$ 31	$ 619
2023	457	-	457	20	477
2024	301	-	301	11	312
2025	191	-	191	5	196
2026	96	-	96	2	98
2027 - 2031	42	-	42	1	43
2032 - 2036	-	5,824	5,824	-	5,824
Subtotal	1,532	5,967	7,499	70	7,569
Premium/Discount	70	-	70	-	70
Total	$ 1,602	$ 5,967	$ 7,569	$ 70	$ 7,639

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

Other Long-term Obligation - New Civic Center Complex

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

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

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

Payments relating to these activities over the next five years will be made as follows (in thousands):

	Payments				
		Base	Variable	Harbor	
Year	Principal	Interest	Growth	Fee	Total
2022	5,189	5,011	7,208	732	18,140
2023	5,280	4,919	7,445	743	18,387
2024	5,373	4,827	7,688	780	18,668
2025	5,467	4,732	7,935	778	18,912
2026	5,563	4,636	8,188	801	19,188
2027 - 2031	29,319	21,679	44,938	4,502	100,438
2032 - 2036	31,987	19,011	52,145	4,672	107,815
2037 - 2041	34,898	16,099	60,172	3,706	114,875
2042 - 2046	38,075	12,923	69,115	6,229	126,342
2047 - 2051	41,540	9,458	79,074	5,438	135,510
2052 - 2056	45,321	5,677	90,169	4,614	145,781
2057 - 2061	41,753	1,596	84,559	3,497	131,405
	$289,765	$ 110,568	$518,636	$36,492	$955,461

Police and Fire Annuity Obligation Program

The City administers a Police and Fire Annuity Program (Program). Enrollment in the Program was terminated in 1945. The Program covers a diminishing number of public safety retirees or their surviving spouses. Total expenditures amounted to $695 thousand for the fiscal year ended September 30, 2021. Program benefits are funded on a pay-as-you-go basis and the Program has no assets.

At September 30, 2021, the program liability was $4.4 million, and the change in the Program's accrued liability is as follows (in thousands):

Accrued Program Liability at October 1, 2020	$ 5,765
Increase (Decrease) During the Year Attributable to:	
Benefits Paid	(695)
Estimated Change in Annualized Value of Benefits	(634)
Accrued Program Liability at September 30, 2021	$ 4,436

The number of program participants diminishes each year, and there were 8 total participants as of September 30, 2021. The following table summarizes total annuity benefits paid, accrued liability and number of participants for the last five fiscal years (dollars in thousands):

Year Ending	*Number of Participants*	*Annuity Benefits Paid*	*Accrued Program Liability*
2017	20	1,180	7,634
2018	18	1,072	6,810
2019	16	1,084	6,365
2020	13	906	5,765
2021	8	695	4,436

Business-Type Activities

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

	Business-Type Activities				
	Principal Payments		*Annual Debt Service Requirements*		
Year ending	*Tidelands*	*Harbor*	*Principal*	*Interest*	*Total*
2022	$ 29	$ 51,075	$ 51,104	$ 6,151	$ 57,255
2023	30	2,215	2,245	6,236	8,481
2024	31	2,330	2,361	6,215	8,576
2025	33	2,390	2,423	6,168	8,591
2026	34	2,475	2,509	6,144	8,653
2027 - 2031	152	13,675	13,827	30,209	44,036
2032 - 2036	-	21,785	21,785	29,276	51,061
2037 - 2041	-	49,945	49,945	27,067	77,012
2042 - 2046	-	76,640	76,640	23,705	100,345
2047 - 2051	-	167,055	167,055	16,248	183,303
2052 - 2056	-	155,415	155,415	4,979	160,394
Subtotal	309	545,000	545,309	162,398	707,707
Premium / Discount	-	-	-	-	-
Totals	$ 309	$ 545,000	$ 545,309	$ 162,398	$ 707,707

Harbor Line of Credit

On May 16, 2019, the Board of Harbor Commissioners approved a three-year revolving credit agreement in connection with a tax exempt and taxable revolving line of credit to be provided by MUFG Union Bank, N.A. in an aggregate principal amount not to exceed $200.0 million outstanding at any one time. The tax exempt and taxable interest rates to be paid by Harbor for borrowings under the revolving lines of credit will be based on a percentage of the one month London Interbank Offered Rate (LIBOR). The purpose of this line of credit is to provide more flexibility to access unrestricted funds when Harbor has a need.

As of September 30, 2021, Harbor has outstanding balance of $50.0 million under this revolving line of credit at the tax exempt interest rate. The expiration date of this line of credit is May 13, 2022.

Harbor TIFIA Loan Subordinate Indebtedness

In May 2014, Harbor entered into a loan agreement (the 2014 TIFIA Loan) with the United States Department of Transportation (USDOT) under the TIFIA for an approved amount of $325.0 million. On May 2020, Harbor entered into a revised new TIFIA loan agreement (the 2021 TIFIA Loan) for an approved amount up to $500.0 million that replaced the 2014 TIFIA Loan. Under the 2020 TIFIA Loan, the USDOT will allow Harbor to borrow up to $500.0 million, provided the amount so borrowed will be used to finance and refinance the costs related to the replacement of the Gerald Desmond Bridge, including, but not limited to, the repayment of the 2018A Notes and the 2020C Notes. The loan is secured by a subordinate lien on the Harbor's gross revenue. The loan agreement defines the permissible period for the drawdown of funds to be within the one year after substantial completion of the replacement bridge that was retroactively declared in December of 2020. As of September 30, 2021, Harbor has made two draws on the TIFIA Loan in the total amounted of $495.0 million which represents the outstanding loan balance. The drawn TIFIA Loan will be repaid over a period not to exceed 35 years at an interest rate of 1.26%.

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, 2021*
GOVERNMENTAL ACTIVITIES:						
General Services Fund[1]:						
2018 PC and Equip	(a)	04/10/18	04/19/23	2.48%	1,522	$ 502
2018 Access Control System	(b)	06/29/18	07/12/33	2.98%	7,050	$ 4,200
2018 Surveillance Cameras	(c)	06/29/18	07/12/23	2.62%	240	$ 92
2018 Data Center	(d)	08/01/18	08/09/33	2.66%	19,259	$ 7,825
2018 Motorola Radios	(e)	09/25/18	10/15/30	3.82%	15,804	$ 15,804
2019 Technology Equipment	(f)	08/22/19	08/22/24	2.16%	803	$ 479
2019 Oracle Hardware	(g)	09/26/19	09/26/24	1.91%	502	$ 307
2020 Data Center	(h)	07/09/20	07/09/30	1.24%	1,303	$ 1,159
2020 PC Equipment	(i)	08/26/20	08/26/25	0.87%	1,200	$ 944
2021 PC EquipMENT	(j)	09/03/21	09/03/26	1.15%	1,571	$ 1,571
Total General Services Fund					49,254	32,883
Fleet Services Fund[2]:						
2018 Street Sweepers	(k)	06/01/18	06/14/23	2.54%	975	355
2019 Ambulances	(l)	12/06/18	12/06/24	2.94%	2,004	1,129
2019 CNG Powered Street Sweeper	(m)	09/26/19	09/26/24	1.91%	4,377	2,676
2019 Fire Trucks	(n)	05/17/19	05/17/29	2.83%	2,401	1,900
Total Fleet Services Fund					9,757	6,060
Total Governmental Activities Leases					$ 59,011	$ 38,943
BUSINESS-TYPE ACTIVITIES:						
Gas Utility Fund[1]:						
Advanced Metering Infrastructure	(o)	08/03/15	05/01/30	2.40%	$ 18,000	$ 11,491
Tidelands Operating Fund[1]:						
Convention Center	(p)	10/01/05	10/01/25	4.99%	649	226
Water Fund[1]:						
Advanced Metering Infrastructure	(q)	12/20/18	12/20/33	3.35%	27,394	21,226
Total Business-type Activities Leases					$ 46,043	$ 32,943

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

[2] Lease acquisitions for this fund are for Vehicles.

Governmental Activities

(a) The City entered into a capital lease agreement for the purchase of computers, server equipment and server storage equipment in April 2018. The lease is payable in monthly installments of $27 thousand through April 2023.

(b) The City entered into a capital lease agreement for the purchase of Access Control System in June 2018. The lease amount varies by year ranging from $89 thousand per month at inception, to $32 thousand per month from year 5, to $25 thousand per month from year 8, to $16 thousand per month from year 10 through July 2033.

(c) The City entered into a capital lease agreement for the purchase of Surveillance Cameras in June 2018. The lease is payable in monthly installments of $4 thousand through July 2023.

(d) The City entered into a capital lease agreement for the purchase of Data Center Systems & Telecommunications Equipment & User Devices in August 2018. The lease amount varies by year ranging from $340 thousand per month at inception, to $4 thousand per month from year 5, to $3 thousand per month from year 8, to $1 thousand per month from year 10 through August 2033.

(e) The City entered into a capital lease agreement for the purchase of Motorola Radios in September 2018. The lease is payable in annual installments of $1.9 million through October 2030.

(f) The City entered into a capital lease agreement for the purchase of Technology Equipment (desktops and laptops) in August 2019. The lease is payable in monthly installments of $14 thousand through August 2024.

(g) The City entered into a capital lease agreement for the purchase of Oracle Hardware in September 2019. The lease is payable in monthly installments of $9 thousand through September 2024.

(h) The City entered into a capital lease agreement for the purchase of Data Center Systems & Telecommunications Equipment User Devices in July 2020. The lease is payable in monthly installments of $12 thousand through July 2030.

(i) The City entered into a capital lease agreement for the purchase of computers, server equipment and server storage equipment in August 2020. The lease is payable in monthly installments of $20 thousand through August 2025.

(j) The City entered into a capital lease agreement for the purchase of computers, server equipment and server storage equipment in September 2021. The lease is payable in monthly installments of $27 thousand through September 2026.

(k) The City entered into a capital lease agreement for the purchase of Street Sweepers in June 2018. The lease is payable in monthly installments of $17 thousand through June 2023.

(l) The City entered into a capital lease agreement for the purchase of Ambulances in December 2018. The lease is payable in monthly installments of $30 thousand through December 2024.

(m) The City entered into a capital lease agreement for the purchase of Street Sweepers in September 2019. The lease is payable in monthly installments of $77 thousand through September 2024.

(n) The City entered into a capital lease agreement for the purchase of Fire Trucks in May 2019. The lease is payable in monthly installments of $23 thousand through May 2029.

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

	Governmental Activities				
	Principal Payments by Fund		*Annual Debt Service Requirements*		
Year ending	*General Services*	*Fleet Services*	*Principal*	*Interest*	*Total*
2022	$ 7,494	$ 1,636	$ 9,130	$ 1,067	$ 10,197
2023	7,108	1,624	8,732	824	9,556
2024	2,735	1,504	4,239	654	4,893
2025	2,529	336	2,865	554	3,419
2026	2,363	252	2,615	472	3,087
2027 - 2031	10,291	708	10,999	1,102	12,101
2032 - 2036	363	-	363	95	458
Totals	$ 32,883	$ 6,060	$ 38,943	$ 4,768	$ 43,711

Business-type Activities

(o) The City entered into a capital lease agreement for the purchase and implementation of an Advanced Metering Infrastructure (AMI) in August 2015. The lease is payable in monthly installments of $713 thousand through May 2030.

(p) 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.

(q) The City entered into a capital lease agreement for the purchase and implementation of an Advanced Metering Infrastructure (AMI) in December 2018. The lease is payable in monthly installments of $194 thousand through December 2033.

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

	Business-type Activities					
	Principal Payments by Fund			***Annual Debt Service Requirements***		
Year ending	***Gas Utility***	***Water***	***Tidelands Operating***	***Principal***	***Interest***	***Total***
2022	$ 1,158	$ 1,640	$ 41	$ 2,839	$ 972	$ 3,811
2023	1,185	1,695	43	2,923	881	3,804
2024	1,215	1,753	45	3,013	792	3,805
2025	1,244	1,813	47	3,104	701	3,805
2026	1,274	1,874	50	3,198	607	3,805
2027 - 2031	5,415	10,365	-	15,780	1,554	17,334
2032 - 2036	-	2,086	-	2,086	35	2,121
Totals	$ 11,491	$ 21,226	$ 226	$ 32,943	$ 5,542	$ 38,485

Operating Leases

The City's operating leases consist primarily of rental properties occupied by various City departments. Lease obligations for City-leased properties include rent, utility charges, common area maintenance, storage, and parking. The following is a schedule of future minimum rental obligations required under operating lease agreements for properties that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2021 (in thousands):

Year ending	***Total***
2022	$ 5,466
2023	3,880
2024	3,256
2025	3,333
2026	2,606
2027 - 2031	3,249
2032 - 2036	129
Total	$ 21,919

Lease Revenues

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

Year ending	*Total*
2022	$ 394,650
2023	418,185
2024	419,759
2025	424,258
2026	25,091
2027-2031	1,463,046
2032-2036	1,085,466
2037-2041	1,055,563
2042-2046	1,492,859
2047-2051	70,122
2052-2056	40,297
2057-2061	30,433
2062-2066	31,325
2067-2071	20,762
2072-2076	15,605
2077-2081	15,930
2082-2086	7,295
Total	$ 7,010,646

NOTE 12 – DERIVATIVE INSTRUMENTS

At September 30, 2021, 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.	89.7 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 Long Beach Bond Finance Authority (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%	1.497%	1.410%
11/15/2026	25,175	4.930%	1.517%	1.430%
11/15/2027	24,630	4.955%	1.537%	1.450%
11/15/2033	5	5.067%	1.637%	1.550%
	$ 69,005	4.931% [2]	1.519% [3]	1.432% [2]

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

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

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

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

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

Fair Value: The interest rate swap, with the market price quoted by Bank of America-Merrill Lynch, had a negative fair value of approximately $13.9 million on October 1, 2020. During the fiscal year ending September 30, 2021, the fair value further increased by $3.8 million to a negative fair value of $10.1 million. The fair value for the interest rate swap is described as the exit price, which is based on the London Interbank Offered Rate (LIBOR) swap rate. The interest rate swap is classified as Level 2 in the fair value hierarchy as the LIBOR swap rate is observable for the full term of the swap.

The commodity swap, with the market price quoted by RBC, had a fair value of $610.8 million on October 1, 2020. During the fiscal year, fair value decreased $167.0 million to a fair value of $443.8 million as of September 30, 2021. The fair value for the commodity swap is based on RBC's quoted price. The commodity swap is classified as Level 3 as the valuation relies primarily on unobservable inputs.

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

Maturity Date	***Fair Value, October 1, 2020***	***Change in Fair Value***	***Fair Value, September 2021***
Interest Rate Swap			
11/15/2025	$ (3,261)	$ 910	$ (2,351)
11/15/2026	(5,011)	1,368	(3,643)
11/15/2027	(5,588)	1,504	(4,084)
11/15/2033	(2)	1	(1)
	(13,862)	3,783	(10,079)
Commodity Swap			
9/30/2037	610,803	(166,970)	443,833
Total	$ 596,941	$ (163,187)	$ 433,754

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

Credit Risks: As of September 30, 2021, the interest rate swap counterparty was rated AA- by Fitch Ratings with a Stable outlook. It aligns with the counterparties ratings upgrade of Bank of America Corporation's (BAC) Long-Term Issuer Default Rating (IDR) to AA-. Further, these ratings reflect the credit quality of the BAC and Long Beach Energy Resources (LBER), the City's gas distribution utility.

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. On July 12, 2012, the City, the Guarantor, 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. BNY Mellon remains in its role as Trustee since inception of the bonds while the collateral custodian role has migrated to Wells Fargo and most recently to Principal Custody Solution.

Credit risk exposure was deemed to be sufficiently mitigated through collateral as stipulated in the investment agreement. The RBC as the commodity swap provider has a strong credit profile. The proceeds of the bond issue are used to prepay the Guarantor for specified quantities of natural gas, deliverable to the LBBFA over a 30-year period. Bond holders rely on the supplier to deliver the gas or make a cash payment to the issuer in lieu of delivery over the life of the bonds. LBBFA delivers the gas to the City, which is obligated to purchase delivered gas as an operating expense of LBER, its gas distribution utility.

In March 2019, Moody's upgraded its long-term rating from Aa3 to A2 to correspond to BAC's upgrade, the parent of Merrill Lynch Commodities, Inc. and the City's Gas utility.

Interest Rate Swap Payment and Associated Debt: Using rates as of September 30, 2021, 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 September 30	***Variable-Rate Bonds***		***Net Swap Payments***	***Total Interest***
	Principal	***Interest***		
2022	$ -	$ 3,403	$ 214	$ 3,617
2023	-	3,403	195	3,598
2024	-	3,403	178	3,581
2025	19,195	2,697	226	2,923
2026	25,175	1,531	176	1,707
2027 - 2031	24,630	306	118	424
2032 - 2033	5	-	-	-
Total	$ 69,005	$ 14,743	$ 1,107	$ 15,850

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

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

NOTE 13 – RETIREMENT PROGRAMS

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

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

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

The Plans' provisions and benefits in effect at September 30, 2021, are summarized in the following table:

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

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

Employees Covered – Based on the June 30, 2020 funding valuation report, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	***Safety***
Active employees	3,528	1,261
Inactive employees or beneficiaries currently receiving benefits	4,557	1,805
Inactive employees entitled to but not yet receiving benefits	4,417	334

Contributions – California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contribution rates may change if plan contracts are amended. Payments made by the City to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

CalPERS Net Pension Liability

The City's net pension liability for both Plans is measured as the total pension liability, less the plan's fiduciary net position. Net pension liability is measured as of June 30, 2021 (measurement date), using the actuarial valuation report as of June 30, 2020 rolled forward using standard actuarial procedures. At September 30, 2021, the City reported net pension liability of $527.9 million for both plans. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

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

	Miscellaneous	***Safety***
Valuation Date (VD)	June 30, 2020	June 30, 2020
Measurement Date (MD)	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return	7.15%	7.15%
Mortality	[1]	[1]

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

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

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

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

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

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

[a] An expected inflation of 2.00% used for this period

[b] An expected inflation of 2.92% used for this period

Changes in the CalPERS Net Pension Liability

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

	Increase (Decrease)		
Miscellaneous Plan	***Total Pension Liability***	***Plan Fiduciary Net Position***	***Net Pension Liability/(Asset)***
Balance at July 1, 2020 (MD)	$ 2,813,763	$ 2,153,414	$ 660,349
Changes in the year:			
Service Cost	45,016	-	45,016
Interest on Total Pension Liability	196,483	-	196,483
Differences between Actual and Expected Experience	(13,138)	-	(13,138)
Contribution - Employer	-	78,158	(78,158)
Contribution - Employee	-	19,885	(19,885)
Net Investment Income	-	478,175	(478,175)
Administrative Expenses	-	(2,151)	2,151
Net Plan to Plan Resource Movement	-	7	(7)
Benefit Payments, including Refunds of Employee Contributions	(150,237)	(150,237)	-
Net changes	78,124	423,837	(345,713)
Balance at June 30, 2021 (MD)	$ 2,891,887	$ 2,577,251	$ 314,636

	Increase (Decrease)		
Safety Plan	***Total Pension Liability***	***Plan Fiduciary Net Position***	***Net Pension Liability/(Asset)***
Balance at July 1, 2020 (MD)	$ 2,723,971	$ 2,178,824	$ 545,147
Changes in the year:			
Service Cost	45,592	-	45,592
Interest on Total Pension Liability	191,618	-	191,618
Differences between Actual and Expected Experience	1,763	-	1,763
Contribution - Employer	-	71,008	(71,008)
Contribution - Employee	-	16,780	(16,780)
Net Investment Income	-	485,277	(485,277)
Administrative Expenses	-	(2,177)	2,177
Net Plan to Plan Resource Movement	-	(7)	7
Benefit Payments, including Refunds of Employee Contributions	(137,111)	(137,111)	-
Net Changes	101,862	433,770	(331,908)
Balance at June 30, 2021 (MD)	$ 2,825,833	$ 2,612,594	$ 213,239

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

Net Pension Liability/ (Asset)	*1% Decrease (6.15%)*	*Discount Rate (7.15%)*	*1% Increase (8.15%)*
Miscellaneous	$ 681,611	$ 314,636	$ 10,334
Safety	586,718	213,239	(94,310)

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

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

For the year ended September 30, 2021, the City recognized pension income of $4.1 million and $11.1 million for the Miscellaneous and Safety Plan, respectively.

At September 30, 2021, the City reported pension related deferred outflows of resources and deferred inflows of resources from the following sources (in thousands):

	Miscellaneous Plan:		Safety Plan:		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to the Measurement Date	$ 59,961	-	$ 49,249	-	$ 109,210	$ -
Differences Between Actual and Expected Experience	-	(10,154)	6,343	(2,653)	6,343	(12,807)
Net Differences between Projected and Actual Earnings on Plan Investments	-	(235,509)	-	(238,841)	-	(474,350)
Change in Proportion	9,626	(9,626)	1,609	(1,609)	11,235	(11,235)
Total	$ 69,587	$ (255,289)	$ 57,201	$ (243,103)	$ 126,788	$ (498,392)

The $109.2 million reported as deferred outflows of resources related to contributions made by the City subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension income as follows (in thousands):

Miscellaneous Plan:		*Safety Plan:*		*Total*	
Year Ending September 30	*Amount*	*Year Ending September 30*	*Amount*	*Year Ending September 30*	*Amount*
2022	$ (65,331)	2022	$ (56,032)	2022	$ (121,363)
2023	(58,647)	2023	(55,893)	2023	(114,540)
2024	(56,427)	2024	(56,986)	2024	(113,413)
2025	(65,258)	2025	(66,240)	2025	(131,498)
Total	$ (245,663)	Total	$ (235,151)	Total	$ (480,814)

NOTE 14 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

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

Benefits Provided

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

Benefits are administered through a third-party provider, and the full cost of benefits is covered by the OPEB Plan up to the point where the value of the retirees unused sick leave has been exhausted. Retirees who have exhausted their unused sick leave can still access the OPEB Plan by paying the OPEB Plan premium out of pocket. As of September 30, 2021, the count of employees covered by the benefit terms was:

Inactive employees currently receiving benefits	1,051
Active employees	4,663
Total	5,714

Total OPEB Liability

At September 30, 2021, the City's total OPEB liability was $8.8 million. The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	September 30, 2020	
Measurement Date	September 30, 2020	
Actuarial Cost Method	Entry Age	
Actuarial Assumptions:		
Inflation	2.50%	
Discount Rate	2.41%	Based on Fidelity Municipal Bond GO AA 20-year Bond Index
Payroll Increases	Aggregate	2.75%
	Merit	CalPERS 1997-2015 Experience Study
Health Care Cost Trend Rates	6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076	
Mortality, Termination, Disability, Retirement	CalPERS 1997-2015 Experience Study	
Mortality Improvement	Mortality projected fully generational with Scale MP-2020	
Participation Rates:		
Miscellaneous Plan	75%, 100% select City plans	
Safety	90%, 85% select City plans	

Changes in the Total OPEB Liability (in thousands)

Balance at October 1, 2020		$ 9,655
Service Cost	1,718	
Interest on Total OPEB liability	265	
Difference between Expected and Actual Experience	1,211	
Change in Assumptions	(539)	
Benefit Payments	(3,525)	
Net Changes		(870)
Balance at September 30, 2021		$ 8,785

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

	1% Decrease (1.41 %)	*Discount Rate (2.41 %)*	*1% Increase (3.41 %)*
Total OPEB Liability (Asset)	$ (7,304)	$ 8,785	$ 19,814

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

	1% Decrease	*Healthcare Cost Trend Rate*	*1% Increase*
Total OPEB Liability (Asset)	$ 18,099	$ 8,785	$ (5,669)

OPEB Income and Deferred Outflows and Deferred Inflows Related to OPEB

For the year ended September 30, 2021, the City recognized an OPEB income of $2.7 million. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Amounts paid subsequent to measurement date	$ 3,029	$ -
Difference between expected and actual experience	1,087	(4,829)
Change in assumptions	4,409	(32,833)
Change in proportion	2,932	(2,932)
Total	$ 11,457	$ (40,594)

The $3.0 million reported as deferred outflows of resources related to contributions made by the City subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2022.

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

Year Ending September 30	*Amount to be Recognized*
2022	$ (4,698)
2023	(4,698)
2024	(4,698)
2025	(4,883)
2026	(4,814)
2027 -2031	(8,375)
Total	$ (32,166)

NOTE 15 – SELF-INSURANCE PROGRAMS

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

At September 30, 2021, the City accrued non-discounted estimates totaling $176.4 million for workers' compensation and general liability claims. This represents estimates of amounts to be paid for actual and incurred-but-not-reported claims based upon past experience, modified for current trends and developments. The City has recorded in the Workers' Compensation Insurance Fund a current liability of $20.5 million and a long-term liability of $111.6 million. The City has recorded in the General Liability Insurance Fund a current liability of $11.1 million and a long-term liability of $33.2 million.

The ultimate amount of losses incurred through September 30, 2021 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, 2021 and 2020 is as follows (in thousands):

	Workers' Compensation Claims	*General Liability Claims*	*Total*
Balance at October 1, 2019	$ 138,054	$ 33,502	$ 171,556
Additions	13,840	17,931	31,771
Payments	(14,909)	(8,382)	(23,291)
Balance at September 30, 2020	136,985	43,051	180,036
Additions	7,511	4,434	11,945
Payments	(12,416)	(3,180)	(15,596)
Balance at September 30, 2021	$ 132,080	$ 44,305	$ 176,385

NOTE 16 – GOVERNMENTAL FUND BALANCES AND FUND DEFICITS

As of September 30, 2021, total fund balances for the City's major and non-major governmental funds are as follows (in thousands):

	General	*General Capital Projects*	*Housing Assistance Special Revenue*	*Other Governmental Funds*	*Total Governmental Funds*
Fund Balances (Deficit):					
Nonspendable:					
Prepaid Expense and Deposits	$ 2,127	$ 1,489	$ -	$ 927	$ 4,543
Subtotal	2,127	1,489	-	927	4,543
Restricted for:					
Debt Service	-	-	-	32,759	32,759
Public Safety	2,836	-	-	4,588	7,424
Public Health	-	-	-	13,049	13,049
Community and Cultural	-	-	23,336	74,404	97,740
Other Purposes	-	-	-	-	-
Public Works	-	62,462	-	9,349	71,811
Subtotal	2,836	62,462	23,336	134,149	222,783
Committed to:					
Community and Cultural	-	-	-	1,414	1,414
Other Purposes - Emergency Reserve	48,378	-	-	-	48,378
Other Purposes - Operating Reserve	15,968	-	-	-	15,968
Oil Abandonment	12,197	-	-	-	12,197
Subtotal	76,543	-	-	1,414	77,957
Assigned to:					
Subsequent Year's Appropriations	72,516	-	-	-	72,516
Unfunded Liabilities and Commitments	35,142	-	-	-	35,142
Infrastructure Reserve	-	-	-	-	-
Community and Cultural	-	-	-	373	373
Public Works	-	94,109	-	-	94,109
Subtotal	107,658	94,109	-	373	202,140
Unassigned (Deficit)	(16,483)	-	-	-	(16,483)
Total Fund Balances	$ 172,681	$158,060	$ 23,336	$ 136,863	$ 490,940

Fund Deficits

The Gas Utility Fund, a major proprietary fund, reported a deficit net position of $9.5 million as of September 30, 2021. This deficit was primarily attributed to the transfer of $13.5 million to the General Fund. Refer to Note 6 to the Basic Financial Statements for additional details. City management believes that the cash position of the fund is sufficient to support the utilities ongoing operations.

The Tidelands Oil Revenue Fund, a nonmajor proprietary fund, reported a deficit net position of $55.6 million as of September 30, 2021. Tidelands Oil Revenue Fund deficit net position is due to a future oil field abandonment liability of $110.3 million, reflecting an increase of $7.7 million during the fiscal year. City management will continue to accumulate futures resources to pay for the oil field abandonment liability.

The Development Services Fund, a nonmajor proprietary fund, reported a deficit net position of $2.8 million as of September 30, 2021. This deficit resulted from decreased operating revenues compared to the prior fiscal year and higher maintenance and other operation expenses incurred during the year. However, City management believes that the cash position of the fund is sufficient to support the development services ongoing operations.

The Towing Fund, a nonmajor enterprise fund, reported a deficit net position of $2.4 million as of September 30, 2021. This deficit primarily resulted from the recognition of a net pension liability of $1.9 million and compensated absences of $0.6 million. City management believes that the cash position of the fund is currently sufficient at 40 days of expenses to support ongoing operations.

As of September 30, 2021, the Workers' Compensation insurance fund reflected a deficit net position of $101.1 million. This deficit included the impact of accrued liabilities for Accrued Claims and Net Pension Liability of $132.1 million and $4.0 million respectively. City management believes the cash position is sufficient to cover the current costs related to workers' compensation claims and current operating costs. The City management believes the deficit net position will be recovered through future charges for services, adjusted as appropriate, and has made reasonable adjustments to amounts charged to City departments to ensure adequate cash positions are maintained.

As of September 30, 2021, the General Liability insurance fund reflected a deficit net position of $49.7 million. This deficit included the impact of accrued liabilities for Accrued Claims and Net Pension Liability of $44.3 million and $2.4 million respectively. City management believes the deficit net position will be recovered through future charges for services, adjusted as appropriate, and has made reasonable adjustments to amounts charged to City departments to ensure adequate cash positions are maintained.

NOTE 17 – OIL FIELD ABANDONMENT LIABILITY

Tideland Oil Revenues

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

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

Annually, the City estimates the State's share in the costs of future abandonment and site clearance of the oil properties. At September 30, 2021, the State's total estimated abandonment cost liability is $966.4 million, which increased by $56.6 million from fiscal year 2020. 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, 2021, and as provided for in Assembly Bill (AB) 137, the State has put aside and deposited approximately $300.0 million of the $966.4 million estimated liability into the State's Oil Trust Fund - Abandonment Reserve. In the Tidelands Oil fund, the abandonment reserve set aside for the estimated liability is $46.8 million.

At September 30, 2021, the Tidelands Operating Fund recorded an estimated oil field abandonment cost liability of $110.3 million increasing by $7.7 million from fiscal year 2020. This estimate is based on the number and life of productive wells, general changes in the life of the oil field, and changes in oil prices. The City's ownership interests in the Wilmington Oil Field also results in the City recording a proportionate share of oil field abandonment costs currently estimated at $23.1 million of which $12.2 million has been funded in the Upland Oil Fund as of September 30, 2021.

Subsidence

In accordance with State law, the City established a Reserve for Subsidence Contingencies to indemnify the City, State, and contractors for claims or costs arising from subsidence alleged to have resulted from oil operations. A maximum of $40.0 million, plus accrued interest, was originally set aside for this purpose. At present, 100 percent of the interest accrues to the Reserve for Subsidence. As of September 30, 2021, the reserve balance within the Subsidence Fund is $191.2 million.

As part of the adoption of the State's 2005 fiscal year budget, 100 percent of this fund's interest earnings for calendar years 2004 and 2005 were eligible to be loaned to the City's General Fund, with repayment commencing in fiscal year 2008, without interest, in equal annual installments of $500 thousand for up to 20 years. This action was taken to mitigate the impact of the City in making a $5 million contributions to the State in both fiscal years 2005 and 2006. At September 30, 2021, total loan to the City's General Fund and interest retained amounts to $614 thousands.

NOTE 18 – POLLUTION REMEDIATION OBLIGATIONS

BKK Sites

Victoria Golf Course: Between 1947 and 1949, the City disposed of municipal waste in a landfill owned by BKK Corp located in Carson, California. It has been determined that the site is the source of groundwater contamination. The State Department of Toxic Substances Control (DTSC) has identified the City as a potentially responsible party (PRP) under the Resource 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, 2021, 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 DTSC has a cleanup order to PRPs under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The primary PRPs have entered into a consent decree. Those parties in turn have threatened to compel the City to contribute part of the clean-up costs. As of September 30, 2021, there was insufficient information to develop an estimate of potential remediation costs attributable to the City. The City has an Environmental Pollution Insurance Policy that may cover some costs for the period in question.

West Covina Site

Chevron (USA), Exxon Mobile Corporation, Conoco Phillips 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 DTSC). The site is located in West Covina. In response, the parties have filed claims against the City seeking unspecified damages. In 2005 and 2006, the parties entered into tolling agreements with the City. To date, no costs have been incurred in this matter. As of September 30, 2021, 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.

55th Way Landfill (formerly Paramount Landfill)

The City operated the Paramount Landfill from 1945 to 1948. Construction began after substantial design and permitting work to close the landfill according to then current standards and was completed in August 2006. A portion of the landfill was developed into Davenport Park in 2006. The City purchased an adjacent parcel in 2006 and developed Phase II of Davenport Park. In May 2009, the Los Angeles Regional Water Quality Control Board (LA Board) notified the City that additional groundwater monitoring is required for this site. The City implements an ongoing Solid Waste Assessment Test (SWAT) groundwater monitoring program for the 55th Way Landfill pursuant to an LA Board Water Discharge Requirements Order (WDRO) and General Monitoring and Reporting Program Order (MRPO). Groundwater monitoring is now required on a recurring semi-annual basis until such time that the LA Board rescinds the WDRO or otherwise approves a reduction or elimination of the MRPO. In May 2019, the City was notified by the Los Angeles County Department of Public Health (LACDPH) that on-site soil vapor probes showed exceedances in methane gas concentrations. LACDPH has since required the City to provide a monitoring and remediation plan and a gas control work plan. As of September 30, 2021, the estimated liability of potential remediation is a one-time cost of $2.8 million with ongoing landfill gas monitoring costs of approximately $80 thousand per year.

El Cortez (formerly El Ranchito)

In 2009, the former Redevelopment Agency purchased property at 5301 Long Beach Blvd. In fiscal year 2012, the Agency initiated a voluntary remediation project at the site. In July of 2015, the LA Board requested specific remedial and groundwater monitoring action be implemented. The original estimated remaining liability associated with the groundwater monitoring, based on a cost estimate from the monitoring service provider, is $485 thousand. As of September 30, 2021, the remaining liability for the monitoring was $319 thousand. There is no reasonable expectation of any recovery associated with these remediation efforts. The property has been “remediated” and reported as closure of the site/case.

Cowelco

In November of 2012, the LA Board notified the Agency that additional groundwater monitoring was necessary at 1669 W. Anaheim Street based on their review of the Site Assessment Report. The LA Board again notified the Agency that additional assessment was necessary after their review of the soil data and groundwater monitoring performed in 2014. In August of 2015, the California State Water Resources Control Board (Control Board) issued a letter denying the City’s request for closure and requiring further action. In January 2021, the LARWQCB issued a directive to take additional corrective action in response to unauthorized storage tank release at the site, likely related to impacts from an adjacent upgradient site. Compliance with the LARWQCB and Control Board requests is anticipated to cost a total of approximately $117 thousand. As of September 30, 2021, the remaining liability associated with compliance is estimated at $176 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 LA Board has notified the City that additional ground water monitoring for the former MTA bus parking lot may be required. MTA pledged $300 thousand to pay for any future monitoring costs when the City acquired the property. Management has not recorded a liability because it is believed that the costs associated with any future monitoring would be less than the pledge by the MTA. At September 30, 2021, the site is still being evaluated and the City is waiting for final determination from the LA Board as to the extent of any additional monitoring activities.

