

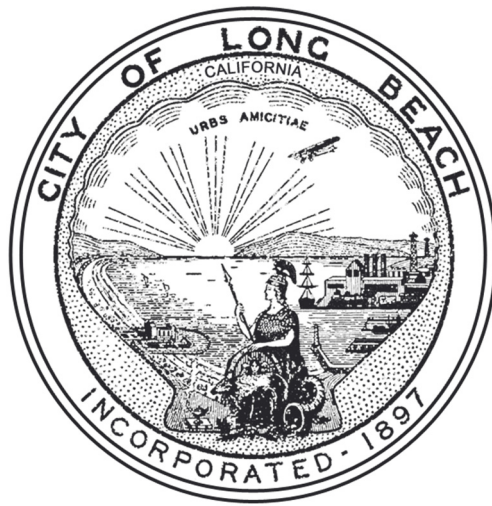
City of Long Beach

California



Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2025



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A large cruise ship is shown at sea during sunset. The ship has three prominent funnels and is illuminated by warm orange and red light. In the background, a large, domed stadium is visible under a blue and orange sky. The ship and stadium are reflected in the calm water in the foreground.

Annual Comprehensive Financial Report
City of Long Beach, California

For the Fiscal Year Ended
September 30, 2025

Prepared by the Department of Financial Management



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City of Long Beach, California
Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2025

Prepared by the Department of Financial Management

Kevin Riper
Director of Financial Management

Ruby Carrillo-Quincey
City Controller

Stefannie Kodrat
Assistant City Controller

Glenda Pakingan
Accounting Operations Officer

Claudia Buenrostro
Accounting Management Officer

Khanh Do
Grants Operations Officer

Angie Tran
Senior Accountant

Kimberly Pertierra
Senior Accountant

Michael Carrigg
Senior Accountant

Nazanin Hamidi
Senior Accountant

Shelby Miller
Senior Accountant

Toulip Torn
Senior Accountant

Tiffany Pierce
Administrative Analyst

Ivonne Aquino
Accountant

Joseph Picardal
Accountant

Justin Wu
Accountant

Kim-Hang Nguyen
Accountant

Mai-Ly Nguyen
Accountant

Phuong Pham
Accountant

Elaine Harmon
Accounting Technician

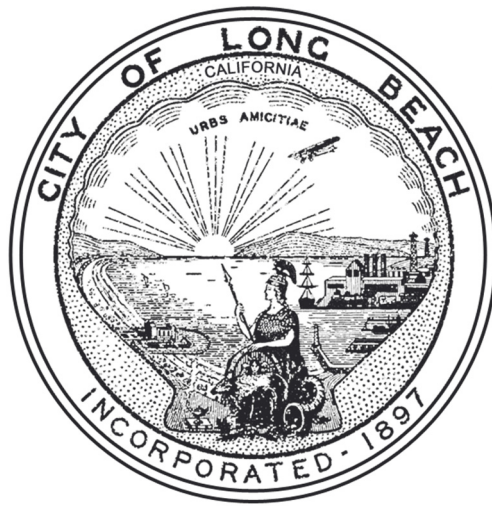
Jackie Pham
Accounting Technician

Jennifer Mota
Accounting Technician

Reuben Belleza
Accounting Technician

Cover Photography by Hartono Tai

Insert Photography by Hartono Tai



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City of Long Beach
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2025

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March 24, 2026

To the Honorable Mayor, Members of City Council, and Residents of the 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, 2025. In accordance with Section 302(e) of the City Charter, the ACFR is submitted annually to the City Council. This report was prepared in accordance with appropriate rules and guidelines and audited by Crowe 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 the information presented. To provide a reasonable basis for making these representations, 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.

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. Though legally separate entities, blended component units are, in substance, part of the City's operations. A discretely presented component unit, Long Beach Public Transportation Company, 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, 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 submitted to the Mayor and City Council, and available on the Financial Management Department's webpage when completed this summer.

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 has an additional 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 latter requiring a two-thirds vote.

The City Council may amend the budget 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 within the County of Los Angeles. Having an estimated 462,561 residents, it is the seventh most populous city in the state. The City has a Mayor, elected at-large, and a nine-member City Council, elected by district, all serving four-year terms. The City Auditor, City Prosecutor, and City Attorney are elected at-large and serve four-year terms, as well. The City Council appoints the City Clerk, the City Manager, and the Director of Police Oversight. As head of the municipal government, the City Manager is responsible for the efficient administration of all departments, except for the elective offices, City Clerk, Police Oversight, and the two semi-autonomous commission-led departments: Harbor and Utilities. The City has a diverse economic base including international trade, 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 2025, the Long Beach Police Department (LBPD) continued working to impact crime and enhance safety throughout the City of Long Beach. With a strong foundation of collaboration and community policing principles, the LBPD strengthened established relationships in the community while building new partnerships. In addition, the LBPD has maintained a focus on the critical area of law enforcement recruitment and retention by investing in strategies and incentives to stabilize and grow its workforce. During 2025, LBPD completed construction on and opened a new, state-of-the-art police training facility. Through engagement, education, and enforcement, the LBPD addressed a variety of safety concerns ranging from violent crime to quality-of-life issues. In addition, the LBPD provided critical support to citywide interdepartmental operations in a variety of areas including fireworks prevention, traffic safety, illegal business operations, and other emerging illicit activities. As a modern police department, LBPD adapted to crime and safety trends by adjusting resource allocations and implementing operational modifications focusing on high crime categories. These efforts contributed to a 26% decrease in homicides, 36% decrease in shootings, and 40% decrease in burglaries citywide last year. Long Beach recorded 0 officer involved shootings for 2025. The dedication and commitment of the department employees allowed LBPD to maintain an industry standard response time for Priority 1 (Emergency) calls.

The Long Beach Fire Department (LBFD) continued to serve the City by responding to over 82,300 fire, marine safety, and other emergency incidents equating to over 155,800 unit responses. This year the Fire Department launched the largest recruit class in LBFD history which resulted in 39 recruits graduating to become probationary firefighters. Additionally, LBFD onboarded 34 new Ambulance Operators with 100% retention of these new employees through the onboarding and Academy process compared to a 29% attrition rate in prior years. As California was impacted severely by several fires in January 2025, 60 LBFD personnel were deployed to support firefighting efforts at the Palisades and Eaton Fires. LBFD resources include multiple engines and Regional Task Force 2, which assisted with search and rescue operations in impacted areas. Personnel faced unprecedented fire hazards, helped save structures, and aided residents in evacuations to safety. LBFD continued to provide post-fire support during subsequent rains while maintaining sufficient staffing levels within the City of Long Beach.

Long Beach's Public Safety staff are not alone in making life better for the City's residents. The Public Works Department has installed charging stations and eleven solar arrays at various sites throughout Long Beach, and the Financial Management Department's Fleet Services Bureau has decommissioned outdated liquified natural gas equipment.

During the 2025 fiscal year, the new temporary amphitheater's budget was approved and is set to open in summer 2026. The large-scale waterfront venue spanning 5-6 acres will accommodate 10,000-11,000 attendees and permit Long Beach to become a premier music and entertainment destination.



The Utilities Department remains a low-cost provider of clean and great-tasting water, performing over 60,000 water quality tests during 2025 to ensure the City's drinking water meets or exceeds all regulatory standards. Long Beach Utilities received the President's Award for Distribution System Operation from Partnership for Safe Water, a drinking water program sponsored by the American Water Works Association, the U.S. Environmental Protection Agency, and other water organizations. The City of Long Beach continues to enforce strict water conservation measures by implementing "Lawn-to-Garden" programs, setting outdoor watering schedules, and prohibiting watering within 48 hours of rain. These actions have contributed to Long Beach residents consuming an average of only 63 gallons per day compared to the 94-gallon regional average.

The Long Beach Airport celebrated its 100th anniversary and continues to serve the community by providing jobs and serving 3.8 million passengers to and from Long Beach during the fiscal year. It was voted one of the Top Ten Airports in the nation by USA Today, was officially trademarked as "America's Coolest Airport", and has received awards for both technical expertise and operational efficiencies. Long Beach Airport will serve travelers visiting during the 2026 FIFA World Cup and the 2028 Olympic and Paralympic Games.

Long Beach remains one of the most bike-friendly cities in the nation. In 2025, the City decided to move forward with The Orange Avenue Backbone Bikeway whose purpose is to enhance safety and quality for roadway users including vehicles, cyclists, and pedestrians on Orange between Wardlow and Bixby Roads. Construction on this project is scheduled to begin in Fall 2026. The Downtown Walkable Corners Project aims to redesign intersections and corners to provide safety and visibility for cyclists and pedestrians by adding bulb-outs and refuge islands. The Walk and Roll Long Beach Program distributed 2,036 bike lights to community members at no cost, promoting rider visibility and safety while encouraging active transportation throughout the City.

For the fifteenth consecutive year, Long Beach was recognized as a Top 10 Digital City and received the Visionary Digital Inclusion Trailblazers designation from the Center for Digital Government. The City continues to provide an on-line interactive map, available to the public, to provide information about street conditions, and several 'dashboard' applications. The City recently launched a new data privacy and digital rights platform as part of its ongoing effort to enhance data privacy, digital rights and transparency.

The City remains committed to providing support services and a healthy environment for Long Beach residents. The City maintained and operated emergency shelters that provided safe shelter and essential services to meet immediate needs. The program assisted 1,697 people during fiscal year 2025 compared to 1,469 in fiscal year 2024. Several City departments (e.g., Health and Human Services, Police, and Fire) provide outreach services to address the causes affecting people experiencing homelessness and the impact on the community. In addition, the City received from the federal government Section 8 Housing Choice Vouchers funding that provided just under 7,000 vouchers for people experiencing homelessness or at-risk of homelessness, provided technical support and assistance to community partners, and made a range of loans available to developers and citizens to support investment in affordable housing.

In 2025, there were many improvements to the services and facilities available in Long Beach. The Parks, Recreation and Marine Department continues to provide healthy meals for children through the Summer Youth Program and interactive physical activities, a variety of seasonal fall, winter, and spring sports, and a Teen Academy during the spring and summer. Outreach and education events from departments will continue to bring quality-of-life improvements to City residents.

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 of any U.S. seaport, allowing the Port to embrace growth opportunities at a modest cost. The Port is a valued team member to the other departments within the City and sponsors programs such as "I Dig Long Beach", which provided funding for 100 new trees in West Long Beach in 2025 and have raised \$97,000 for the planting of 737 trees in fiscal year 2026. The Port provides employment to over 691,000 people in Southern California.



Economic Outlook

The City is navigating a period of fiscal uncertainty, driven by national economic instability, significant reductions in federal grant funding, increasing personnel costs in the City's General and related funds, and slower growth in local General Fund revenues. Long Beach is not alone in experiencing fiscal challenges. Recent news reports have shown large cities across California proposing significant reductions to their operations to balance budget shortfalls.

In response to these challenges, City departments identified and implemented General Fund expenditure reductions of 0.5% to 1% during fiscal year 2025 with consideration of cost-saving measures that preserve essential public services, such as deferring non-essential purchases, postponing or canceling non-critical contracts and projects, limiting travel expenses, and reviewing staffing needs for potential vacancies or temporary holds. Given the fiscal challenges reflected during the fiscal year, corrective actions are already under way to support the City's finances in fiscal year 2026 with operational departments continuing efforts that generate savings and identify revenue opportunities in areas that minimize the effect on quality of services provided to residents.

While efforts are made to minimize impacts, it is important to acknowledge that achieving this may result in slower, or even less, service delivery. The General Fund outlook provided as part of the Adopted FY 26 Budget reflected a structural shortfall of \$39 million in fiscal year 2027, with the most recent out-year forecast worsening the structural shortfall to a range of \$60-80 million, subject to refinement as additional data becomes available. The forecast can also be impacted by various factors such as federal policy changes, actual labor negotiated contracts or other fund supplemental subsidy support needs. If no new revenue or major funding sources are identified, the City anticipates reductions as part of the FY 27 budget development to restore financial stability. As these decisions are made, the highest priority will be placed on maintaining essential services, ensuring that residents continue to receive the critical support and resources they rely on.

Acknowledgments and Certificate of Achievement for Financial Reporting

We wish to acknowledge the participation and professional contribution of staff in the Financial Management Department and other City departments 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.

We also wish to thank Crowe LLP, the City's financial audit firm, for their continued efficiency and expertise in the City audit.

For the eighteenth 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, 2024. 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 Ripper
Director of Financial Management



Directory of City Officials
As of September 30, 2025

Rex Richardson
Mayor

Roberto Uranga
Vice Mayor
7th District

Mary Zendejas
Councilmember
1st District

Kristina Duggan
Councilmember
3rd District

Megan Kerr
Councilmember
5th District

Tunua Thrash-Ntuk
Councilmember
8th District

Cindy Allen
Councilmember
2nd District

Daryl Supernaw
Councilmember
4th District

Dr. Suely Saro
Councilmember
6th District

Dr. Joni Ricks-Oddie
Councilmember
9th District

Elected Department Heads

City Attorney
City Auditor
City Prosecutor

Dawn McIntosh
Laura L. Doud
Douglas P. Haubert

Appointed by Council or Commission

City Clerk
Executive Director – Harbor
Police Oversight Director
General Manager – Utilities

Monique De La Garza
Mario Cordero
Francine Kerridge
B. Anatole Falagan

City Manager

Thomas B. Modica

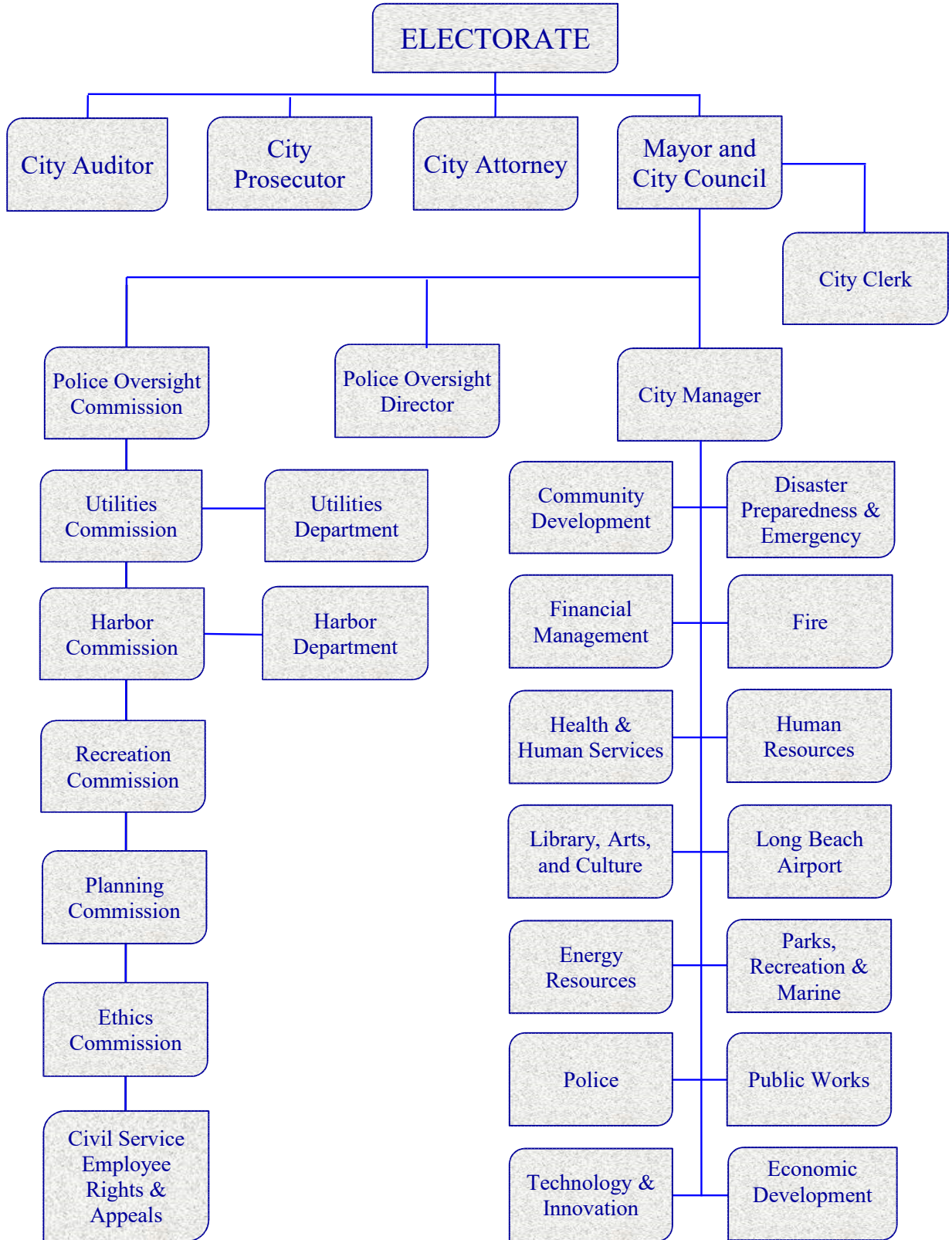
Assistant City Manager

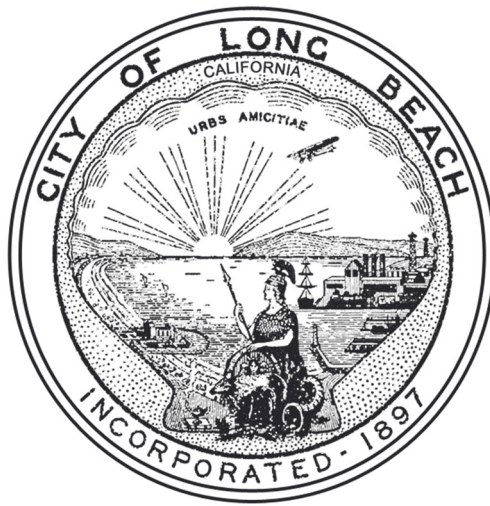
April Walker

Director of Community Development
Director of Economic Development
Director of Energy Resources
Director of Financial Management
Director of Health and Human Services
Director of Human Resources
Director of Library, Arts, and Culture
Director of the Long Beach Airport
Director of Parks, Recreation, and Marine
Director of Public Works
Director of Technology and Innovation
Director of Disaster Preparedness and Emergency Communications
Fire Chief
Chief of Police

Christopher Koontz
Bo Martinez
Robert Dowell
Kevin Riper
Alison King
Bryce Tyler
Cathy De Leon
Cynthia Guidry
Stephen Scott
Eric Lopez
Lea Eriksen
Reginald Harrison
Dennis Buchanan
Wally Hebeish

ORGANIZATIONAL CHART
CITY OF LONG BEACH, CALIFORNIA
 As of September 30, 2025





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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

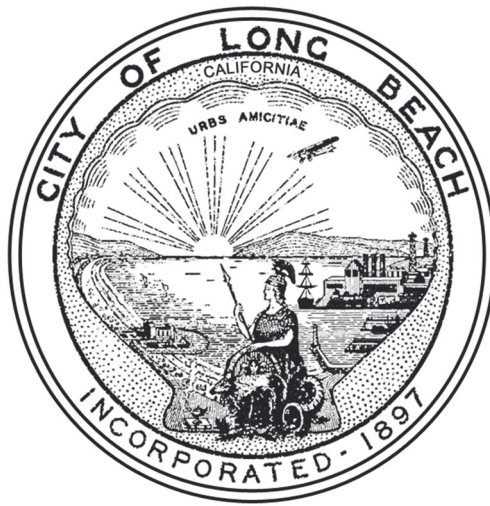
**City of Long Beach
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements***Opinions***