Leaking Underground Storage Tanks (LUST)

In the early 1990s, the City was named a responsible party for a number of City owned and/or operated LUST sites by the LA Board. All of the tanks have since been removed. The sites are located at Fire Station 7, Fire Station 10, Fire Station 11, Fire Station 17 and 2929 East Willow Street. The LA Board has directed that these sites be evaluated for remediation and continued monitoring activities. The City has successfully remediated Fire Stations 10 and 11, meeting the requirements of the Water Board's low threat closure policy (LTCP). These two facilities are currently performing post-closure monitoring activities. As of September 30, 2021, the City remains under a Board order to continue monitoring the sites. The estimated related liability for the future remediation is $900 thousand. For its monitoring and remediation efforts, the City submitted claims for reimbursable remediation cost to the State UST Cleanup Fund. As of September 30, 2021, the City obtained a reimbursement of costs related to the closed sites amounting to $2.8 million.

Harbor Warehouse

In July of 2017, the Harbor, as result of a hazardous building materials survey of a warehouse, identified the presence of environmentally sensitive materials requiring abatement activities if the facility is to remain in use. The estimated remediation liability for abatement decreased to $2.6 million for the year ended September 30, 2021. The Department has received bid proposals related to the remediation project that are currently under review as part of the selection process. There is no reasonable expectation of any recovery associated with these remediation efforts.

Pier E Container Yard-Intermodal Railyard

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

Demolition of Former Harbor Department Administration Building Complex

Environmentally sensitive materials were identified in the building and a remediation effort will be required as part of the demolition procedures. This project is currently out for bid and completed.

NOTE 19 – INVESTMENT IN JOINT VENTURES

Intermodal Container Transfer Facility Joint Powers Authority (ICTF)

The City's Harbor Department and the Port of Los Angeles (Venturers) entered into a joint venture agreement to form ICTF for the purposes of financing and constructing an intermodal container transfer facility (facility) to transfer cargo containers between trucks and railroad cars. The facility was leased to Southern Pacific, which merged with Union Pacific (Tenant) in 1996. The facility was developed by the Tenant who assumed operational responsibility for the facility. The Venturers' share net income and equity distributions from ICTF equally. The Harbor's share of the ICTF's net position as of September 30, 2021 totaled $3.7 million. The ICTF financial statements for the year ended June 30, 2021 can be obtained from the Harbor.

NOTE 20 – DEFERRED COMPENSATION

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

All investment decisions under the 457 Plan are the responsibility of the 457 Plan participants. The City has no liability for losses under the 457 Plan, but does have the duty of due care that would be required of an ordinary prudent investor. The accumulated assets of the 457 Plan are not required to be reported in the accompanying basic financial statements.

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

NOTE 21 – GAS UTILITY FUND

The Gas Utility Fund is comprised of the Gas Operating and LBBFA Gas Prepay Functions and is used to account for the activities associated with the distribution of natural gas to the City's customers. The Gas Prepay Function was formed to account for the 2007A and 2007B Natural Gas bonds that were issued for the purchase of gas at a predetermined price. The schedules in the following pages 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, 2021
(In Thousands)

	Gas Operating Function	*LBBFA Gas Prepay Function*	*Total Before Elimination*	*Elimination Debit (Credit)*	*Total Gas Utility Fund*
ASSETS					
Current Assets:					
Pooled Cash and Cash Equivalents	$ 58,085	$ 65	$ 58,150	$ -	$ 58,150
Non-Pooled Cash and Cash Equivalents	1	88	89	-	89
Receivables:					
Interest Receivable	-	15	15	-	15
Accounts Receivable	11,764	2,898	14,662	-	14,662
Due from Other Funds	629	-	629	(629)	-
Allowance for Receivables	(3,023)	-	(3,023)	-	(3,023)
Inventory	3,679	-	3,679	-	3,679
Prepaid Gas - Current	-	23,689	23,689	-	23,689
Other Assets	104	-	104	-	104
Total Current Assets	71,239	26,755	97,994	(629)	97,365
Noncurrent Assets:					
Restricted Noncurrent assets:					
Non-Pooled Investments	-	27,085	27,085	-	27,085
Fair Value - Commodity Swap	-	443,833	443,833	-	443,833
Capital Assets:					
Land and Other Assets Not Being Depreciated	13,401	-	13,401	-	13,401
Property, Plant and Equipment					
Capital Assets Net of Accumulated Depreciation	163,919	-	163,919	-	163,919
Prepaid Gas - Long-term	-	310,780	310,780	-	310,780
Total Noncurrent Assets	177,320	781,698	959,018	-	959,018
Total Assets	248,559	808,453	1,057,012	(629)	1,056,383
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources	3,795	10,079	13,874	-	13,874
LIABILITIES					
Current Liabilities Payable from Current Assets:					
Accounts Payable	6,447	-	6,447	-	6,447
Accrued Wages	645	-	645	-	645
Accrued Interest Payable	114	9,840	9,954	-	9,954
Due to Other Funds	1,341	629	1,970	(629)	1,341
Unearned Revenues	1,407	-	1,407	-	1,407
Customers Deposits	2,680	-	2,680	-	2,680
Compensated Absences and Accrued Employee Benefits	2,003	-	2,003	-	2,003
Obligations under Capital Leases - Current	1,158	-	1,158	-	1,158
Bonds Payable Due within One Year	-	16,040	16,040	-	16,040
Total Current Liabilities	15,795	26,509	42,304	(629)	41,675
Noncurrent Liabilities:					
Fair Value - Interest Rate Swap	-	10,079	10,079	-	10,079
Compensated Absences and Accrued Employee Benefits	4,607	-	4,607	-	4,607
Obligations under Capital Lease	10,333	-	10,333	-	10,333
Bonds Payable	-	540,121	540,121	-	540,121
Net Pension Liability	15,457	-	15,457	-	15,457
Total OPEB Liability	272	-	272		272
Total Noncurrent Liabilities	30,669	550,200	580,869	-	580,869
Total Liabilities	46,464	576,709	623,173	(629)	622,544
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources	13,390	443,833	457,223	-	457,223
NET POSITION (DEFICIT)					
Net Investment in Capital Assets	162,671	-	162,671	-	162,671
Restricted for:					
Capital Projects	13,249	-	13,249	-	13,249
Unrestricted	16,580	(202,010)	(185,430)	-	(185,430)
Total Net Position (Deficit)	$ 192,500	$ (202,010)	$ (9,510)	$ -	$ (9,510)

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, 2021
(In Thousands)

	Gas Operating Function	*LBBFA Gas Prepay Function*	*Total Before Elimination*	*Elimination Debit (credit)*	*Total Gas Utility Fund*
Operating Revenues:					
Charges for Services	$108,871	$ 15,964	$ 124,835	$(15,964)	$108,871
Other	3,059	-	3,059	-	3,059
Total Revenues	111,930	15,964	127,894	(15,964)	111,930
Operating Expenses:					
Personnel Services	12,924	-	12,924	-	12,924
Purchases of Gas	35,686	(5,029)	30,657	(15,964)	14,693
Maintenance and Other Operations	18,702	24	18,726	-	18,726
Depreciation	7,724	-	7,724	-	7,724
Total Operating Expenses	75,036	(5,005)	70,031	(15,964)	54,067
Operating Income	36,894	20,969	57,863	-	57,863
Non-Operating Income (Expense):					
Interest Income	480	796	1,276	-	1,276
Interest Expense	-	(28,689)	(28,689)	-	(28,689)
Loss on Disposition of Capital Assets	(472)	-	(472)	-	(472)
Other Income	347	-	347	-	347
Other Expense	(729)	-	(729)	-	(729)
Total Non-Operating Income (Expense)	(374)	(27,893)	(28,267)	-	(28,267)
Income (loss) before Contributions and Transfers	36,520	(6,924)	29,596	-	29,596
Transfers:					
Transfers In	980	-	980	-	980
Transfers Out	(15,323)	-	(15,323)	-	(15,323)
Change in Net Position	22,177	(6,924)	15,253	-	15,253
Net Position (Deficit), October 1	170,323	(195,086)	(24,763)	-	(24,763)
Net Position (Deficit), September 30	$192,500	$ (202,010)	$ (9,510)	$ -	$ (9,510)

City of Long Beach
Gas Utility Fund
Consolidated Schedule of Cash Flows
For the Fiscal Year Ended September 30, 2021
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	*Gas Operating Function*	*LBBFA Gas Prepay Function*	*Eliminations Increase (decrease)*	*Total Gas Utility Fund*
Cash Flows from Operating Activities:				
Receipts from Customers	$ 92,806	$ 15,854	$ -	$ 108,660
Payments for Employee Salaries	(19,144)	-	-	(19,144)
Payments for Goods and Services	(7,594)	(25)	-	(7,619)
Other Income	-	26,756	(26,409)	347
Other Expense	(27,138)	-	26,409	(729)
Net Cash Provided by Operating Activities	38,930	42,585	-	81,515
Cash Flows from Non-Capital Financing Activities:				
Transfers In	980			980
Payments of Principal on Bonds Payable	415	(14,405)	-	(13,990)
Payments of Interest	273	(28,963)	-	(28,690)
Transfers Out	(15,323)	-	-	(15,323)
Net Cash Used for Non-Capital Financing Activities	(13,655)	(43,368)	-	(57,023)
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(12,570)	-	-	(12,570)
Payments of Principal on Other Long-Term Obligations	(1,735)	-	-	(1,735)
Payments of Interest	(285)	-	-	(285)
Net Cash Used for Capital and Related Financing Activities	(14,590)	-	-	(14,590)
Cash Flows from Investing Activities:				
Payments for Investments	(1,586)	-	-	(1,586)
Receipts of Interest	480	802	-	1,282
Net Cash Provided by (Used for) Investing Activities	(1,106)	802	-	(304)
Net Increase (Decrease) in Cash and Cash Equivalents	9,579	19	-	9,598
Cash and Cash Equivalents - October 1	48,507	134	-	48,641
Cash and Cash Equivalents - September 30	$ 58,086	$ 153	$ -	$ 58,239

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	*Gas Operating Function*	*LBBFA Gas Prepay Function*	*Eliminations Increase (decrease)*	*Total Gas Utility Fund*
Operating Income	$ 36,894	$ 20,969	$ -	$ 57,863
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization Expense	7,724	-	-	7,724
Other Expense	(382)	-	-	(382)
(Increase) Decrease in Accounts Receivable, Net	(1,118)	(104)	104	(1,118)
Increase in Amounts Due from Other Funds	304	-	-	304
Increase in Inventory	(659)	-	-	(659)
Increase (Decrease) in Other Operating Assets/Gas Prepay	(3,360)	26,756	-	23,396
Increase (Decrease) in Accounts Payable	3,064	(1)	(104)	2,959
Increase in Accrued Wages Payable	(6,220)	-	-	(6,220)
Increase in Amounts Due to Other Funds	(1,729)	(6)	-	(1,735)
Decrease in Unearned Revenues	(450)	-	-	(450)
(Increase) Decrease in Other Non-operating Assets	5,029	(5,029)	-	-
Decrease in Collections Held in Trust	(167)	-	-	(167)
Total Adjustments	2,036	21,616	-	23,652
Net Cash Provided by Operating Activities	$ 38,930	$ 42,585	$ -	$ 81,515

Gas Rates

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

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

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

NOTE 22 – COMMITMENTS AND CONTINGENCIES

Commitments

At September 30, 2021, business-type and governmental funds had outstanding commitments for construction projects and purchases of goods and services, as follows (in thousands):

Governmental Activities	
General Fund	$ 2,603
General Capital Projects	68,563
Housing Assistance	4
Non-major Governmental Funds	12,225
Internal Service Fund	16,729
Total	$ 100,124

Business-Type Activities	
Gas Utility	$ 322
Water	16,627
Tidelands Operating	7,829
Harbor	20,301
Non-major Business-Type Funds	19,150
Total	$ 64,229

Environmental Mitigation Credits

In September of 2019, Harbor entered into a nonoperating Memorandum of Understanding (MOU) with the City to purchase 19.7 mitigation credits from the Colorado Lagoon Restoration project for a total of $26.3 million, of which $1.3 million has already been advanced to the City in the form of a loan that remains outstanding. The remaining funds will be paid to the City as reimbursement for actual cost incurred per the MOU terms from fiscal year 2020 through 2023. As of September 30, 2021 the MOU amount remains unchanged.

Self-Insurance

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

As stated in Note 15 to the basic financial statements, the City is self-insured for its workers' compensation and liability claims. As claims are made against the City, they are routinely evaluated and appropriate accrued liabilities are recorded. Certain of these claims may ultimately reach the trial level and could result in judgments against the City. While the ultimate adverse effect, if any, of claims and judgments against the City cannot be estimated with certainty, it is the opinion of management, based upon consultation with the City Attorney and outside legal counsel as applicable, that such judgments against the City will not have a material adverse effect on the City's financial position beyond that already accrued for within the basic financial statements.

Potential Obligations Related to the Alameda Corridor Transportation Authority

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

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

Any shortfall advance made by the Harbor and the Port of Los Angeles is reimbursable, with interest, by ACTA. The most recent Notice date August 15, 2021 indicates that there is no projected shortfall for ACTA's fiscal year ending June 30, 2022.

Gerald Desmond Bridge Replacement (GDBR) Project

Construction of the new bridge began in 2013 and the bridge was opened to traffic on October 5, 2020, while the substantial completion date was declared by the Board of Harbor Commissioners on December 16, 2020. The bridge budget is a joint effort between CalTrans and Harbor. At the latest cost estimate review performed in September 2018, the bridge budget was $1.6 billion, which remained unchanged as of September 30, 2021. Funding of this project was from Harbor and various sources including Federal, State, and local grants. Commitments from these funding sources total $913.0 million added to Harbor's contribution of $648.0 million.

As of September 30, 2021, the Harbor has incurred approximately $1.5 billion in costs to construct the replacement bridge. Of this total amount, approximately $753.5 million has been received from grants contribution since inception, and $7.7 million reported as part of due from other governments on Harbor's basic financial statements as of September 30, 2021.

Pike Public Improvements

In fiscal year 2002, the City issued special assessment debt under the authority of the Mello-Roos Community Facilities Act for public improvements, mainly for a parking facility, in the Pike Development Project area. Although the debt does not constitute an indebtedness of the City, in order to facilitate such financing, the parking facility was subleased to the City for the purposes of issuing the Mello-Roos Bonds pursuant to a City sublease. According to the sublease, the City is subject to an annual calculated lease payment up to $1.2 million through October 2032, plus net revenues from certain other Pike area parking operations, in the event the Pike garage does not generate sufficient net revenue to make bond payments.

NOTE 23 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

At September 30, 2021, Deferred Outflows of Resources and Deferred Inflows of Resources are as follows:

City of Long Beach
Governmental Funds
Schedule of Deferred Outflows of Resources and Deferred Inflows of Resources
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	General	*Nonmajor Governmental Funds*	*Total Governmental Funds*	*GASB 34 Conversion Adjustments*	*Total Adjusted Governmental Funds*
Deferred Outflows of Resources:					
Economic loss from the refunding of debt	$ -	$ -	$ -	942	$ 942
Pension contributions after measurement date	-	-	-	73,377	73,377
CalPERS difference between actual and expected experience	-	-	-	6,003	6,003
Change in pension allocation proportion	-	-	-	2,842	2,842
OPEB contributions after measurement date	-	-	-	2,157	2,157
OPEB change in assumptions	-	-	-	3,141	3,141
OPEB difference between actual and expected experience	-	-	-	774	774
Change in OPEB allocation proportion	-	-	-	724	724
Total deferred outflows of resources	$ -	$ -	$ -	$ 89,960	$ 89,960
Deferred Inflows of Resources:					
Economic gain from the refunding of debt	$ -	$ -	$ -	$ 2,039	$ 2,039
Unavailable revenue and property taxes	112,403	215,784	328,187	(213,826)	114,361
CalPERS difference between actual and expected investment returns	-	-	-	331,163	331,163
CalPERS difference between actual and expected experience	-	-	-	7,044	7,044
Change in pension allocation proportion	-	-	-	3,269	3,269
OPEB change in assumptions	-	-	-	23,385	23,385
OPEB difference between actual and expected experience	-	-	-	3,439	3,439
Change in OPEB allocation proportion	-	-	-	1,412	1,412
Total deferred inflows of resources	$ 112,403	$ 215,784	$ 328,187	$ 157,925	$ 486,112

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

	Civic Center	*General Services*	*Fleet Services*	*Workers' Compensation Insurance*	*General Liability Insurance*	*Employee Benefits*	*Total Internal Service Funds*
Deferred Outflows of Resources:							
Economic loss from the refunding of debt	$ -	$ -	$ 793	$ -	$ -	$ -	$ 793
Pension contributions after measurement date	84	3,011	1,292	769	467	751	6,374
Change in pension allocation proportion	-	839	161	-	-	459	1,459
OPEB contributions after measurement date	-	82	44	13	9	15	163
OPEB change in assumptions	-	119	63	19	14	22	237
OPEB difference between actual and expected experience	-	29	16	5	3	5	58
CalPERS difference between actual and expected experience	-	-	-	-	-	3	3
Change in OPEB allocation proportion	-	80	20	56	108	-	264
Total deferred outflows of resources	$ 84	$ 4,160	$ 2,389	$ 862	$ 601	$ 1,255	$ 9,351
Deferred Inflows of Resources:							
CalPERS difference between actual and expected investment returns	$ 331	$ 11,836	$ 5,073	$ 3,022	$ 1,832	$ 2,975	$ 25,069
CalPERS difference between actual and expected experience	14	510	219	130	79	124	1,076
Change in pension allocation proportion	430	420	576	497	80	540	2,543
OPEB change in assumptions	-	886	472	145	102	161	1,766
OPEB difference between actual and expected experience	-	130	70	21	15	24	260
Change in OPEB allocation proportion	-	209	124	8	51	160	552
Total deferred inflows of resources	$ 775	$ 13,991	$ 6,534	$ 3,823	$ 2,159	$ 3,984	$ 31,266

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

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

	Gas Utility	*Water Utility*	*Tidelands*	*Harbor*	*Nonmajor Enterprise Funds*	*Total Enterprise Funds*
Deferred Outflows of Resources:						
Issuance costs - Bond Insurance	$ -	$ -	$ 68	$ -	$ -	$ 68
Economic loss from the refunding of debt	-	511	4,435	-	-	4,946
Pension contributions after measurement date	2,946	3,812	4,677	11,468	6,556	29,459
CalPERS difference between actual and expected experience	-	-	337	-	-	337
Change in pension allocation proportion	509	755	1,378	3,361	931	6,934
OPEB contributions after measurement date	94	97	135	233	150	709
OPEB change in assumptions	136	142	197	339	217	1,031
OPEB difference between actual and expected experience	34	35	48	84	54	255
Change in OPEB allocation proportion	76	71	1,055	505	237	1,944
Derivative instrument						
Interest rate swap	10,079	-	-	-	-	10,079
Total deferred outflows of resources	$ 13,874	$ 5,423	$ 12,330	$ 15,990	$ 8,145	$ 55,762
Deferred Inflows of Resources:						
Economic gain from the refunding of debt	$ -	$ -	$ -	$ 3,657	$ -	$ 3,657
CalPERS difference between actual and expected investment returns	11,570	14,974	20,783	45,041	25,750	118,118
CalPERS difference between actual and expected experience	499	646	490	1,942	1,110	4,687
Change in pension allocation proportion	-	592	1,288	2	3,541	5,423
OPEB change in assumptions	1,015	1,055	1,466	2,524	1,622	7,682
OPEB difference between actual and expected experience	149	156	215	372	238	1,130
Change in OPEB allocation proportion	157	181	69	104	457	968
Derivative instrument						
Commodity swap	443,833	-	-	-	-	443,833
Total deferred inflows of resources	$457,223	$ 17,604	$ 24,311	$ 53,642	$ 32,718	$585,498

NOTE 24 - TAX ABATEMENTS

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

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

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

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

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

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

During the fiscal year, the City had eight active agreements. Depending on available financial information, the sales tax abatement amounts were derived from payments made during the fiscal year, accrual estimates based on sales tax history, or actual sales tax abatements for the fiscal year. For the year ended September 30, 2021, sales tax abatements totaled $7.2 million.

Transient Occupancy Tax (TOT) Incentive Agreement

TOT is paid through the occupancy of a hotel or other guest room. The tax is collected by the hotel operator from each guest with room payment and subsequently remitted to the City. The City's current TOT rate is 13%, and includes a 1% rate increase approved by voters through Measure B. The rate increase was effective July 2020 with revenues deposited to the General Fund and intended for the City's arts organizations and the Long Beach Convention and Entertainment Center. A TOT incentive program is available for new hotels with desired location, design, operational characteristics, a minimum of 100 rooms, a projected minimum TOT generation of $500 thousand and an identified financial gap. The program will return a negotiated portion of TOT generated by the hotel for an agreed upon period of time. There were no transient occupancy taxes abated in fiscal year 2021.

Mills Act Property Tax Incentive Program

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

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

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

For fiscal year 2021, the City had agreements for which re-assessments were completed by the County Assessor's office with a total property tax valuation of $182.3 million, and an estimated tax abatement of $200 thousand.

NOTE 25 – SUBSEQUENT EVENTS

Measure M Litigation

In December 2021, an appellate court ruled against the City of Long Beach in a lawsuit challenging the legality of the City's Measure M charter amendment. Measure M was approved by voters in 2018 and solidified voters' desire to continue the long-standing practice, that had been in place for over 60 years, of transferring a portion of City utility revenues to the City's General Fund in order to support services for Long Beach residents.

The City disagreed with the ruling and petitioned the California Supreme Court for review. On March 23, 2022, it was announced the California Supreme Court denied the City's petition to review and therefore the appellate court decision will stand. As a result, the City's General Fund is reporting a nonbudgetary transfer and liability of $30.8 million that represents the amount owed to the Water Utility Fund through September 30, 2021. The City will abide by the court's decision and begin the payment process for the first $9.0 million to the Water Utility Fund within the next 30 days.

Transfer of the GDBR

On March 14, 2022, the ownership of the new GDBR was officially transferred to CalTrans as a component of the state highway system, with approval of the Harbor Board of Commissioners and concurrence by CalTrans. The asset transfer of the total GDBR Project is coordinated in a two-phase process that will result in a loss of the contributed asset to other agencies, and a reduction of the Harbor's asset of approximately $1.6 billion. The first phase of the transfer consists of the new completed replacement bridge itself with an approximate value of $1.5 billion. The second phase encompasses all remaining capital costs, including but not limited to the demolition of the old bridge, anticipated to be completed with a final closed out in 2024.

REQUIRED SUPPLEMENTARY INFORMATION

City of Long Beach

Required Supplementary Information

For the Fiscal Year Ended September 30, 2021

(In Thousands)

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

Miscellaneous Plan

(Calculated as of June 30 and reported as of September 30)

Last 10 Years[1]

(unaudited)

	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability (TPL)							
TPL - beginning	**$ 2,362,579**	**$ 2,368,500**	**$ 2,431,211**	**$ 2,612,351**	**$ 2,623,898**	**$ 2,726,916**	**$ 2,813,763**
Service cost	37,502	37,306	42,500	43,138	43,491	44,000	45,016
Interest in the TPL	171,128	175,727	177,096	178,030	185,085	191,098	196,483
Differences between actual and expected experience	(45,118)	(29,800)	(56,898)	(28,799)	11,466	(4,185)	(13,138)
Changes in assumptions[2]	(40,892)	-	144,164	(49,554)	-	-	-
Benefit payments[3]	(116,699)	(120,522)	(125,722)	(131,268)	(137,024)	(144,066)	(150,237)
Net change in TPL	**5,921**	**62,711**	**181,140**	**11,547**	**103,018**	**86,847**	**78,124**
TPL - ending (a)	**$ 2,368,500**	**$ 2,431,211**	**$ 2,612,351**	**$ 2,623,898**	**$ 2,726,916**	**$ 2,813,763**	**$ 2,891,887**
Plan Fiduciary Net Position							
Plan fiduciary net position - beginning	**$ 1,881,680**	**$ 1,857,249**	**$ 1,802,786**	**$ 1,936,477**	**$ 2,030,299**	**$ 2,105,327**	**$ 2,153,414**
Net Plan to Plan Resource Movement	-	-	(39)	(5)	(5)	-	7
Contribution - employer	35,136	39,877	45,864	53,278	62,484	71,565	78,158
Contribution - employees	17,652	17,959	17,793	18,339	18,876	19,350	19,885
Net investment income	41,570	9,355	198,457	162,226	132,140	104,205	478,175
Administrative expenses	(2,090)	(1,132)	(2,662)	(3,018)	(1,449)	(2,967)	(2,151)
Benefit payments[3]	(116,699)	(120,522)	(125,722)	(131,268)	(137,023)	(144,066)	(150,237)
Other miscellaneous expense	-	-	-	(5,730)	5	-	-
Net change in fiduciary net position	**(24,431)**	**(54,463)**	**133,691**	**93,822**	**75,028**	**48,087**	**423,837**
Plan fiduciary net position - ending (b)	**$ 1,857,249**	**$ 1,802,786**	**$ 1,936,477**	**$ 2,030,299**	**$ 2,105,327**	**$ 2,153,414**	**$ 2,577,251**
Net pension liability - ending (a)-(b)	**$ 511,251**	**$ 628,425**	**$ 675,874**	**$ 593,599**	**$ 621,589**	**$ 660,349**	**$ 314,636**
Fiduciary net position as a percentage of the TPL	**78.41%**	**74.15%**	**74.13%**	**77.38%**	**77.21%**	**76.53%**	**89.12%**
Covered payroll	$ 223,225	$ 228,212	$ 234,782	$ 242,227	$ 248,064	$ 254,926	$ 265,736
NPL as percentage of covered payroll	**229.03%**	**275.37%**	**287.87%**	**245.06%**	**250.58%**	**259.04%**	**118.40%**

Notes to Schedule:

[1] Fiscal year 2015 was the first year of implementation.

[2] Changes in assumptions: In 2019-2021, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate In 2017, the discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expenses) to 7.65 percent.

[3] Benefit payments include refunds of employee contributions.

See accompanying Independent Auditors' Report

City of Long Beach

Required Supplementary Information
For the Fiscal Year Ended September 30, 2021
(In Thousands)

Schedule of Contributions
Miscellaneous Plan
As of and for the year ended September 30
Last 10 Years[1]
(unaudited)

	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution[2]	$ 35,136	$ 39,877	$ 45,864	$ 53,278	$ 62,484	$ 71,565	$ 78,158
Contributions in relation to the actuarially determined contribution[3]	(35,136)	(39,877)	(45,864)	(53,278)	(62,484)	(71,565)	(78,158)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 239,897	$ 246,490	$ 258,248	$ 269,936	$ 270,237	$ 285,980	$ 279,318
Contributions as a percentage of covered payroll	14.65%	16.18%	17.76%	19.74%	23.12%	25.02%	27.98%

Notes to schedule:
The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021 were from the June 30, 2018 funding valuation report public agency valuations.

Valuation Date:	6/30/2018
Actuarial Cost Method	Entry age normal
Amortization Method	For details, see June 30, 2018 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2018 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment Rate of Return	7.00%, net of pension plan investment and administrative expenses, including inflation
Retirement Age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Notes

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

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

[3]Amount represents actual contributions as recorded by CalPERS.

See accompanying Independent Auditors' Report

City of Long Beach

Required Supplementary Information

For the Fiscal Year Ended September 30, 2021

(In Thousands)

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

Safety Plan

(Calculated as of June 30 and reported as of September 30)

Last 10 Years[1]

(unaudited)

	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability							
TPL - beginning	**$ 2,209,454**	**$ 2,222,223**	**$ 2,286,528**	**$ 2,458,914**	**$ 2,510,763**	**$ 2,630,341**	**$ 2,723,971**
Service cost	34,835	34,636	38,622	40,757	42,335	43,862	45,592
Interest in the TPL	160,374	165,092	166,486	170,018	178,200	184,631	191,618
Differences between actual and expected experience	(38,807)	(27,528)	(61,909)	(102)	21,708	(5,180)	1,763
Changes in assumptions[2]	(39,710)	-	139,900	(43,795)	-	-	-
Benefit payments[3]	(103,922)	(107,895)	(110,713)	(115,029)	(122,665)	(129,683)	(137,111)
Net change in TPL	**12,770**	**64,305**	**172,386**	**51,849**	**119,578**	**93,630**	**101,862**
TPL - ending (a)	**$ 2,222,224**	**$ 2,286,528**	**$ 2,458,914**	**$ 2,510,763**	**$ 2,630,341**	**$ 2,723,971**	**$ 2,825,833**
Plan Fiduciary Net Position							
Plan fiduciary net position - beginning	**$ 1,889,902**	**$ 1,866,598**	**$ 1,811,258**	**$ 1,948,660**	**$ 2,048,027**	**$ 2,126,671**	**$ 2,178,824**
Net Plan to Plan Resource Movement	-	-	39	(5)	4	-	(7)
Contribution - employer	29,815	32,845	39,371	46,437	55,248	64,654	71,008
Contribution - employees	11,737	11,733	12,802	14,047	14,287	15,089	16,780
Net investment income	41,167	9,115	198,577	162,720	133,226	105,091	485,277
Administrative expenses	(2,101)	(1,138)	(2,674)	(3,037)	(1,461)	(2,998)	(2,177)
Benefit payments[3]	(103,922)	(107,895)	(110,713)	(115,029)	(122,665)	(129,683)	(137,111)
Other miscellaneous expense	-	-	-	(5,766)	5	-	-
Net change in fiduciary net position	**(23,304)**	**(55,340)**	**137,402**	**99,367**	**78,644**	**52,153**	**433,770**
Plan fiduciary net position - ending (b)	**$ 1,866,598**	**$ 1,811,258**	**$ 1,948,660**	**$ 2,048,027**	**$ 2,126,671**	**$ 2,178,824**	**$ 2,612,594**
Net pension liability - ending (a)-(b)	**$ 355,626**	**$ 475,270**	**$ 510,254**	**$ 462,736**	**$ 503,670**	**$ 545,147**	**$ 213,239**
Fiduciary net position as a percentage of the TPL	**84.00%**	**79.21%**	**79.25%**	**81.57%**	**80.85%**	**79.99%**	**92.45%**
Covered payroll	$ 127,265	$ 127,789	$ 126,530	$ 136,458	$ 141,252	$ 148,487	$ 156,245
NPL as percentage of covered payroll	**279.44%**	**371.92%**	**403.27%**	**339.10%**	**356.57%**	**367.14%**	**136.48%**

Notes to Schedule:

[1] Fiscal year 2015 was the first year of implementation.

[2] Changes in assumptions: In 2019-2021, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate In 2017, the discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expenses) to 7.65 percent.

[3] Benefit payments include refunds of employee contributions

See accompanying Independent Auditors' Report

City of Long Beach

Required Supplementary Information

For the Fiscal Year Ended September 30, 2021

(In Thousands)

Schedule of Contributions
Safety Plan
As of and for the year ended September 30
Last 10 Years[1]
(unaudited)

	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution[2]	$ 29,815	$ 32,845	$ 39,371	$ 46,437	$ 55,248	$ 64,654	$ 71,008
Contributions in relation to the actuarially determined contribution[3]	(29,815)	(32,845)	(39,371)	(46,437)	(55,248)	(64,654)	(71,008)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 155,208	$ 159,773	$ 177,401	$ 186,217	$ 182,947	$ 192,541	$ 189,019
Contributions as a percentage of covered payroll	19.21%	20.56%	22.19%	24.94%	30.20%	33.58%	37.57%

Notes to schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021 were from the June 30, 2018 funding valuation report public agency valuations.

Valuation Date:	6/30/2018
Actuarial Cost Method	Entry age normal
Amortization Method	For details, see June 30, 2018 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2018 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment Rate of Return	7.00%, net of pension plan investment and administrative expenses, including inflation
Retirement Age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Notes

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

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

[3]Amount represents actual contributions as recorded by CalPERS.

See accompanying Independent Auditors' Report

City of Long Beach

Required Supplementary Information

For the Fiscal Year Ended September 30, 2021

(In Thousands)

Schedule of Changes in Total OPEB Liability and Related Ratios[1]

As of September 30

Last 10 Years[2]

(unaudited)

	2016	*2017*	*2018*	*2019*	*2020*	*2021*
Total OPEB liability - beginning	**$ 42,493**	**$ 45,122**	**$ 49,940**	**$ 51,502**	**$ 23,248**	**$ 9,655**
Service cost	2,077	2,145	2,818	2,675	2,167	1,718
Interest on total OPEB liability	1,655	1,754	1,622	1,878	917	265
Difference between expected and actual experience	-	(8,920)	-	(1,874)	-	1,211
Changes of assumptions	-	11,093	(2,023)	(29,859)	(13,756)	(539)
Benefit payments	(1,103)	(1,254)	(855)	(1,074)	(2,921)	(3,525)
Net change in total OPEB liability	**2,629**	**4,818**	**1,562**	**(28,254)**	**(13,593)**	**(870)**
Total OPEB liability - ending	**$ 45,122**	**$ 49,940**	**$ 51,502**	**$ 23,248**	**$ 9,655**	**$ 8,785**
Covered payroll	$ 406,263	$ 435,649	$ 417,383	$ 442,631	$ 437,870	$ 453,717
Total OPEB liability as a percentage of covered payroll	11.1%	11.5%	12.3%	5.3%	2.2%	1.9%

Notes to Schedule:

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

[2] Fiscal year 2016 was the first year of implementation.