We have audited the 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Long Beach Public Transportation Company (the Company), which represents 100 percent of the discretely presented component unit as of and for the year ended September 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Company, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

(Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, CalPERS schedules of changes in net pension liability and contributions for the miscellaneous and safety plans, and the schedule of changes in total OPEB liability and related ratios referenced in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

(Continued)

Supplementary 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 combining and individual fund statements and schedules and other supplementary information under the financial section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

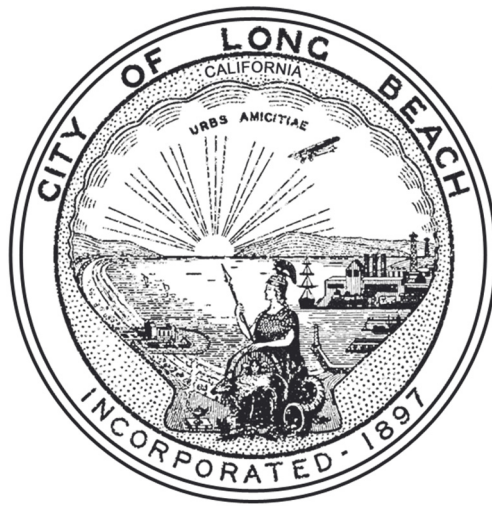
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2026 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.



Crowe LLP

Costa Mesa, California
March 24, 2026



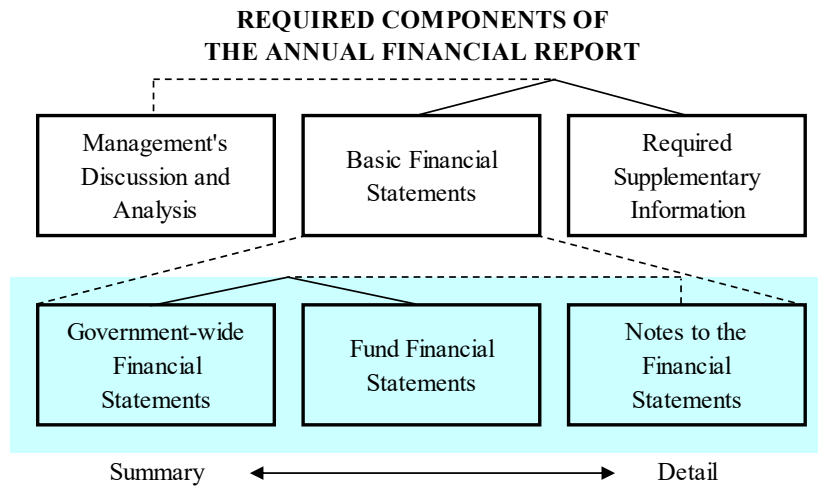
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City of Long Beach
 Management's Discussion and Analysis (Unaudited)
 For the Fiscal Year Ended September 30, 2025

As the management team for the City of Long Beach (the City), we present to 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, 2025. We encourage readers to consider this information in conjunction with the information found in the letter of transmittal.

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 to provide a summary for each type of activity.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues, such as grant revenue (*governmental activities*), or revenues 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

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

legal, general government, public safety, public health, community and cultural, public works, and interest on long-term debt. Business-type activities include those related to gas, water and sewer utilities, airport, solid waste management operations, development services, Tidelands, Marina area operations, the Queen Mary, 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 Public Transportation Company (LBT) for which the City is the sole shareholder and, therefore, has authority to affect the company. Financial information for this *discretely presented component unit* is reported in a separate column 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 by the 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. This may allow readers to 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 Supplementary Information Section of this report.

The City adopts an annual appropriated budget for each of 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 and Housing Assistance Fund is located in the Required Supplementary Information.

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.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

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 to End Homelessness, 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 Changes in Fiduciary Net Position, and the supplemental Custodial and Private Purpose Trust fund combining statements. These assets are reported separately because they are held for the benefit of others, with the City acting in a trustee or custodial capacity.

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*. This section includes the Management Discussion & Analysis, Budgetary Schedules for the General Fund and Major Special Revenue Funds, and pension and other post-employment benefit schedules. 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.

Types of Information in the Financial Statements

All of the City's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. This means they comprehensively report all types of financial statement elements including short-term and long-term assets (such as capital assets) and liabilities (such as revenue bonds), and deferred outflows of resources and deferred inflows of resources.

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. Governmental funds do not report nonfinancial assets such as capital assets or long-term items like bond debt and pension liabilities.

More detail about the measurement focus and basis of accounting can be found in Note 2 Summary of Significant Accounting Policies.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

	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

Financial Summary

As noted earlier, *net position* may serve over time as a useful indicator of a government's financial position. As of September 30, 2025, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$5.3 billion, an increase of \$229.6 million from the prior year.

Net investment in capital assets accounted for \$4.6 billion 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 \$224.1 million, or 5.2 percent, from the prior fiscal year.

Restricted net position amounted to \$953.2 million. 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 \$209.3 million is the net of the \$969.5 million governmental activities deficit unrestricted net position (mostly related to pension liabilities) and \$760.2 million business-type unrestricted net position.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

Net Position
September 30, 2025 and 2024
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and Other Assets	\$1,519,917	\$1,597,109	\$ 2,835,333	\$ 2,686,852	\$ 4,355,250	\$ 4,283,961
Capital Assets	1,170,440	1,105,711	5,421,157	5,254,492	6,591,597	6,360,203
Total Assets	2,690,357	2,702,820	8,256,490	7,941,344	10,946,847	10,644,164
Deferred Outflows of Resources	232,426	312,858	72,954	87,449	305,380	400,307
Total Assets and Deferred Outflows of Resources	2,922,783	3,015,678	8,329,444	8,028,793	11,252,227	11,044,471
Liabilities:						
Current Liabilities	340,294	343,226	346,772	304,054	687,066	647,280
Noncurrent Liabilities, Net	1,941,859	2,083,916	2,371,127	2,455,395	4,312,986	4,539,311
Total Liabilities	2,282,153	2,427,142	2,717,899	2,759,449	5,000,052	5,186,591
Deferred Inflows of Resources	428,527	304,654	521,944	481,123	950,471	785,777
Total Liabilities and Deferred Inflows of Resources	2,710,680	2,731,796	3,239,843	3,240,572	5,950,523	5,972,368
Net Position:						
Net Investment in Capital Assets	561,064	528,858	3,996,667	3,804,820	4,557,731	4,333,678
Restricted	620,541	618,584	332,687	374,827	953,228	993,411
Unrestricted	(969,503)	(863,560)	760,247	608,574	(209,256)	(254,986)
Total Net Position	\$ 212,102	\$ 283,882	\$ 5,089,601	\$ 4,788,221	\$ 5,301,703	\$ 5,072,103

Key Changes in the Statement of Net Position:

The City's total assets increased \$302.7 million when compared to the prior fiscal year, with Governmental Activities reporting a net decrease of \$12.5 million and Business-Type Activities reporting a net increase of \$315.2 million. For Governmental Activities, the change was due to a decrease of \$121.7 in cash and investments due to increased cash outflows, that was offset by an increase in capital assets of \$64.7 million from vehicle and equipment purchases, technology related purchases, and land and building investments. An increase in receivables of \$23.4 million was also reported resulting from amounts due to the City by other governmental agencies for property taxes and grant reimbursements. For Business-Type Activities, the increase was primarily due to improved cash balances of the Harbor and significant investments by all the major funds in capital assets including in land acquisitions, building improvements, and infrastructure.

Deferred outflows of resources decreased \$94.9 million due to the differences between expected and actual experience of the net pension liability, based on actuarial assumptions.

Total liabilities decreased \$186.5 million. Governmental Activities reported a decrease of \$145.0 million due to a reduction in the net pension liability of \$129.2 million and in the other post-employment benefit liability of \$24.3 million. These decreases were slightly offset by increases in workers compensation and general liability accrued claims.

In total, deferred inflows of resources increased \$164.7 million with the majority due to the net difference between actual and expected investment returns by CalPERS for the City's pension plans.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

Analysis of Changes in Net Position

The following table presents condensed information from the statement of activities for the fiscal years 2025 and 2024. 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.

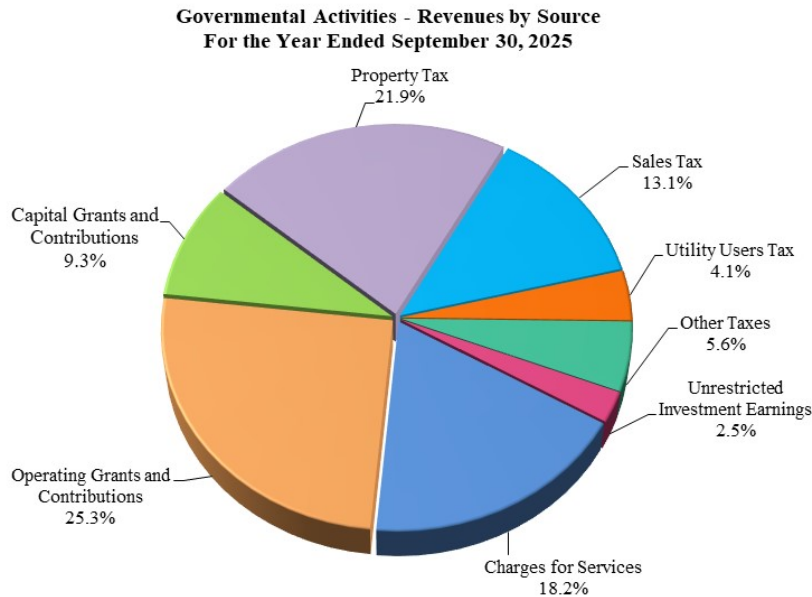
Changes in Net Position						
September 30, 2025 and 2024						
(In Thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 213,026	\$ 238,314	\$ 1,247,087	\$ 1,310,338	\$ 1,460,113	\$ 1,548,652
Operating Grants and Contributions	297,215	264,362	58,966	10,201	356,181	274,563
Capital Grants and Contributions	109,721	108,264	47,939	36,343	157,660	144,607
General Revenues:						
Taxes:						
Property	257,350	261,259	-	-	257,350	261,259
Sales	153,817	150,995	-	-	153,817	150,995
Utility Users	47,554	47,319	-	-	47,554	47,319
Other	65,938	66,354	-	-	65,938	66,354
Unrestricted Investment Earnings	29,227	33,685	71,185	54,997	100,412	88,682
Total Revenues	<u>1,173,848</u>	<u>1,170,552</u>	<u>1,425,177</u>	<u>1,411,879</u>	<u>2,599,025</u>	<u>2,582,431</u>
Expenses:						
Legislative and Legal	20,081	22,981	-	-	20,081	22,981
General Government	57,467	40,420	-	-	57,467	40,420
Public Safety	537,406	555,319	-	-	537,406	555,319
Public Health	140,532	142,343	-	-	140,532	142,343
Community and Cultural	273,036	295,370	-	-	273,036	295,370
Public Works	224,600	252,601	-	-	224,600	252,601
Oil Operations	2,971	2,704	-	-	2,971	2,704
Interest on Long-Term Debt	17,109	18,136	-	-	17,109	18,136
Gas Utility	-	-	121,540	115,677	121,540	115,677
Water Utility	-	-	123,698	121,564	123,698	121,564
Tidelands Operating	-	-	146,165	131,159	146,165	131,159
Tideland Oil	-	-	60,657	89,753	60,657	89,753
Harbor	-	-	409,668	396,342	409,668	396,342
Airport	-	-	76,461	69,687	76,461	69,687
Development Services	-	-	43,515	39,289	43,515	39,289
Solid Waste Management	-	-	87,359	90,549	87,359	90,549
Other Activities	-	-	26,670	20,608	26,670	20,608
Total Expenses	<u>1,273,202</u>	<u>1,329,874</u>	<u>1,095,733</u>	<u>1,074,628</u>	<u>2,368,935</u>	<u>2,404,502</u>
Increase (Decrease) in Net Position before Transfers	(99,354)	(159,322)	329,444	337,251	230,090	177,929
Transfers	27,574	17,752	(27,576)	(17,752)	(2)	-
Unusual or Infrequent Items	-	-	(488)	(2,272)	(488)	(2,272)
Total Change in Net Position	<u>(71,780)</u>	<u>(141,570)</u>	<u>301,380</u>	<u>317,227</u>	<u>229,600</u>	<u>175,657</u>
Net Position, Beginning of Year	283,882	425,452	4,788,221	4,470,994	5,072,103	4,896,446
Net Position, End of Year	<u>\$ 212,102</u>	<u>\$ 283,882</u>	<u>\$ 5,089,601</u>	<u>\$ 4,788,221</u>	<u>\$ 5,301,703</u>	<u>\$ 5,072,103</u>

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

Governmental activities

Governmental activities net position decreased \$71.8 million when compared to fiscal year 2024.

Total revenues for governmental activities (excluding transfers) increased \$3.3 million, or 0.3 percent, with majority of the increase in operating grants and contributions and sales taxes. Total governmental program expenses decreased \$56.7 million, or 4.3 percent, due to lower pension expenses in the CalPERS pension plans offset by increased expenses in general government. The following chart illustrates governmental activities revenues by source.



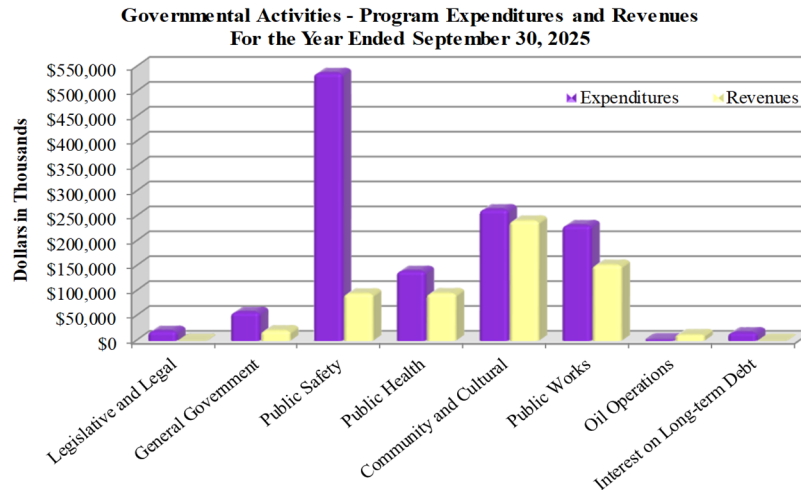
- The largest revenue sources for governmental activities were operating grants and contributions, property taxes, and charges for services. Excluding transfers, these sources accounted for 65.4 percent of revenues. Operating grants and contributions increased \$32.9 million due to an increase of \$11.4 million in Section 8 Housing Choice Voucher federal grant revenue and reimbursements from the Federal Emergency Management Agency (FEMA) of \$17.9 million for COVID-19 costs incurred during the pandemic. Property tax revenues decreased \$3.9 million due to Los Angeles County property tax payment deferrals as a result of recent fire events and an increased taxpayer delinquency rate.
- Sales tax revenue increased \$2.8 million. The City's sales tax performance mirrored a broader lower growth trend observed across Los Angeles County and Southern California. Despite declines in certain areas like fuel and service stations and autos and transportation, there was continued growth in the restaurant and hotel sectors.
- Unrestricted investment earnings decreased \$4.5 million due to lower cash balances in the General Fund, and in the General Capital Projects fund resulting from significant investments in capital improvement projects.

City of Long Beach
 Management’s Discussion and Analysis (Unaudited)
 For the Fiscal Year Ended September 30, 2025

Governmental activities expenses, excluding transfers, decreased \$56.7 million or 4.3%. The most significant changes were as follows:

- General Government expenses increased by \$17.0 million, primarily due to an \$11.3 million reduction in cost recovery resulting from a lower cost allocation plan rate applied to other departments managing capital projects.
- Public Safety expenses decreased \$17.4 million due to a decrease in the net pension liability of the CalPERS pension plans that realized an investment return of 11.6% thereby reducing the liability from the prior year. There were increases in operational expenses including higher than anticipated expenditures in the Police Department for services to the Civic Center and Airport, and higher mutual aid costs for Fire Department support to other agencies during wildfire events.
- Community and Cultural expenses decreased \$22.3 million, primary reflecting the decrease in the net pension liability of the CalPERS pension plan noted above and the absence of \$13.5 million one-time loss on sale of property recognized in the prior year.
- Public Works expenses decreased \$28.5 million due to the decreased net pension liability and decreased indirect cost charges to capital projects by the General Fund resulting from a lower rate applied per the cost allocation plan.

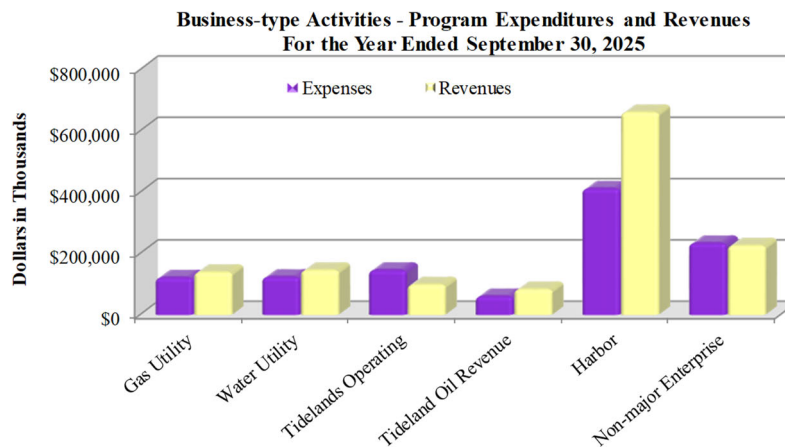
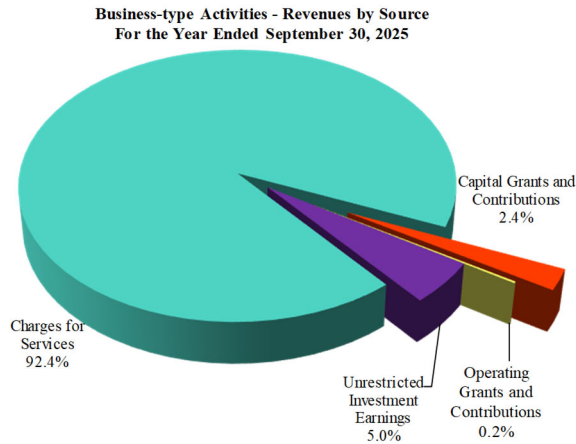
The following chart illustrates governmental activities program expenses and revenues by function.