See accompanying Independent Auditors' Report

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ADDITIONAL FINANCIAL SECTION

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City of Long Beach
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Pooled Cash and Cash Equivalents	$ 73,614	$ 16,648	$ 10,278	$ 100,540
Non-Pooled Cash and Cash Equivalents	63	19,247	66	19,376
Receivables:				
Accounts Receivable	3,454	-	837	4,291
Due from Other Governments	84,945	-	-	84,945
Due from Other Funds	5,748	-	-	5,748
Allowance for Receivables	(5,812)	-	-	(5,812)
Other Assets	106	-	-	106
Advances to Other Funds	3,809	-	-	3,809
Land Held for Resale	5,874	-	-	5,874
Other Noncurrent Receivables	215,166	-	5,826	220,992
Total Assets	$386,967	$ 35,895	$ 17,007	$ 439,869
LIABILITIES				
Accounts Payable	$ 7,198	$ -	$ 256	$ 7,454
Accrued Wages and Benefits Payable	1,521	-	-	1,521
Due to Other Funds	23,824	-	-	23,824
Unearned Revenues	46,939	-	31	46,970
Deposits and Collections Held in Trust	408	1,536	100	2,044
Advances from Other Funds	3,809	1,600	-	5,409
Total Liabilities	83,699	3,136	387	87,222
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	209,963	-	5,821	215,784
FUND BALANCES				
Nonspendable	927	-	-	927
Restricted	90,591	32,759	10,799	134,149
Committed	1,414	-	-	1,414
Assigned	373	-	-	373
Total Fund Balance	93,305	32,759	10,799	136,863
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$386,967	$ 35,895	$ 17,007	$ 439,869

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, 2021
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes:				
Property	$ 5,564	$ 19,708	$ 512	$ 25,784
Sales	2,438	-	-	2,438
Other Taxes	9,694	-	-	9,694
Licenses and Permits	10,460	-	-	10,460
Use of Money and Property	2,634	354	329	3,317
From Other Agencies	230,603	-	-	230,603
Charges for Services	2,030	-	-	2,030
Other	4,010	-	1,155	5,165
Total Revenues	267,433	20,062	1,996	289,491
Expenditures:				
Current:				
General Government	6,951	-	-	6,951
Public Safety	14,966	-	-	14,966
Public Health	74,866	-	-	74,866
Community and Cultural	59,079	10	1,110	60,199
Public Works	11	-	-	11
Total Current Expenditures	155,873	10	1,110	156,993
Capital Improvements	1,744	-	-	1,744
Debt Service:				
Principal	-	20,723	-	20,723
Interest	-	11,928	-	11,928
Debt Administration Fees	-	17	-	17
Total Expenditures	157,617	32,678	1,110	191,405
Excess of Revenues over (under) Expenditures	109,816	(12,616)	886	98,086
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Asset	-		826	826
Debt Issuance	-	19,765	-	19,765
Premium on Debt Issuance	-	4,170	-	4,170
Payment to Refunded Bond Escrow Agent	-	(26,300)	-	(26,300)
Cost of Issuance	-	(410)	-	(410)
Transfers In	8,581	9,498	-	18,079
Transfers Out	(96,247)	(3,645)	(3,145)	(103,037)
Total Other Financing Sources (Uses)	(87,666)	3,078	(2,319)	(86,907)
Net Change in Fund Balances	22,150	(9,538)	(1,433)	11,179
Fund Balances - October 1	71,155	42,297	12,232	125,684
Fund Balances - September 30	$ 93,305	$ 32,759	$ 10,799	$ 136,863

See accompanying Independent Auditors' Report

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

City of Long Beach
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2021
(In Thousands)

	Special Revenue			
	General Grants	Police and Fire Public Safety Oil Production Act	Community Development Grants	Health
ASSETS				
Pooled Cash and Cash Equivalents	$ 384	$ 156	$ 18,718	$ 213
Non-Pooled Cash and Cash Equivalents	-	-	33	1
Receivables:				
Accounts Receivable	94	267	-	1,277
Due from Other Governments	26,825	-	13,515	44,369
Due from Other Funds	405	-	98	-
Allowance for Receivables	(2)	-	(5,202)	(414)
Other Assets-Current	-	-	106	-
Advances to Other Funds	-	-	3,809	-
Land Held for Resale	-	-	821	-
Other Noncurrent Receivables (net)	-	-	68,874	-
Total Assets	$ 27,706	$ 423	$ 100,772	$ 45,446
LIABILITIES				
Accounts Payable	$ 575	$ -	$ 1,468	$ 4,908
Accrued Wages	77	-	232	1,067
Due to Other Funds	11,035	-	261	12,365
Unearned Revenues	9,716	247	22,733	14,134
Deposits and Collections Held in Trust	-	-	-	319
Advances from Other Funds	-	-	-	-
Total Liabilities	21,403	247	24,694	32,793
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	-	-	63,671	-
FUND BALANCES (DEFICIT)				
Nonspendable	-	-	927	-
Restricted	5,930	176	11,480	12,653
Committed	-	-	-	-
Assigned	373	-	-	-
Total Fund Balances	$ 6,303	$ 176	$ 12,407	$ 12,653
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 27,706	$ 423	$ 100,772	$ 45,446

See accompanying Independent Auditors' Report

Special Revenue						
Belmont Shore Parking Meter Revenue	Housing Development	Development Impact Fees	Other Special Revenue Funds	Total Special Revenue Funds	
					ASSETS
$ 134	$ 29,949	$ 18,239	$ 5,821	$ 73,614	Pooled Cash and Cash Equivalents
-	29	-	-	63	Non-Pooled Cash and Cash Equivalents
					Receivables:
-	3	-	1,813	3,454	Accounts Receivable
-	-	-	236	84,945	Due from Other Governments
-	-	-	5,245	5,748	Due from Other Funds
-	-	-	(194)	(5,812)	Allowance for Receivables
-	-	-	-	106	Other Assets-Current
-	-	-	-	3,809	Advances to Other Funds
-	5,053	-	-	5,874	Land Held for Resale
-	143,876	-	2,416	215,166	Other Noncurrent Receivables
$ 134	$ 178,910	$ 18,239	$ 15,337	$ 386,967	Total Assets
					LIABILITIES
$ 27	$ 28	$ 25	$ 167	$ 7,198	Accounts Payable
-	18	-	127	1,521	Accrued Wages
-	21	-	142	23,824	Due to Other Funds
-	25	-	84	46,939	Unearned Revenues
10	-	-	79	408	Deposits and Collections Held in Trust
-	3,809	-	-	3,809	Advances from Other Funds
37	3,901	25	599	83,699	Total Liabilities
					DEFERRED INFLOWS OF RESOURCES
-	143,876	-	2,416	209,963	Deferred Inflows of Resources
					FUND BALANCES (DEFICIT)
-	-	-	-	927	Nonspendable
97	30,919	18,214	11,122	90,591	Restricted
-	214	-	1,200	1,414	Committed
-	-	-	-	373	Assigned
$ 97	$ 31,133	$ 18,214	$ 12,322	$ 93,305	Total Fund Balances
$ 134	$ 178,910	$ 18,239	$ 15,337	$ 386,967	Total Liabilities, Deferred Inflows of Resources and Fund Balances

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Special Revenue			
	General Grants	Police and Fire Public Safety Oil Production Act	Community Development Grants	Health
Revenues:				
Taxes:				
Property	$ -	$ -	$ -	$ 5,564
Sales	-	-	-	2,438
Other Taxes	-	2,975	-	-
Licenses and Permits	-	-	-	3,293
Use of Money and Property	137	4	843	-
From Other Agencies	98,005	-	47,160	84,675
Charges for Services	520	-	-	1,483
Other	466	-	1,762	8
Total Revenues	99,128	2,979	49,765	97,461
Expenditures:				
Current:				
General Government	6,160	-	4	-
Public Safety	11,527	3,005	434	-
Public Health	248	-	-	72,507
Community and Cultural	1,574	-	44,500	-
Public Works	11	-	-	-
Total Current Expenditures	19,520	3,005	44,938	72,507
Capital Improvements	1,298	-	-	-
Total Expenditures	20,818	3,005	44,938	72,507
Excess of Revenues over (under) Expenditures	78,310	(26)	4,827	24,954
Other Financing Sources (Uses)				
Transfers In	787	-	531	1,582
Transfers Out	(73,900)	-	(6,140)	(15,699)
Total Other Financing Sources (Uses)	(73,113)	-	(5,609)	(14,117)
Net Change in Fund Balances	5,197	(26)	(782)	10,837
Fund Balances - October 1	1,106	202	13,189	1,816
Fund Balances - September 30	$ 6,303	$ 176	$ 12,407	$ 12,653

See accompanying Independent Auditors' Report

Special Revenue					
Belmont Shore Parking Meter Revenue	Housing Development	Development Impact Fees	Other Special Revenue Funds	Total Special Revenue Funds	
					Revenues:
					Taxes:
$ -	$ -	$ -	$ -	$ 5,564	Property
-	-	-	-	2,438	Sales
-	-	-	6,719	9,694	Other Taxes
-	161	4,087	2,919	10,460	Licenses and Permits
574	1,076	-	-	2,634	Use of Money and Property
-	453	-	310	230,603	From Other Agencies
-	-	-	27	2,030	Charges for Services
-	1,463	-	311	4,010	Other
574	3,153	4,087	10,286	267,433	Total Revenues
					Expenditures:
					Current:
8	225	-	554	6,951	General Government
-	-	-	-	14,966	Public Safety
-	-	-	2,111	74,866	Public Health
649	2,072	-	10,284	59,079	Community and Cultural
-	-	-	-	11	Public Works
657	2,297	-	12,949	155,873	Total Current Expenditures
-	-	446	-	1,744	Capital Improvements
657	2,297	446	12,949	157,617	Total Expenditures
(83)	856	3,641	(2,663)	109,816	Excess of Revenues Over (Under) Expenditures
					Other Financing Sources (Uses)
-	2	-	5,679	8,581	Transfers In
-	(188)	(312)	(8)	(96,247)	Transfers Out
-	(186)	(312)	5,671	(87,666)	Total Other Financing Sources (Uses)
(83)	670	3,329	3,008	22,150	Net Change in Fund Balances
180	30,463	14,885	9,314	71,155	Fund Balances - October 1
$ 97	$ 31,133	$ 18,214	$ 12,322	$ 93,305	Fund Balances - September 30

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021

(In Thousands)

	General Grants			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Use of Money and Property	$ -	$ -	$ 137	$ 137
From Other Agencies	6,859	152,657	98,005	(54,652)
Charges for Services	191	366	520	154
Other Revenues	345	1,369	466	(903)
Transfers In	-	-	787	787
Total Revenues	7,395	154,392	99,915	(54,477)
Expenditures:				
General Government	-	1,267	6,160	(4,893)
Public Safety	5,239	12,276	11,935	341
Public Health	-	395	256	139
Community and Cultural	-	-	1,576	(1,576)
Public Works	1,337	2,983	11	2,972
Capital Improvements	8,069	19,313	1,912	17,401
Transfers Out	-	-	73,900	(73,900)
Total Expenditures	14,645	36,234	95,750	(59,516)
Net Change in Budgetary Fund Balance	$ (7,250)	$ 118,158	$ 4,165	$ (113,993)

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ 4,165
Add: Encumbrances	1,032
Fund Balance, October 1, GAAP Basis	1,106
Fund Balance, September 30, GAAP Basis	$ 6,303

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021

(In Thousands)

	Police and Fire Public Safety Oil Production Tax			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other Taxes	$ 3,318	$ 3,318	$ 2,975	$ (343)
Use of Money and Property	-	-	4	4
Total Revenues	3,318	3,318	2,979	(339)
Expenditures:				
Public Safety	3,318	3,318	3,005	313
Total Expenditures	3,318	3,318	3,005	313
Net Change in Budgetary Fund Balance	$ -	$ -	$ (26)	$ (26)

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ (26)
Add: Encumbrances	-
Change in Fund Balance - September 30, GAAP Basis	(26)
Fund Balance, October 1, GAAP Basis	202
Fund Balance, September 30, GAAP Basis	$ 176

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021

(In Thousands)

	Community Development Grants			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Use of Money and Property	$ 323	$ 221	$ 843	$ 622
From Other Agencies	16,468	50,457	47,160	(3,297)
Other Revenues	-	3,829	1,762	(2,067)
Transfers In	-	-	531	531
Total Revenues	16,791	54,507	50,296	(4,211)
Expenditures:				
General Government	206	154	4	150
Public Safety	1,524	1,524	434	1,090
Community and Cultural	(3,482)	80,738	52,285	28,453
Transfers Out	1,164	1,158	6,140	(4,982)
Total Expenditures	(588)	83,574	58,863	24,711
Net Change in Budgetary Fund Balance	$ 17,379	$ (29,067)	$ (8,567)	$ 20,500

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ (8,567)
Add: Encumbrances	7,785
Change in Fund Balance - September 30, GAAP Basis	(782)
Fund Balance, October 1, GAAP Basis	13,189
Fund Balance, September 30, GAAP Basis	$ 12,407

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021

(In Thousands)

	Health			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	$ 5,800	$ 5,800	$ 5,564	$ (236)
Sales Taxes	2,400	2,400	2,438	38
Licenses and Permits	3,923	3,923	3,293	(630)
Use of Money and Property	37	37	-	(37)
From Other Agencies	40,049	100,994	84,675	(16,319)
Charges for Services	2,871	3,364	1,483	(1,881)
Other Revenues	4,576	4,576	8	(4,568)
Transfers In	325	325	1,582	1,257
Total Revenues	59,981	121,419	99,043	(22,376)
Expenditures:				
Public Health	55,868	117,048	75,813	41,235
Capital Improvements	2,832	17,104	-	17,104
Transfers Out	-	-	15,699	(15,699)
Total Expenditures	58,700	134,152	91,512	42,640
Net Change in Budgetary Fund Balance	$ 1,281	$ (12,733)	$ 7,531	$ 20,264

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ 7,531
Add: Encumbrances	3,306
Change in Fund Balance - September 30, GAAP Basis	10,837
Fund Balance, October 1, GAAP Basis	1,816
Fund Balance, September 30, GAAP Basis	$ 12,653

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021

(In Thousands)

	Belmont Shore Parking Meter Revenues			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Use of Money and Property	$ 765	$ 798	$ 1,372	$ 574
Total Revenues	765	798	1,372	574
Expenditures:				
General Government	-	-	8	(8)
Community and Cultural	765	798	653	145
Total Expenditures	765	798	661	137
Net Change in Budgetary Fund Balance	$ -	$ -	$ 711	$ 711

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis		
Change in Fund Balance - September 30, Budgetary Basis		$ 711
Add:	Encumbrances	4
Less:	Change in Mark-to-Market and Other Adjustments	(798)
Change in Fund Balance - September 30, GAAP Basis		(83)
Fund Balance, October 1, GAAP Basis		180
Fund Balance, September 30, GAAP Basis		$ 97

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021

(In Thousands)

	Housing Development			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	$ 341	$ 341	$ 161	$ (180)
Use of Money and Property	385	385	1,076	691
From Other Agencies	-	-	453	453
Other Revenues	562	562	1,463	901
Transfers In	2,911	2,911	2	(2,909)
Total Revenues	4,199	4,199	3,155	(1,044)
Expenditures:				
General Government	323	285	272	13
Community and Cultural	3,406	3,380	2,083	1,297
Transfers Out	-	-	188	(188)
Total Expenditures	3,729	3,665	2,543	1,122
Net Change in Budgetary Fund Balance	$ 470	$ 534	$ 612	$ 78
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis				
Change in Fund Balance - September 30, Budgetary Basis			$ 612	
Add: Encumbrances			58	
Change in Fund Balance - September 30, GAAP Basis			670	
Fund Balance, October 1, GAAP Basis			30,463	
Fund Balance, September 30, GAAP Basis			$ 31,133	

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021

(In Thousands)

	Development Impact Fees			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	$ 1,515	$ 2,340	$ 4,087	$ 1,747
Total Revenues	1,515	2,340	4,087	1,747
Expenditures:				
Capital Improvements	7	832	448	384
Transfers Out	1,743	1,743	312	1,431
Total Expenditures	1,750	2,575	760	1,815
Net Change in Budgetary Fund Balance	$ (235)	$ (235)	$ 3,327	$ 3,562

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ 3,327
Add: Encumbrances	2
Change in Fund Balance - September 30, GAAP Basis	3,329
Fund Balance, October 1, GAAP Basis	14,885
Fund Balance, September 30, GAAP Basis	$ 18,214

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021

(In Thousands)

	Other Special Revenue Funds			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other Taxes	$ 6,707	$ 6,707	$ 6,719	$ 12
Licenses and Permits	2,998	2,998	2,919	(79)
Use of Money and Property	36	36	-	(36)
From Other Agencies	-	2,699	310	(2,389)
Charges for Services	-	-	27	27
Other Revenues	768	768	311	(457)
Transfers In	156	156	5,679	5,523
Total Revenues	10,665	13,364	15,965	2,601
Expenditures:				
General Government	529	529	554	(25)
Public Health	2,356	2,330	2,111	219
Community and Cultural	11,249	14,549	10,322	4,227
Transfers Out	-	-	8	(8)
Total Expenditures	14,134	17,408	12,995	4,413
Net Change in Budgetary Fund Balance	$ (3,469)	$ (4,044)	$ 2,970	$ 7,014

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ 2,970
Add: Encumbrances	38
Change in Fund Balance - September 30, GAAP Basis	3,008
Fund Balance, October 1, GAAP Basis	9,314
Fund Balance, September 30, GAAP Basis	$ 12,322

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, 2021
(In Thousands)

	General Debt Service	Successor Agency Debt Service	Total Debt Service Funds
ASSETS			
Pooled Cash and Cash Equivalents	$ 16,648	$ -	$ 16,648
Non-Pooled Cash and Cash Equivalents	2,285	16,962	19,247
Total Assets	$ 18,933	$ 16,962	$ 35,895
LIABILITIES			
Deposits and Collections Held in Trust	$ 1,536	$ -	$ 1,536
Advances from Other Funds	1,600	-	1,600
Total Liabilities	3,136	-	3,136
FUND BALANCES			
Restricted	15,797	16,962	32,759
Total Fund Balance	15,797	16,962	32,759
Total Liabilities and Fund Balances	$ 18,933	$ 16,962	$ 35,895

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, 2021
(In Thousands)

	General Debt Service	Successor Agency Debt Service	Total Debt Service Funds
Revenues:			
Taxes:			
Property	$ -	$ 19,708	$ 19,708
Use of Money and Property	352	2	354
Total Revenues	352	19,710	20,062
Expenditures:			
Current:			
Community and Cultural	-	10	10
Total Current Expenditures	-	10	10
Debt Service:			
Principal	5,328	15,395	20,723
Interest	2,753	9,175	11,928
Debt Administration Fees	3	14	17
Total Expenditures	8,084	24,594	32,678
Excess of Revenues over (under) Expenditures	(7,732)	(4,884)	(12,616)
Other Financing Sources (Uses):			
Debt Issuance	-	19,765	19,765
Premium on Debt Issuance	-	4,170	4,170
Payment to Refunded Bond Escrow Agent	-	(26,300)	(26,300)
Cost of Issuance	-	(410)	(410)
Transfers In	6,381	3,117	9,498
Transfers Out	(3,645)	-	(3,645)
Total Other Financing Sources	2,736	342	3,078
Net Change in Fund Balances	(4,996)	(4,542)	(9,538)
Fund Balances - October 1	20,793	21,504	42,297
Fund Balances - September 30	$ 15,797	$ 16,962	$ 32,759

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Debt Service Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021

(In Thousands)

	General Debt Service Fund				
	Budgeted Amounts		Actual On GAAP Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Use of Money and Property	$ 400	$ 400	$ 352	$ 352	$ (48)
Charges for Services	-	-	-	-	-
Transfers In	6,501	5,772	6,381	6,381	609
Total Revenues	6,901	6,172	6,733	6,733	561
Expenditures:					
Debt Service	8,159	8,084	8,084	8,084	-
Transfers Out	3,645	3,645	(3,645)	3,645	-
Total Expenditures	11,804	11,729	4,439	11,729	-
Net Change in Budgetary Fund Balance	$ (4,903)	$ (5,557)	$ 2,294	$ (4,996)	$ 561
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis				$ (4,996)	
Add: Encumbrances				-	
Change in Fund Balance - September 30, GAAP Basis				(4,996)	
Fund Balance, October 1, GAAP Basis				20,793	
Fund Balance, September 30, GAAP Basis				$ 15,797	

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Debt Service Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021

(In Thousands)

	Successor Agency Debt Service Fund				
	Budgeted Amounts		Actual On GAAP Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Property Taxes	$ 30,162	$ 30,162	19,708	$ 19,708	$ (10,454)
Use of Money and Property	-	2,850	2	2	(2,848)
Debt Issuance	-	19,765	19,765	19,765	-
Premium on Issuance of Debt	-	4,170	4,170	4,170	-
Transfers In	-	-	3,117	3,117	3,117
Total Revenues	30,162	56,947	46,762	46,762	(10,185)
Expenditures:					
Community and Cultural	-	-	10	10	(10)
Debt Service	26,369	27,546	24,584	24,584	2,962
Payment to Refunded Bond Escrow Agent	-	26,300	26,300	26,300	-
Cost of Issuance	-	485	410	410	75
Total Expenditures	26,369	54,331	51,304	51,304	3,027
Net Change in Budgetary Fund Balance	$ 3,793	$ 2,616	$ (4,542)	$ (4,542)	$ (7,158)

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ (4,542)
Add: Encumbrances	-
Change in Fund Balance - September 30, GAAP Basis	(4,542)
Fund Balance, October 1, GAAP Basis	21,504
Fund Balance, September 30, GAAP Basis	$ 16,962

See accompanying Independent Auditors' Report

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NONMAJOR CAPITAL PROJECTS FUND

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

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

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

City of Long Beach
Nonmajor Capital Project Funds
Combining Balance Sheet
September 30, 2021
(In Thousands)

	Special Assessment Capital Projects	Successor Agency Capital Projects	Total Capital Projects Funds
ASSETS			
Pooled Cash and Cash Equivalents	$ 1,776	$ 8,502	$ 10,278
Non-Pooled Cash and Cash Equivalents	33	33	66
Receivables:			
Accounts Receivable	-	837	837
Other Noncurrent Receivables	-	5,826	5,826
Total Assets	$ 1,809	$ 15,198	$ 17,007
LIABILITIES			
Accounts Payable	$ -	$ 256	$ 256
Unearned Revenues	-	31	31
Deposits and Collections Held in Trust	-	100	100
Total Liabilities	-	387	387
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources	-	5,821	5,821
FUND BALANCES			
Restricted	1,809	8,990	10,799
Total Fund Balance	1,809	8,990	10,799
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,809	$ 15,198	$ 17,007

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, 2021
(In Thousands)

	Special Assessment Capital Projects	Successor Agency Capital Projects	Total Capital Projects Funds
Revenues:			
Taxes:			
Property	$ -	$ 512	$ 512
Use of Money and Property	-	329	329
Other	-	1,155	1,155
Total Revenues	-	1,996	1,996
Expenditures:			
Current:			
Community and Cultural	-	1,110	1,110
Total Current Expenditures	-	1,110	1,110
Excess of Revenues Over (under) Expenditures	-	886	886
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Asset	-	826	826
Transfers Out	(28)	(3,117)	(3,145)
Total Other Financing Sources (Uses)	(28)	(2,291)	(2,319)
Net Change in Fund Balances	(28)	(1,405)	(1,433)
Fund Balances - October 1	1,837	10,395	12,232
Fund Balances - September 30	$ 1,809	$ 8,990	$ 10,799

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Capital Projects Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Special Assessment Capital Projects Fund			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Use of Money and Property	$ 15	$ 15	$ -	$ (15)
Total Revenues	15	15	-	(15)
Expenditures:				
Transfers Out	-	-	28	28
Total Expenditures	-	-	28	28
Net Change in Budgetary Fund Balance	15	15	(28)	$ (43)

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis	
Change in Fund Balance - September 30, Budgetary Basis	$ (28)
Add: Encumbrances	-
Change in Fund Balance - September 30, GAAP Basis	(28)
Fund Balance, October 1, GAAP Basis	1,837
Fund Balance, September 30, GAAP Basis	$ 1,809

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Capital Projects Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Succesor Agency Capital Projects Fund			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	$ 3,000	$ 3,000	$ 512	$ (2,488)
Licenses and Permits	15	15	-	(15)
Use of Money and Property	797	797	329	(468)
Other - Proceeds from Sale of Capital Asset	-	-	826	826
Other Revenues	408	408	1,155	747
Total Revenues	4,220	4,220	2,822	(1,398)
Expenditures:				
General Government	2	-	-	-
Community and Cultural	4,220	4,187	1,110	3,077
Transfers Out	-	-	3,117	(3,117)
Total Expenditures	4,222	4,187	4,227	(40)
Net Change in Budgetary Fund Balance	(2)	33	(1,405)	$ (1,438)

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ (1,405)
Add: Encumbrances	-
Change in Fund Balance - September 30, GAAP Basis	(1,405)
Fund Balance, October 1, GAAP Basis	10,395
Fund Balance, September 30, GAAP Basis	$ 8,990

See accompanying Independent Auditors' Report

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NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

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

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

City of Long Beach
Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2021
(In Thousands)

	Tideland Oil Revenue	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Total Nonmajor Proprietary Funds
ASSETS								
Current Assets:								
Pooled Cash and Cash Equivalents	$ 51,905	$12,565	$ 50,384	$ 23,382	$ 1,467	$ 191,150	$ 36,685	$ 367,538
Non-Pooled Cash and Cash Equivalents	-	-	6,977	3	2	-	-	6,982
Receivables:								
Interest Receivable	-	-	31	-	-	1	-	32
Accounts Receivable	18,745	1,304	3,200	8,538	213	-	-	32,000
Due from Other Governments	-	-	2,935	172	-	-	589	3,696
Due from Other Funds	1,478	-	703	107	37	500	-	2,825
Allowance for Receivables	-	(156)	(138)	(1,975)	(205)	-	(1,638)	(4,112)
Inventory	-	185	-	-	-	-	-	185
Other Assets - Current	10	-	-	-	-	-	-	10
Total Current Assets	72,138	13,898	64,092	30,227	1,514	191,651	35,636	409,156
Noncurrent Assets:								
Restricted Noncurrent Assets:								
Non-Pooled Investments	-	-	7,449	-	-	-	-	7,449
Noncurrent Receivables								
Advances to Other Funds	-	-	-	-	-	114	-	114
Capital Assets:								
Land and Other Capital Assets Not Being Depreciated	-	8,151	64,014	7,003	-	-	-	79,168
Capital Assets, Net of Accumulated Depreciation	9,083	76,792	239,540	6,842	-	-	14	332,271
Total Noncurrent Assets	9,083	84,943	311,003	13,845	-	114	14	419,002
Total Assets	81,221	98,841	375,095	44,072	1,514	191,765	35,650	828,158
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows of Resources	566	1,088	1,596	2,281	575	-	2,039	8,145
LIABILITIES								
Current Liabilities Payable from Current Assets								
Accounts Payable	14,356	1,126	5,216	4,327	77	-	1,276	26,378
Accrued Wages	95	156	316	365	92	-	358	1,382
Accrued Interest Payable	-	141	2,125	-	-	-	-	2,266
Due to Other Funds	106	191	345	442	96	-	1,523	2,703
Unearned Revenues	-	120	1,194	-	-	614	3,947	5,875
Collections Held in Trust	-	-	-	762	-	-	1	763
Customers Deposits	-	-	247	-	-	-	588	835
Advances from Developers	-	194	-	-	-	-	10,811	11,005
Due to State of California	5,825	-		-	-	-	-	5,825
Compensated Absences and Accrued Employee Benefits	281	459	1,061	1,008	217	-	968	3,994
Bonds Payable Due within One Year	-	390	3,310	-	-	-	-	3,700
Total Current Liabilities	20,663	2,777	13,814	6,904	482	614	19,472	64,726
Noncurrent Liabilities:								
Unearned Revenues	-	-	5,049	-	-	-	-	5,049
Accrued Oil Field Abandonment Costs	110,300	-	-	-	-	-	-	110,300
Compensated Absences and Accrued Employee Benefits	501	971	1,616	1,950	412	-	1,643	7,093
Bonds Payable	-	8,644	92,493	-	-	-	-	101,137
Total OPEB Liability	32	58	98	118	25	-	103	434
Net Pension Liability	2,699	4,097	7,405	8,612	1,920	-	9,669	34,402
Total Noncurrent Liabilities	113,532	13,770	106,661	10,680	2,357	-	11,415	258,415
Total Liabilities	134,195	16,547	120,475	17,584	2,839	614	30,887	323,141
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows of Resources	3,239	3,712	6,972	7,559	1,666	-	9,570	32,718
NET POSITION								
Net Investment in Capital Assets	9,083	74,876	214,637	13,845	-	-	14	312,455
Restricted for:								
Debt Service	-	304	4,075	-	-	-	-	4,379
Capital Projects	-	-	28,063	-	-	-	-	28,063
Airport	-	-	9,636	-	-	-	-	9,636
Subsidence	-	-	-	-	-	191,151	-	191,151
Unrestricted	(64,730)	4,490	(7,167)	7,365	(2,416)	-	(2,782)	(65,240)
Total Net Position	$ (55,647)	$79,670	$ 249,244	$ 21,210	$(2,416)	$ 191,151	$ (2,768)	$ 480,444

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Tideland Oil Revenue	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Total Nonmajor Proprietary Funds
Operating Revenues:								
Licenses and Permits	-	-	-	2,545	-	-	15,861	18,406
Fines and Forfeitures	-	-	15	-	-	-	-	15
Fees, Concessions and Rentals	95,009	-	28,527	-	-	-	-	123,536
From Other Agencies	-	-	821	482	-	-	1,032	2,335
Charges for Services	4,133	18,197	222	79,318	6,140	-	1,548	109,558
Other	-	86	-	377	-	-	229	692
Total Operating Revenues	99,142	18,283	29,585	82,722	6,140	-	18,670	254,542
Operating Expenses:								
Personnel Services	1,472	3,255	7,738	12,743	2,354	-	9,123	36,685
Maintenance and Other Operations	4,850	7,145	22,629	63,643	2,202	-	13,237	113,706
Rental Expense	-		-	184				184
Payments to Other Entities	69,919	-	-	-	-	-	-	69,919
Depreciation	330	2,842	14,827	772	-	-	11	18,782
Total Operating Expenses	76,571	13,242	45,194	77,342	4,556	-	22,371	239,276
Operating Income (Loss)	22,571	5,041	(15,609)	5,380	1,584	-	(3,701)	15,266
Non-Operating Income (Expenses):								
Interest Income	-	-	-	-	8	-	-	8
Interest Expense	-	(244)	(6,304)	(36)	-	(287)	(150)	(7,021)
Gain (Loss) on Disposition of Capital Assets	-	-	-	1	-	-	-	1
Oil Field Abandonment Costs	(7,700)	-	-	-	-	-	-	(7,700)
Operating Grants	-	-	91	-	-	-	-	91
Other Income	2	1,330	1,314	-	-	500	-	3,146
Other Expense	-	(1,406)	(4)	(3)	(3)	-	-	(1,416)
Total Non-Operating Income (Expenses)	(7,698)	(320)	(4,903)	(38)	5	213	(150)	(12,891)
Income Before Contributions	14,873	4,721	(20,512)	5,342	1,589	213	(3,851)	2,375
Capital Grants and Contributions	-	189	25,342	-	-	-	-	25,531
Transfers:								
Transfers In	5,700	-	-	292	-	-	-	5,992
Transfers Out	(13,495)	-	-	(599)	-	-	(2,404)	(16,498)
Change in Net Position	7,078	4,910	4,830	5,035	1,589	213	(6,255)	17,400
Net Position - October 1	(62,725)	74,760	244,414	16,175	(4,005)	190,938	3,487	463,044
Net Position - September 30	$ (55,647)	$ 79,670	$ 249,244	$ 21,210	$ (2,416)	$ 191,151	$ (2,768)	$ 480,444

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2021
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	Tideland Oil Revenue	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities:								
Receipts from Customers	$ 6,275	$ 18,300	$ 26,646	$ 81,377	$ 6,358	$ -	$ 19,100	$ 158,056
Receipts from Oil Companies	91,717	-	-	-	-	-		91,717
Receipts from Other Entities	-	-	16,165	482	-	-	-	16,647
Receipts from Other Funds	-	-	67	693	-	-	-	760
Payments for Employee Salaries	(3,278)	(4,683)	(10,767)	(15,985)	(2,988)	-	(13,474)	(51,175)
Payments for Goods and Services	-	(7,713)	(28,853)	(65,798)	(2,154)	-	(13,349)	(117,867)
Payments to Other Funds	(1,141)	-	-	-	-	-	-	(1,141)
Payments to Other Entities	(75,136)	-	-	-	-	-	-	(75,136)
Other Income	2	1,292	158	-	-	-	-	1,452
Other Expense	-	(1,406)	(4)	(3)	(3)	-	-	(1,416)
Net Cash Provided by (Used for) Operating Activities	18,439	5,790	3,412	766	1,213	-	(7,723)	21,897
Cash Flows from Non-Capital Financing Activities:								
Operating Grants Received from Other Governments	-	-	91	-	-	-	-	91
Operating Subsidies Paid to Other Funds		-	-	(29)	-	-		(29)
Transfers In	5,700	-	-	292	-	-	-	5,992
Transfers Out	(13,495)	-	-	(599)	-	-	(2,404)	(16,498)
Net Cash Used for Non-Capital Financing Activities	(7,795)	-	91	(336)	-	-	(2,404)	(10,444)
Cash Flows from Capital and Related Financing Activities:								
Proceeds from the Sale of Capital Assets	-	-	-	1	-	-	-	1
Receipts of Contributed Capital	-	189	21,873	-	-	-	-	22,062
Receipts from Passenger Facility Charges	-	-	3,469	-	-	-	-	3,469
Receipts of Federal Subsidy	-	-	1,156	-	-	-	-	1,156
Payments for Capital Acquisitions	-	(6,421)	(39,717)	(2,182)	-	-	(224)	(48,544)
Payments of Principal on Bonds Payable	-	(375)	(3,157)	-	-	-	-	(3,532)
Payments of Interest	-	(354)	(6,010)	-	-	-	-	(6,364)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(6,961)	(22,386)	(2,181)	-	-	(224)	(31,752)
Cash Flows from Investing Activities:								
Proceeds from Sale of Investments	-	-	1,238	-	-	-	-	1,238
Payments of Interest	-	(19)	(237)	(36)	8	213	(150)	(221)
Net Cash Provided by (Used for) Investing Activities	-	(19)	1,001	(36)	8	213	(150)	1,017
Net Increase (Decrease) in Cash and Cash Equivalents	10,644	(1,190)	(17,882)	(1,787)	1,221	213	(10,501)	(19,282)
Cash and Cash Equivalents - October 1	41,261	13,755	75,243	25,172	248	190,937	47,186	393,802
Cash and Cash Equivalents - September 30	$ 51,905	$ 12,565	$ 57,361	$ 23,385	$ 1,469	$ 191,150	$ 36,685	$ 374,520
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:								
Operating Income (Loss)	$ 22,571	$ 5,041	(15,609)	$ 5,380	$ 1,584	$ -	$ (3,701)	$ 15,266
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:								
Operating Activities:								
Depreciation and Amortization Expense	330	2,842	14,827	772	-	-	11	18,782
Other Income	2	1,404	158	-	-	-	-	1,564
Other Expense	-	(1,406)	(4)	(3)	(3)	-	-	(1,416)
(Increase) Decrease in Accounts Receivable, Net	(7,319)	(196)	(1,742)	(787)	7	-	1,774	(8,263)
Increase in Amounts Due from Other Governments	(3,247)	-	15,344	-	-	-	-	12,097
(Increase) Decrease in Amounts Due from Other Funds	(1,141)	57	67	693	211	500	-	387
Increase in Other Operating Assets	6	-	-	-	-	-	-	6
Increase (Decrease) in Accounts Payable	11,119	(581)	(6,194)	(1,747)	35	-	141	2,773
Increase (Decrease) in Accrued Wages Payable	(1,806)	(1,429)	(3,029)	(3,242)	(634)	-	(4,351)	(14,491)
Increase in Amounts Due to Other Funds	(1,970)	11	-	(224)	13	-	(253)	(2,423)
Increase (Decrease) in Unearned Revenues	-	120	(376)	-	-	(500)	(338)	(1,094)
Increase in Collections Held in Trust	(106)	(73)	(30)	(76)	-	-	(1,006)	(1,291)
Total Adjustments	(4,132)	749	19,021	(4,614)	(371)	-	(4,022)	6,631
Net Cash Provided by (Used for) Operating Activities	$ 18,439	$ 5,790	$ 3,412	$ 766	$ 1,213	$ -	$ (7,723)	$ 21,897
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:								
Accrued Oilfield Abandonment Costs	$ 7,700	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,700

See accompanying Independent Auditors' Report

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

City of Long Beach
Internal Service Funds
Combining Statement of Net Position (Deficit)
September 30, 2021
(In Thousands)

	Civic Center	General Services	Fleet Services	Workers' Compensation Insurance	General Liability Insurance	Employee Benefits	Total Internal Service Funds
ASSETS							
Current Assets:							
Pooled Cash and Cash Equivalents	$ 247	$ 25,276	$ 53,197	$ 38,154	$ 724	$ 29,201	$ 146,799
Non-Pooled Cash and Cash Equivalents	-	1,578	-	-	-	-	1,578
Receivables:							
Accounts Receivable	-	1,266	31	-	-	235	1,532
Due from Other Governments	-	-	30	-	-	-	30
Due from Other Funds	118	2,387	613	1,637	-	22,578	27,333
Allowance for Receivables	-	-	(24)	-	-	-	(24)
Deposits	-	-	-	-	-	9,365	9,365
Inventory	-	-	3,119	-	-	-	3,119
Total Current Assets	365	30,507	56,966	39,791	724	61,379	189,732
Noncurrent Assets:							
Noncurrent Receivables:							
Advances to Other Funds	-	-	1,600	-	-	4,087	5,687
Capital Assets:							
Land and Other Capital Assets Not Being Depreciated	28,110	14,169	-	-	-	-	42,279
Capital Assets, Net of Accumulated Depreciation	319,351	47,447	67,251	3	6	-	434,058
Other Assets - Long-Term	6,375	-	-	-	-	-	6,375
Total Noncurrent Assets	353,836	61,616	68,851	3	6	4,087	488,399
Total Assets	354,201	92,123	125,817	39,794	730	65,466	678,131
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows of Resources	84	4,160	2,389	862	601	1,255	9,351
LIABILITIES							
Current Liabilities Payable from Current Assets:							
Accounts Payable	1,521	2,072	4,874	81	1,097	6,496	16,141
Accrued Wages and Benefits	13	607	306	351	100	5,661	7,038
Accrued Interest Payable	-	600	126	-	-	47	773
Due to Other Funds	5,015	684	315	395	112	-	6,521
Collections Held in Trust	-	-	-	-	-	4,097	4,097
Compensated Absences and Accrued Employee Benefits	-	1,898	824	342	363	3,368	6,795
Accrued Claims - Current	-	-	-	20,482	11,123	-	31,605
Environmental Remediation - Current	-	-	175	-	-	-	175
Obligations under Capital Leases - Current	-	7,493	1,637	-	-	-	9,130
Bonds Payable Due within One Year	-	-	1,612	-	-	-	1,612
Other Long Term Obligation - Current	5,189	-	-	-	-	-	5,189
Total Current Liabilities	11,738	13,354	9,869	21,651	12,795	19,669	89,076
Noncurrent Liabilities:							
Compensated Absences and Accrued Employee Benefits	-	3,967	2,143	611	442	692	7,855
Accrued Claims	-	-	-	111,598	33,182	-	144,780
Environmental Remediation	-	-	725	-	-	-	725
Obligations under Capital Lease	-	25,390	4,423	-	-	-	29,813
Other Long Term Obligations	284,576	-	-	-	-	-	284,576
Bonds Payable	-	-	16,340	-	-	-	16,340
OPEB Liability	-	237	126	39	27	43	472
Net Pension Liability	442	15,812	6,777	4,038	2,448	3,917	33,434
Total Noncurrent Liabilities	285,018	45,406	30,534	116,286	36,099	4,652	517,995
Total Liabilities	296,756	58,760	40,403	137,937	48,894	24,321	607,071
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources	775	13,991	6,534	3,823	2,159	3,984	31,266
NET POSITION (DEFICIT)							
Net Investment in Capital Assets	57,312	30,074	43,239	3	6	-	130,634
Restricted for:							
Capital Projects	-	1,395	-	-	-	-	1,395
Insurance	-	-	-	-	-	18,611	18,611
Unrestricted	(558)	(7,937)	38,030	(101,107)	(49,728)	19,805	(101,495)
Total Net Position (Deficit)	$ 56,754	$ 23,532	$ 81,269	$ (101,104)	$ (49,722)	$ 38,416	$ 49,145

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, 2021

(In Thousands)

	Civic Center	General Services	Fleet Services	Workers' Compensation Insurance	General Liability Insurance	Employee Benefits	Total Internal Service Funds
Operating Revenues:							
Billing to Other Departments	$ 22,675	$ 53,402	$ 41,539	$ 30,222	$ 26,541	$ 305,867	$ 480,246
Other	-	5,029	372	66	320	-	5,787
Total Operating Revenues	22,675	58,431	41,911	30,288	26,861	305,867	486,033
Operating Expenses:							
Personnel Services	-	16,208	7,161	3,751	2,948	5,007	35,075
Maintenance and Other Operations	11,329	29,924	16,248	2,646	4,303	3,368	67,818
Insurance Premiums	-	-	-	-	10,508	-	10,508
Self-Insured Losses	-	-	-	8,133	4,434	-	12,567
Compensated Absences	-	-	-	7,051	-	53,931	60,982
Employee Benefits	-	-	-	-	-	266,180	266,180
Depreciation	9,119	8,634	12,532	3	1	-	30,289
Total Operating Expenses	20,448	54,766	35,941	21,584	22,194	328,486	483,419
Operating Income (Loss)	2,227	3,665	5,970	8,704	4,667	(22,619)	2,614
Non-Operating Income (Expenses):							
Interest Income	-	-	-	-	1	-	1
Interest Expense	(5,542)	(1,877)	(1,177)	(23)	-	(1,278)	(9,897)
Gain (Loss) on Disposition of Capital Assets	-	(9)	908	-	-	-	899
Operating Grants	-	984	-	-	-	-	984
Other Income	166	-	1,443	-	-	-	1,609
Other Expense	-	(50)	(715)	-	-	(848)	(1,613)
Total Non-Operating Income (Expenses)	(5,376)	(952)	459	(23)	1	(2,126)	(8,017)
Income (Loss) before Contributions and Transfers	(3,149)	2,713	6,429	8,681	4,668	(24,745)	(5,403)
Transfers:							
Transfers In	6,621	5,828	746	-	-	-	13,195
Transfers Out	-	(3,814)	-	-	-	(49,380)	(53,194)
Change in Net Position	3,472	4,727	7,175	8,681	4,668	(74,125)	(45,402)
Net Position (Deficit) - October 1, as adjusted	53,282	18,805	74,094	(109,785)	(54,390)	112,541	94,547
Net Position (Deficit) - September 30	$ 56,754	$ 23,532	$ 81,269	$ (101,104)	$ (49,722)	$ 38,416	$ 49,145

See accompanying Independent Auditors' Report

City of Long Beach
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2021
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Civic Center	General Services	Fleet Services	Workers' Compensation Insurance	General Liability Insurance	Employee Benefits	Total Internal Service Funds
Cash Flows from Operating Activities:							
Receipts from Customers	$ -	$ 5,029	$ 63	$ -	$ -	$ -	$ 5,092
Receipts from Other Funds	26,559	52,140	41,299	37,749	28,369	322,397	508,513
Receipts from Other Entities	(357)	(690)	(718)	114	(6,623)	-	(8,274)
Payments for Employee Salaries	(10)	(16,561)	(7,261)	(3,769)	(2,976)	(17,235)	(47,812)
Payments for Goods and Services	(13,603)	(31,009)	(13,588)	(2,784)	(3,935)	-	(64,919)
Payments for Compensated Absences	-	(46)	(23)	(7,033)	588	(53,458)	(59,972)
Payments for Employee Benefits	(770)	(5,558)	(2,791)	(1,941)	(1,098)	(278,290)	(290,448)
Payments for Liability Claims	-	-	-	(13,038)	(13,688)	-	(26,726)
Other Income	-	-	1,443	-	-		1,443
Other Expense	-	(50)	(715)	-	-	(848)	(1,613)
Net Cash Provided by (Used for) Operating Activities	11,819	3,255	17,709	9,298	637	(27,434)	15,284
Cash Flows from Non-Capital Financing Activities:							
Other Income	166	-	-	-	-	-	166
Operating Grants Received from Other Governments	-	984	-	-	-	-	984
Operating Subsidies Paid to Other Funds	-	(3,814)	-	-	-	(49,380)	(53,194)
Operating Subsidies Received from Other Funds	6,621	5,828	746	-	-	-	13,195
Net Cash Provided by (Used for) Non-Capital Financing Activities	6,787	2,998	746	-	-	(49,380)	(38,849)
Cash Flows from Capital and Related Financing Activities:							
Proceeds from the Sale of Capital Assets	-	-	954	-	-	-	954
Payments for Capital Acquisitions	(7,768)	(4,551)	(12,056)	-	-	-	(24,375)
Payments of Principal on Bonds Payable	-	-	(1,542)	-	-	(6,765)	(8,307)
Payments of Principal on Other Long-Term Obligations	(5,099)	(4,160)	(1,873)	-	-	-	(11,132)
Payments of Interest	(5,542)	(1,624)	(908)	-	-	(431)	(8,505)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(18,409)	(10,335)	(15,425)	-	-	(7,196)	(51,365)
Cash Flows from Investing Activities:							
Payments of Interest	-	(258)	(479)	(23)	1	(1,247)	(2,006)
Net Cash Provided by (Used for) Investing Activities	-	(258)	(479)	(23)	1	(1,247)	(2,006)
Net Decrease in Cash and Cash Equivalents	197	(4,340)	2,551	9,275	638	(85,257)	(76,936)
Cash and Cash Equivalents - October 1	50	31,194	50,646	28,879	86	114,458	225,313
Cash and Cash Equivalents - September 30	$ 247	$ 26,854	$ 53,197	$ 38,154	$ 724	$ 29,201	$ 148,377
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES							
Operating Income (Loss)	$ 2,227	$ 3,665	$ 5,970	$ 8,704	$ 4,667	$ (22,619)	$ 2,614
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Depreciation and Amortization Expense	9,119	8,634	12,532	3	1	-	30,289
Other Income	-	-	1,443	-	-	-	1,443
Other Expense	-	(50)	(715)	-	-	(848)	(1,613)
(Increase) Decrease in Accounts Receivable, Net	1,000	-	63	1	-	2,741	3,805
(Increase) Decrease in Amounts Due from Other Funds	2,884	(1,262)	(612)	7,460	1,508	(3,602)	6,376
Increase in Inventory	-	-	(259)	-	-	-	(259)
Decrease in Other Operating Assets	125	-	-	-	-	29,244	29,369
Increase (Decrease) in Accounts Payable	(2,399)	(5,957)	2,919	(138)	368	(8,620)	(13,827)
Increase (Decrease) in Accrued Wages Payable	(780)	(1,085)	(2,914)	(1,941)	(538)	(15,367)	(22,625)
Increase (Decrease) in Amounts Due to Other Funds	(357)	(690)	(718)	114	(6,623)	(8,971)	(17,245)
Increase in Accrued Claims Payable	-	-	-	(4,905)	1,254	-	(3,651)
Increase in Collections Held in Trust	-	-	-	-	-	608	608
Total Adjustments	9,592	(410)	11,739	594	(4,030)	(4,815)	12,670
Net Cash Provided by (Used for) Operating Activities	$ 11,819	$ 3,255	$ 17,709	$ 9,298	$ 637	$ (27,434)	$ 15,284
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:							
Borrowing under Capital Lease or Other Long-term Debt	$ 99,287	$ -	$ -	$ -	$ -	$ -	$ 99,287

See accompanying Independent Auditors' Report

FIDUCIARY FUNDS

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

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

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

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

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

City of Long Beach
Combining Statement of Fiduciary Net Position
Custodial Funds
September 30, 2021
(In Thousands)

	Belmont Shore Parking District	Taxes Oil Rights	Special Assessment Districts	Intermodal Container Transfer Facility JPA
ASSETS:				
Pooled Cash and Cash Equivalents	$ 89	$ 1,819	$ 501	$ 6,500
Non-pooled Investments	-	-	1,095	-
Non-Pooled Cash and Cash Equivalents	-	-	8,478	-
Property Taxes Receivable, Net	-	-	19	-
Interest Receivable	-	-	30	-
Accounts Receivable	-	-	-	-
Prepaid Expense	-	-	-	-
Land	-	-	-	-
Total Assets	89	1,819	10,123	6,500
LIABILITIES:				
Accounts Payable	89	-	-	-
Total Liabilities	89	-	-	-
NET POSITION:				
Held in Trust	$ -	$ 1,819	$ 10,123	$ 6,500

City of Long Beach
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Belmont Shore Parking District	Taxes Oil Rights	Special Assessment Districts	Intermodal Container Transfer Facility JPA
ADDITIONS:				
Contributions	$ -	$ -	$ 430	$ 4,261
Taxes	-	-	5,242	-
Grants	-	-	-	-
Use of Money and Property	-	14	40	78
Miscellaneous Revenue	-	-	8	-
Total Additions	-	14	5,720	4,339
DEDUCTIONS:				
Administrative Expense	-	-	12	-
Payments to Bond Holders	-	-	5,344	6,000
Payments to Others	-	-	227	-
Total Deductions	-	-	5,583	6,000
Change in Net Position	-	14	137	(1,661)
Net Position, October 1	-	1,805	9,986	8,161
Net Position, September 30	$ -	$ 1,819	$ 10,123	$ 6,500

See accompanying Independent Auditors' Report

Earthquake Assessment District	Los Cerritos Wetlands Authority	Other Custodial Funds	Total Custodial Funds	
				ASSETS:
$ 826	$ -	$ 3,424	$ 13,159	Pooled Cash and Cash Equivalents
-	-	-	1,095	Non-pooled Investments
-	241	-	8,719	Non-Pooled Cash and Cash Equivalents
1	-	127	147	Property Taxes Receivable
-	-	-	30	Interest Receivable
-	185	873	1,058	Accounts Receivable
-	8	-	8	Prepaid Expense
-	11,000	-	11,000	Land
827	11,434	4,424	35,216	Total Assets
				LIABILITIES:
-	166	53	308	Accounts Payable
-	166	53	308	Total Liabilities
				NET POSITION:
$ 827	$ 11,268	$ 4,371	$ 34,908	Held in Trust

Earthquake Assessment District	Los Cerritos Wetlands Authority	Other Custodial Funds	Total Custodial Funds	
				ADDITIONS:
$ -	$ 39	$ -	$ 4,730	Contributions
-	-	5,367	10,609	Taxes
-	356	-	356	Grants
-	64	38	234	Use of Money and Property
-	44	-	52	Miscellaneous Revenue
-	503	5,405	15,981	Total Additions
				DEDUCTIONS:
1	-	-	13	Administrative Expense
-	-	-	11,344	Payments to Bond Holders
-	430	4,719	5,376	Payments to Others
1	430	4,719	16,733	Total Deductions
(1)	73	686	(752)	Change in Net Position
828	11,195	3,685	35,660	Net Position, October 1
$ 827	$ 11,268	$ 4,371	$ 34,908	Net Position, September 30

See accompanying Independent Auditors' Report

City of Long Beach
Fiduciary Funds
Private Purpose Trust Funds
Combining Statement of Net Position
September 30, 2021
(In Thousands)

	Miller Library	Mayor's Fund for the Homeless	Total September 30, 2021
ASSETS			
Pooled Cash and Cash Equivalents	$ 613	$ 5	$ 618
NET POSITION			
Held in Trust for Private Purpose Trust Funds	$ 613	$ 5	$ 618

City of Long Beach
Fiduciary Funds
Private Purpose Trust Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Miller Library	Mayor's Fund for the Homeless	Total September 30, 2021
Additions:			
Use of Money and Property	$ -	$ -	$ -
Deductions:			
Administrative Expense	37	-	37
Change in Net Position	(37)	-	(37)
Net Position, October 1	650	5	655
Net Position, September 30	$ 613	$ 5	$ 618

See accompanying Independent Auditors' Report

OTHER SUPPLEMENTARY INFORMATION

City of Long Beach
General Fund
Combining Balance Sheet
September 30, 2021
(In Thousands)

	General Fund	Uplands Oil Fund	Eliminations	Total Combined General Fund
ASSETS				
Pooled Cash and Cash Equivalents	$ 159,522	$ 12,815	$ -	$ 172,337
Non-Pooled Cash and Cash Equivalents	1,373	-	-	1,373
Receivables:				
Property Taxes	113,077	-	-	113,077
Accounts Receivable	27,673	1,420	-	29,093
Due from Other Governments	40,851	-	-	40,851
Due from Other Funds	29,972	1,543	(1,543)	29,972
Allowance for Receivables	(8,890)	-	-	(8,890)
Other Assets	2,127	-	-	2,127
Total Assets	$ 365,705	$ 15,778	$ (1,543)	$ 379,940
LIABILITIES				
Accounts Payable	15,364	200	-	15,564
Accrued Wages and Benefits Payable	11,677	-	-	11,677
Due to Other Governments	251	-	-	251
Due to Other Funds	58,836	-	(1,543)	57,293
Unearned Revenues	6,138	-	-	6,138
Deposits and Collections Held in Trust	3,819	-	-	3,819
Advances from Other Funds	114	-	-	114
Total Liabilities	96,199	200	(1,543)	94,856
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	112,403	-	-	112,403
FUND BALANCES				
Nonspendable	2,127	-	-	2,127
Restricted	2,836	-	-	2,836
Committed	60,965	15,578	-	76,543
Assigned	107,658	-	-	107,658
Unassigned	(16,483)	-	-	(16,483)
Total Fund Balances	157,103	15,578	-	172,681
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 365,705	$ 15,778	$ (1,543)	$ 379,940

See accompanying Independent Auditors' Report

City of Long Beach
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	General Fund	Uplands Oil Fund	Eliminations	Total Combined General Fund
Revenues:				
Taxes:				
Property	$ 200,359	$ -	$ -	$ 200,359
Sales	148,449	-	-	148,449
Utility Users	38,546	-	-	38,546
Other Taxes	30,404	-	-	30,404
Franchise Fees	23,734	-	-	23,734
Licenses and Permits	36,550	-	-	36,550
Fines and Forfeitures	14,395	-	-	14,395
Use of Money and Property	18,811	11,190	-	30,001
From Other Agencies	8,482	-	-	8,482
Charges for Services	39,646	-	-	39,646
Other	5,391	-	-	5,391
Total Revenues	564,767	11,190	-	575,957
Expenditures:				
Legislative and Legal	16,537	-	-	16,537
General Government	34,860	-	-	34,860
Public Safety	408,803	-	-	408,803
Public Health	19,885	-	-	19,885
Community and Cultural	53,645	-	-	53,645
Public Works	58,535	-	-	58,535
Oil Operations	-	2,446	-	2,446
Total Current Expenditures	592,265	2,446	-	594,711
Capital Improvements	24,765	-	-	24,765
Debt Service:				
Principal	1,436	-	-	1,436
Interest	42	-	-	42
Debt Administration Fees	9	-	-	9
Total Expenditures	618,517	2,446	-	620,963
Excess of Revenues over Expenditures	(53,750)	8,744	-	(45,006)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Asset	713	-	-	713
Transfers In	178,264	1,543	(9,138)	170,669
Transfers Out	(91,130)	(7,633)	9,138	(89,625)
Total Other Financing Sources (Uses)	87,847	(6,090)	-	81,757
Net Change in Fund Balances	34,097	2,654	-	36,751
Fund Balances - October 1	123,006	12,924	-	135,930
Fund Balances - September 30	$ 157,103	$ 15,578	$ -	$ 172,681

See accompanying Independent Auditors' Report

City of Long Beach
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Final Amended Budget			Actual on Budgetary Basis		CalPERS Prepayment Expense	Combined Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	General	Uplands Oil	Combined	General	Uplands			
Revenues:								
Property Taxes	$ 189,843	$ -	$ 189,843	$ 200,359	$ -	$ -	$ 200,359	$ 10,516
Sales Taxes	129,427	-	129,427	148,449	-	-	148,449	19,022
Utility Users Taxes	34,905	-	34,905	38,546	-	-	38,546	3,641
Other Taxes	32,491	-	32,491	30,404	-	-	30,404	(2,087)
Franchise Fees	27,079	-	27,079	23,734	-	-	23,734	(3,345)
Licenses and Permits	31,788	-	31,788	36,550	-	-	36,550	4,762
Fines and Forfeitures	19,379	-	19,379	14,395	-	-	14,395	(4,984)
Use of Money and Property	21,457	9,771	31,228	18,811	11,190	-	30,001	(1,227)
From Other Agencies	6,580	-	6,580	8,482	-	-	8,482	1,902
Charges for Services	8,402	-	8,402	39,646	-	-	39,646	31,244
Other	1,163	-	1,163	5,391	-	-	5,391	4,228
Proceeds from Sale of Capital Asset	-	-	-	713	-	-	713	713
Transfers In	44,719	-	44,719	169,126	1,543	-	170,669	125,950
Total Revenues	547,233	9,771	557,004	734,606	12,733	-	747,339	190,335
Expenditures:								
Current:								
Legislative and Legal								
Mayor and City Council	7,793	-	7,793	6,915	-	(756)	6,159	1,634
City Attorney	3,604	-	3,604	4,328	-	(786)	3,542	62
City Clerk	6,340	-	6,340	5,294	-	(357)	4,937	1,403
General Government								
City Auditor	3,024	-	3,024	3,374	-	(381)	2,993	31
City Manager	10,209	-	10,209	10,057	-	(924)	9,133	1,076
Civil Service	3,223	-	3,223	3,615	-	(405)	3,210	13
Financial Management	61,832	-	61,832	16,473	-	(2,248)	14,225	47,607
Planning and Building	1,867	-	1,867	2,122	-	(412)	1,710	157
Public Safety								
Police	252,373	-	252,373	260,373	-	(20,149)	240,224	12,149
Fire	113,655	-	113,655	123,380	-	(10,767)	112,613	1,042
Disaster Preparedness	12,706	-	12,706	14,342	-	(1,692)	12,650	56
City Prosecutor	7,128	-	7,128	7,169	-	(924)	6,245	883
Planning and Building-Code Enforcement	3,371	-	3,371	4,397	-	(665)	3,732	(361)
Public Health	39,423	-	39,423	20,584	-	(340)	20,244	19,179
Community and Cultural								
Development Services	7,275	-	7,275	679	-	-	679	6,596
Library	20,608	-	20,608	20,690	-	(1,549)	19,141	1,467
Parks and Recreation	34,103	-	34,103	32,407	-	(2,283)	30,124	3,979
Public Works	93,049	-	93,049	58,669	-	(4,741)	53,928	39,121
Oil Operations	-	3,302	3,302	-	2,446	-	2,446	856
Capital Outlay	24,539	-	24,539	24,765	-	-	24,765	(226)
Debt Service	512	-	512	1,487	-	-	1,487	(975)
Transfers Out	45,282	6,506	51,788	81,992	7,633	-	89,625	(37,837)
Total Expendtures	751,916	9,808	761,724	703,112	10,079	(49,379)	663,812	97,912
Net Change in Budgetary Fund Balance:	$ (204,683)	$ (37)	$ (204,720)	$ 31,494	$ 2,654	$ 49,379	$ 83,527	$ 92,423

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

	General	Uplands Oil	Combined
Change in Fund Balance - September 30, Budgetary Basis	$ 31,494	$ 2,654	$ 34,148
Add: Encumbrances	2,603	-	2,603
Change in Fund Balance - September 30, GAAP Basis	34,097	2,654	36,751
Fund Balance, October 1, GAAP Basis	123,006	12,924	135,930
Fund Balance, September 30, GAAP Basis	$ 157,103	$ 15,578	$ 172,681

See accompanying Independent Auditors' Report

City of Long Beach
Measure A Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Adopted Budget	Final Amended Budget	Actual on a Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Sales Taxes	$ 62,688	$ 62,688	$ 73,485	$ 10,797
Use of Money and Property	160	160	-	(160)
Transfers In [(a)]	-	166	656	490
Total Revenues	62,848	63,014	74,141	11,127
Expenditures:				
General Government	208	208	207	1
Public Safety	37,760	38,466	38,467	(1)
Public Works	1,000	4,091	3,329	762
Transfers Out [(b)]	21,115	25,648	26,979	(1,331)
Total Expenditures	60,083	68,413	68,982	(568)
Net Change in Fund Balance (Deficit)	2,765	(5,399)	5,159	11,695
Fund Balance October 1, GAAP Basis	17,635	17,635	17,635	
Fund Balance September 30, Budgetary Basis	$ 20,400	$ 12,236	$ 22,794	

Fund Balances as of September 30, 2021		
Assigned for Subsequent year Programmed Uses, October 1	$ 17,635	
Less:		
Programmed Releases in Fiscal Year 2021 [(c)]	(10,482)	
Add:		
New Programmed Assignments as of September 30 [(d)]	5,674	
Amounts Assigned for Subsequent Year Programmed Uses		12,827
Unassigned Fund Balance		9,967
Total Measure A Fund Balance		$ 22,794

Notes:

[(a)] Amounts "transferred in" are transferred from the City's Capital Projects fund for use in authorized Measure A projects.

[(b)] Amounts "transferred out" are transferred to the City's Capital Projects fund for use in authorized Measure A projects.

[(c)] Amounts released from reserves during fiscal year to fund Measure A projects as programmed in prior fiscal years.

[(d)] Amounts reserved to fund future Measure A projects.

See accompanying Independent Auditors' Report

City of Long Beach
General Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	$ 3,000	$ 27,247	$ -	$ (27,247)
Other Taxes	1,027	1,027	-	(1,027)
Use of Money and Property	806	806	389	(417)
From Other Agencies	44,004	93,991	76,106	(17,885)
Charges for Services	-	15,120	-	(15,120)
Other	-	203	580	377
Transfers In	75,115	66,605	37,465	(29,140)
Total Revenues	123,952	204,999	114,540	(90,459)
Expenditures:				
General Government				
Financial Management	200	200	-	200
Public Works	27,827	52,397	8,569	43,828
Capital Improvements	74,968	245,435	144,766	100,669
Transfers Out	18,800	43,047	1,109	41,938
Total Expenditures	121,795	341,079	154,444	186,635
Net Change in Budgetary Fund Balance (Deficit)	$ 2,157	$ (136,080)	$ (39,904)	$ 96,176

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	$ (39,904)
Add: Encumbrances	68,563
Change in Fund Balance - September 30, GAAP Basis	28,659
Fund Balance, October 1, GAAP Basis	129,401
Fund Balance, September 30, GAAP Basis	$ 158,060

See accompanying Independent Auditors' Report

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TIDELANDS OPERATING FUND

The Tidelands Operating Fund is used to account for the various business-type operations that the City oversees in the Tidelands Trust area. These operations include the Long Beach Convention and Entertainment Center, Queen Mary, Rainbow Harbor Area, marinas, beach maintenance, and beach/water safety programs directly related to the tidelands area, including lifeguards and patrol boats.

The City has issued revenue bonds to finance the purchase of the Aquarium of the Pacific and the Rainbow Harbor Area infrastructure improvements. Each of the revenue bonds is accounted for in the City's Tidelands Fund.

Summary financial information for the consolidated Tidelands Enterprise Fund is presented on the following pages (in thousands) as of September 30, 2021:

City of Long Beach
Tidelands Operating Fund
Combining Schedule of Net Position
September 30, 2021
(In Thousands)

	Tideland Operating	Tideland Parking	Marina	Queen Mary	Aquarium of the Pacific	Total Before Elimination	Adjustments and Eliminations	Consolidated Tidelands Operating Total
ASSETS								
Current Assets:								
Pooled Cash and Cash Equivalents	$ 85,979	$ 6,460	$37,826	$ 315	$ 10,408	$140,988	$ -	$ 140,988
Non-Pooled Cash and Cash Equivalents	29	-	1,437	2,419	24,077	27,962	-	27,962
Receivables:								
Interest Receivable	1	-	30	-	30	61	-	61
Accounts Receivable	11,625	83	1,026	908	-	13,642	-	13,642
Due from Other Governments	218	-	50	-	-	268	-	268
Due from Other Funds	21,733	-	-	-	-	21,733	-	21,733
Allowance for Receivables	(1,171)	(3)	(605)	(125)	-	(1,904)	-	(1,904)
Total Current Assets	118,414	6,540	39,764	3,517	34,515	202,750	-	202,750
Noncurrent Assets:								
Non-Pooled Investments	-	-	7,296	-	8,588	15,884	-	15,884
Capital Assets:								
Land and Other Capital Assets Not Being Depreciated	53,418	-	1,992	3,442	9,900	68,752	-	68,752
Capital Assets Net of Accumulated Depreciation	146,859	8,345	102,177	3,215	16,172	276,768	-	276,768
Total Noncurrent Assets	200,277	8,345	111,465	6,657	34,660	361,404	-	361,404
Total Assets	318,691	14,885	151,229	10,174	69,175	564,154	-	564,154
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows of Resources	5,367	-	2,488	43	4,432	12,330	-	12,330
LIABILITIES								
Current Liabilities payable from Current Assets:								
Accounts Payable	3,646	176	196	357	-	4,375	-	4,375
Accrued Wages	601	8	277	-	-	886	-	886
Accrued Interest Payable	58	-	2,002	144	1,400	3,604	-	3,604
Due to Other Funds	930	9	690	-	-	1,629	-	1,629
Unearned Revenues	252	-	1,891	-	-	2,143	-	2,143
Collections Held in Trust	139	-	76	-	-	215	-	215
Customers Deposits	-	-	738	25	-	763	-	763
Compensated Absences and Accrued Employee Benefits	2,017	-	744	-	-	2,761	-	2,761
Obligations under Capital Leases - Current	41	-	-	-	-	41	-	41
Bonds Payable Due Within One Year	2,905	-	1,900	2,100	6,260	13,165	-	13,165
Other Long Term Obligation - Current	29	-	-	-	-	29	-	29
Total Current Liabilities	10,618	193	8,514	2,626	7,660	29,611	-	29,611
Noncurrent Liabilities:								
Advances from Other Funds	1,210	-	-	-	-	1,210	-	1,210
Unearned Revenues	4,403	-	123	-	-	4,526	-	4,526
Compensated Absences	5,614	-	1,000	-	-	6,614	-	6,614
Obligations under Capital Leases	185	-	-	-	-	185	-	185
Other Long Term Obligations	280	-	-	-	-	280	-	280
Bonds Payable	3,306	-	111,864	9,540	70,378	195,088	-	195,088
Total OPEB Liability	329	-	63	-	-	392	-	392
Net Pension Liability	15,034	-	7,107	-	-	22,141	-	22,141
Total Noncurrent Liabilities	30,361	-	120,157	9,540	70,378	230,436	-	230,436
Total Liabilities	40,979	193	128,671	12,166	78,038	260,047	-	260,047
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows of Resources	17,730	-	6,581	-	-	24,311	-	24,311
NET POSITION								
Net Investment in Capital Assets	191,365	8,345	(834)	(4,984)	(37,570)	156,322	-	156,322
Restricted for:								
Debt Service	26	-	382	2,431	3,088	5,927	-	5,927
Capital Projects	-	389	-	-	-	389	-	389
Tidelands	-	-	-	-	20,970	20,970	-	20,970
Unrestricted	73,958	5,958	18,917	604	9,081	108,518	-	108,518
Total Net Position	$ 265,349	$14,692	$18,465	$(1,949)	$ (4,431)	$292,126	$ -	$ 292,126

See accompanying Independent Auditors' Report

City of Long Beach
Tidelands Operating Fund
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2021
(In Thousands)

	Tideland Operating	Tideland Parking	Marina	Queen Mary	Aquarium of the Pacific	Total Before Elimination	Adjustments and Eliminations	Consolidated Tidelands Operating Total
Operating Revenues:								
Licenses and Permits	$ 71	$ 137	$ -	$ 262	$ -	$ 470	$ -	$ 470
Fines and Forfeitures	311	-	-	-	-	311	-	311
Fees, Concessions, and Rentals	5,872	8,670	25,021	-	-	39,563	-	39,563
Charges for Services	30,172	206	73	-	15,932	46,383	-	46,383
Other	4,186	-	87	-	-	4,273	-	4,273
Total Revenues	40,612	9,013	25,181	262	15,932	91,000	-	91,000
Operating Expenses:								
Personnel Services	15,959	346	6,956	-	-	23,261	-	23,261
Maintenance and Other Operations	40,395	3,387	8,763	1,941	5	54,491	-	54,491
Depreciation	9,989	1,706	6,508	421	3,222	21,846	-	21,846
Total Operating Expenses	66,343	5,439	22,227	2,362	3,227	99,598	-	99,598
Operating Income (Loss)	(25,731)	3,574	2,954	(2,100)	12,705	(8,598)	-	(8,598)
Non-Operating Income (Expense):								
Interest Income	-	46	-	13	25	84	-	84
Interest Expense	(522)	-	(5,118)	(349)	(2,600)	(8,589)	-	(8,589)
Gain (Loss) on Disposition of Fixed Assets	(2)	-	19	-	-	17	-	17
Operating Grants	19	-	50	-	-	69	-	69
Other Income	5,962	-	1,704	791	-	8,457	-	8,457
Other Expense	(865)	(1,775)	(12)	(2)	(497)	(3,151)	-	(3,151)
Total Non-Operating Income (Expense)	4,592	(1,729)	(3,357)	453	(3,072)	(3,113)	-	(3,113)
Income (Loss) before Contributions and Transfers	(21,139)	1,845	(403)	(1,647)	9,633	(11,711)	-	(11,711)
Capital Grants and Contributions	134	-	-	-	-	134	-	134
Transfers:								
Transfers In	35,228	-	-	1,971	8,573	45,772	(10,544)	35,228
Transfers Out	(14,062)	(2,182)	-	-	-	(16,244)	10,544	(5,700)
Change in Net Position	161	(337)	(403)	324	18,206	17,951	-	17,951
Net Position, October 1	265,188	15,029	18,868	(2,273)	(22,637)	274,175	-	274,175
Net Position, September 30	$ 265,349	$ 14,692	$ 18,465	$ (1,949)	$ (4,431)	$292,126	$ -	$ 292,126