Business-type activities

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

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025



Business-type activities increased net position by \$301.4 million. Key elements in the current year's change in net position for various funds include:

- Gas Utility net position at fiscal year-end was \$1.6 million, an increase of \$2.0 million from the prior fiscal year. The fund reported higher charges for services and lower costs than in the prior year for gas system inspections and maintenance.
- Water Utility net position at fiscal year-end was \$375.0 million, an increase of \$26.0 million from the prior fiscal year. The increase was due to higher revenues from metered utility and service charges.
- Tidelands Operating net position increased \$10.4 million, totaling \$349.2 million at fiscal year-end. Tidelands transfers from Tideland Oil and Harbor amounted to \$45.7 million. Harbor incurred transfers out of \$28.7 million that will be paid in fiscal year 2026, consistent with City Charter mandated revenue sharing, and Tideland Oil Revenue transferred \$17.0 million. The Tidelands Operating fund also reported interest income and unrealized investment gain, totaling \$10.0 million. With the *Queen Mary* being fully operational, there was an increase in entertainment driven revenues. Expenses were also notably higher due to increased maintenance and amphitheater-related costs. In fiscal year 2023, the Tidelands Operating Fund and Harbor Fund entered into an agreement for the Harbor to provide funding for operating and capital needs of the *Queen Mary*, whereby the Harbor Fund would advance a total of \$12.0 million over a three-year period. For fiscal year 2025, the amount advanced was the remaining \$4.4 million for a total cumulative advance of \$12.0 million.

City of Long Beach
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For the Fiscal Year Ended September 30, 2025

- Tideland Oil Revenue net position increased \$6.3 million. The fund transferred \$17.0 million to the Tidelands Operating Fund, \$6.9 million less than in the prior year. Beginning in fiscal year 2025, oil revenues were impacted by Senate Bill 1137 which prohibits new well permits and limits repair of existing wells and facilities within 3,200 feet of residences, schools, playgrounds, hospitals, and nursing homes. This impacted the available funding to transfer to the Tidelands Operating Fund. In the Tideland Oil Revenue fund, the abandonment reserve set aside for the estimated liability is now \$78.9 million, including a \$7.6 million set aside in fiscal year 2025.
- Harbor net position increased \$262.8 million due to an additional \$10.3 million in capital grant revenue, \$8.8 million for an easement agreement with the California Department of Transportation (Caltrans), and a \$4.9 million grant revenue recognition of Harbor Maintenance Tax funds. There were also some various offsetting fluctuations in operating expenses and non-operating activities such as investment income and gain on disposal of capital assets.
- Overall, total net position for non-major business-type activities decreased \$4.2 million, to \$616.5 million at fiscal year-end. Significant changes in the non-major enterprise funds included increased net position in the Airport Fund by \$7.6 million due to increased airline and parking revenues from a busy summer travel season. The Subsidence Fund also reported an increase in net position of \$8.4 million due to interest income. The Solid Waste Fund reported a decrease in net position of \$3.7 million. User rates were adjusted during the fiscal year resulting in a \$6.7 increase in charges for services revenue, however increased costs were also reported in refuse and recycling collection programs. The Towing Fund reported a decrease in net position of \$1.6 million, resulting in a negative net position of \$5.2 million. The decline has to do with reduced tows over the past few years and write offs resulting from waived towing and storage fees due to situations such as financial hardship, legal holds, and criminal activity.

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, 2025, the City's governmental funds reported combined fund balances of \$488.5 million, a decrease of \$93.5 million from the prior year. Of the combined fund balances, \$308.9 million or 63.2 percent have some form of external limitation on their use. Further information on fund balances can be found in Note 16 to the basic financial statements.

The General Fund reported a year-end fund balance of \$105.5 million, of which \$6.0 million is restricted. The City's operating reserve, at \$10.7 million, is 1.4% of normal operating expenditures, which is below the policy required range of 2 to 7 percent. The Emergency Reserve, at \$50.1 million, is 6.4 percent of normal operating expenditures and is below the target range of 8 to 10 percent. The reserves are below the target minimums due to continuous growth in General Fund expenditures and from the use of reserves to fund operations including subsidy transfers to the Health Fund. Overall, the General Fund reported a net change in fund balances of negative \$71.0 million. This change was largely driven by continued under performance of key tax and fee revenue, increase cost pressures across multiple departments, and the need for continued transfers to the Health Fund to support operations. These factors have created a structural imbalance in the General Fund that required the use of reserves to maintain fiscal stability and ensure continuity of essential services.

City of Long Beach
Management’s Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

The General Capital Projects Fund reported a year-end fund balance of \$252.1 million, a decrease of \$30.3 million in fund balance. The change in fund balance was primarily due to significantly ramped-up capital project spending by the Public Works Department. Restricted fund balance was \$175.6 million, largely related to Gas Tax, Proposition A, Proposition C, Measure M, and Measure R funding.

The Housing Assistance Special Revenue Fund reported a year-end fund balance of \$25.7 million, a slight decrease of \$3.9 million. The change in fund balance was primarily due to an increase in housing assistance payments to program participants.

General Fund Revenues and Other Financing Sources

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

General Fund Revenues and Other Financing Sources
Fiscal Years Ending September 30, 2025 and 2024
(In Thousands)

<i>Revenues and Other Financing Sources</i>	<i>Fiscal Year 2024-25</i>	<i>Percentage of Total</i>	<i>Fiscal Year 2023-24</i>	<i>Percentage of Total</i>
Taxes	\$ 489,192	67.7%	\$ 478,125	66.6%
Franchise Fees	25,275	3.5%	29,620	4.1%
Licenses and Permits	49,798	6.9%	50,130	7.0%
Fines and Forfeitures	17,541	2.4%	15,912	2.2%
Use of Money and Property	40,281	5.6%	56,955	7.9%
From Other Agencies	12,999	1.8%	5,506	0.8%
Charges for services	55,675	7.7%	54,042	7.5%
Other Revenue	6,001	0.8%	4,508	0.6%
Other Financing Sources	25,941	3.6%	23,638	3.3%
	<u>\$ 722,703</u>	<u>100%</u>	<u>\$ 718,436</u>	<u>100%</u>

General Fund revenues and other financing sources increased \$4.3 million, or 1.0 percent, from the prior fiscal year. Significant year-over-year changes include:

- Overall, taxes increased \$11.1 million. Property tax revenue increased \$8.2 million due to citywide valuation increases from new development. Although there was a slight increase from the prior year, the City anticipated a higher increase in these revenues that did not materialize due to deferred property tax payments by Los Angeles County due to recent fire events and higher delinquency rates compared to previous years.

A modest increase was also reported in sales taxes of \$3.4 million attributed to growth in restaurants and hotels along with steady performance in revenue generated from one-time use tax from development projects. Declines were noted in consumer goods, and autos and transportation due to shifts in customer behavior. The City’s sales tax performance mirrored a broader lower growth trend observed across Los Angeles County and the Southern California region.

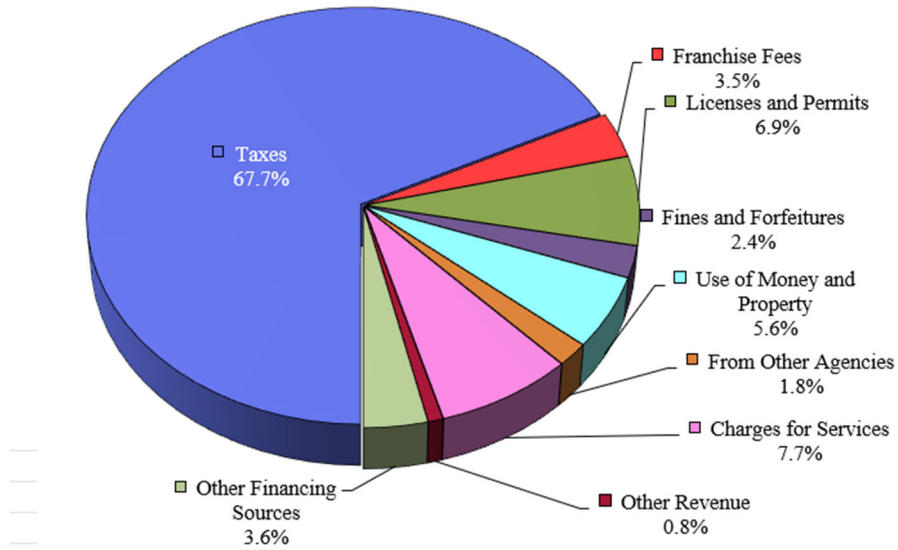
- Use of Money and Property decreased \$16.7 million due to lower interest income of \$5.4 million and lower fair market value of investments of \$10.7 million. Interest income is subject to interest rates and cash balances earning interest from the City’s investment pool. The General Fund reported a reduced share of the overall citywide pooled cash balances throughout the year that reduced its allocated share of interest income. In addition, the City revised its method of allocating interest income to the Employee Benefits and Fleet Services funds that negatively impacted the General Fund.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

- Revenue From Other Agencies increased \$7.5 million with increases in mutual aid reimbursements received by the Fire Department from the State of California for providing assistance during fire events.

The chart below shows total General Fund revenues and other financing sources by major category.