See accompanying Independent Auditors' Report

City of Long Beach
Tidelands Operating Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended September 30, 2021
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Tideland Operating	Tideland Parking	Marina	Queen Mary	Aquarium of the Pacific	Eliminations Increase (Decrease)	Consolidated Tidelands Operating Total
Cash Flows from Operating Activities:							
Receipts from Customers	$ 32,986	$ 8,972	$ 25,505	$ (605)	$ 15,932	$ -	$ 82,790
Receipts from Other Funds	2,596	900	1,145	411	-	-	5,052
Payments to Other Entities	(4,680)	(797)	(87)	-	-	-	(5,564)
Payments for Employee Salaries	(23,345)	(351)	(9,914)	-	-	-	(33,610)
Payments for Goods and Services	(45,130)	(3,595)	(8,809)	(1,595)	(5)	-	(59,134)
Other Income	5,962	-	1,704	791	4,692	-	13,149
Other Expense	(865)	(1,775)	(14)	(2)	(497)	-	(3,153)
Net Cash Provided by (Used for) Operating Activities	(32,476)	3,354	9,530	(1,000)	20,122	-	(470)
Cash Flows from Non-Capital Financing Activities:							
Operating Grants Received from Other Governments	19	-	52	-	-	-	71
Transfers In	35,228	-	-	1,971	8,573	(10,544)	35,228
Transfers Out	(14,062)	(2,182)	-	-	-	10,544	(5,700)
Net Cash Provided by Non-Capital Financing Activities	21,185	(2,182)	52	1,971	8,573	-	29,599
Cash Flows from Capital and Related Financing Activities:							
Receipt of Capital Grants	134	-	-	-	-	-	134
Proceeds (Loss) from the Sale of Capital Assets	(2)	-	19	-	-	-	17
Changes Related to Capital Acquisitions	(12,977)	-	2,239	-	-	-	(10,738)
Payments of Principal on Bonds Payable	(2,770)	-	(1,998)	(2,048)	(6,055)	-	(12,871)
Payments of Principal on Other Long-Term Obligations	(66)	-	-	-	-	-	(66)
Payments of Interest, Net of Amounts Capitalized	(430)	-	(5,146)	(369)	(2,976)	-	(8,921)
Net Cash Used for Capital and Related Financing Activities	(16,111)	-	(4,886)	(2,417)	(9,031)	-	(32,445)
Cash Flows from Investing Activities:							
Proceeds from the Sale of Investments	-	-	1,322	-	177	-	1,499
Payments of Interest	(387)	46	(1)	13	28	-	(301)
Net Cash Provided by (Used for) Investing Activities	(387)	46	1,321	13	205	-	1,198
Net Increase (Decrease) in Cash and Cash Equivalents	(27,789)	1,218	6,017	(1,433)	19,869	-	(2,118)
Cash and Cash Equivalents - October 1	113,797	5,242	33,246	4,167	14,616	-	171,068
Cash and Cash Equivalents - September 30	$ 86,008	$ 6,460	$ 39,263	$ 2,734	$ 34,485	$ -	$ 168,950

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	Tideland Operating	Tideland Parking	Marina	Queen Mary	Aquarium of the Pacific	Eliminations Increase (Decrease)	Total
Operating Income (Loss)	$ (25,731)	$ 3,574	$ 2,954	$ (2,100)	$ 12,705	$ -	$ (8,598)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Depreciation and Amortization Expense	9,989	1,706	6,508	421	3,222	-	21,846
Other Income	5,962	-	1,704	791	-	-	8,457
Other Expense	(865)	(1,775)	(14)	(2)	(497)	-	(3,153)
(Increase) Decrease in Accounts Receivable, Net	(7,572)	(41)	115	(605)	-	-	(8,103)
(Increase) Decrease in Amounts Due from Other Funds	2,596	900	1,145	150	4,692	-	9,483
Decrease in Amounts Due from Other Governments	(135)	(806)	(50)	-	-	-	(991)
Increase (Decrease) in Accounts Payable	(4,734)	(208)	(98)	346	-	-	(4,694)
Increase (Decrease) in Accrued Wages Payable	(7,386)	(5)	(2,958)	-	-	-	(10,349)
Increase (Decrease) in Amounts Due to Other Funds	(4,545)	9	(37)	(1)	-	-	(4,574)
Increase in Unearned Revenues	(69)	-	123	-	-	-	54
Increase (Decrease) in Collections Held in Trust	14	-	138	-	-	-	152
Total Adjustments	(6,745)	(220)	6,576	1,100	7,417	-	8,128
Net Cash Provided by (Used for) Operating Activities	$ (32,476)	$ 3,354	$ 9,530	$ (1,000)	$ 20,122	$ -	$ (470)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:							
Amortization of Deferred Outflows on Debt Refunding	$ 44	$ -	$ -	$ -	$ (485)	$ -	$ (441)
Amortization of Bond Premium (Discount), Net	(575)	-	278	-	778	-	481

See accompanying Independent Auditors' Report

City of Long Beach
Fleet Services Fund
Combining Schedule of Net Position (Deficit)
September 30, 2021
(In Thousands)

	Fleet Operations	Fleet Vehicle Acquisitions	Fleet Debt Service	Fleet Other	Adjustments and Eliminations	Total Fleet Service Fund
ASSETS						
Current Assets:						
Pooled Cash and Cash Equivalents	$ 2,509	$ 44,723	$ 125	$ 5,840	$ -	$ 53,197
Receivables:						
Accounts Receivable	31	-	-	-	-	31
Due from Other Governments	-	-	-	30	-	30
Due from Other Funds	549	6,880	-	-	(6,816)	613
Allowance for Receivables	(24)	-	-	-	-	(24)
Inventory	3,119	-	-	-	-	3,119
Total Current Assets	6,184	51,603	125	5,870	(6,816)	56,966
Noncurrent Assets:						
Capital Assets:						
Capital Assets Net of Accumulated Depreciation	67,251	-	-	-	-	67,251
Other NonCurrent Assets	-	1,600	-	-	-	1,600
Total Noncurrent Assets	67,251	1,600	-	-	-	68,851
Total Assets	73,435	53,203	125	5,870	(6,816)	125,817
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources	1,596	-	793	-	-	2,389
LIABILITIES						
Current Liabilities Payable from Current Assets:						
Accounts Payable	1,566	2,901	-	407	-	4,874
Accrued Wages and Benefits	261	45	-	-	-	306
Accrued Interest Payable	-	5	121	-	-	126
Due to Other Funds	7,084	47	-	-	(6,816)	315
Compensated Absences	824	-	-	-	-	824
Environmental Remediation - Current	175	-	-	-	-	175
Obligations Under Capital Leases - Current	-	1,637	-	-	-	1,637
Bonds Payable Due Within One Year	-	-	1,612	-	-	1,612
Total Current Liabilities	9,910	4,635	1,733	407	(6,816)	9,869
Noncurrent Liabilities:						
Environmental Remediation	725	-	-	-	-	725
Obligations Under Capital Lease	-	4,423	-	-	-	4,423
Bonds Payable	-	-	16,340	-	-	16,340
Compensated Absences and Accrued Employee Benefits	2,143	-	-	-	-	2,143
OPEB Liability	126	-	-	-	-	126
Net Pension Liability	6,777	-	-	-	-	6,777
Total Noncurrent Liabilities	9,771	4,423	16,340	-	-	30,534
Total Liabilities	19,681	9,058	18,073	407	(6,816)	40,403
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources	6,534	-	-	-	-	6,534
NET POSITION (DEFICIT)						
Net Investment in Capital Assets	67,251	(6,060)	(17,952)	-	-	43,239
Unrestricted	(18,435)	50,205	797	5,463	-	38,030
Total Net Position (Deficit)	$ 48,816	$ 44,145	$ (17,155)	$ 5,463	$ -	$ 81,269

See accompanying Independent Auditors' Report

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, 2021
(In Thousands)

	Fleet Operations	Fleet Vehicle Acquisitions	Fleet Debt Service	Fleet Other	Adjustments and Eliminations	Total Fleet Service Fund
Operating Revenues:						
Billing to Other Departments	$ 24,817	$ 16,013	$ -	$ 709	$ -	$ 41,539
Other	337	5	-	30	-	372
Total Operating Revenues	25,154	16,018	-	739	-	41,911
Operating Expenses:						
Personnel Services	5,977	1,184	-	-	-	7,161
Maintenance and Other Operations	2,161	13,527	-	560	-	16,248
Depreciation	12,532	-	-	-	-	12,532
Total Operating Expenses	20,670	14,711	-	560	-	35,941
Operating Income (Loss)	4,484	1,307	-	179	-	5,970
Non-Operating Income (Expenses):						
Interest Income	-	-	201	-	-	201
Interest Expense	(1,250)	(128)	-	-	-	(1,378)
Gain (Loss) on Disposition of Capital Assets	(46)	954	-	-	-	908
Other Income	1,443	-	1,542	-	-	2,985
Other Expense	(1,542)	(715)	-	-	-	(2,257)
Total Non-Operating Income (Expenses)	(1,395)	111	1,743	-	-	459
Income (Loss) Before Contributions and Transfers	3,089	1,418	1,743	179	-	6,429
Transfers:						
Transfers In	1,346	-	-	-	(600)	746
Transfers Out	-	(600)	-	-	600	-
Change in Net Position	4,435	818	1,743	179	-	7,175
Net Position (Deficit) - October 1	44,381	43,327	(18,898)	5,284	-	74,094
Net Position (Deficit) - September 30	$ 48,816	$ 44,145	$(17,155)	$ 5,463	$ -	$ 81,269

See accompanying Independent Auditors' Report

STATISTICAL SECTION

STATISTICAL SECTION

The Statistical Section is included to provide financial statement users with additional historical perspective, context, and detail for use in evaluating the information contained with the financial statements, notes to the financial statements, and required supplementary information with the goal of providing the user a better understanding of the City's economic condition.

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

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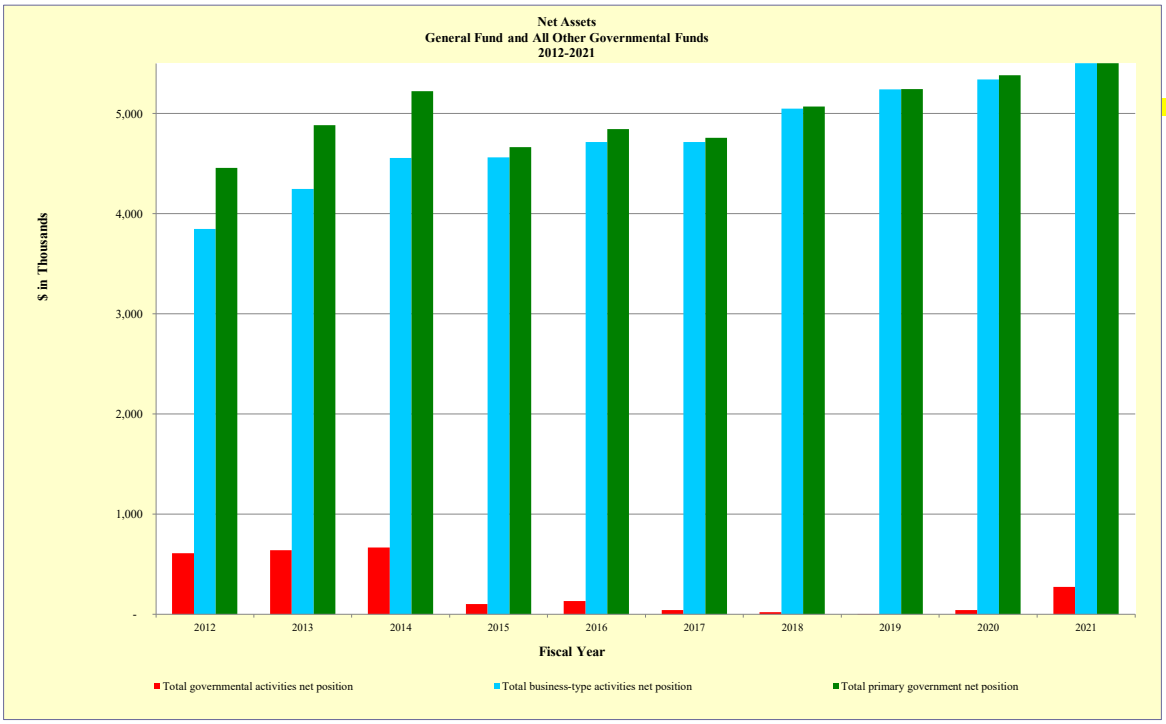
City of Long Beach
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net Investment in Capital Assets	$ 237,998	$ 242,105	$ 245,780	$ 344,839	$ 346,224	$ 361,370	$ 377,098	$ 418,191	$ 432,090	$ 452,155
Restricted	470,723	458,167	473,181	351,055	393,588	397,204	403,557	428,903	442,908	475,699
Unrestricted	(100,337)	(61,528)	(53,167)	(595,857)	(610,409)	(716,979)	(761,817)	(844,483)	(833,911)	(655,868)
Total governmental activities net position	608,384	638,744	665,794	100,037	129,403	41,595	18,838	2,611	41,087	271,986
Business-type activities:										
Net Investment in Capital Assets	2,769,461	3,547,110	3,698,447	3,829,779	4,229,484	4,229,484	4,477,724	4,604,194	4,707,630	4,727,066
Restricted	289,864	297,694	439,163	494,526	323,827	323,827	298,613	297,552	312,076	326,665
Unrestricted	787,926	399,890	418,151	237,808	160,569	160,569	272,494	338,972	320,382	487,398
Total business-type activities net position	3,847,251	4,244,694	4,555,761	4,562,113	4,713,880	4,713,880	5,048,831	5,240,718	5,340,088	5,541,129
Primary government:										
Net Investment in Capital Assets	3,007,459	3,789,215	3,944,227	4,174,618	4,575,708	4,590,854	4,854,822	5,022,385	5,139,720	5,179,221
Restricted	760,587	755,861	912,344	845,581	717,415	721,031	702,170	726,455	754,984	802,364
Unrestricted	687,589	338,362	364,984	(358,049)	(449,840)	(556,410)	(489,323)	(505,511)	(513,529)	(168,470)
Total primary government net position	$ 4,455,635	$ 4,883,438	$ 5,221,555	$ 4,662,150	$ 4,843,283	$ 4,755,475	$ 5,067,669	$ 5,243,329	$ 5,381,175	$ 5,813,115



See accompanying Independent Auditors' Report

City of Long Beach
Change in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Legislative and Legal	$ 10,998	$ 10,957	$ 12,001	$ 10,632	$ 11,814	$ 13,343	$ 13,025	$ 15,245	$ 13,155	$ 13,058
General Government	22,128	23,342	21,378	22,400	23,869	29,718	29,189	43,637	40,408	36,564
Public Safety	290,542	303,872	296,817	307,116	344,358	402,361	409,632	430,512	389,489	311,933
Public Health	42,712	41,966	41,877	43,710	46,150	49,688	53,045	57,729	71,880	60,016
Community and Cultural	331,170	173,239	153,206	165,501	155,792	173,637	167,624	183,825	190,370	217,381
Public Works	92,058	102,979	114,303	104,744	103,772	123,268	139,209	171,927	136,067	163,203
Oil Operations	9,256	7,101	4,869	3,961	6,466	9,694	3,755	3,777	1,775	3,679
Interest on Long-Term Debt	28,492	26,941	24,945	22,738	19,104	19,120	17,916	17,473	19,055	19,781
Total Governmental Activities Expenses	827,356	690,397	669,396	680,802	711,325	820,829	833,395	924,125	862,199	825,615
Business-type Activities:										
Gas Utility	77,157	82,693	80,651	68,414	66,896	80,680	83,276	110,991	94,835	83,900
Water Utility	81,377	89,767	93,297	102,501	93,959	96,082	98,204	95,970	111,219	93,075
Tidelands Operating	100,602	96,881	111,074	121,547	107,313	126,123	130,796	124,283	143,249	110,419
Harbor	193,773	195,335	233,410	236,186	307,546	298,756	298,441	309,722	327,081	336,106
Tideland Oil Revenue	390,602	362,144	327,087	81,565	70,949	93,200	101,495	101,872	30,436	84,298
Sewer	15,042	15,542	15,681	16,244	16,151	16,766	15,476	15,375	18,819	14,973
Airport	41,764	41,616	44,067	44,844	47,686	51,917	56,540	55,739	58,627	51,655
Development Services	11,617	15,404	15,753	17,621	20,281	25,907	28,700	27,223	28,928	22,505
Solid Waste Management	69,506	71,708	76,027	73,525	72,745	76,332	88,831	88,967	90,197	76,048
Towing	6,743	5,915	4,938	5,134	5,815	5,524	6,518	6,402	5,421	4,557
Subsidence	5	3	-	-	-	-	-	-	-	287
Total Business-Type Activities Expenses	988,188	977,008	1,001,985	767,581	809,341	871,287	883,484	936,544	908,812	877,823
Total Primary Government Expenses	1,815,544	1,667,405	1,671,381	1,448,383	1,520,666	1,692,116	1,716,879	1,860,669	1,771,011	1,703,438
Program Revenues:										
Governmental Activities:										
Charges for services:										
Legislative and Legal	714	61	163	224	1,804	52	481	34	558	18
General Government	17,521	16,093	16,459	16,545	17,955	17,981	17,727	16,473	16,182	15,729
Public Safety	34,617	32,371	34,659	38,961	38,050	34,995	43,536	50,961	50,198	49,116
Public Health	9,538	11,856	8,498	8,178	7,284	8,052	8,550	10,232	9,826	7,471
Community and Cultural	13,978	14,656	12,168	15,084	17,051	25,801	21,980	35,649	32,599	34,452
Public Works	26,876	25,011	25,963	25,246	27,949	29,875	32,208	43,283	38,123	32,872
Oil Operations	39,156	39,869	36,942	19,414	10,900	12,176	16,060	14,926	9,743	11,190
Operating Grants and Contributions	175,647	171,937	183,789	164,621	170,614	176,643	187,038	167,793	200,489	352,336
Capital Grants and Contributions	6,147	10,778	8,530	3,780	2,085	12,286	10,739	67,976	65,232	76,033
Total Governmental Activities Program Revenues	$ 324,194	$ 322,632	$ 327,171	$ 292,053	$ 293,692	$ 317,861	$ 338,319	$ 407,327	$ 422,950	$ 579,217

(continued)

See accompanying Independent Auditors' Report

City of Long Beach
Change in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

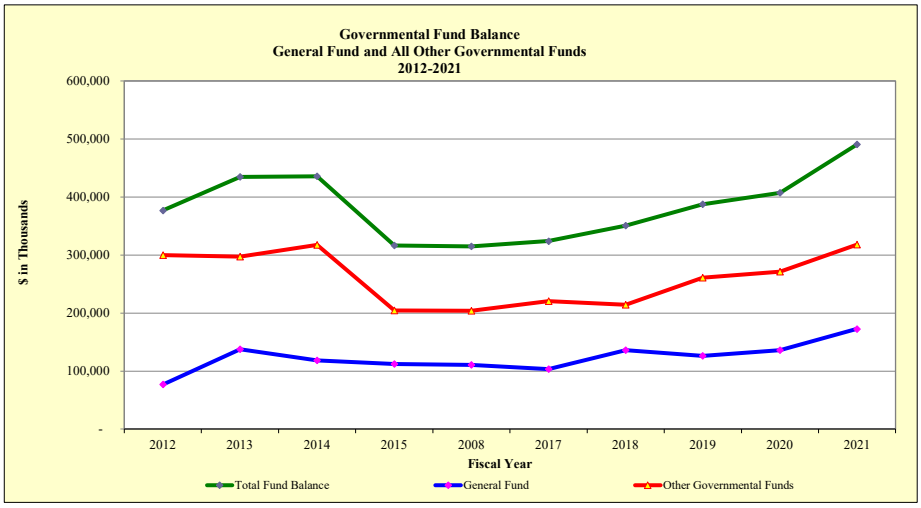
(continued)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type activities:										
Charges for Services:										
Gas Utility	$ 83,633	$ 87,141	$ 82,293	$ 77,398	$ 79,826	$ 97,033	$ 92,109	$ 120,562	$ 103,869	$ 112,277
Water Utility	87,073	93,036	101,345	101,158	98,677	100,761	104,701	102,474	116,071	122,089
Tidelands Operating	56,726	59,929	64,318	67,894	67,205	76,352	77,734	80,594	72,467	99,458
Harbor	333,887	346,244	362,752	363,309	363,343	388,834	406,420	415,321	399,841	440,340
Tideland Oil Revenue	452,863	397,301	362,783	99,401	53,630	81,989	124,721	117,528	59,385	99,144
Sewer	17,325	17,311	17,954	17,904	17,904	19,964	19,964	19,750	19,200	19,613
Airport	43,893	43,817	44,811	36,537	36,537	49,607	49,607	46,997	31,034	30,899
Development Services	13,812	17,546	17,573	20,783	20,783	31,039	31,039	30,803	24,293	18,670
Solid Waste Management	78,613	79,542	81,051	80,322	80,322	82,848	82,848	79,627	86,034	82,722
Towing	6,583	6,445	5,440	5,253	5,253	5,310	5,310	5,885	4,583	6,140
Subsidence	-	-	-	-	-	-	-	499	499	500
Operating Grants and Contributions	1,413	1,105	921	753	758	976	2,768	932	3,394	160
Capital Grants and Contributions	26,552	259,188	182,021	140,618	150,510	83,681	99,586	96,660	80,020	40,099
Total Business-Type Activities Program Revenues	1,202,373	1,408,605	1,323,262	1,011,330	976,247	1,018,394	1,088,141	1,117,632	1,000,690	1,072,111
Total Primary Government Program Revenues	1,526,567	1,731,237	1,650,433	1,303,383	1,269,939	1,336,255	1,426,460	1,524,959	1,423,640	1,651,328
Net Revenues (expenses):										
Governmental Activities	(503,162)	(367,765)	(342,225)	(388,749)	(417,633)	(502,968)	(495,076)	(516,798)	(439,249)	(246,398)
Business-Type Activities	214,185	431,597	321,277	243,749	166,906	147,107	204,657	181,088	91,878	194,288
Total Net Expenses	(288,977)	63,832	(20,948)	(145,000)	(250,727)	(355,861)	(290,419)	(335,710)	(347,371)	(52,110)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	179,746	203,770	183,719	180,989	200,766	191,514	199,576	211,007	220,665	225,820
Sales	60,414	63,443	59,097	64,177	67,658	99,528	133,523	138,598	129,095	150,887
Utility Users	37,097	38,026	38,691	38,419	37,079	35,858	36,639	34,898	33,767	38,546
Other	43,360	46,446	41,504	45,517	47,746	46,837	51,558	51,066	39,449	40,098
Franchise Taxes	23,143	25,243	26,175	25,915	24,911	25,912	20,308	18,126	16,481	23,734
Grants and Contributions not Restricted to Specific Programs	-	150	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	4,349	3,417	3,688	6,061	13,182	3,581	4,761	14,172	11,426	3,496
Gain (Loss) on Sales of Capital Assets	-	-	-	-	-	-	-	-	(2)	-
Capital Asset Transfers	5,090	4,786	2,365	-	-	-	-	-	(37)	-
Transfers	15,628	21,490	14,210	21,661	16,855	11,930	25,954	32,704	26,881	(5,284)
Total Governmental Activities	368,827	406,771	369,449	382,739	408,197	415,160	472,319	500,571	477,725	477,297
Business-type Activities:										
Unrestricted Investment Earnings	6,903	5,557	6,365	8,887	10,802	7,714	13,357	43,503	34,336	1,469
Loss on Sales of Capital Assets	-	-	-	-	-	-	-	-	-	-
Capital Asset Transfers	(5,090)	(4,786)	(2,365)	-	-	-	-	-	37	-
Transfers	(15,628)	(21,490)	(14,210)	(21,661)	(16,855)	(11,930)	(25,954)	(32,704)	(26,881)	5,284
Total Business-type Activities	(13,815)	(20,719)	(10,210)	(12,774)	(6,053)	(4,216)	(12,597)	10,799	7,492	6,753
Total Primary Government	355,012	386,052	359,239	369,965	402,144	410,944	459,722	511,370	485,217	484,050
Change in Net Position										
Government activities	(134,335)	39,006	27,224	(6,010)	(9,436)	(87,808)	(22,757)	(16,227)	38,476	230,899
Business-type Activities	200,370	410,878	311,067	230,975	160,853	142,891	192,060	191,887	99,370	201,041
Total Primary Government	$ 66,035	$ 449,884	$ 338,291	$ 224,965	$ 151,417	$ 55,083	$ 169,303	$ 175,660	$ 137,846	$ 431,940

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	$ 2,008	$ 2,043	$ 6	$ 2	$ 102	$ 500	$ 1,375	$ 1,424	$ 1,503	$ 2,127
Restricted	2,929	2,311	4,266	4,308	4,498	4,469	4,807	5,009	5,864	2,836
Committed	5,394	5,711	61,079	62,598	63,568	64,539	67,640	69,440	50,708	76,543
Assigned	61,935	119,542	49,531	42,953	38,482	31,947	59,463	50,495	75,789	107,658
Unassigned	4,857	8,130	3,397	2,170	3,934	1,926	3,072	138	2,066	(16,483)
Total General Fund	77,123	137,737	118,279	112,031	110,584	103,381	136,357	126,506	135,930	172,681
Other Governmental Funds:										
Nonspendable	45	8,009	8,012	2,846	2,577	2,613	1,324	2,406	2,377	2,416
Restricted	320,310	293,567	289,497	173,096	173,562	180,084	174,541	199,781	201,777	219,947
Committed	1,362	1,362	1,362	1,422	1,422	1,414	1,414	1,414	1,414	1,414
Assigned	10,791	24,433	36,476	39,197	26,710	36,582	37,067	57,443	65,823	94,482
Unassigned	(32,643)	(30,112)	(17,646)	(11,819)	-	-	-	-	-	-
Total Other Governmental Funds	299,865	297,259	317,701	204,742	204,271	220,693	214,346	261,044	271,391	318,259
Total All Governmental Funds	$ 376,988	$ 434,996	$ 435,980	$ 316,773	$ 314,855	$ 324,074	$ 350,703	$ 387,550	$ 407,321	$ 490,940



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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes:										
Property	$ 181,041	$ 214,816	$ 183,885	$ 179,999	$ 201,207	$ 191,808	$ 199,336	$ 210,656	$ 220,665	$ 226,143
Sales	60,414	63,443	59,097	64,177	67,658	99,528	133,523	138,598	129,095	150,887
Utility Users	37,097	38,026	38,691	38,419	37,079	35,858	36,639	34,898	33,767	38,546
Other Taxes	43,360	46,446	41,504	45,517	47,746	46,837	51,558	51,066	39,449	40,098
Franchise Fees	23,143	25,243	26,175	25,915	24,911	25,912	20,308	18,126	16,481	23,734
Licenses and Permits	24,278	19,941	22,341	23,329	25,456	24,926	26,076	42,728	48,803	47,010
Fines and Forfeitures	17,762	16,394	16,166	15,988	16,292	16,184	15,946	17,674	16,354	14,395
Use of Money and Property	58,398	58,441	56,687	41,816	40,991	33,815	39,419	48,033	39,543	33,846
From Other Agencies	184,470	181,039	191,423	166,988	170,780	187,872	197,570	235,841	290,748	428,457
Charges for Services	28,586	28,292	29,042	28,428	29,482	33,533	41,034	46,987	44,621	41,676
Other Contributions	-	1,385	341	556	249	194	137	-	-	-
Other	19,544	18,577	10,693	17,615	13,167	19,907	17,599	19,944	10,236	11,444
Total Revenues	678,093	712,043	676,045	648,747	675,018	716,374	779,145	864,551	889,762	1,056,236
Expenditures:										
Legislative and Legal	10,316	9,673	11,373	9,604	11,420	11,522	13,378	13,458	13,108	16,537
General Government	17,441	17,785	17,951	18,116	21,793	23,285	25,426	39,002	40,577	41,833
Public Safety	285,807	288,979	300,519	297,901	307,065	353,456	360,879	383,222	369,052	423,769
Public Health	41,449	39,297	41,273	42,108	42,819	44,530	47,658	52,487	69,773	94,751
Community and Cultural	289,597	185,378	158,122	237,433	152,005	160,985	173,542	180,390	188,806	222,778
Public Works	60,368	65,484	66,498	70,921	74,580	73,103	82,450	71,989	61,459	67,115
Oil Operations	9,146	4,722	4,309	3,512	2,352	2,563	2,945	2,774	2,572	2,446
Total Current Expenditures	714,124	611,318	600,045	679,595	612,034	669,444	706,278	743,322	745,347	869,229
Capital Improvements	17,183	26,199	36,427	27,139	38,629	45,693	47,935	90,370	73,355	102,712
Loss on Disposition of Land Held for Resale	79,111	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	14,379	16,358	18,836	18,601	18,717	20,564	28,439	23,356	20,072	22,159
Interest	23,298	23,776	21,044	22,499	16,763	16,156	15,361	14,155	13,679	11,970
Debt Administration Fees	494	542	57	178	434	90	29	27	24	26
Total Expenditures	848,589	678,193	676,409	748,012	686,577	751,947	798,042	871,230	852,477	1,006,096
(Deficiency) of Revenues over (under) Expenditures	(170,496)	33,850	(364)	(99,265)	(11,559)	(35,573)	(18,897)	(6,679)	37,285	50,140
Other Financing Sources (Uses):										
Proceeds from Sale of Capital Asset	-	-	-	-	-	-	-	-	11,062	1,539
Debt Issuance	753	54,186	1,012	155,820	13,150	-	2,306	26,458	-	19,765
Premium (Discount) on Debt Issuance	-	-	-	6,700	1,045	-	-	-	-	4,170
Payment to Refunded Bond Escrow Agent	-	(57,611)	-	(179,330)	-	-	-	(15,020)	-	(26,300)
Reconveyance of Land	-	-	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	(1,505)	-	-	-	(411)	-	(410)
Land Transfers	-	-	-	-	-	-	-	-	-	-
Transfers In	409,802	114,615	106,128	91,363	60,641	104,983	125,473	130,312	126,196	228,486
Transfers Out	(392,317)	(87,032)	(105,577)	(92,990)	(65,195)	(60,191)	(82,253)	(97,813)	(154,772)	(193,771)
Total Other Financing Sources	18,238	24,158	1,563	(19,942)	9,641	44,792	45,526	43,526	(17,514)	33,479
Net Change in Fund Balances	$ (152,258)	$ 58,008	$ 1,199	$ (119,207)	$ (1,918)	$ 9,219	$ 26,629	$ 36,847	$ 19,771	$ 83,619
Debt Service as a Percentage of Noncapital Expenditures	4.5%	6.1%	6.0%	5.6%	5.4%	5.0%	5.6%	4.4%	4.0%	3.5%

Debt Service as a Percentage of Noncapital Expenditures calculated as follows: $\frac{\text{(Principle + Interest)}}{\text{(Total Expenditures - Capital Outlay)}}$

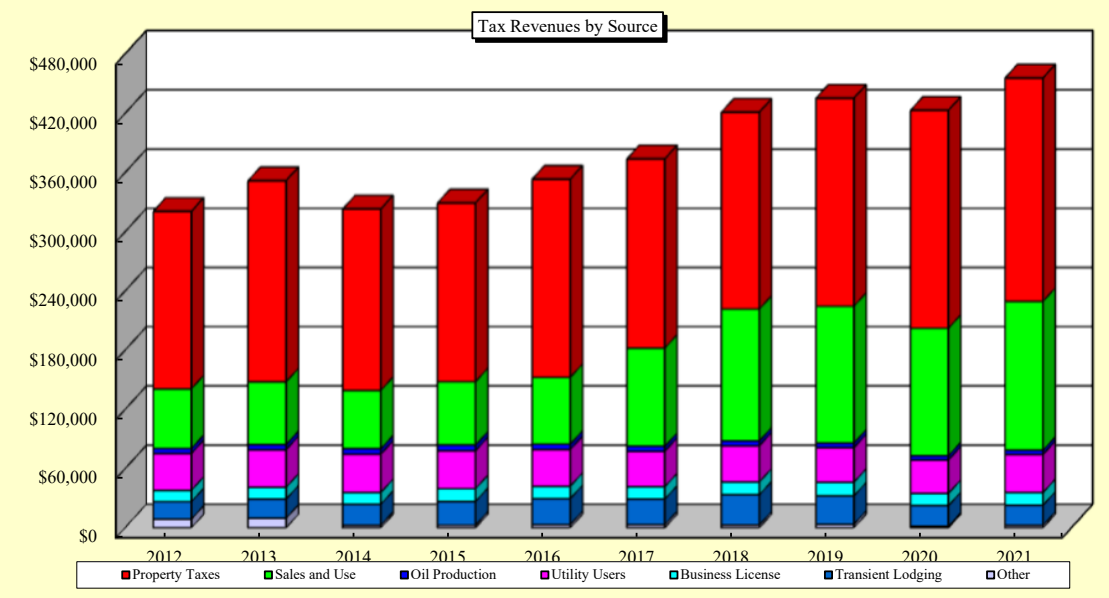
See accompanying Independent Auditors' Report

City of Long Beach
Governmental Funds Tax Revenues by Source
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(In Thousands)

Fiscal Year-end (1)	Property Taxes	Sales and Use Taxes	Oil Production Taxes	Utility Users Taxes	Business License Taxes	Transient Lodging Taxes	Other (1) Taxes	Totals
2012	$ 179,746	$ 60,414	$ 5,259	$ 37,097	$ 11,537	$ 17,759	$ 8,805	$ 320,617
2013	203,770	63,443	5,301	38,026	11,981	19,451	9,713	351,685
2014	183,719	59,097	5,653	38,691	11,862	21,265	2,724	323,011
2015	180,989	64,177	5,787	38,419	12,934	23,999	2,798	329,103
2016	200,766	67,658	5,582	37,079	12,512	26,382	3,271	353,250
2017	191,514	99,528	5,129	35,858	12,501	25,935	3,272	373,737
2018	199,336	133,523	5,026	36,639	12,940	30,612	2,980	421,056
2019	210,656	138,598	4,841	34,898	13,855	28,758	3,612	435,218
2020	220,665	129,095	4,473	33,767	12,351	20,914	1,711	422,976
2021	226,143	150,887	4,327	38,546	12,756	20,324	2,691	455,674

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
2012	$ 42,641,685	$ 2,780,087	$ (1,318,100)	$ 44,103,672	1.00%
2013	45,184,614	2,767,496	(1,025,398)	46,926,712	1.00%
2014	47,768,304	2,730,192	(1,630,080)	48,868,416	1.00%
2015	48,648,554	3,029,600	(1,572,403)	50,105,751	1.00%
2016	49,939,578	2,959,078	(1,424,373)	51,474,283	1.00%
2017	52,481,371	3,180,877	(1,618,510)	54,043,738	1.00%
2018	55,394,865	3,239,627	(1,580,969)	57,053,523	1.00%
2019	58,432,448	3,456,685	(1,690,820)	60,198,313	1.00%
2020	61,781,691	3,663,861	(1,967,621)	63,477,931	1.00%
2021	64,097,021	3,476,338	(1,852,455)	65,720,904	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
2012	1.000000	-	0.168187	0.035296	0.003700	1.207183
2013	1.000000	-	0.175606	0.048750	0.003500	1.227856
2014	1.000000	-	0.146439	0.044541	0.003500	1.194480
2015	1.000000	-	0.146881	0.040174	0.003500	1.190555
2016	1.000000	-	0.129709	0.035755	0.003500	1.168964
2017	1.000000	-	0.122192	0.045990	0.003500	1.171682
2018	1.000000	-	0.123226	0.046213	0.003500	1.172939
2019	1.000000	-	0.125520	0.027175	0.003500	1.156195
2020	1.000000	-	0.139929	0.040162	0.003500	1.183591
2021	1.000000	-	0.113228	0.043759	0.003500	1.160487

Note:

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. Valuations of real property are frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is reassessed to its current value when a change of ownership occurs. New construction, including tenant improvements, is assessed at its current value. This 1% is shared by all taxing agencies for which the subject property resides. In 1986, the State Constitution was amended to allow rates over the 1% base rate for voter approved general obligation debt.

Source: County of Los Angeles

City of Long Beach
Principal Property Taxpayers
Current Year and Nine Fiscal Years Ago
(In Thousands)

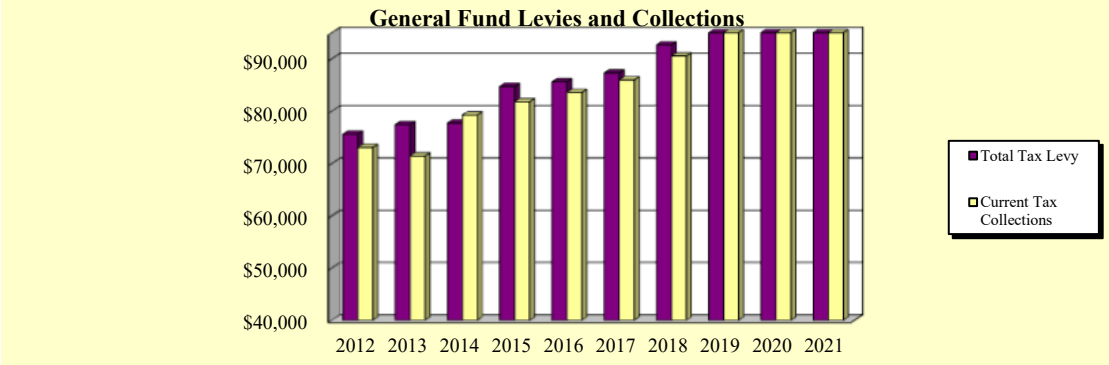
Taxpayer	Fiscal Year 2021 Assessed Valuation	Fiscal Year 2021 Percentage of Total Net Assessed Valuation	Fiscal Year 2012 Assessed Valuation	Fiscal Year 2012 Percentage of Total Net Assessed Valuation
CF Alpha and Golf Prop Co LLC	$ 252,452	0.42 %		
GCC Long Beach LLC	211,272	0.35		
TABC Inc.	172,940	0.29		
2009 CUSA Community Owner LLC	162,025	0.27	$ 137,783	0.34 %
John Hancock Life Insurance	151,881	0.25		
Studio Management Services Inc.	134,004	0.22		
Equity One LLC	127,982	0.21		
IMT Capital IV Gallery LLC	127,732	0.21		
LB Oceanaire Development LLC	126,166	0.21		
W GL Ocean Avenue LB Holdings	114,575	0.19		
Terra Funding Shoreline Square	113,995	0.19		
DP3 Sub 1 & 2 LLC	109,891	0.18		
The Boeing Company	108,188	0.18	429,070	1.05
LBX Douglas Retail Fee Owner LLC	104,227	0.17		
Tesoro Logistics Operations LLC	92,099	0.15		
GS Long Beach LLC	89,078	0.15		
Long Beach Center LLC	89,062	0.15		
HCI 333 East Ocean Owner LP	87,810	0.15		
404 Pine LP	82,156	0.14		
Omninet Freeway LP	79,247	0.13		
AES Alamitos LLC			226,400	0.56
Legacy Partners II LB World Trade LLC			154,840	0.38
Trizechahn Centers, Inc.			114,828	0.28
GRE Shoreline Square LP			95,091	0.23
Noble Utah Long Beach LLC			91,418	0.22
200 Oceangate LLC			83,050	0.20
Linwood Avenue LP			82,693	0.20
Arco Terminal Services Corp.			62,682	0.15
HEI Long Beach LLC			62,087	0.15
City Place Long Beach LLC			60,870	0.15
Alamitos Bay Partnership			56,778	0.14
Sunstone Ocean LLC			54,805	0.13
Pacific Pipeline System LLC			52,085	0.13
Lyon West Gateway LLC			51,187	0.13
EQR Fresca 2009 LP			50,447	0.12
Plain West Coast Terminals LLC			48,267	0.12
Los Altos Gateway LLC			48,261	0.12
Pacific Castle			47,165	0.12
	$ 2,536,782	4.21 %	$ 2,009,807	4.92 %

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	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
General Fund[1]								
2012	$ 75,613	$ 73,073	96.6%	$ 3,285	$ 76,358	101.0%	$ 10,698	14.1%
2013	77,436	71,429	92.2%	3,049	74,478	96.2%	10,147	13.1%
2014	77,740	79,255	101.9%	3,975	83,230	107.1%	4,458	5.7%
2015	84,726	81,798	96.5%	4,061	85,859	101.3%	5,449	6.4%
2016 [1]	85,609	83,582	97.6%	2,821	86,403	100.9%	5,605	6.5%
2017	87,315	85,962	98.5%	7,581	93,543	107.1%	5,430	6.2%
2018	92,661	90,551	97.7%	3,068	93,619	101.0%	5,472	5.9%
2019	97,494	95,437	97.9%	5,019	100,456	103.0%	5,902	6.1%
2020	102,555	98,949	96.5%	5,763	104,712	102.1%	6,761	6.6%
2021	106,411	103,379	97.2%	3,335	106,714	100.3%	7,077	6.7%
Redevelopment/Successor Agency								
2012	$ 98,891	$ 59,989	60.7%	$ 884	$ 60,873	61.6%	$ -	0.0%
2013	102,702	65,387	63.7%	-	65,387	63.7%	-	0.0%
2014	106,760	53,226	49.9%	-	53,226	49.9%	-	0.0%
2015	122,477	44,903	36.7%	-	44,903	36.7%	-	0.0%
2016	137,809	63,963	46.4%	-	63,963	46.4%	-	0.0%
2017	108,194	46,189	42.7%	-	46,189	42.7%	-	0.0%
2018	146,784	51,370	35.0%	-	51,370	35.0%	-	0.0%
2019	146,551	53,256	36.3%	-	53,256	36.3%	-	0.0%
2020	145,610	54,872	37.7%	-	54,872	37.7%	-	0.0%
2021	174,978	56,460	32.3%	-	56,460	32.3%	-	0.0%
Total City Tax Levy								
2012	$ 174,504	$ 133,062	76.3%	$ 4,169	$ 137,231	78.6%	$ 10,698	6.1%
2013	180,138	136,816	76.0%	3,049	139,865	77.6%	10,147	5.6%
2014	184,500	132,481	71.8%	3,975	136,456	74.0%	4,458	2.4%
2015	207,203	126,701	61.1%	4,061	130,762	63.1%	5,449	2.6%
2016	223,418	147,545	66.0%	2,821	150,366	67.3%	5,605	2.5%
2017	195,509	132,151	67.6%	7,581	139,732	71.5%	5,430	2.8%
2018	239,445	141,921	59.3%	3,068	144,989	60.6%	5,472	2.3%
2019	244,045	148,693	60.9%	5,019	153,712	63.0%	5,902	2.4%
2020	248,165	153,821	62.0%	5,763	159,584	64.3%	6,761	2.7%
2021	281,389	159,839	56.8%	3,335	163,174	58.0%	7,077	2.5%



Notes: 1 In FY 2014, a reduction to Prior Years Levies were due to write off of receivables more than 30 years old per County of Los Angeles Auditor-Controller.
2 Excludes motor vehicle and vehicle license fees in-lieu taxes, interests, penalties and Los Angeles County administrative cost.

See accompanying Independent Auditors' Report

City of Long Beach
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands, Except Per Capita Amount)

	Governmental Activities						
Fiscal Year-end	Revenue Bonds	Pension Obligation Bonds	Tax Allocation Bonds	Notes Payable	Capital Leases	Other LT Obligations - Civic Center	Total Governmental Activities
2012	$ 111,415	$ 50,205	$ 326,852	$ 8,118	$ 46,064	$ -	$ 542,654
2013	93,410	45,675	315,399	7,102	41,869	-	503,455
2014	99,084	40,822	309,160	6,137	38,150	-	493,353
2015	95,189	35,837	276,934	5,117	33,978	-	447,055
2016	105,349	30,597	262,871	5,258	30,682	-	434,757
2017	100,107	25,083	248,167	5,400	27,263	-	406,020
2018	86,754	19,283	233,113	7,751	67,670	-	414,571
2019	90,393	13,183	217,290	8,241	49,020	299,875	678,002
2020	83,985	6,765	200,820	7,905	44,676	294,864	639,015
2021	75,899	-	182,304	7,569	38,943	289,765	594,480

	Business-type Activities			
	Revenue Bonds	Notes Payable	Capital Leases	Total Business-type Activities
2012	$ 1,640,665	$ 54,488	$ 3,109	$ 1,698,262
2013	1,564,045	147,020	2,667	1,713,732
2014	1,534,901	515,995	2,215	2,053,111
2015	1,696,772	499,248	19,752	2,215,772
2016	1,620,885	379,893	18,167	2,018,945
2017	1,736,215	343,821	16,688	2,096,724
2018	1,673,774	348,471	15,143	2,037,388
2019	1,781,199	339,056	40,356	2,160,611
2020	1,670,260	477,885	37,747	2,185,892
2021	1,600,382	545,309	32,943	2,178,634

	Total Primary Government	Percentage of Personal Income	Per Capita
2012	$ 2,240,916	3.019%	$ 4,813
2013	2,217,187	3.156%	4,741
2014	2,546,464	3.307%	5,425
2015	2,662,827	3.430%	5,623
2016	2,453,702	3.573%	5,175
2017	2,502,744	3.720%	5,324
2018	2,451,959	3.879%	5,223
2019	2,838,613	4.042%	6,074
2020	2,824,907	4.208%	6,106
2021	2,773,114	4.384%	5,941

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See accompanying Independent Auditors' Report

City of Long Beach
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Fiscal Year-end	Outstanding General Bonded Debt: Pension Obligation Bonds	Outstanding General Bonded Debt: Tax Allocation Bonds	Outstanding General Bonded Debt: Less: Amounts Restricted for Debt Service (1)	Outstanding General Bonded Debt: Net Bonded Debt (1)	Ratio of Net Bonded Debt to Assessed Value (2)	Per Capita (3)
2012	$ 50,205	$ 326,852	$ 32,615	$ 344,442	77%	$ 739.82
2013	45,675	315,399	33,375	327,699	76%	700.74
2014	40,822	309,160	32,471	317,511	68%	676.38
2015	35,837	276,934	20,331	292,440	63%	617.51
2016	30,597	262,870	20,591	272,876	57%	575.52
2017	25,083	248,167	20,894	252,356	52%	536.78
2018	19,283	233,113	16,769	235,627	45%	501.92
2019	13,183	217,290	17,450	213,023	40%	455.81
2020	6,765	200,820	21,504	186,081	28%	402.23
2021	-	182,304	16,962	165,342	24%	354.25

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, 2021 (In Thousands)

2020-21 Assessed Valuation: $64,588,433

	% Applicable	Outstanding Debt	Exclusions	Estimated Overlapping Debt
DIRECT DEBT:				
City of Long Beach				
Lease Revenue Bonds		$ 75,899	$ -	$ 75,899
Tax Allocation Bonds		182,304	-	182,304
Notes Payable		7,569	-	7,569
Capital Leases		38,943	-	38,943
Total Direct Debt		$ 304,715	$ -	$ 304,715
OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable			
Cerritos Community College District	0.367 %	$ 379,877	$ 378,423	$ 1,454
Coast Community College District	0.001	867,300	867,291	9
Compton Community College District	2.601	103,571	100,831	2,740
Long Beach Community College District	85.851	481,796	67,403	414,393
Los Angeles Community College District	0.050	4,146,515	4,144,732	1,783
ABC Unified School District	1.138	69,143	68,299	844
Compton Unified School District	0.024	241,804	241,748	56
Long Beach Unified School District	85.852	1,354,375	189,464	1,164,911
Los Angeles Unified School District	0.061	10,335,150	10,329,672	5,478
Paramount Unified School District	9.170	184,609	167,320	17,289
Metropolitan Water District	1.975	26,830	26,299	531
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT(1)		$ 18,190,970	$ 16,581,482	$ 1,609,488
OVERLAPPING GENERAL FUND OBLIGATION DEBT:				
Los Angeles County General Fund Obligations	3.785 %	$ 2,575,585	$ 2,478,254	$ 97,331
Los Angeles County Superintendent of Schools Certificates of Participation	3.785	3,972	3,822	150
Compton Unified School District Certificates of Participation	0.024	29,095	29,088	7
Los Alamitos Unified School District Certificates of Participation	0.009	35,937	35,933	4
Los Angeles Unified School District Certificates of Participation	0.061	130,970	130,901	69
Paramount Unified School District Certificates of Participation	9.170	25,480	23,094	2,386
County Sanitation District No. 1 Certificates of Participation	1.219	1,624	1,605	19
County Sanitation District No. 2 Certificates of Participation	0.188	2,508	2,503	5
County Sanitation District No. 3 Certificates of Participation	85.913	1,906	266	1,640
County Sanitation District No. 8 Certificates of Participation	2.738	992	966	26
County Sanitation District No. 19 Certificates of Participation	29.396	452	314	138
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT		$ 2,808,521	$ 2,706,746	$ 101,775
OVERLAPPING TAX INCREMENT DEBT (Successor Agency) :	100.000 %	$ 171,990	$ -	$ 171,990
TOTAL GROSS OVERLAPPING COMBINED DEBT		$ 21,171,481	$ 19,288,228	$ 1,883,253
Los Angeles Unified School District General Obligation Bonds Election of 2005 Series J (2010) Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Aside Repayment		-	-	-
Los Angeles Unified School District (Qualified Zone Academic Bonds supported by period payments to investment accounts)		154,870	154,788	82
TOTAL NET OVERLAPPING COMBINED DEBT		$ 21,016,611	$ 19,133,440	$ 1,883,171
TOTAL NET DIRECT AND OVERLAPPING COMBINED DEBT		$ 21,321,326	$ 19,133,440	$ 2,187,886

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				
	2012	2013	2014	2015	2016
Assessed valuation	$ 45,421,772	$ 47,952,110	$ 50,498,496	$ 51,678,154	$ 52,898,656
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	11,355,443	11,988,028	12,624,624	12,919,539	13,224,664
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,703,316	1,798,204	1,893,694	1,937,931	1,983,700
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	$ 1,703,316	$ 1,798,204	$ 1,893,694	$ 1,937,931	$ 1,983,700
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2017	2018	2019	2020	2021
Assessed valuation	$ 55,662,248	$ 58,634,492	$ 61,889,133	$ 65,445,552	$ 67,573,359
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	13,915,562	14,658,623	15,472,283	16,361,388	16,893,340
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	2,087,334	2,198,793	2,320,842	2,454,208	2,534,001
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	$ 2,087,334	$ 2,198,793	$ 2,320,842	$ 2,454,208	$ 2,534,001
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

The Government Code of the State of California provides for a legal debt limit of 15 percent of gross assessed valuation. This provision was enacted when assessed valuation was based on 25 percent of market value. Effective with fiscal year 1982, each parcel is assessed at 100 percent of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25 percent level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Long Beach, Department of Financial Management
County of Los Angeles, Department of Auditor-Controller

See accompanying Independent Auditors' Report

City of Long Beach
Pledged Revenue Coverage
Gas Fund Revenue Bond Coverage
Last Ten Fiscal Years
(In Thousands)

Fiscal Year-end	Operating Revenue	Operating Expenses (1)	Net Operating Income	Non-Operating Income (Loss) (1)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements			Times Coverage
						Principal	Interest	Total	
2012	$ 82,671	$ 38,902	$ 43,769	$ (348)	$ 43,421	$ 10,035	$ 32,955	$ 42,990	1.0
2013	80,215	37,274	42,941	(1,067)	41,874	9,040	32,492	41,532	1.0
2014	81,992	42,503	39,489	(946)	38,543	7,305	32,079	39,384	1.0
2015	77,098	30,845	46,253	83	46,336	6,840	31,725	38,565	1.2
2016	79,526	28,135	51,391	(949)	50,442	7,150	31,375	38,525	1.3
2017	96,723	40,459	56,264	192	56,456	8,120	31,024	39,144	1.4
2018	91,786	44,279	47,507	59	47,566	8,925	30,628	39,553	1.2
2019	120,228	71,223	49,005	1,739	50,744	10,290	30,135	40,425	1.3
2020	102,486	56,438	46,048	1,138	47,186	11,905	29,552	41,457	1.1
2021	111,930	46,343	65,587	422	66,009	13,990	28,873	42,863	1.5

Water Fund Revenue Bond Coverage
Last Ten Fiscal Years (2)
(In Thousands)

2012	$ 86,515	$ 69,982	$ 16,533	$ (702)	$ 15,831	$ 490	$ 1,249	$ 1,739	9.1
2013	91,949	76,217	15,732	(1,789)	13,943	2,110	1,484	3,594	3.9
2014	100,187	81,767	18,420	371	18,791	2,385	1,502	3,887	4.8
2015	99,475	91,395	8,080	1,561	9,641	2,510	1,390	3,900	2.5
2016	97,650	81,086	16,564	(237)	16,327	2,630	1,264	3,894	4.2
2017	97,383	80,127	17,256	887	18,143	2,730	1,165	3,895	4.7
2018	99,173	82,733	16,440	2,795	19,235	2,815	1,077	3,892	4.9
2019	99,289	81,439	17,850	4,802	22,652	2,930	964	3,894	5.8
2020	113,090	97,712	15,378	3,376	18,754	3,050	847	3,897	4.8
2021	118,968	76,726	42,242	2,108	44,350	3,170	725	3,895	11.4

Notes:

(1) Operating expenses exclude depreciation and amortization; non-operating income excludes interest expense.

(2) The Water Revenue Refunding Bonds Series 1997A were refunded by the Water Revenue Refunding Bonds Series 2010A. Current debt service payments for the 1997 Bonds were covered by the 2010 Bonds refunding issue proceeds.

Source: City of Long Beach, Department of Financial Management

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)(2)	Net Operating Income	Non-Operating Income (Loss) (1)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Times Coverage
2012	$ 34,405	$ 27,142	$ 7,263	$ 8,772	$ 16,035	$ 1,330	$ 7,046	$ 8,376	1.9
2013	34,760	26,513	8,247	8,060	16,307	2,260	7,004	9,264	1.8
2014	35,802	27,302	8,500	8,661	17,161	2,340	6,927	9,267	1.9
2015	33,811	27,842	5,969	3,134	9,103	2,420	6,844	9,264	1.0
2016	36,951	30,562	6,389	3,200	9,589	2,515	6,750	9,265	1.0
2017	46,678	33,250	13,428	3,199	16,627	2,625	6,640	9,265	1.8
2018	47,497	35,711	11,786	4,007	15,793	2,740	6,522	9,262	1.7
2019	44,780	36,798	7,982	4,938	12,920	2,875	6,388	9,263	1.4
2020	29,778	26,759	3,019	8,741	11,760	3,015	6,252	9,267	1.3
2021	29,585	24,685	4,900	9,225	14,125	3,160	6,109	9,269	1.5

Fleet Services Fund
Temple Willow Revenue Bond Coverage
Last Ten Fiscal Years
(In Thousands)

2012	$ 32,620	$ 19,547	$ 13,073	$ 319	$ 13,392	$ 1,035	$ 1,410	$ 2,445	5.5
2013	30,015	19,843	10,172	409	10,581	820	1,512	2,332	4.5
2014	31,923	19,201	12,722	351	13,073	-	912	912	14.3
2015	32,660	23,719	8,941	1,592	10,533	-	912	912	11.5
2016	33,502	24,459	9,043	1,968	11,011	-	912	912	12.1
2017	36,539	27,341	9,198	2,036	11,234	-	912	912	12.3
2018	41,177	25,520	15,657	2,055	17,712	773	912	1,685	10.5
2019	45,561	29,937	15,624	2,458	18,082	1,410	884	2,294	7.9
2020	47,481	32,111	15,370	1,785	17,155	1,542	780	2,322	7.4
2021	41,911	23,409	18,502	1,636	20,138	1,542	780	2,322	8.7

Marina Fund
Marina Revenue Bond Coverage
Last Ten Fiscal Years
(In Thousands)

2012	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	20,358	14,613	5,745	197	5,942	-	5,352	5,352	1.1
2017	22,050	13,975	8,075	261	8,336	-	5,634	5,634	1.5
2018	23,954	15,764	8,190	307	8,497	1,250	5,634	6,884	1.2
2019	23,698	15,802	7,896	3,033	10,929	1,400	5,571	6,971	1.6
2020	24,165	18,220	5,945	2,967	8,912	1,550	5,501	7,051	1.3
2021	25,181	15,719	9,462	1,761	11,223	1,720	5,424	7,144	1.6

Notes:
(1) Operating expenses exclude depreciation and amortization; non-operating income excludes interest expense. Prior year adjustments to operating expenses were made to exclude amortization.
(2) FY20-21 Airport Operating Expense adjusted due to Federal Relief Funds from the CARES Act that were used to reimburse Operating Expenses.

Source: City of Long Beach, Department of Financial Management

See accompanying Independent Auditors' Report

City of Long Beach
Pledged Revenue Coverage
Tideland Operating Segment
Revenue Bond Coverage
Last Ten Fiscal Years (2)
(In Thousands)

Fiscal Year-end	Operating Revenue	Operating Expenses (1)	Net Operating Income (Loss)	Non-Operating Income (Loss) (1)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements			Times Coverage
						Principal	Interest	Total	
2012	$ 28,075	$ 51,697	$ (23,622)	$ 1,555	$ (22,067)	$ 3,380	$ 5,622	$ 9,002	-
2013	31,481	46,924	(15,443)	753	(14,690)	5,560	4,578	10,138	-
2014	32,306	59,557	(27,251)	1,157	(26,094)	3,670	4,495	8,165	-
2015	38,858	69,007	(30,149)	1,630	(28,519)	3,780	4,374	8,154	-
2016	35,565	55,280	(19,715)	1,924	(17,791)	3,915	4,229	8,144	-
2017	40,965	58,709	(17,744)	2,845	(14,899)	4,070	4,070	8,140	-
2018	40,403	66,164	(25,761)	4,986	(20,775)	4,235	3,904	8,139	-
2019	39,585	71,075	(31,490)	7,815	(23,675)	1,995	656	2,651	-
2020	40,896	84,123	(43,227)	6,971	(36,256)	2,015	617	2,632	-
2021	49,625	60,087	(10,462)	3,385	(7,077)	3,255	564	3,819	-

Harbor Fund
Revenue Bond Coverage
Last Ten Fiscal Years
(In Thousands)

2012	$ 333,887	$ 87,637	$ 246,250	$ (2,522)	$ 243,728	$ 44,815	$ 35,193	$ 80,008	3.0
2013	346,244	97,696	248,548	(818)	247,730	46,965	33,026	79,991	3.1
2014	356,880	108,455	248,425	4,020	252,445	125,460	30,623	156,083	1.6
2015	355,450	130,013	225,437	44,386	269,823	145,215	26,558	171,773	1.6
2016	360,660	143,873	216,787	2,712	219,499	45,360	27,666	73,026	3.0
2017	381,010	142,349	238,661	8,445	247,106	44,905	27,171	72,076	3.4
2018	401,678	136,669	265,009	6,761	271,770	47,190	32,378	79,568	3.4
2019	412,273	140,144	272,129	12,277	284,406	45,965	31,059	77,024	3.7
2020	398,629	142,707	255,922	13,335	269,257	37,300	36,834	74,134	3.6
2021	434,644	134,723	299,921	5,696	305,617	24,470	31,889	56,359	5.4

Notes:

(1) Operating expenses exclude depreciation and amortization; non-operating income excludes interest expense.

(2) The Long Beach Aquarium of the Pacific Lease Revenue Refunding Bonds Series 2012 were issued to (1) refund the Long Beach Aquarium of the Pacific Revenue Bonds 2001 Series bonds, (2) to fund a reserve fund for the Series 2012 Bonds, and (3) pay the costs of issuance of the Series 2012 Bonds.

Source: City of Long Beach, Department of Financial Managemen

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)
2012	465,576		14,058	30,196	83,691	12.2
2013	467,646		14,757	31,556	82,256	10.3
2014	469,428		15,525	33,072	81,155	8.6
2015	473,577		16,242	34,296	79,709	6.8
2016	474,140		16,939	35,725	77,812	5.7
2017	470,130		17,490	37,203	76,428	5.3
2018	469,450		18,209	38,789	74,681	4.7
2019	467,354		18,892	40,423	73,221	4.7
2020	462,628		19,467	42,079	72,002	15.9
2021	466,742	(6)	20,460	43,836	69,708	8.9

Sources:

(1) United States Census Bureau

(2) Bureau of Economic Analysis (BEA)
Personal income and per capita personal income are based on percentage change of per capita personal income for Los Angeles-Long Beach-Anaheim, CA (Metropolitan Statistic Area). The BEA's report does not have personal income and per capita personal income available for 2015, so an average of the last five years was used.

(3) California Department of Education Educational Demographic Unit. Annual school census from Long Beach Unified School District for preschool, grades kindergarten through 12.

(4) Average annual rate reported by California Employment Development Department (EDD).

(5) Data from 2011 - 2014 restated due to annual revisions.

(6) Data is an estimated value from previous year.

See accompanying Independent Auditors' Report

City of Long Beach
Principal Employers
Current Year and Nine Years Ago

		Fiscal Year 2021			Fiscal Year 2012	
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	11,157	4.72%	1	11,334	4.83%
2	City of Long Beach	5,384	2.28%	2	5,758	2.45%
3	Long Beach Memorial Medical Center	5,114	2.16%	3	5,743	2.45%
4	Veteran Affairs Medical Center	3,300	1.40%	6	2,200	0.94%
5	California State University Long Beach (CSULB)	3,120	1.32%	5	3,527	1.50%
6	Long Beach City College	2,515	1.06%	7	1,785	0.76%
7	The Boeing Company	1,844	0.78%	4	5,186	2.21%
8	St. Mary Medical Center	1,558	0.66%	9	1,432	0.61%
9	CSULB Research Foundation	1,227	0.52%	8	1,500	0.64
10	Molina Healthcare Inc	1,119	0.47%			
	United States Postal Service			10	1,306	0.56%

Sources:

(1) Department of Financial Management Accounting and Business License

(2) State of California Employment Development Department Labor Market Info for 2012 and 2021

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

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City of Long Beach
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Legislative and Legal	130	129	130	130	122	140	136	141	141	148
General Government(1)	424	382	398	415	513	534	556	607	718	609
Public Safety	1,796	1,765	1,757	1,843	1,698	1,738	1,729	1,862	1,862	1,638
Public Health	262	263	249	257	252	259	287	272	272	484
Community and Cultural(1)	1,038	1,020	1,046	1,121	1,006	1,040	855	1,008	1,008	874
Public Works	287	273	275	258	263	310	305	297	213	329
Gas Utilty	194	202	201	198	201	209	199	183	183	191
Water Utility	225	223	217	220	224	224	248	266	266	245
Airport	96	88	88	91	97	98	103	89	89	92
Solid Waste Management	189	177	181	183	177	187	183	198	198	198
Towing	29	22	26	26	26	26	27	27	27	30
Tideland Oil Revenue	19	15	15	15	16	17	15	17	17	13
Harbor	466	469	491	529	527	536	514	509	509	533
Total	5,155	5,028	5,074	5,286	5,122	5,318	5,157	5,476	5,503	5,384

(1) Restated 2013 and 2014 as Library Services was included as part of General Government and should have been classified as Community and Cultural.

Source: City of Long Beach, Department of Financial Management as of September 30, 2021

See accompanying Independent Auditors' Report

City of Long Beach
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
Public Safety:					
Police priority one calls response time in minutes	4.35	4.35	4.69	4.90	4.60
Violent crime rate - per 1,000 residents	6.18	5.85	4.37	4.28	5.79
Fire on-scene arrival for emergency calls within six minute	60.8%	55.1%	50.0%	46.3%	43.4%
Public Health:					
Percentage of beach days that are safe for swimming in summer	91%	94%	97%	95%	94%
Homeless population ratio vs. total population (1)	0.93%	0.93%	0.75%	0.51%	0.51%
Community and Cultural					
Public library computer session log-ons	331,028	N/A	N/A	222,360	218,717
Parks, recreation programs - youth and teen attendance	745,052	636,796	760,641	779,641	835,358
Public Works:					
Number of trees trimmed	28,021	24,668	23,500	23,839	19,500
Curbs and alleys swept in miles	156,537	150,804	156,302	153,527	154,300
Sidewalk repaired in square feet	481,497	382,536	551,597	363,476	333,039
Storm drain catch basins cleaned	3,800	3,004	5,771	5,800	5,800
Gas Utility:					
Gas consumption in sales dollars-total	$ 70,193,000	$ 68,229,000	$ 72,544,000	$ 62,281,000	$ 64,382,000
Gas consumption in cubic feet (In 000's)	9,135,000	9,092,000	8,183,000	7,689,000	8,542,000
Average daily gas consumption (MCF)	24,959	24,910	22,421	21,065	23,404
Gas mains installed/replaced/relocated in feet (2)	84,594	108,646	110,900	40,589	22,556
Gas meters installed/removed/replaced	8,664	6,093	3,529	4,440	29,873
Water Utility:					
Water daily demand in thousand gallons	52,260	53,079	52,389	47,441	46,417
Water annual demand in thousand gallons	19,074,861	19,373,993	19,122,012	17,315,820	16,942,297
Available supply total in thousand gallons	21,330,532	21,538,947	21,019,736	19,000,372	19,412,932
Sewer Utility:					
Sewer mains cleaned in miles	414	535	498	492	405
Sewer mains and laterals repaired in number of jobs	261	241	213	224	215
Airport:					
Number of commercial passengers enplaned	1,643,383	1,497,503	1,433,273	1,276,679	1,327,001
Number of commercial passengers deplaned	1,634,345	1,492,430	1,426,830	1,273,232	1,325,537
Number of aircraft landings and take offs	287,699	284,193	325,527	300,184	295,007
Solid Waste Management:					
Number of refuse tons collected	187,505	187,146	182,452	173,895	187,432
Number of recycling tons collected	172,143	169,264	169,420	161,997	158,852
SERRF tons of refuse received	474,689	470,510	459,160	447,535	417,169
SERRF energy sold to So Cal Edison megawatt-hours	220,867	226,592	223,658	200,994	158,400
Harbor:					
Number of container movements in twenty-foot equivalent unit	5,857,218	6,647,975	6,817,590	7,087,699	6,946,255
Cargo in thousands of metric revenue tons	145,144	162,257	165,526	164,274	161,322
Number of ship calls	3,993	3,425	2,752	2,676	2,227

Source: City Departments

(1) The homeless population count is biannual.

(2) Restated prior years (2011-2013), due to updated reports from Gas Department.

See accompanying Independent Auditors' Report

Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Function
					Public Safety:
4.80	4.50	4.30	4.40	4.60	Police priority one calls response time in minutes
6.40	7.00	5.75	4.96	5.60	Violent crime rate - per 1,000 residents
41.7%	41.1%	38.6%	37.0%	34.0%	Fire on-scene arrival for emergency calls within six minute
					Public Health:
90%	88%	89%	86%	92%	Percentage of beach days that are safe for swimming in summer
0.51%	0.39%	0.40%	0.44%	0.26%	Homeless population ratio vs. total population (1)
					Community and Cultural
254,974	225,983	186,873	79,862	12,249	Public library computer session log-ons
892,556	793,226	820,748	4,062	215,621	Parks, recreation programs - youth and teen attendance
					Public Works:
23,112	21,857	22,055	25,000	19,500	Number of trees trimmed
141,132	142,851	147,316	125,254	128,042	Curbs and alleys swept in miles
296,865	603,504	537,666	306,044	416,167	Sidewalk repaired in square feet
5,800	5,800	5,800	5,800	5,800	Storm drain catch basins cleaned
					Gas Utility:
$ 78,467,000	$ 77,999,000	$ 98,355,000	$ 79,886,282	$ 87,908,917	Gas consumption in sales dollars-total
9,237,000	8,802,000	9,116,009	9,113,067	8,941,456	Gas consumption in cubic feet (In 000's)
25,307	24,114	24,975	24,967	24,497	Average daily gas consumption (MCF)
40,737	17,327	32,032	22,279	24,500	Gas mains installed/replaced/relocated in feet
34,465	2,944	1,279	1,983	1,459	Gas meters installed/removed/replaced
					Water Utility:
45,869	47,620	44,478	50,503	45,647	Water daily demand in thousand gallons
16,742,192	17,381,120	16,234,549	18,433,521	16,661,155	Water annual demand in thousand gallons
19,045,926	19,172,030	17,439,187	20,238,997	1,983,812	Available supply total in thousand gallons
					Sewer Utility:
113	439	477	360	380	Sewer mains cleaned in miles
169	157	164	162	263	Sewer mains and laterals repaired in number of jobs
					Airport:
1,793,753	2,006,292	1,757,499	904,815	767,207	Number of commercial passengers enplaned
1,794,245	2,007,872	1,752,650	914,487	766,260	Number of commercial passengers deplaned
294,303	266,892	293,587	294,509	320,601	Number of aircraft landings and take offs
					Solid Waste Management:
193,622	185,403	192,483	202,620	201,510	Number of refuse tons collected
160,037	133,932	40,955	39,481	42,719	Number of recycling tons collected
426,430	359,752	385,541	378,016	386,047	SERRF tons of refuse received
201,438	165,702	182,342	181,000	191,160	SERRF energy sold to So Cal Edison / CAISO megawatt-hours
					Harbor:
7,230,758	8,000,929	7,747,251	7,660,975	9,500,860	Number of container movements in twenty-foot equivalent unit
168,100	180,593	172,961	168,574	198,118	Cargo in thousands of metric revenue tons
2,149	2,278	2,095	2,237	2,561	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 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Public Safety:				
Number of police stations	1	1	1	1
Number of police substations (full facility)	3	3	3	3
Number of police storefront stations	-	-	-	-
Number of fire stations	23	23	23	23
Community and Cultural:				
Number of parks	162	161	162	164
Parks and golf courses in acres	3,124	3,121	3,123	3,122
Number of libraries	12	12	12	12
Number of library holdings (books, videos, tapes)	818,390	782,571	798,809	808,957
Number of library circulations	1,551,997	1,391,825	1,391,617	1,205,523
Public Works:				
Street in miles	823	823	823	823
Storm drain lines in miles	180	180	180	180
Number of street lights (1)	31,000	31,550	31,550	31,337
Gas Utility:				
Gas mains in miles (2)	929	930	928	929
Water Utility:				
Water mains in miles	911	912	912	912
Number of fire hydrants	6,594	6,589	6,604	6,631
Number of water services	95,643	95,607	95,999	95,775
Sewer Utility:				
Sanitary sewers in miles	712	714	714	714
Number of manholes	16,148	16,158	16,170	15,129
Sanitary sewer pump stations	28	28	28	28
Storm drain pump stations	23	23	23	23
Harbor:				
Sanitary sewer pump stations	34	37	37	37
Storm drain pump stations	23	21	23	23
Solid Waste Management:				
Number of waste-to-energy facilities	1	1	1	1

(1) In 2008, the number of streetlights changed from 34,000 to 31,000 due to updated reports.
(2) Restated prior years (2011-2013), due to updated reports from Gas Department.