General Fund Revenues and Other Financing Sources
For the Year Ended September 30, 2025



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
Fiscal Years Ending September 30, 2025 and 2024
(In Thousands)

<i>Expenditures and Other Financing Uses</i>	<i>Fiscal Year 2024-25</i>	<i>Percentage of Total</i>	<i>Fiscal Year 2023-24</i>	<i>Percentage of Total</i>
Legislative and Legal	\$ 19,106	2.4%	\$ 19,938	2.6%
General Government	33,751	4.1%	25,500	3.4%
Public Safety	501,327	63.2%	462,106	60.9%
Public Health	24,723	3.1%	28,732	3.8%
Community and Cultural	75,426	9.5%	72,689	9.6%
Public Works	73,433	9.3%	74,633	9.9%
Oil Operations	2,951	0.4%	3,059	0.4%
Capital Improvements	12,091	1.6%	4,840	0.6%
Debt Service	210	0.0%	864	0.1%
Other Financing Uses	50,668	6.4%	67,347	8.9%
	\$ 793,686	100%	\$ 759,708	100%

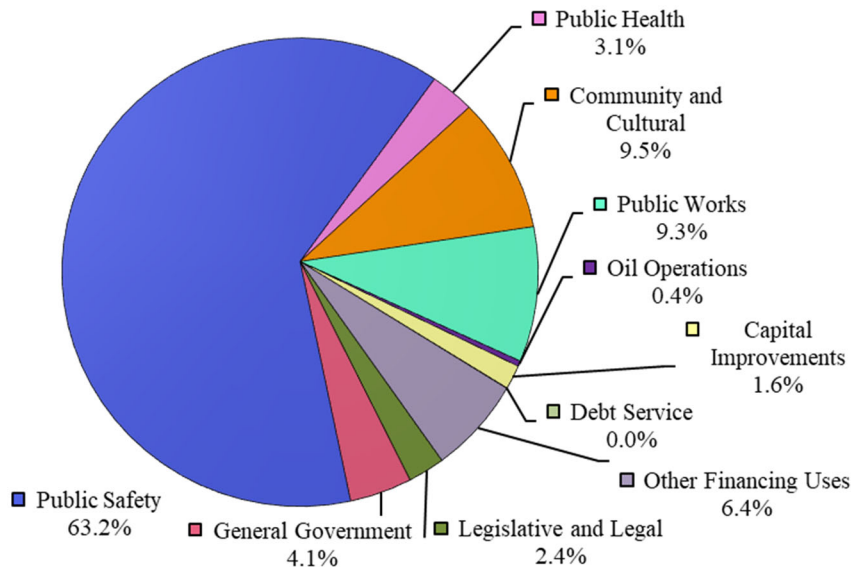
City of Long Beach
 Management's Discussion and Analysis (Unaudited)
 For the Fiscal Year Ended September 30, 2025

Expenditures, including other financing uses, increased \$34.0 million from the prior year. Significant changes include:

- Public Safety reported an increase of \$39.2 million due to increased wages and benefit costs that included higher pension costs from an increase in the CalPERS unfunded liability amortization payment, and for higher operational costs for equipment and related software, support and digital evidence storage.
- General Government reported an increase of \$8.3 million, as previously noted, mostly due to a lower rate derived from the cost allocation plan. The General Fund recouped \$11.3 million less from indirect charges to capital projects that is reported as a reduction in central department costs.
- There was a decrease of \$16.7 million in Other Financing Uses compared to the prior year, with \$20.0 million due to lower transfers from the General Fund to the General Capital Projects Fund that was partially offset by increased transfers of \$10.0 million to the Health Fund. Rising personnel costs, expanding technology needs, and greater overhead costs have led to an operating deficit in the Health Fund requiring the General Fund to provide additional transfers to support public health services.

The chart below shows total General Fund expenditures and other financing uses by function.

**General Fund Expenditures and Other Financing Uses
 For the Year Ended September 30, 2025**



Capital Assets and Long-Term Financing Activity

Capital Assets: As of September 30, 2025, the City's capital assets held by governmental and business-type activities amounted to \$6.6 billion (net of accumulated depreciation). There was an overall increase of \$231.4 million in the City's capital assets over the prior fiscal year.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

Capital Assets, Net of Depreciation and Amortization
September 30, 2025 and 2024
(In Thousands)

	Governmental		Business-type		Totals	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Land	\$ 217,494	\$ 217,012	\$ -	\$ 1,520,444	\$ 217,494	\$ 1,737,456
Rights-of-way	81,340	81,340	-	203,832	81,340	285,172
Water Rights	-	-	1,554,961	40	1,554,961	40
Historic Collections	-	-	203,832	3,442	203,832	3,442
Construction in Progress	141,328	106,032	40	625,769	141,368	731,801
Buildings	624,592	434,159	-	1,781,746	624,592	2,215,905
Improvements Other than Buildings	(7,996)	73,471	-	341,097	(7,996)	414,568
Infrastructure	309,439	41,014	1,698,886	647,764	2,008,325	688,778
Machinery and Equipment	(262,494)	45,167	325,417	33,523	62,923	78,690
Vehicles and Aircrafts	124,655	69,004	701,201	81,753	825,856	150,757
Software and Patents	(72,173)	14,987	44,257	8,890	(27,916)	23,877
Right-to-Use Assets	27,124	23,525	9,398	6,192	36,522	29,717
Total Net Capital Assets	\$1,183,309	\$ 1,105,711	\$ 4,537,992	\$5,254,492	\$ 5,721,301	\$ 6,360,203

Governmental activities net capital assets increased by \$64.7 million due to vehicle and equipment purchases of \$43.4 million and technology related purchases of \$24.1 million. Significant building investments included the Police Department Academy and Fire Station 9 rebuild.

Business-type activities' net capital assets increased \$166.7 million over the prior fiscal year. Significant capital asset activities during the year include:

- Harbor Fund capital assets increased \$49.0 million with the majority of the increase from Pier G wharf improvements and Terminal Island track realignment projects, and real property acquisitions.
- Tidelands Operating capital assets increased by \$29.5 million due to various capital projects including Colorado Lagoon and Belmont Plaza Pool improvements.
- The Airport reported an increase in capital assets of \$25.5 million due to terminal roadway and signage, and terminal and passenger concourse improvements.

Additional information on the City's capital assets can be found in Note 6 to the basic financial statements, and information related to commitments for future capital asset acquisitions can be found in Note 21 to the basic financial statements.

Long-Term Indebtedness: As of September 30, 2025, the City's net long-term debt outstanding totaled \$2.5 billion. Of this amount, \$2.2 billion relates to notes, bonds, financed purchase obligations, and \$268.5 million for the 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

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

The table that follows provides information about the City's outstanding long-term debt obligations at the close of the current and prior fiscal years.

Outstanding Debt Obligations
September 30, 2025 and 2024
(In Thousands)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Totals</i>	
	2025	2024	2025	2024	2025	2024
Notes Payable	\$ 6,671	\$ 6,727	\$ 491,910	\$ 494,545	\$ 498,581	\$ 501,272
Bonds Payable	240,754	259,279	1,340,721	1,439,571	1,581,475	1,698,850
Financed Purchase Obligations	54,471	57,323	33,395	26,230	87,866	83,553
Other Obligations	305,368	298,125	4,339	5,253	309,707	303,378
Total Outstanding	\$ 607,264	\$ 621,454	\$ 1,870,365	\$ 1,965,599	\$ 2,477,629	\$ 2,587,053

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

Governmental Activities

- Bonds payable decreased by \$18.5 million attributed to principal payments made during the fiscal year. For financed purchase obligations, the City is reporting a decrease of \$2.9 million due to new obligations for the purchase of fire engines and refuse trucks, and radio equipment, that was offset by principal payments made during the fiscal year. The Other Obligations of \$305.4 million is attributable to liabilities for leases, subscription-based information technology agreements (SBITA), and the Civic Center complex.

Business-Type Activities

- Bonds payable reported a decrease of \$98.9 million. The change was due to a bond issuance of \$119.1 million by Harbor to refund the 2015C and 2015D bonds, and a bond issuance of \$87.6 million by the Marina Fund to refund the 2015 bonds. These additions were offset by principal payments on bonds in the amount of \$303.8 million made during the fiscal year by various enterprise funds. The Other Obligations of \$4.3 million is for liabilities related to leases and SBITAs. Additional information on the City's long-term obligations can be found in Notes 7 through 9 to the basic financial statements.

Currently Known Facts, Decisions, or Conditions

The City Council adopted the fiscal year 2026 Budget in September 2025. The \$3.7 billion adopted budget makes key investments in public safety, housing and homelessness, economic development, and infrastructure that works to propel the city towards achieving the Long Beach Strategic Vision 2030. The budget also included the Elevate '28 Infrastructure Investment Plan to revitalize the City's infrastructure and continue improvements and enhancements to parks, major transportation corridors, and visitor-serving areas.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

Public Safety

The City has invested significantly in efforts and capacity to advance public safety priorities throughout Long Beach. The Police Department is responding to shifting public safety priorities by reallocating staff to form a new Societal Crimes Section and adding civilian Community Services Assistants to improve response times. The City is also investing in helicopter camera upgrades to replace aging surveillance systems. In addition, the Fire Department is continuing Rescue 2 peak load ambulance unit operations by structurally adding paramedics, updated critical medical equipment funded by increased ambulance transport revenue from revised rates and enhanced reimbursements.

Housing and Homelessness

The City continues to expand ways to engage people who are experiencing homelessness, furthering protections for housing, and strengthening rental housing enforcement. In that effort, two positions were added to the Community Development Department, including a Civil Engineering Associate and Code Enforcement Officer. Updated fee structures, including Planning and Building fees and adjustments to the Multi-Family Housing Inspection and Short-Term Rental Programs, will align revenues with service delivery costs and ensure program sustainability. With recent funding allocated to the City through the Los Angeles County Measure A, there is increased investment in rental assistance, homeless services, homelessness prevention, and housing production.

Economic Development and Opportunity

Supporting small businesses and economic vitality remains a top priority. Funding is included in the fiscal year 2026 budget to support the Small Business Rebound Initiative through programs that expand the City's loans to support small businesses, establish a centralized office to guide start-ups and business owners through City permitting and licensing processes, and provide funding to enhance safety, outreach, and community presence in busy business corridors.

Infrastructure

Infrastructure modernization and reimagining public space remain central to the City's priorities. The Public Works Department is undergoing a strategic reorganization to establish a Transportation Services Bureau to streamline street sweeping, parking control, mobility, and customer relations. Investments include new equipment like an EV bike lane sweeper to enhance maintenance in key corridors. As part of the School & Neighborhood Safety Pilot Program, the City will be providing expanding enforcement capabilities, using downtime between school shifts to improve parking compliance, reduce traffic congestion, and enhance neighborhood safety. The City continues to advance mobility, equitable placemaking, and the public right of way by prudent and consistent investments that enhance pedestrian walkways, bike paths, motor vehicles, and public transportation.