Source: City Departments

Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Function
						Public Safety:
1	1	1	1	1	1	Number of police stations
3	3	3	3	3	3	Number of police substations (full facility)
-	-	-	-	-	-	Number of police storefront stations
23	23	23	23	23	23	Number of fire stations
						Community and Cultural:
168	169	169	169	167	167	Number of parks
3,124	3,125	3,125	3,126	3,125	3,125	Parks and golf courses in acres
12	12	12	12	12	12	Number of libraries
851,614	795,629	798,760	740,442	728,829	707,151	Number of library holdings (books, videos, tapes)
1,233,309	1,335,819	1,302,021	1,273,997	966,790	756,037	Number of library circulations
						Public Works:
823	823	823	823	823	823	Street in miles
180	180	180	180	180	180	Storm drain lines in miles
32,283	27,439	32,481	32,502	32,480	35,254	Number of street lights (1)
						Gas Utility:
929	931	916	917	917	917	Gas mains in miles (2)
						Water Utility:
912	912	912	916	917	917	Water mains in miles
6,894	6,910	6,953	7,036	7,049	7,054	Number of fire hydrants
95,749	95,667	95,586	95,690	95,731	95,891	Number of water services
						Sewer Utility:
714	715	714	714	715	715	Sanitary sewers in miles
15,127	15,112	15,122	15,125	15,126	15,132	Number of manholes
28	28	28	28	28	28	Sanitary sewer pump stations
22	23	23	23	23	23	Storm drain pump stations
						Harbor:
39	39	39	39	39	39	Sanitary sewer pump stations
22	22	22	22	22	22	Storm drain pump stations
						Solid Waste Management:
1	1	1	1	1	1	Number of waste-to-energy facilities

See accompanying Independent Auditors' Report

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

The following is a brief summary of certain provisions of the Indenture, the Site and Facility Lease and the Lease Agreement referred to in this Official Statement. This summary is not intended to be definitive. Reference is made to the respective document for the complete terms thereof.

DEFINITIONS

"*Acquisition and Construction*" means, with respect to any portion of the 2022 Project, the acquisition, construction, improvement, equipping, renovation, remodeling or reconstruction thereof, including reimbursement relating thereto.

"*Act*" means the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with section 6500) of the Government Code of the State.

"*Additional Payments*" means the payments so designated and required to be paid by the City pursuant to the Lease Agreement.

"*Authority*" means the Finance Authority of Long Beach, or its successors and assigns, a joint exercise of powers entity created pursuant to the Joint Powers Agreement.

"*Authorized Representative*" means: (a) with respect to the Authority, any member of the Board, the Executive Director of the Authority, the Treasurer/Auditor of the Authority, or any other person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by a member of the Board, such Executive Director or such Treasurer/Auditor and filed with the City and the Trustee; and (b) with respect to the City, its City Manager, Director of Financial Management, City Treasurer or City Clerk, or any other person designated as an Authorized Representative of the City by a Written Certificate of the City signed by an Authorized Representative of the City and filed with the Authority and the Trustee.

"*Board*" means the Board of Directors of the Authority.

"*Bond Counsel*" means (a) Quint & Thimmig LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of obligations of governmental entities.

"*Bond Law*" means Article 4 (commencing with section 6584) of the Act.

"*Bond Finance Authority*" means Long Beach Bond Finance Authority, a joint exercise of powers entity, the issuer of the 2012 Bonds.

"*Bond Year*" means each twelve-month period extending from August 2 in one calendar year to August 1 of the succeeding calendar year, both dates inclusive; *provided* that the first Bond Year with respect to the Bonds shall commence on the Closing Date and end on August 1, 2022.

"*Bonds*" means the $41,140,000 Finance Authority of Long Beach Lease Revenue Bonds, Series 2022, authorized by and at any time Outstanding pursuant to the Indenture.

"*Business Day*" means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the city in which the Office of the Trustee is located and on which the Federal Reserve is open.

"City" means the City of Long Beach, California, a municipal corporation and chartered city organized and existing under and by virtue of its charter and the laws of the State.

"*Closing Date*" means the date of delivery of the Bonds to the Original Purchaser.

"*Code*" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Indenture) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, thereunder.

"*Completion Date*" means, with respect to any component of the 2022 Project, the date on which the Authority files a Written Certificate with the City and the Trustee stating that the Acquisition and Construction of such component of the 2022 Project has been completed pursuant to the Indenture.

"*Continuing Disclosure Certificate*" means that certain Continuing Disclosure Certificate executed by the City and dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"*Costs of Issuance*" means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Authority or the City relating thereto, initial fees and expenses of the Trustee (including but not limited to fees and expenses for its legal counsel), compensation to any municipal advisor or underwriters, legal fees and expenses, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents, out-of-pocket expenses of the Authority or the City, Authority and City staff costs and costs of printing.

"*Costs of Issuance Fund*" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"*Debt Service*" means, during any period of computation, the amount obtained for such period by totaling the following amounts: (a) the principal amount of all Outstanding Bonds coming due and payable by their terms in such period; and (b) the interest which would be due during such period on the aggregate principal amount of Bonds which would be Outstanding in such period if the Bonds are retired as scheduled, but deducting and excluding from such aggregate amount the amount of Bonds no longer Outstanding.

"*Defeasance Obligations*" means (a) cash; and (b) obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States, including: (i) United States treasury obligations; (ii) all direct or fully guaranteed obligations; (iii) certificates of beneficial ownership of the Farmers Home Administration; (iv) participation certificates of the General Services Administration; (v) guaranteed Title XI Financings of the U.S. Maritime Administration; (vi) Government National Mortgage Association obligations; and (vii) State and Local Government Series.

"*Escrow Agreement*" means the Escrow Agreement, dated the Closing Date, by and between the City and the Escrow Bank, providing for the defeasance of the 2012 Bonds, together with any duly authorized and executed amendments thereto.

"*Escrow Bank*" means The Bank of New York Mellon Trust Company, N.A., or any successor thereto, acting as escrow agent under the Escrow Agreement.

"*Escrow Fund*" means the fund by that name established and held by the Escrow Bank pursuant to the Escrow Agreement.

"*Event of Default,*" with respect to the Indenture, means any of the events specified in the Indenture and, with respect to the Lease Agreement, means any of the events specified in the Lease Agreement.

"*Facility*" means, collectively, those existing facilities located on the Site, more particularly described in the Site and Facility Lease and in the Lease Agreement.

"*Fair Market Value*" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, or (c) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

"*Federal Securities*" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the timely payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America; (b) obligations of any agency or department of the United States of America which represent the full faith and credit of the United States of America or the timely payment of the principal of and interest on which are secured or guaranteed by the full faith and credit of the United States of America; and (c) any obligations issued by the State of California or any political subdivision thereof the payment of and interest and premium (if any) on which are fully secured by Federal Securities described in the preceding clauses (a) or (b), as verified by an independent certified public accountant, and rated by a Nationally Recognized Statistical Rating Organization at its then stated rating for direct general obligations of the United States of America.

"*Fiscal Year*" means any twelve-month period extending from October 1 in one calendar year to September 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority or the City, as applicable, as its official fiscal year period.

"*Golf Course Account*" means the account by that name established in the Revenue Fund pursuant to the Indenture.

"Golf Course Capital Improvement Fund" means the fund by that name established pursuant to the Indenture.

"*Golf Facilities Lease*" means Lease No. 17448, as amended and restated, by and between the City and the Tenant, as it may from time to time be amended, supplemented or restated.

"*Greens Fees Revenues*" means the fees and revenues to be deposited in the Golf Course Account of the Revenue Fund pursuant to the Golf Facilities Lease.

"Housing Authority" means the Housing Authority of the City of Long Beach.

"*Indenture*" means the Indenture of Trust, dated as of May 1, 2022, by and between the Authority and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions thereof.

"*Independent Accountant*" means any certified public accountant or firm of certified public accountants appointed and paid by the Authority or the City, and who, or each of whom (a) is in fact independent and not under domination of the Authority or the City; (b) does not have any substantial interest, direct or indirect, in the Authority or the City; and (c) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

"*Information Services*" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at http://emma.msrb.org) and, in accordance with then current guidelines of the Securities and Exchange Commission, such other organizations providing information with respect to the redemption of bonds as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

"Insurance and Condemnation Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"*Interest Account*" means the account by that name established in the Revenue Fund pursuant to the Indenture.

"*Interest Payment Date*" means each February 1 and August 1, commencing August 1, 2022.

"*Joint Powers Agreement*" means the Joint Exercise of Powers Agreement, dated as of December 8, 2015, between the City and the Housing Authority, as originally executed and as it may thereafter be amended or supplemented in accordance with its terms.

"*Lease Agreement*" means that certain Lease Agreement, dated as of May 1, 2022, by and between the Authority and the City, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Indenture.

"*Lease Payment Date*" means, with respect to any Interest Payment Date, commencing with the August 1, 2022, Interest Payment Date, the twenty-fifth (25th) calendar day of the month preceding such Interest Payment Date.

"*Lease Payments*" means the payments required to be paid by the City pursuant to the Lease Agreement, such payments constituting the portion of Revenues applied to the payment of debt service on the Bonds.

"*Nationally Recognized Statistical Rating Organization*" means a credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission permits financial firms to use for certain regulatory purposes.

"*Net Proceeds*" means amounts derived by the City from any policy of casualty insurance with respect to any portion of the Property, or the proceeds of any taking of the Property or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.

"*Office*" means, with respect to the Trustee, the corporate trust office of the Trustee located in Los Angeles, California, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the corporate trust operations office or agency of the Trustee.

"*Original Purchaser*" means, collectively, RBC Capital Markets, LLC, Cabrera Capital Markets, LLC and Stern Brothers & Co., the original purchasers of the Bonds upon their delivery by the Trustee on the Closing Date.

"*Outstanding*," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with the Indenture, including Bonds (or portions thereof) described in the Indenture; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds have been authenticated and delivered by the Trustee pursuant to the Indenture.

"*Owner*," whenever used in the Indenture with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books.

"*Participating Underwriter*" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"*Permitted Encumbrances*" means, as of any particular time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may, pursuant to provisions of the Lease Agreement, permit to remain unpaid; (b) the Site and Facility Lease; (c) the Lease Agreement; (d) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (e) easements, rights-of-way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the City certifies in writing will not materially impair the use of the Property; and (f) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of the Lease Agreement and to which the Authority and the City agree in writing do not reduce the value of the Property.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (provided the Trustee may rely upon the Request of the City directing investment under the Indenture as a determination that such investment is a Permitted Investment):

(a) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, fully and unconditionally guaranteed as to timely payment;

(b) debentures of the Federal Housing Administration to the extent such obligations are guaranteed by the full faith and credit of the United States of America;

(c) obligations of the following agencies which are not guaranteed by the United States of America: (i) participation certificates or debt obligations of the Federal Home Loan Mortgage Corporation; (ii) consolidated system-wide bonds and notes of the Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives); (iii) consolidated debt obligations or letter of credit-backed issues of the Federal Home Loan Banks; or (iv) mortgage-backed securities (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal) or debt obligations of the Federal National Mortgage Association; *provided, however*, that not more than ten percent (10%) of the proceeds of the Bonds may, in the aggregate, be invested in any such obligations at one time;

(d) commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a Nationally Recognized Statistical-Rating Organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (i) or (ii):

(i) The entity meets the following criteria:

- is organized and operating in the United States as a general corporation

- has total assets in excess of five hundred million dollars ($500,000,000)
- has debt other than commercial paper, if any, that is rated "A" or higher by a Nationally Recognized Statistical-Rating Organization

(ii) The entity meets the following criteria:

- is organized within the United States as a special purpose corporation, trust, or limited liability company
- has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond
- has commercial paper that is rated "A-1" or higher, or the equivalent, by two of the Nationally Recognized Statistical-Rating Organizations,

and split ratings (i.e. A2/P1) are not allowable, and no more than 10 percent of the outstanding commercial paper of any single corporate issue may be purchased;

(e) shares of beneficial interest issued by diversified management companies which invest only in direct obligations of the US Treasury, debt instruments issued by agencies of the Federal government, and repurchase agreements with a weighted average of 60 days or less, and have the highest rating from two Nationally Recognized Statistical-Rating Organizations, and must maintain a daily principal per share value of $1.00 per share and distribute interest monthly, and have a minimum of $500 million in assets under management. The purchase price of the shares may not include commission;

(f) bank deposit products, demand deposits, including interest bearing money market accounts, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits or certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Authority, including in the case of any such deposit, fund or account of the Trustee or any of its affiliates, rated in one of the top two highest categories from two Nationally Recognized Statistical-Rating Organizations without regard to gradations, or which are fully FDIC-insured;

(g) Investment agreements, guaranteed investment contracts, funding agreements, or any other form of corporate note which represents the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution which has an unsecured rating, or which agreement is itself rated, as of the date of execution thereof, in one of the two highest rating categories by a Nationally Recognized Statistical-Rating Organization;

(h) the Local Agency Investment Fund of the State, created pursuant to section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name;

(i) Repurchase and reverse repurchase agreements collateralized with securities described in subsections (a) and (c) above, at 102% and 104% respectively, including those of the Trustee or any of its affiliates, so long as such repurchase and/or reverse repurchase agreements have a final maturity date of 365 days or less, and must be marked to market weekly with a two (2) day cure period for any deficiencies, and any failure to deliver such collateral or to cure a deficiency shall require the immediate acceleration and termination of the agreement;

(j) longer dated repurchase agreements with financial institutions, or banks insured by the FDIC, or any broker dealer with "retail customers" which falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC), provided that: (i) the over-collateralization is at 102%, computed weekly, for securities described in subsection (a) and 104% for securities described in subsection (c); (ii) a third party custodian, the Trustee or the Federal Reserve Bank shall have possession of such obligations; (iii) the Trustee shall have perfected a first priority security interest in such obligations; and (iv) failure to maintain the requisite collateral percentage will require the Trustee to liquidate the collateral;

(k) Forward delivery or forward purchase agreements with underlying securities of the types outlined in (a), (b), (c) and (d) above;

(l) Tax-exempt obligations of the City, any local agency in the State or of any other 49 states, rated in either of the two highest rating categories by two of the Nationally Recognized Statistical-Rating Organizations;

(m) money market mutual funds including those for which the Trustee or any of its affiliates receives a fee for services provided to the fund, whether as investment advisor, transfer agent, custodian or otherwise; and

(n) the City Treasurer's Investment Pool.

"*Plans and Specifications*" means, with respect to the 2022 Project or any component thereof, the plans and specifications relating thereto filed by the City with the Authority pursuant to the Lease Agreement.

"*Principal Account*" means the account by that name established in the Revenue Fund pursuant to the Indenture.

"*Project Costs*" means, with respect to the 2022 Project, all costs of the Acquisition and Construction thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the Acquisition and Construction of the 2022 Project;

(b) obligations incurred for labor and materials in connection with the Acquisition and Construction of the 2022 Project;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the Acquisition and Construction of the 2022 Project;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper Acquisition and Construction of the 2022 Project;

(e) any sums required to reimburse the Authority or the City for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the Acquisition and Construction of the 2022 Project; and

(f) all financing costs incurred in connection with the Acquisition and Construction of the 2022 Project, including but not limited to Costs of Issuance and other costs incurred in connection with the Lease Agreement and the financing of the 2022 Project.

"*Project Fund*" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"*Property*" means, collectively, the Site and the Facility.

"*Record Date*" means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

"*Redemption Fund*" means the fund by that name established pursuant to the Indenture.

"*Registration Books*" means the records maintained by the Trustee pursuant to the Indenture for the registration and transfer of ownership of the Bonds.

"*Regulations*" means the regulations of the United States Department of Treasury issued under the Code.

"*Revenue Fund*" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"*Revenues*" means (a) all Lease Payments, prepayments, insurance proceeds, condemnation proceeds, (b) Greens Fees Revenues, and (c) subject to the provisions of the Indenture, all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture, other than the Costs of Issuance Fund.

"*Securities Depositories*" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

"*Site*" means those certain parcels of real property more particularly described in the Site and Facility Lease and in the Lease Agreement.

"*Site and Facility Lease*" means the Site and Facility Lease, dated as of May 1, 2022, by and between the City, as lessor, and the Authority, as lessee, together with any duly authorized and executed amendments thereto.

"*State*" means the State of California.

"*Supplemental Indenture*" means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

"*Tenant*" means American Golf Corporation, a California corporation, and its successors and assigns, or such other tenant to whom the City leases its Skylinks Golf Course.

"*Term of the Lease Agreement*" means the term during which the Lease Agreement is in effect, as provided in the Lease Agreement.

"*Trustee*" means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee under the Indenture as provided in the Indenture.

"*2012 Bonds*" means the Long Beach Bond Finance Authority Lease Revenue Refunding Bonds, Series 2012A, outstanding in the principal amount of $41,520,000.

"*2012 Indenture*" means that certain indenture of trust, dated as of December 1, 2012, as amended, by and between the Bond Finance Authority and the 2012 Trustee.

"*2012 Trustee*" means The Bank of New York Mellon Trust Company, N.A., as trustee under the 2012 Indenture..

"*2022 Project*" means the new capital projects more particularly described in the Indenture.

"*Written Certificate*," "*Written Request*" and "*Written Requisition*" of the Authority or the City mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

INDENTURE

Establishment of Funds and Accounts

Costs of Issuance Fund. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon submission of Written Requisitions of the City stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written 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. On the date three months after the Closing Date, or upon the earlier Written Request of the City, all amounts remaining in the Costs of Issuance Fund shall be transferred by the Trustee to the Revenue Fund and the Costs of Issuance Fund shall be closed. Amounts in this fund are not pledged as security for the Bonds.

Project Fund. The moneys in the Project Fund shall be used and withdrawn by the Trustee to pay the Project Costs upon submission of Written Requisitions of the City stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written 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.

Upon the filing with the Trustee of a Written Certificate of the Authority stating that the Project has been completed or that all Written Requisitions intended to be filed by the Authority and the City have been filed, the Trustee shall withdraw any remaining amounts then on deposit in the Project Fund and, at the direction of the City, either (i) transfer such amounts to the Bond Fund and applied to the payment of interest on the Bonds, or (ii) apply such amount to the redemption of Series A Bonds and, in either case, the Project Fund shall be closed.

Golf Course Capital Improvement Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Golf Course Capital Improvement Fund." There shall be deposited in the Golf Course Capital Improvement Fund the amount specified in the Indenture and amounts to be deposited from the Golf Course Account of the Revenue Fund in excess of the Amounts specified in the Indenture .The moneys in the Golf Course Capital Improvement Fund shall be used and withdrawn by the Trustee to pay or reimburse the costs of capital improvements to the City's golf courses upon submission of Written Requisitions of the City authorizing payment to the Tenant, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written 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.

Revenue Fund. All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Revenue Fund" which the Trustee shall establish, maintain and hold in trust pursuant to the Indenture; except that all moneys received by the Trustee and required under the Indenture or under the Lease Agreement to be deposited in the Redemption Fund or the Insurance and Condemnation Fund shall be promptly deposited in such Funds. There are created within the Revenue Fund an Interest Account and a Principal Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to the Indenture). All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at their respective maturity dates.

Redemption Fund. The Trustee shall establish and maintain a Redemption Fund, amounts in which shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and any premium on the Bonds to be redeemed pursuant to the Indenture; *provided, however*, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, in accordance with the Indenture.

Insurance and Condemnation Fund. Upon the receipt of any proceeds of insurance or eminent domain with respect to any portion of the Property, the Trustee shall establish and maintain an Insurance and Condemnation Fund, to be held and applied as set forth in the Indenture.

Any Net Proceeds of insurance against accident to or destruction of the Property collected by the City in the event of any such accident or destruction shall be paid to the Trustee by the City pursuant to the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in the Insurance and Condemnation Fund. If the City fails to determine and notify the Trustee in writing of its determination, within forty-five (45) days following the date of such deposit, to replace, repair, restore, modify or improve the Property, then such Net Proceeds shall be promptly transferred by the Trustee to the Redemption Fund and applied to the redemption of Bonds pursuant to the Indenture. All proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Redemption Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the City, upon receipt of Written Requisitions of the City, as agent for the Authority, which: (i) states with respect to each payment to be made (A) the requisition number, (B) the name and address of the person to whom payment is due, (C) the amount to be paid and (D) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal; and (ii) specifies in reasonable detail the nature of the obligation. Each such Written 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. Any balance of the proceeds remaining after such work has been completed as certified by the City to the Trustee shall be remitted by the Trustee to the City.

If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to the Lease Agreement and shall be applied and disbursed by the Trustee as follows:

(a) If the City has not given written notice to the Trustee, within forty-five (45) days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for the replacement of the Property or such portion thereof, the Trustee shall transfer such Net Proceeds to the Redemption Fund to be applied towards the redemption of the Bonds pursuant to the Indenture.

(b) If the City has given written notice to the Trustee, within forty-five (45) days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for replacement of the Property or such portion thereof, the Trustee shall pay to the City, or to its order, from said proceeds such amounts as the City may expend for such replacement, upon the filing of Written Requisitions of the City as agent for the Authority in the form and containing the provisions set forth in the Indenture. Each such Written 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.

Rebate Fund. The Indenture provides for a Rebate Fund, and within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with instructions of the Authority. Subject to the transfer provisions provided below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the federal government of the United States of America. Amounts in the Rebate Fund are not pledged as security

for the Bonds, and neither the Authority nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by the Indenture and by the Tax Certificate (which is incorporated in the Indenture by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Authority including supplying all necessary information reasonably requested by the Authority and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate or any other tax covenants contained in the Indenture. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Trustee shall have no independent duty to review such calculations or enforce the compliance by the Authority with such rebate requirements. The Trustee shall have no duty or obligation to determine the applicability of the Code and shall only be obligated to act in accordance with written instructions provided by the Authority.

Upon the Authority's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Authority or the City, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Authority in accordance with the Tax Certificate. The Trustee shall supply to the Authority all necessary information requested by the Authority to the extent such information is reasonably available to the Trustee. The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to the Indenture, other than from moneys held in the Rebate Fund or from other moneys provided to it by the Authority or the City.

At the written direction of the Authority, the Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments. Moneys shall not be transferred from the Rebate Fund except as provided below. The Trustee shall not be liable for any consequences arising from such investment.

Upon receipt of the Authority's written directions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Authority so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Authority's written directions; *provided, however*, only moneys in excess of the Rebate Requirement may, at the written direction of the Authority, be transferred out of the Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Rebate Fund (i) after each five-year remission to the United States, and (ii) after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Requirement, shall be withdrawn by the Trustee and remitted to the City.

Pledge and Assignment

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to the Indenture (other than the Costs of Issuance Fund and the Rebate Fund) are pledged in the Indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Indenture. Said pledge shall constitute a first lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act.

The Authority transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the rights of the Authority in the Lease Agreement (except for rights to receive Additional Payments, rights to give approvals and consents thereunder, the right to enforce venue, and certain rights to indemnification and expenses set forth therein), and in the Site and Facility Lease (except for rights to give approvals and consents thereunder and certain rights to indemnification set forth therein). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority

to the Trustee. The Trustee also shall be entitled to and may, subject to the Indenture, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority, all of the obligations of the City under the Lease Agreement.

The assignment of the Lease Agreement and the Site and Facility Lease to the Trustee is solely in its capacity as Trustee under the Indenture and the duties, powers and liabilities of the Trustee in acting thereunder shall be subject to the provisions of the Indenture. The Trustee shall not be responsible for any representations, warranties, covenants or obligations of the Authority under the Lease Agreement or the Site and Facility Lease.

The Trustee agrees to provide written notice to the City at least five Business Days prior to each Lease Payment Date of the amount, if any, on deposit in the Revenue Fund which shall serve as a credit against, and shall relieve the City of making, the Lease Payments due from the City on such Lease Payment Date. All Revenues (except Greens Fees Revenues) shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Revenue Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required hereunder or under the Lease Agreement to be deposited in the Redemption Fund or the Insurance and Condemnation Fund shall be promptly deposited in such Funds. Within the Revenue Fund there shall be established a Golf Course Account, an Interest Account and a Principal Account. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture.

Allocation of Revenues

Not later than the Business Day preceding each Interest Payment Date, the Trustee shall transfer from the Revenue Fund (including the Golf Course Account of the Revenue Fund) and deposit into the following respective accounts , the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding.

(b) The Trustee shall deposit in the Principal Account an amount, if any, required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due at maturity and payable on such Interest Payment Date.

(c) If the then applicable Interest Payment Date is February 1, all remaining moneys shall be held by the Trustee in the Revenue Fund and applied for the next succeeding August 1 Interest Payment Date deposits. If the then applicable Interest Payment Date is August 1, all remaining moneys shall be transferred to the City for deposit to the General Fund of the City free and clear of any pledge or lien imposed under the Indenture.

(d) Notwithstanding the foregoing, the Trustee shall withdraw from the Golf Course Account of the Revenue Fund and transfer to the Interest Account and the Principal Account only the amounts and with respect to the Interest Payment Dates specified in the Indenture. Greens Fees Revenues received by the Trustee from the Tenant shall be deposited in the Golf Course Account of the Revenue Fund on the 20th day of each month, commencing on June 20, 2022, and continuing until the July 20, 2028. To the extent that amounts on deposit in the Golf Course Account of the Revenue Fund exceed the amounts shown in the Indenture the Trustee shall transfer such excess amount to the Golf Course Capital Improvement Fund.

Investments

All moneys in any of the funds or accounts established with the Trustee pursuant to the Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the City pursuant to a Written Request of the City filed with the Trustee at least two (2) Business Days in advance of the making of such investments (which Written Request shall certify that the investments constitute Permitted Investments) or such shorter time as the Trustee may accept in its sole discretion. In the absence of any such directions from the City, the Trustee shall invest such amounts in a Permitted Investment described in clause (f) of the definition of Permitted Investments in the Indenture. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. The City shall take the liquidity needs of the moneys held under the Indenture into account in making investments.

All interest or gain derived from the investment of amounts in any of the funds or accounts established under the Indenture and held by the Trustee shall be deposited or retained in the Revenue Fund, except that any earnings on amounts in the Rebate Fund shall remain in such fund to be used for the purposes thereof. To the extent that any investment agreement requires the payment of fees, such fees shall be paid from available moneys in the Revenue Fund after the deposit of moneys described in above. For purposes of acquiring any investments under the Indenture, the Trustee may commingle funds held by it under the Indenture. The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee or its affiliates may act as sponsor, advisor or depository with respect to any Permitted Investment. To the extent that any Permitted Investment purchased by the Trustee are registrable securities such Permitted Investment shall be registered in the name of the Trustee on behalf of the Owners. The Trustee shall incur no liability for losses arising from any investments made pursuant to the Indenture.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the City the right to receive brokerage confirmations of security transactions as they occur at no additional cost, the City specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee under the Indenture.

Such investments shall be valued by the Trustee not less often than quarterly at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date.

The Trustee may utilize securities pricing services that may be available to it making such valuations, including those within its accounting system with respect to the Bonds, and conclusively rely thereon.

Certain Covenants

Punctual Payment. The Authority shall punctually pay or cause to be paid the principal of and interest and premium (if any) on all the Bonds in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in the Indenture.

Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in the Indenture shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under the Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by the Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other Indenture for any of its corporate purposes and reserves the right to issue other obligations for such purposes. Nothing in this section shall in any way limit the City's ability to encumber its assets in accordance with the Lease Agreement.

Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into the Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned under the Indenture in the manner and to the extent provided in the Indenture. The Authority has duly authorized the execution and delivery of the Bonds and the Indenture under the terms and provisions of the Act and a resolution adopted by the Board and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability against the Authority of the Bonds and the Indenture. The Authority has taken all necessary action and has complied with all provisions of the Act required to make the Bonds and the Indenture the valid, legal and binding limited obligations of the Authority.

Accounting Records. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Revenues, the Lease Agreement and all funds and accounts established pursuant to the Indenture. Such books of record and account shall be available for inspection by the Authority and the City, during business hours and under reasonable circumstances upon reasonable prior notice.

No Additional Obligations. The Authority covenants that no additional bonds, notes or other indebtedness shall be issued or incurred which are payable out of the Revenues in whole or in part.

Tax Covenants. The Authority covenants to and for the benefit of the Owners that, notwithstanding any other provisions of the Indenture, it will:

(a) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Bonds or the moneys and investments held in the funds and accounts established under the Indenture which would cause the Bonds to be arbitrage bonds under section 103(b) and section 148 of the Code and the Regulations issued under section 148 of the Code or which would otherwise cause the interest payable on the Bonds to be includable in gross income for federal income tax purposes;

(b) not take or cause to be taken any other action or actions, or fail to take any action or actions, which would cause the interest payable on the Bonds to be includable in gross income of the Owners of the Bonds for federal income tax purposes;

(c) at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Bonds will be excluded from the gross income, for federal income tax purposes, of the Owners pursuant to the Code; and

(d) not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Regulations.

In furtherance of the above covenants, the Authority shall execute, deliver and comply with the provisions of the Tax Certificate. The Trustee agrees it will invest funds held under the Indenture in accordance with the terms of the Indenture (this covenant shall extend throughout the term of the Bonds, to all funds and accounts created under the Indenture held by the Trustee and all moneys on deposit to the credit of any fund or account held by the Trustee).

Collection of Amounts Due Under Lease Agreement

The Trustee shall promptly collect all amounts due from the City pursuant to the Lease Agreement. Subject to the provisions of the Indenture, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority, for the enforcement of all of the obligations of the City under the Lease Agreement.

The Authority shall not amend, modify or terminate any of the terms of the Lease Agreement, or consent to any such amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent only if (a) in the opinion of Bond Counsel, such amendment, modification or termination will not materially adversely affect the interests of the Owners, or (b) the Trustee first obtains the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding to such amendment, modification or termination.

Continuing Disclosure

Pursuant to the Lease Agreement, the City has undertaken all responsibility for compliance with continuing disclosure requirements, and neither the Authority nor the Trustee shall have any liability to the Owners of the Bonds or any other person with respect to the Continuing Disclosure Certificate. The Trustee covenants and agrees in the Indenture that it will comply with and carry out all of the provisions of the Lease Agreement applicable to it. Notwithstanding any other provision of the Indenture, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall at the request of the Owners or Beneficial Owners (as defined in the Continuing Disclosure Certificate) of at least 25% aggregate principal amount of Outstanding Bonds, to the extent indemnified to its satisfaction from any liability, cost or expense, including fees and expenses of its attorneys, or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under the Lease Agreement or to cause the Trustee to comply with its obligations under the Indenture. For purposes of the Indenture, "Beneficial Owner" means 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).

Events of Default; Remedies

Events of Default. The following events shall be Events of Default under the Indenture:

(a) Default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

(b) Default in the due and punctual payment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee; *provided, however*, that if in the reasonable opinion of the Authority the default stated in the notice can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default under the Indenture if the Authority shall commence to cure such default within such thirty (30) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time which period shall be no longer than 120 days after the original written notice of default.

(d) The occurrence and continuation of an Event of Default under and as such term is defined in the Lease Agreement.

Remedies Upon Event of Default. Upon the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Owners of not less than 25% in principal amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction, and payment of its fees and expenses, including the fees and expenses of its counsel, shall in its own name and as the Trustee of an express trust:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners under, and require the Authority or the City to carry out any agreements with or for the benefit of the Owners of Bonds and to perform its or their duties under the Lease Agreement and the Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of the Lease Agreement or the Indenture, as the case may be;

(b) bring suit upon the Bonds;

(c) by action or suit in equity require the Authority to account as if it were the trustee of an express trust for the Owners of Bonds; or

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of Bonds under the Indenture.

Upon the occurrence of an Event of Default, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Revenues, *ex parte*, and without notice, and the Authority consents to the appointment of such receiver upon the occurrence of an Event of Default. In the case of any receivership, insolvency, bankruptcy, or other judicial proceedings affecting the Authority or the City, the Trustee shall be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have the claims of the Trustee and the Bond Owners allowed in such proceedings, without prejudice, however, to the right of any Bond Owner to file a claim on his or her own behalf; provided, the Trustee shall be entitled to compensation and reimbursement for the reasonable fees and expenses of its counsel and indemnity for its reasonable expenses and liability from the Authority, the City or the Bond Owners, as appropriate.

Nothing in the Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bond Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Bond Owner in any such proceeding without the approval of the Bond Owners so affected.

Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture;

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of the Indenture, as follows:

> First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and
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> Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

Bond Owners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would expose it to liability.

Limitation on Bond Owners' Right to Sue. Notwithstanding any other provision of the Indenture, no Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Lease Agreement or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers granted in the Indenture or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are in the Indenture declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy thereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, the Indenture, the Lease Agreement or other applicable law with respect to the Bonds, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner provided in the Indenture and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Amendments Permitted

The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an Indenture or Indenture supplemental thereto, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted in the Indenture, or deprive the Owners of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

The Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, if the Trustee has been furnished an opinion of counsel that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Bonds, including, without limitation, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in the Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved to or conferred upon the Authority in the Indenture;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority may deem necessary or desirable;

(iii) to modify, amend or supplement the Indenture in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute; or

(iv) to modify, amend or supplement the Indenture in such manner as to cause interest on the Bonds to remain excludable from gross income of the Owners under the Code.

The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by the Indenture which materially adversely affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

Prior to the Trustee entering into any Supplemental Indenture under the Indenture, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of the Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion from gross income of the Owners for purposes of federal income taxes of interest on the Bonds.

Written notice of any amendment or modification made pursuant to the Indenture shall be given by the Authority to any rating agency then rating the Bonds prior to the effective date of such amendment or modification.

Effect of Supplemental Indenture

Upon the execution of any Supplemental Indenture pursuant to the Indenture, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Authority, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Discharge of Indenture

Any or all of the Outstanding Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable under the Indenture by the Authority:

(a) by paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, Defeasance Obligations in the necessary amount (as provided in the Indenture) to pay or redeem such Bonds; or

(c) by delivering to the Trustee, for cancellation by it, such Bonds.

If the Authority shall also pay or cause to be paid all other sums payable under the Indenture by the Authority, then and in that case, at the election of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, the Indenture and the pledge of Revenues and other assets made under the Indenture with respect to such Bonds and all covenants, agreements and other obligations of the Authority under the Indenture with respect to such Bonds shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the Authority, 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, transfer, assign or deliver to the City all moneys or securities or other property held by it pursuant to the Indenture which are not required for the payment or redemption of any of such Bonds not theretofore surrendered for such payment or redemption.

Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in the Indenture) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds and all unpaid interest thereon to the redemption date; or

(b) Defeasance Obligations, the principal of and interest on which when due will, in the written opinion of an Independent Accountant filed with the City, the Authority and the Trustee, provide money sufficient to pay the principal of and interest and premium (if any) on the Bonds to be paid or redeemed, as such principal, interest and premium become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that (i) the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Written Request of the Authority) to apply such money to the payment of such principal, interest and premium (if any) with respect to such Bonds, and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel to the effect that such Bonds have been discharged in accordance with the Indenture (which opinion may rely upon and assume the accuracy of the Independent Accountant's opinion referred to above).

Limited Liability

None of the Authority, any Authority members, any Board members or any person executing the Bonds is liable personally on the Bonds or subject to any personal liability or accountability by reason of their issuance. The Bonds are limited obligations of the Authority, payable solely from and secured by the pledge of Revenues. Neither the Authority, its members, the State, nor any of its political subdivisions shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the debt service due on the Bonds, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Bonds are not a pledge of the faith and credit of the Authority, its members, the State or any of its political subdivisions nor do they constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Authority has no taxing power.

SITE AND FACILITY LEASE

The Site and Facility Lease is entered into between the City and the Authority. The City agrees to lease the Property to the Authority for a term continuous with the term of the Lease Agreement. The City and the Authority agree that the lease to the Authority of the City's right, title and interest in the Property pursuant to the Site and Facility Lease serves the public purposes of the City by enabling the Authority to lease the Property back to the City.

LEASE AGREEMENT

Plans and Specifications for the 2022 Project

Before any payment is made for the 2022 Project or any component thereof from amounts on deposit in the Project Fund, the City shall have filed with the Authority detailed Plans and Specifications relating thereto. The City may from time to time file amendments to such Plans and Specifications with the Authority and may thereby change or modify the description of the 2022 Project or any component thereof.

Acquisition and Construction of the 2022 Project

The Authority agrees with due diligence to supervise and provide for, or cause to be supervised and provided, for the Acquisition and Construction of the 2022 Project in accordance with Plans and Specifications, purchase orders, construction contracts and other documents relating thereto and approved by the City pursuant to all applicable requirements of law. Direct payment of the Project Costs shall be made from amounts on deposit in the Project Fund, pursuant to the Indenture. All contracts for, and all work relating to, the Acquisition and Construction of the 2022 Project shall be subject to all applicable provisions of law relating to the acquisition and construction of public works by the City. The Authority expects that the Acquisition and Construction of the 2022 Project will be completed on or before May 1, 2025; *provided, however*, that the failure to complete the 2022 Project by the estimated Completion Date thereof shall not constitute an Event of Default under the Lease Agreement or a grounds for termination of the Lease Agreement, nor shall such failure result in the diminution, abatement or extinguishment of the obligations of the City under the Lease Agreement to pay the Lease Payments allocable to the 2022 Project.

The City shall have the right from time to time in its sole discretion to amend the description of the 2022 Project to be financed and leased by the Authority under the Lease Agreement.

Upon the completion of the Acquisition and Construction of the 2022 Project, the amounts, if any, on deposit in the Project Fund shall be transferred by the City to the Trustee for deposit in the Bond Fund and the City shall close the Project Fund.

Grant of Easements

The City grants to the Authority all necessary easements, rights of way and rights of access in and to all real property or interests therein now or hereafter acquired and owned by the City, as may be necessary or convenient to enable the Authority to acquire, construct and install the 2022 Project thereon or thereabouts. The City covenants that it will execute, deliver and record any and all additional documents as may be required to be executed, delivered and recorded to establish such easements, rights of way and rights of access.

Appointment of City as Agent of Authority

The Authority appoints the City as its agent to carry out all phases of the Acquisition and Construction of the 2022 Project pursuant to and in accordance with the provisions of the Lease Agreement. The City accepts such appointment and assumes all rights, liabilities, duties and responsibilities of the Authority regarding the Acquisition and Construction of the 2022 Project. The Authority, or the City as agent of the Authority under the Lease Agreement, shall enter into, administer and enforce all purchase orders or other contracts relating to the Acquisition and Construction of the 2022 Project. All contracts for, and all work relating to, the Acquisition and Construction of the 2022 Project shall be subject to all applicable provisions of law relating to the acquisition, construction, improvement, and equipping of like project and property by joint powers authorities and by municipal corporations.

Lease of Property

The Authority leases the Property to the City, and the City leases the Property from the Authority, upon the terms and conditions set forth in the Lease Agreement.

Term of Lease Agreement

The Lease Agreement shall take effect on the date thereof, and shall end on the earlier of August 1, 2031 or such earlier date on which the Bonds shall no longer be Outstanding under the Indenture. If, on August 1, 2031, the Indenture shall not be discharged by its terms or if the Lease Payments payable thereunder shall have been abated at any time and for any reason, then the Term of the Lease Agreement shall be extended until there

has been deposited with the Trustee an amount sufficient to pay all obligations due under the Lease Agreement, but in no event shall the Term of the Lease Agreement extend beyond August 1, 2041.

Lease Payments

Obligation to Pay. In consideration of the lease of the Property from the Authority under the Lease Agreement, the City agrees to pay to the Authority, its successors and assigns, as rental for the use and occupancy of the Property during each Fiscal Year, the Lease Payments (denominated into components of principal and interest) for the Property in the respective amounts specified in the Lease Agreement, to be due and payable on the respective Lease Payment Dates specified in the Lease Agreement. Any amount held in the Revenue Fund, the Interest Account or the Principal Account (including, specifically, amounts transferred to the Interest Account and the Principal Account from the Golf Couse Account) on any Lease Payment Date, derived from any source of funds of the City or the Authority, shall be credited towards the Lease Payment then due and payable. The Lease Payments coming due and payable in any Fiscal Year shall be for the use of the Property for such Fiscal Year.

The City's obligation to pay Lease Payments under the Lease Agreement shall be absolute and unconditional subject only to abatement, in the event and to the extent that there is substantial interference with the use and occupancy of the property or any portion there of.

Rate on Overdue Payments. In the event the City should fail to make any of the payments required in the Lease Agreement, the payment in default shall continue as an obligation of the City until the amount in default shall have been fully paid, and the City agrees to pay the same with interest thereon, from the date of default to the date of payment at the highest rate of interest borne by any Outstanding Bond. Such interest, if received, shall be deposited in the Revenue Fund.

Fair Rental Value. The Lease Payments and Additional Payments coming due and payable in each Fiscal Year shall constitute the total rental for the Property for each Fiscal Year and shall be paid by the City in each Fiscal Year for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of, the Property during each Fiscal Year. The Authority and the City agree and determine that the total Lease Payments do not exceed the fair rental value of the Property. In making such determination, consideration has been given to the obligations of the parties under the Lease Agreement, the value of the Property, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the City and the general public.

Source of Payments; Budget and Appropriation. Lease Payments shall be payable from any source of available funds of the City, subject to the provisions of the Lease Agreement.

The City covenants to take such action as may be necessary to include all Lease Payments due under the Lease Agreement in each of its budgets during the Term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The covenants on the part of the City contained in the Lease Agreement shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in the Lease Agreement agreed to be carried out and performed by the City. During the Term of the Lease Agreement, the City shall furnish to the Authority and the Trustee, no later than ten days following the adoption of a budget for the current Fiscal Year, a certificate stating that the Lease Payments due in that Fiscal Year have been included in the budget approved by the City Council for such Fiscal Year.

Assignment. The City understands and agrees that all Lease Payments have previously been assigned by the Authority to the Trustee in trust, pursuant to the Indenture, for the benefit of the Owners of the Bonds, and the City assents to such assignment. The Authority directs the City, and the City agrees, to pay all of the Lease Payments to the Trustee at its Office.

Security Deposit. Notwithstanding any other provision of the Lease Agreement, the City may on any date secure the payment of the Lease Payments for the Property in whole or in part by depositing with the Trustee an amount of cash which, together with other available amounts, including but not limited to amounts on deposit in the Revenue Fund, is either (i) sufficient to pay such Lease Payments, including the principal and interest components thereof, and premium, if any, in accordance with the Lease Payment schedule set forth in the Lease Agreement, or (ii) invested in whole or in part in Defeasance Obligations in such amount as will, in the opinion of an Independent Accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments when due under the Lease Agreement, as the City shall instruct at the time of said deposit. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of the Lease Agreement.

No Prepayment Option

The Lease Payments are not subject to optional prepayment.

Quiet Enjoyment

During the Term of the Lease Agreement, the Authority shall provide the City with quiet use and enjoyment of the Property, and the City shall, during such Term, peaceably and quietly have and hold and enjoy the Property without suit, trouble or hindrance from the Authority, except as expressly set forth in the Lease Agreement. The Authority will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so. Notwithstanding the foregoing, the Authority shall have the right to inspect the Property as provided in the Lease Agreement.

Title

If the City pays all of the Lease Payments and Additional Payments during the Term of the Lease Agreement as the same become due and payable, or if the City posts a security deposit for payment of the Lease Payments pursuant to the Lease Agreement, and if the City has paid in full all of the Additional Payments coming due and payable as of such date, and provided in any event that no Event of Default shall have occurred and be continuing, all right, title and interest of the Authority in and to the Property shall be transferred to and vested in the City. The Authority agrees to take any and all steps and execute and record any and all documents reasonably required by the City to consummate any such transfer of title.

Additional Payments

In addition to the Lease Payments, the City shall pay when due the following Additional Payments:

(a) All taxes and assessments of any type or character charged to the Authority or to the Trustee affecting the amount available to the Authority or the Trustee from payments to be received under the Lease Agreement or in any way arising due to the transactions contemplated by the Lease Agreement (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the City shall have the right to protest any such taxes or assessments and to require the Authority or the Trustee, at the City's expense, to protest and contest any such taxes or assessments levied upon them and that the City shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Trustee;

(b) All reasonable fees, charges and expenses of the Trustee for services rendered under the Indenture as and when the same become due and payable;

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Site and Facility Lease, the Lease Agreement or the Indenture; and

(d) The reasonable fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with the Site and Facility Lease, the Lease Agreement or the Indenture or the Bonds, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds or in connection with any litigation, investigation or other proceeding which may at any time be instituted involving the Site and Facility Lease, the Lease Agreement or the Indenture or the Bonds or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the City, its Property, assets or operations or otherwise in connection with the administration of the Site and Facility Lease, the Lease Agreement or the Indenture.

(e) Any amounts due and payable by the City as arbitrage rebate under section 148 of the Code with respect to the Bonds, pursuant to City's covenants and agreements with respect thereto in the Indenture and the Lease Agreement.

Maintenance, Utilities, Taxes and Assessments

Throughout the Term of the Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the City and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Property which may include, without limitation, janitor service, security, power, gas, phone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the City or any assignee or lessee thereof. In exchange for the Lease Payments provided in the Lease Agreement, the Authority agrees to provide only the Property, as hereinbefore more specifically set forth. The City waives the benefits of subsections 1 and 2 of section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the City under the terms of the Lease Agreement.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the City affecting the Property or the respective interests or estates therein; *provided, however*, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of the Lease Agreement as and when the same become due.

The City may, at the City's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in the reasonable opinion of the Authority, by nonpayment of any such items, the interest of the Authority in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trustee.

Modification of Property

The City shall, at its own expense, have the right to make additions, modifications and improvements to the Property. All additions, modifications and improvements to the Property shall thereafter comprise part of the Property and be subject to the provisions of the Lease Agreement. Such additions, modifications and improvements shall not in any way damage the Property or cause the Property to be used for purposes other than those authorized under the provisions of State and federal law; and the City shall file with the Trustee and the Authority a Written Certificate of the City stating that the Property, upon completion of any additions, modifications and improvements made thereto pursuant to the Lease Agreement, shall be of a value which is not substantially less than the value of the Property immediately prior to the making of such additions, modifications and improvements. The City will not permit any mechanic's or other lien to be established or remain against the Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City pursuant to the Lease Agreement; *provided, however*, that if any such lien is established and the City shall first notify or cause to be notified the Authority of the City's intention to do so, the City may in good faith contest any lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Authority with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Authority. The Authority will cooperate fully in any such contest, upon the request and at the expense of the City.

Public Liability and Property Damage Insurance

The City shall maintain or cause to be maintained throughout the Term of the Lease Agreement, a standard comprehensive general insurance policy or policies in protection of the Authority, the City, and their respective Board members, Council members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Said policy or policies shall provide coverage in the minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of $100,000 (subject to a deductible clause of not to exceed $250,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and such liability insurance may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of the Lease Agreement, or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance shall be applied by the City toward extinguishment or satisfaction of the liability with respect to which they are paid.

Fire and Extended Coverage Insurance

The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease Agreement, insurance against loss or damage to the improvements constituting a part of the Property by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance, when required, shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount at least equal to the lesser of (a) one hundred percent (100%) of the replacement cost of all of the insured improvements, or (b) the aggregate principal amount of the outstanding Bonds. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided however, that such insurance may not be maintained by the City in the form of self-insurance. The Net Proceeds of such insurance shall be applied as provided in the Lease Agreement.

Rental Interruption Insurance

The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property as a result of any of the hazards covered in the insurance required by the Lease Agreement, in an amount at least equal to the maximum Lease Payments coming due and payable during any future twenty-four (24) month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; *provided, however*, that such insurance may not be maintained in the form of self-insurance except for a time element deductible not to exceed sixty (60) days in duration. The proceeds of such insurance, if any, shall be paid to the Trustee and deposited in the Revenue Fund, and shall be credited towards the payment of the Lease Payments as the same become due and payable.

Recordation; Title Insurance

On or before the Closing Date the City shall, at its expense, (a) cause the Site and Facility Lease and the Lease Agreement, or memorandums thereof, in each case in form and substance approved by Bond Counsel, to be recorded in the office of the Los Angeles County Recorder, and (b) obtain a CLTA policy of title insurance which insures the City's leasehold estate in the Property in an amount equal to the aggregate initial principal amount of the Bonds. All Net Proceeds received under said policy shall be deposited with the Trustee in the Redemption Fund and shall be deposited in the Insurance and Condemnation Fund.

Net Proceeds of Insurance; Form of Policies

Each policy of insurance maintained pursuant to the Lease Agreement shall name the Trustee as loss payee so as to provide that all proceeds thereunder shall be payable to the Trustee. All required insurance policies shall be provided by a commercial insurer in one of the two highest rating categories by a Nationally Recognized Statistical Rating Organization (without regard to designations of plus (+) or minus (-)). The City shall pay or cause to be paid when due the premiums for all insurance policies required by the Lease Agreement. All such policies shall provide that the Trustee shall be given thirty (30) days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency or amount of any insurance or self-insurance required in the Lease Agreement and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. The City shall cause to be delivered to the Trustee annually, no later than February 1 in each year, a certificate stating that all of the insurance policies required by the Lease Agreement are in full force and effect and identifying whether any such insurance is then maintained in the form of self-insurance.

In the event that any insurance maintained pursuant to the Lease Agreement shall be provided in the form of self-insurance, the City shall file with the Trustee annually, within ninety (90) days following the close of each Fiscal Year, a statement of the City risk manager, insurance consultant or actuary identifying the extent of such self-insurance and stating the determination that the City maintains sufficient reserves with respect thereto. In the event that any such insurance shall be provided in the form of self-insurance by the City, the City shall not be obligated to make any payment with respect to any insured event except from such reserves. The results of such review shall be filed with the Trustee.

Installation of Personal Property

The City may, at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon any portion of the Property. All such items shall remain the sole property of the City, in which neither the Authority nor the Trustee shall have any interest, and may be modified or removed by the City at any time provided that the City shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such

items. Nothing in the Lease Agreement shall prevent the City from purchasing or leasing items to be installed pursuant to the Lease Agreement under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Liens

Neither the City nor the Authority shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to any portion of the Property, other than the respective rights of the Trustee, the Authority and the City as provided in the Lease Agreement and Permitted Encumbrances. Except as expressly provided in the Lease Agreement, the City and the Authority shall promptly, at their own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The City shall reimburse the Authority for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Tax Covenants

Private Activity Bond Limitation. The City shall assure that proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Rebate Requirement. The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

No Arbitrage. The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest with respect to the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

Continuing Disclosure

The City covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Lease Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not constitute an Event of Default under the Lease Agreement; *provided, however*, that the Participating Underwriter or any Owner or Beneficial Owner (as defined in the Continuing Disclosure Certificate) of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations under the Lease Agreement, including seeking mandate or specific performance by court order.

Application of Net Proceeds

From Insurance Award. The Net Proceeds of any insurance award resulting from any damage to or destruction of the Property by fire or other casualty shall be paid by the City to the Trustee and shall be deposited in the Insurance and Condemnation Fund by the Trustee and applied as set forth in the Indenture.

From Eminent Domain Award. If the Property or any portion thereof shall be taken permanently or temporarily under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Net Proceeds resulting therefrom shall be deposited in the Insurance and Condemnation Fund and applied as set forth in the Indenture.

From Title Insurance Award. The Net Proceeds of any title insurance award shall be paid to the Trustee, deposited in the Insurance and Condemnation Fund and applied as set forth in the Indenture.

Abatement of Lease Payments

Abatement Due to Damage or Destruction of the Property; Non-Completion. The Lease Payments shall be abated during any period in which by reason of damage to or destruction of the Property (other than by eminent domain) there is substantial interference with the use and occupancy by the City of the Property or any portion thereof. The amount of such abatement shall be an amount agreed upon by the City and the Authority such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Property not damaged or destroyed and available for use and possession by the City. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction or the date when the remaining portion of the Property is available for use and possession by the City. In the event of any such damage, destruction or non-completion, the Lease Agreement shall continue in full force and effect and the City waives any right to terminate the Lease Agreement by virtue of any such damage or destruction. There shall be no abatement of the Lease Payments to the extent that moneys derived from any person as a result of such damage or destruction are available to pay the amount which would otherwise be abated or if there is any money available in the Revenue Fund to pay the amount which would otherwise be abated.

Abatement Due to Eminent Domain. If all of the Property shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease Agreement shall cease with respect to the Property as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (a) the Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (b) there shall be a partial abatement of Lease Payments in an amount to be agreed upon by the City and the Authority such that the resulting Lease Payments for the Property represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Rights of Access

The City agrees that the Authority and any Authorized Representative of the Authority, and the Authority's successors or assigns, shall have the right at all reasonable times to enter upon and to examine and inspect the Property. The City further agrees that the Authority, any Authorized Representative of the Authority, and the Authority's successors or assigns, shall have such rights of access to the Property as may be reasonably necessary to cause the proper maintenance of the Property in the event of failure by the City to perform its obligations under the Lease Agreement; provided, however, that the Authority's assigns shall not be required to cause such proper maintenance.

Release and Indemnification Covenants

The City shall and agrees to indemnify and save the Authority, the Trustee and their respective officers, agents, successors and assigns, harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Property by the City, (b) any breach or default on the part of the City in the performance of any of its obligations under the Lease Agreement, (c) any act or negligence of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (d) any act or negligence of any lessee of the City with respect to the Property, or (e) the performance by the Trustee of its duties under the Lease Agreement or under the Indenture. No indemnification is made under the Lease Agreement for willful misconduct or negligence under the Lease Agreement by the Authority, the Trustee or any of their respective officers or employees. The indemnification under the Lease Agreement shall survive removal or resignation of the Trustee, termination of the Lease Agreement or discharge of the Bonds.

Assignment by the Authority

Certain rights of the Authority under the Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the City under the Lease Agreement, have been pledged and assigned to the Trustee for the benefit of the Owners of the Bonds pursuant to the Indenture, to which pledge and assignment the City consents. The assignment of the Lease Agreement to the Trustee is solely in its capacity as Trustee under the Indenture and the duties, powers and liabilities of the Trustee in acting under the Lease Agreement shall be subject to the provisions of the Indenture, including, without limitation, the provisions of the Lease Agreement.

Assignment and Subleasing by the City

The Lease Agreement may not be assigned by the City. The City may sublease the Property or any portion thereof, subject to, and delivery to the Authority of a certificate as to, all of the following conditions:

(a) The Lease Agreement and the obligation of the City to make Lease Payments under the Lease Agreement shall remain obligations of the City;

(b) The City shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of such sublease;

(c) No such sublease by the City shall cause the Property to be used for a purpose other than as may be authorized under the provisions of the laws of the State; and

(d) The City shall furnish the Authority and the Trustee with a written opinion of Bond Counsel, stating that such sublease is permitted by the Lease Agreement and the Indenture, and will not cause the interest on the Bonds to become included in gross income for federal income tax purposes.

Amendment of Lease

Substitution of Sites. The City shall have, and is granted, the option at any time and from time to time during the Term of the Lease Agreement to substitute other land (a "Substitute Sites") for the Sites (the "Former Sites"), or a portion thereof, provided that the City shall satisfy all of the following requirements which are declared to be conditions precedent to such substitution:

(a) The City shall file with the Authority and the Trustee an amended Site and Facility Lease which adds thereto a description of such Substitute Sites and deletes therefrom the description of the Former Sites;

(b) The City shall file with the Authority and the Trustee an amended Lease Agreement which adds thereto a description of such Substitute Sites and deletes therefrom the description of the Former Sites;

(c) The City shall certify in writing to the Authority and the Trustee that such Substitute Sites serves the purposes of the City, constitutes property that is unencumbered (or the portion of such property to be to substituted is unencumbered), subject to Permitted Encumbrances, and constitutes property which the City is permitted to lease under the laws of the State;

(d) The City delivers to the Trustee and the Authority evidence that the Substitute Sites (or the portions to be substituted) is of equal or greater value than the Sites (or the portions thereof) to be substituted;

(e) The City shall certify the Substitute Sites shall not cause the City to violate any of its covenants, representations and warranties made in the Lease Agreement;

(f) The City shall obtain an amendment to the title insurance policy required pursuant to the Lease Agreement which adds thereto a description of the Substitute Sites and deletes therefrom the description of the Former Sites;

(g) The City shall certify that the Substitute Sites is of the same or greater essentiality to the City as was the Former Sites;

(h) The City shall certify that the Substitute Sites have a useful life equal to or longer than the remaining term of the Bonds; and

(i) The City shall provide notice of such substitution to any rating agency then rating the Bonds.

Substitution of Facilities. The City shall have, and is granted, the option at any time and from time to time during the Term of the Lease Agreement to substitute a substitute facility or substitute facilities (a "Substitute Facilities") for the Facilities (the "Former Facilities"), or a portion thereof, provided that the City shall satisfy all of the following requirements which are declared to be conditions precedent to such substitution:

(a) The City shall file with the Authority and the Trustee an amended Site and Facility Lease which adds thereto a description of such Substitute Facilities and deletes therefrom the description of the Former Facilities, if applicable;

(b) The City shall file with the Authority and the Trustee an amended Lease Agreement which adds thereto a description of such Substitute Facilities and deletes therefrom the description of the Former Facilities;

(c) The City shall certify in writing to the Authority and the Trustee that such Substitute Facilities serves the purposes of the City, constitutes property that is unencumbered (or the portion of such property to be to substituted is unencumbered), subject to Permitted Encumbrances, and constitutes property which the City is permitted to lease under the laws of the State;

(d) The City delivers to the Trustee and the Authority evidence that the Substitute Facilities (or the portions to be substituted) is of equal or greater value than the property (or the portions thereof) to be substituted;

(e) The City shall certify the Substitute Facilities shall not cause the City to violate any of its covenants, representations and warranties made in the Lease Agreement;

(f) The City shall certify that the Substitute Facilities are of the same or greater essentiality to the City as was the Former Facility;

(g) The City shall certify that the Substitute Facility has a useful life equal to or longer than the remaining term of the Bonds; and

(h) The City shall provide notice of such substitution to any rating agency then rating the Bonds.

Release of Sites. The City shall have, and is granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Sites, provided that the City shall satisfy all of the following requirements which are declared to be conditions precedent to such release:

(a) The City shall file with the Authority and the Trustee an amended Site and Facility Lease which describes the Sites, as revised by such release;

(b) The City shall file with the Authority and the Trustee an amended Lease Agreement which describes the Sites, as revised by such release;

(c) The City delivers to the Trustee and the Authority evidence that the Sites, as revised by such release, including the value of the Facilities (other than any portion thereof, or the Sites or any portion thereof to be released), has a value at least equal to the principal amount of the Bonds then outstanding;

(d) The City shall obtain an amendment to the title insurance policy required pursuant to the Lease Agreement which describes the Sites, as revised by such release; and

(e) The City shall provide notice of such release to any rating agency then rating the Bonds.

Release of Facilities. The City shall have, and is granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Facilities provided that the City shall satisfy all of the following requirements which are declared to be conditions precedent to such release:

(a) The City shall file with the Authority and the Trustee an amended Site and Facility Lease which describes the Facilities, as revised by such release;

(b) The City shall file with the Authority and the Trustee an amended Lease Agreement which describes the Facilities, as revised by such release;

(c) The City delivers to the Trustee and the Authority evidence that the Facilities, as revised by such release, together with the Sites (that remains subject to the Lease Agreement), has a total value at least equal to the principal amount of the Bonds then outstanding; and

(d) The City shall provide notice of such release to any rating agency then rating the Bonds.

Generally. The Authority and the City may at any time amend or modify any of the provisions of the Lease Agreement, but only

(a) with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds, or

(b) without the consent of any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City contained in the Lease Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power reserved to or conferred upon the City in the Lease Agreement;

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Lease Agreement, or in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments will not materially adversely affect the interests of the Owners of the Bonds; or

(iii) to amend any provision thereof relating to the Tax Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of the Owners of the Bonds of interest on the Bonds under the Code, in the opinion of Bond Counsel.

Events of Default Defined

The following shall be "Events of Default" under the Lease Agreement:

(a) Failure by the City to pay any Lease Payment required to be paid under the Lease Agreement at the time specified in the Lease Agreement.

(b) Failure by the City to make any Additional Payment required under the Lease Agreement and the continuation of such failure for a period of thirty (30) days after notice thereof is given to the City by the Trustee.

(c) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding clauses (a) or (b), for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority or the Trustee; *provided, however*, that if in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such sixty (60) day period, such failure shall not constitute an Event of Default if the City shall commence to cure such failure within such sixty (60) day period and thereafter diligently and in good faith shall cure such failure in a reasonable period of time which shall last no longer than 120 days after the original written notice.

(d) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of applicable federal bankruptcy law, or under any similar acts which may hereafter be enacted.

Remedies on Default

Whenever any Event of Default referred to in the Lease Agreement shall have happened and be continuing, it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement; *provided, however*, that notwithstanding anything to the contrary in the Lease Agreement or in the Indenture, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable or to terminate the Lease Agreement or to cause the fee interest of the City in the Property to be sold, assigned or otherwise alienated. Each and every covenant thereof to be kept and performed by the City is expressly made a condition and, upon the breach thereof, the Authority may exercise any and all rights of entry and re-entry upon the Property. The City irrevocably consents to the Authority's repossession of the Property if such an Event of Default shall occur and consents to the Authority's re-letting of the Property for the account of the City. In the event of such default and notwithstanding any re-entry by the Authority, the City shall, expressly provided in the Lease Agreement, continue to remain liable for the payment of the Lease Payments and/or damages for breach of the Lease Agreement and the performance of all conditions contained in the Lease Agreement and, in any event, such rent and/or damages shall be payable to the Authority at the time and in the manner as provided in the Lease Agreement, to wit:

(a) The City agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions contained in the Lease Agreement and shall reimburse the Authority for any deficiency arising out of the re-leasing of the Property, or, in the event the Authority is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of the Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as provided in the Lease Agreement for the payment of Lease Payments under the Lease Agreement, notwithstanding such entry or re-entry by the Authority or any suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Authority.

(b) The City irrevocably appoints the Authority as the agent and attorney-in-fact of the City to enter upon and re-lease the Property in the event of default by the City in the performance of any covenants contained in the Lease Agreement to be performed by the City and to remove all personal property whatsoever situated upon the Property to place such property in storage or other suitable place in Los Angeles County, for the account of and at the expense of the City, and the City exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions contained in the Lease Agreement.

(c) The City waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Property as provided in the Lease Agreement and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the City that may be in or upon the Property.

(d) The City agrees that the terms of the Lease Agreement constitute full and sufficient notice of the right of the Authority to re-lease the Property in the event of such re-entry without effecting a surrender of the Lease Agreement, and further agrees that no acts of the Authority in effecting such re-leasing shall constitute a surrender or termination of the Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise.

Limitation on Remedies

Notwithstanding the foregoing provisions of the Lease Agreement, neither the Authority nor the Trustee shall exercise any remedies against the Property to the extent such remedies would generate funds which are not available to satisfy the obligations of the Lease Agreement or the Indenture.

No Remedy Exclusive

No remedy in the Lease Agreement conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall, except as expressly provided in the Lease Agreement to the contrary, be in addition to every other remedy given under the Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in the Lease Agreement it shall not be necessary to give any notice, other than such notice as may be required in the Lease Agreement or by law.

Trustee and Bond Owners to Exercise Rights

Such rights and remedies as are given to the Authority under the Lease Agreement have been assigned by the Authority to the Trustee under the Indenture, to which assignment the City has consented. Such rights and remedies shall be exercised by the Trustee and the Owners of the Bonds as provided in the Indenture. The Trustee

shall be considered a third party beneficiary of the Lease Agreement for enforcing its rights under the Lease Agreement.

APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

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APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Finance Authority of Long Beach
411 West Ocean Boulevard
Long Beach, California 90802

OPINION*:* $41,140,000 Finance Authority of Long Beach Lease Revenue Bonds, Series 2022

Members of the Authority:

We have acted as bond counsel to the Finance Authority of Long Beach (the "Authority") in connection with the delivery by the Authority of $41,140,000 aggregate principal amount of the bonds of the Authority designated the "Finance Authority of Long Beach Lease Revenue Bonds, Series 2022" (the "Bonds"), pursuant to the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Law"), and pursuant to an indenture of trust, dated as of May 1, 2022 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee, and a resolution of the Authority adopted on April 19, 2022. The Bonds are secured by a pledge of Revenues (as defined in the Indenture), primarily consisting of lease payments made by the City of Long Beach, California (the "City") under a lease agreement, dated as of May 1, 2022 (the "Lease Agreement"), by and between the Authority and the City.

In connection with this opinion, we have examined the Law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Authority and the City contained in the Indenture and Lease Agreement and in the certified proceedings for the Bonds, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The Authority is a duly constituted joint exercise of powers entity under the laws of the State of California with power to enter into the Indenture, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Bonds constitute legal, valid and binding limited obligations of the Authority enforceable in accordance with their terms and payable solely from the sources provided therefor in the Indenture.

3. The Indenture has been duly approved by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

4. The Lease Agreement has been duly approved by the City and the Authority and constitutes a legal, valid and binding obligation of the City and the Authority enforceable against the City and the Authority in accordance with its terms.

5. The Indenture establishes a valid first and exclusive lien on and pledge of the Revenues (as such term is defined in the Indenture) and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture.

6. Subject to the Authority's and the City's compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

7. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Lease Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the CITY OF LONG BEACH, CALIFORNIA (the "City") in connection with the issuance by the Finance Authority of Long Beach (the "Authority") of its $41,140,000 Lease Revenue Bonds, Series 2022 (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of May 1, 2022 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Pursuant to Section 5.11 of that certain Lease Agreement, dated as of May 1, 2022, by and between the Authority and the City, the City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and, in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is six months after the end of the City's fiscal year (currently March 31 based on the City's fiscal year end of September 30).

"*Dissemination Agent*" shall mean, initially, the City or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"*Fiscal Year*" means any twelve–month period beginning on October 1 in any year and extending to the next succeeding September 30, both dates inclusive, or any other twelve–month period selected and designated by the City as its official fiscal year period under a certificate of the City filed with the Trustee.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the City in connection with the issuance of the Bonds.

"*Participating Underwriter*" means collectively, RBC Capital Markets, LLC, Cabrera Capital Markets, LLC and Stern Brothers & Co., the original underwriters of the Bonds.

"*Rule*" means Rule 15c2–12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

"*Significant Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2– 12(b)(5).

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2023, with the report for fiscal year 2021-22 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder. Filing of the Official Statement will satisfy the June 30, 2022, filing requirement.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then–applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements*. Audited financial statements of the City for the preceding fiscal year, prepared in accordance with generally accepted accounting principles. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information*. Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for preceding fiscal year, of the type provided in Tables 1, 2, 3, 4, 5, 6, 7, 8, 10 and 13 in the official statement for the Bonds in the section therein entitled "CITY FINANCIAL INFORMATION."

(c) *Cross References*. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on EMMA. The City shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non–payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an 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, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the City or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a

financial obligation of the City or other obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or other obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Significant Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Trust Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier "if material." The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event's occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018) or any further guidance or release provided by the SEC.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States 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 City, or if such jurisdiction has been assumed by leaving the existing governing 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 City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds.

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), 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 Bonds, or 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 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 either (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Article IX of the Trust Agreement is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Trust Agreement. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and

the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

Date: [Closing Date]

CITY OF LONG BEACH, as Dissemination Agent

By _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Long Beach, California

Names of Issues: $_____ Finance Authority of Long Beach Lease Revenue Bonds, Series 2022

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

CITY OF LONG BEACH, as Dissemination Agent

By _____
Name _____
Title _____

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APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2022 Bonds, payment of principal, redemption premium, if any, and interest with respect to the Series 2022 Bonds to The Depository Trust Company ("DTC"), New York, NY, its Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Series 2022 Bonds and other related transactions by and between DTC, its Participants and the Beneficial Owners is based solely on the understanding of the Authority of such procedures and record keeping from information provided by DTC. Accordingly, no representations can be made concerning these matters and neither DTC, its Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or its Participants, as the case may be. The City, the Authority, the Trustee and the Underwriter understand that the current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and that the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 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 certificate will be issued for each maturity of the Series 2022 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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. DTTC is owned by 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 is rated AA+ by Standard & Poor's. 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 and www.dtc.org.

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 2022 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 the

Series 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all 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 the Series 2022 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 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 the Series 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Agreement. For example, Beneficial Owners of the Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 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 2022 Bonds within a maturity are being redeemed. DTC's practice is to determine by lot the amount of the interest of each Direct Participant in each issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2022 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 Issuer 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 the Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Series 2022 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 City, 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, the City or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal of, premium, if any, and interest on the Series 2022 Bonds by Cede & Co (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, 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.

DTC may discontinue providing its services as depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to the City, the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The foregoing information concerning DTC and DTC's book-entry system has been provided by DTC, and neither the Authority nor the Trustee takes any responsibility for the accuracy thereof.

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 DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR REDEMPTION.

Neither the Authority nor the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2022 Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

In the event that the book-entry system is discontinued as described above, the requirements of the Trust Agreement will apply.

The City, the Authority and the Trustee cannot and do not give any assurances that DTC, the Participants or others will distribute payments of principal, interest or premium, if any, evidenced by the Series 2022 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. Neither the Authority nor the Trustee are 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 2022 Bonds or an error or delay relating thereto.

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