The Elevate '28 Infrastructure Investment Plan provides a substantial boost to the City's plan to revitalize the City's infrastructure, prepare the City to be a showcase for the world during the 2028 Olympics, focus on West Long Beach, and continue to improve and enhance City parks, major corridors, and visitor-serving areas. Each fiscal year, the Elevate '28 Plan is reviewed and updated to reflect additional secured funding and additional signature projects being added to the plan. Included in the FY 26 Budget, the Elevate '28 Infrastructure Investment Plan increased to over a billion dollars of planned infrastructure investment. The plan includes over 180 projects, as well as right-of-way improvements, totaling over \$1.1 billion.

City of Long Beach
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended September 30, 2025

General Fund Budget Balancing and Future Outlook

The City is navigating a period of fiscal uncertainty, driven by national economic instability, the potential for significant reductions in federal grant funding, increasing costs for operations in the City's General and related funds, and slower growth in local General Fund revenues. The City is not alone in experiencing fiscal challenges. Recent news reports have shown large cities across California proposing significant reductions to City operations to balance budget shortfalls.

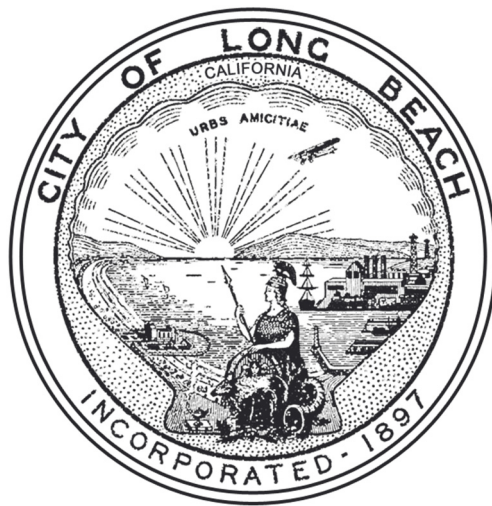
The FY 26 Budget includes one-time sources to continue to stabilize services. Oil revenues, structurally removed as part of the City's General Fund strategy to reduce annual reliance on oil revenues, is being recognized on a one-time basis to support General Fund activities and youth one-time programs. Additionally, one-time property tax revenue payments deferred due to fire events, will be recognized on a one-time basis in fiscal year 2026. The City's fleet will also implement a fleet reduction plan to align its resources citywide and reduce its structural impact on the General Fund. These key actions are reflected in the FY 26 Budget.

A significant part of the trends for FY 26 and beyond continue to be the focus on revenue and revenue diversification. Despite the passage of Measure LB that ended a utility user tax exemption for two power plants and the \$15 million expected revenue, significant revenue shortfalls in that category, as well as in franchise fees, sales and use tax, property tax and interest income affect the City's ability to align expenditures with ongoing revenues. To maintain financial stability and address funding shortfalls, the City issued General Fund savings targets of 3% in January 2026 to all departments to strengthen efforts to preserve reserves and to avoid structural service impacts. There is also an ongoing review of one-time funded initiatives with unspent funds, a freeze on new unbudgeted position requests, and enhanced budget monitoring and controls.

As part of the City's normal financial planning, a multi-year forecast of the General Fund was prepared with the assumption of a continuation of service levels in the Budget. Based on the outlook, the FY 27 budget shows a structural shortfall, impacted by the shortfalls that have been mitigated with one-time funds over prior years. Some of the most significant economic factors include general labor wages and pension costs continuing to rise, sales and use taxes reflecting slowed performance in major categories, the General Fund's support on oil proceeds and taxes being reduced. Future revenues from initiatives like Grow Long Beach, City Measure A, and the Olympics in 2028 will be critical in the coming years to limit service delivery impacts. Even with promising revenues on the horizon, the City will need to seriously consider budget reductions in fiscal year 2027 to ensure financial stability.

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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City of Long Beach
Statement of Net Position
September 30, 2025
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Long Beach Public Transportation Company
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 620,604	\$ 1,721,599	\$ 2,342,203	\$ -
Non-Pooled Cash and Cash Equivalents	57,904	123,093	180,997	74,318
Interest Receivable	758	802	1,560	-
Property Tax Receivable, Net	135,367	-	135,367	-
Accounts and Loans Receivables, Net	47,539	168,602	216,141	13,179
Due from Other Governments	174,722	29,497	204,219	-
Lease Receivable	6,926	3,060	9,986	1,209
Internal Balances	57,443	(57,443)	-	-
Inventory	4,601	15,535	20,136	4,320
Other Assets and Deposits	35,103	40,557	75,660	3,116
Land Held for Resale	5,426	-	5,426	-
Total Current Assets	<u>1,146,393</u>	<u>2,045,302</u>	<u>3,191,695</u>	<u>96,142</u>
Noncurrent Restricted Assets:				
Non-Pooled Investments	-	31,690	31,690	18,762
Total Noncurrent Restricted Assets	<u>-</u>	<u>31,690</u>	<u>31,690</u>	<u>18,762</u>
Other Noncurrent Assets:				
Lease Receivable	123,286	125,659	248,945	3,457
Other Noncurrent Receivables	250,233	32,386	282,619	185
Prepaid Gas - Long-Term	-	221,425	221,425	-
Fair Value - Commodity Swap	-	338,653	338,653	-
Land and Other Capital Assets not being Depreciated	440,162	2,555,086	2,995,248	17,771
Capital Assets, Net of Accumulated Depreciation/Amortization	730,278	2,866,071	3,596,349	94,593
Other Assets	-	40,218	40,218	-
Total Other Noncurrent Assets	<u>1,543,959</u>	<u>6,179,498</u>	<u>7,723,457</u>	<u>116,006</u>
Total Assets	<u>2,690,352</u>	<u>8,256,490</u>	<u>10,946,842</u>	<u>230,910</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources	232,426	72,953	305,379	3,307
Total Assets and Deferred Outflows of Resources	<u>2,922,778</u>	<u>8,329,443</u>	<u>11,252,221</u>	<u>234,217</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	81,409	130,322	211,731	6,480
Accrued Wages and Benefits Payable	19,189	5,194	24,383	5,215
Accrued Interest Payable	2,211	25,794	28,005	-
Unearned Revenue, Credits, and Other Payables	97,938	81,957	179,895	59,798
Employee Benefits and Accrued Long-Term Obligations	107,030	30,514	137,544	32,641
Bonds, Loans, Financed Purchase, and Other Long-Term Obligations	43,314	72,989	116,303	692
Total Current Liabilities	<u>351,091</u>	<u>346,770</u>	<u>697,861</u>	<u>104,826</u>
Noncurrent Liabilities:				
Fair Value - Interest Rate Swap	-	842	842	-
Unearned Revenue, Credits, and Other Payables	-	8,583	8,583	2,336
Employee Benefits and Accrued Long-Term Obligations	358,165	196,374	554,539	8,688
Bonds, Loans, Financed Purchase, and Other Long-Term Obligations	563,950	1,842,541	2,406,491	9,782
Total OPEB Liability	13,431	4,230	17,661	-
Net Pension Liability	1,006,313	318,558	1,324,871	17,475
Total Noncurrent Liabilities	<u>1,941,859</u>	<u>2,371,128</u>	<u>4,312,987</u>	<u>38,281</u>
Total Liabilities	<u>2,292,950</u>	<u>2,717,898</u>	<u>5,010,848</u>	<u>143,107</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	417,726	521,944	939,670	13,104
Total Liabilities and Deferred Inflows of Resources	<u>2,710,676</u>	<u>3,239,842</u>	<u>5,950,518</u>	<u>156,211</u>
NET POSITION				
Net Investment in Capital Assets	561,064	4,025,785	4,586,849	102,258
Restricted for:				
Debt Service	10,746	12,876	23,622	-
Capital Projects	225,409	97,361	322,770	114
Public Safety	11,402	-	11,402	-
Community and Cultural	339,341	-	339,341	-
Healthcare Insurance	31,094	-	31,094	-
Airport	-	10,022	10,022	-
Subsidence	-	212,428	212,428	-
Unrestricted	(966,954)	731,129	(235,825)	(24,366)
Total Net Position	<u>\$ 212,102</u>	<u>\$ 5,089,601</u>	<u>\$ 5,301,703</u>	<u>\$ 78,006</u>

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, 2025
(In Thousands)

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
GOVERNMENTAL ACTIVITIES:				
Legislative and Legal	\$ 20,081	\$ 23	\$ -	\$ -
General Government	57,467	20,087	1,123	-
Public Safety	537,406	67,024	28,312	-
Public Health	140,532	9,270	86,613	-
Community and Cultural	273,036	55,039	172,941	13,590
Public Works	224,600	48,554	8,226	96,131
Oil Operations	2,971	13,029	-	-
Interest on Long-Term Debt	17,109	-	-	-
Total Governmental Activities	<u>1,273,202</u>	<u>213,026</u>	<u>297,215</u>	<u>109,721</u>
BUSINESS-TYPE ACTIVITIES				
Gas Utility	121,540	139,666	-	-
Water Utility	123,698	141,645	-	4,452
Tidelands Operating	146,165	98,779	322	-
Tideland Oil Revenue	60,657	83,715	-	-
Harbor	409,668	576,996	56,791	25,348
Airport	76,461	63,141	-	18,139
Development Services	43,515	30,346	-	-
Solid Waste Management	87,359	83,536	1,853	-
Other Activities	26,670	29,263	-	-
Total Business-Type Activities	<u>1,095,733</u>	<u>1,247,087</u>	<u>58,966</u>	<u>47,939</u>
Total Primary Government	<u>\$ 2,368,935</u>	<u>\$ 1,460,113</u>	<u>\$ 356,181</u>	<u>\$ 157,660</u>
COMPONENT UNIT				
Long Beach Public Transportation Company	<u>\$ 152,313</u>	<u>\$ 14,135</u>	<u>\$ 112,056</u>	<u>\$ 10,998</u>

Taxes:
Property
Sales
Utility Users
Other
Unrestricted Investment Earnings
Transfers
Unusual or Infrequent Item - Transfer to CalTrans
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
\$ (20,058)	\$ -	\$ (20,058)	\$ -
(36,257)	-	(36,257)	-
(442,070)	-	(442,070)	-
(44,649)	-	(44,649)	-
(31,466)	-	(31,466)	-
(71,689)	-	(71,689)	-
10,058	-	10,058	-
(17,109)	-	(17,109)	-
(653,240)	-	(653,240)	-
-	18,126	18,126	-
-	22,399	22,399	-
-	(47,064)	(47,064)	-
-	23,058	23,058	-
-	249,467	249,467	-
-	4,819	4,819	-
-	(13,169)	(13,169)	-
-	(1,970)	(1,970)	-
-	2,593	2,593	-
-	258,259	258,259	-
(653,240)	258,259	(394,981)	-
-	-	-	(15,124)
257,350	-	257,350	-
153,817	-	153,817	-
47,554	-	47,554	-
65,938	-	65,938	-
29,227	71,185	100,412	3,687
27,574	(27,576)	(2)	-
-	(488)	(488)	-
581,460	43,121	624,581	3,687
(71,780)	301,380	229,600	(11,437)
283,882	4,788,221	5,072,103	89,443
\$ 212,102	\$ 5,089,601	\$ 5,301,703	\$ 78,006

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

City of Long Beach
Governmental Funds
Balance Sheet
September 30, 2025
(In Thousands)

	General	General Capital Projects	Housing Assistance Special Revenue	Other Governmental Funds	Total September 30, 2025
ASSETS					
Pooled Cash and Investments	\$ 87,356	\$ 207,165	\$ 139	\$ 92,530	\$ 387,190
Non-Pooled Cash and Cash Equivalents	234	6,108	31,186	8,427	45,955
Receivables:					
Interest Receivable	588	-	-	3	591
Property Taxes	143,123	-	-	-	143,123
Accounts Receivable	57,950	2,149	319	6,831	67,249
Due from Other Governments	37,271	63,324	1,505	70,767	172,867
Due from Other Funds	18,102	6,644	-	17,368	42,114
Lease Receivable	128,029	-	-	2,183	130,212
Allowance for Receivables	(19,504)	(77)	(298)	(7,728)	(27,607)
Inventory	-	-	-	1,482	1,482
Other Assets - Current	2,543	3,003	-	150	5,696
Advances to Other Funds	-	-	-	3,809	3,809
Land Held for Resale	-	-	-	5,426	5,426
Other Noncurrent Receivables	-	-	-	250,233	250,233
Total Assets	<u>\$ 455,692</u>	<u>\$ 288,316</u>	<u>\$ 32,851</u>	<u>\$ 451,481</u>	<u>\$ 1,228,340</u>
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 20,352	\$ 28,499	\$ 414	\$ 8,089	\$ 57,354
Accrued Wages and Benefits Payable	9,461	314	143	1,485	11,403
Due to Other Governments	614	-	64	-	678
Due to Other Funds	21,412	2,273	2,098	13,195	38,978
Unearned Revenues	8,234	4,071	3,240	68,835	84,380
Deposits and Collections Held in Trust	5,015	1,103	1,191	3,682	10,991
Advances from Other Funds	19,406	-	-	3,809	23,215
Total Liabilities	<u>84,494</u>	<u>36,260</u>	<u>7,150</u>	<u>99,095</u>	<u>226,999</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources	265,722	-	-	247,151	512,873
FUND BALANCES					
Nonspendable	2,543	3,003	-	7,058	12,604
Restricted	6,005	175,591	25,701	101,558	308,855
Committed	69,654	-	-	1,200	70,854
Assigned	27,274	73,462	-	-	100,736
Unassigned	-	-	-	(4,581)	(4,581)
Total Fund Balances	<u>105,476</u>	<u>252,056</u>	<u>25,701</u>	<u>105,235</u>	<u>488,468</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 455,692</u>	<u>\$ 288,316</u>	<u>\$ 32,851</u>	<u>\$ 451,481</u>	<u>\$ 1,228,340</u>

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, 2025
 (In Thousands)

Total governmental fund balances \$ 488,468

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, consisting of \$428,192 of non-depreciable assets and \$268,463 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. 696,655

Deferred outflows of resources related to postemployment benefits and economic losses from refinancing of debt are not included in the governmental funds. 210,750

Deferred inflows of resources related to postemployment benefits and economic gains from refinancing of debt are not included in the governmental funds. 109,368

Governmental long-term liabilities, excluding those liabilities in the internal service funds, are not due and payable in the current period and, therefore, are not reported in the funds. Liability amounts have been reduced by interest receivables for federal subsidy on Build America and Recovery Zone Economic Development Bonds. (1,422,597)

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. 129,459

Net position of governmental activities \$ 212,102

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, 2025
(In Thousands)

	General	General Capital Projects	Housing Assistance Special Revenue	Other Governmental Funds	Total September 30, 2025
Revenues:					
Taxes:					
Property	\$ 240,303	\$ -	\$ -	\$ 16,784	\$ 257,087
Sales	150,803	-	-	3,014	153,817
Utility Users	47,554	-	-	-	47,554
Other Taxes	50,532	-	-	15,406	65,938
Franchise Fees	25,275	-	-	-	25,275
Licenses and Permits	49,798	-	-	15,606	65,404
Fines and Forfeitures	17,541	-	-	-	17,541
Use of Money and Property	40,281	8,601	342	8,156	57,380
From Other Agencies	12,999	110,571	140,998	142,368	406,936
Charges for Services	55,675	-	-	2,018	57,693
Other	6,001	356	126	3,121	9,604
Total Revenues	696,762	119,528	141,466	206,473	1,164,229
Expenditures:					
Current:					
Legislative and Legal	19,106	-	-	-	19,106
General Government	33,751	-	19	3,319	37,089
Public Safety	501,327	-	-	20,076	521,403
Public Health	24,723	-	-	107,636	132,359
Community and Cultural	75,426	-	145,388	57,594	278,408
Public Works	73,433	8,502	-	742	82,677
Oil Operations	2,951	-	-	-	2,951
Total Current Expenditures	730,717	8,502	145,407	189,367	1,073,993
Capital Improvements	12,091	170,622	-	2,001	184,714
Debt Service:					
Principal	191	-	-	15,273	15,464
Interest	5	-	-	10,861	10,866
Debt Administration Fees	14	-	-	37	51
Total Expenditures	743,018	179,124	145,407	217,539	1,285,088
Excess of Revenues over (under) Expenditures	(46,256)	(59,596)	(3,941)	(11,066)	(120,859)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Asset	146	-	-	-	146
Leases	11,251	-	-	-	11,251
Transfers In	14,544	30,496	-	30,909	75,949
Transfers Out	(50,668)	(1,228)	-	(8,130)	(60,026)
Total Other Financing Sources (Uses)	(24,727)	29,268	-	22,779	27,320
Net Change in Fund Balances	(70,983)	(30,328)	(3,941)	11,713	(93,539)
Fund Balances - October 1	176,459	282,384	29,642	93,522	582,007
Fund Balances - September 30	\$ 105,476	\$ 252,056	\$ 25,701	\$ 105,235	\$ 488,468

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, 2025
 (In Thousands)

Excess of expenditures and other uses over revenue and other sources - total governmental funds \$ (93,539)

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 (\$60,035) is more than depreciation (\$25,509) in the current period. 34,526

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 23

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. 13,278

Pension and OPEB 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. 9,711

Pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental funds. (37,045)

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 effect 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. 15,702

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 governmental funds. (23,878)

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. 9,442

Change in net position of governmental activities \$ (71,780)

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, 2025
(In Thousands)

	Business-type Activities - Enterprise Funds			
	Gas Utility	Water Utility	Tidelands Operating	Tideland Oil Revenue
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 34,050	\$ 35,092	\$ 143,289	\$ 84,288
Non-Pooled Cash and Cash Equivalents	31	24,714	2,850	-
Receivables:				
Interest Receivable	-	-	790	-
Accounts Receivable	18,591	13,661	8,229	7,933
Due from Other Governments	9	783	363	-
Due from Other Funds	6,864	1,059	38,822	19
Lease Receivable - Current	-	388	2,424	-
Allowance for Receivables	(6,539)	(880)	(1,314)	-
Deposits	-	-	-	-
Inventory	7,499	6,747	-	-
Prepaid Gas - Current	21,327	-	-	-
Other Assets - Current	318	8,996	4	21
Total Current Asset	<u>82,150</u>	<u>90,560</u>	<u>195,457</u>	<u>92,261</u>
Noncurrent Assets:				
Restricted Noncurrent Assets:				
Non-Pooled Investments	28,038	-	3,652	-
Noncurrent Receivables:				
Lease Receivable	-	911	122,915	-
Other Noncurrent Receivables, Net	-	-	-	-
Advances to Other Funds	-	-	-	-
Fair Value - Commodity Swap	338,653	-	-	-
Capital Assets:				
Land and Other Capital Assets not being Depreciated	28,691	123,450	166,162	-
Capital Assets, Net of Accumulated Depreciation/Amortization	186,113	346,752	206,223	6,025
Prepaid Gas - Long Term	221,425	-	-	-
Other Assets - Long-Term	-	-	-	-
Total Noncurrent Assets	<u>802,920</u>	<u>471,113</u>	<u>498,952</u>	<u>6,025</u>
Total Assets	<u>885,070</u>	<u>561,673</u>	<u>694,409</u>	<u>98,286</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources	<u>9,401</u>	<u>6,945</u>	<u>13,325</u>	<u>731</u>

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

Business-type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
\$ 1,091,315	\$ 333,565	\$ 1,721,599	\$ 233,414
75,694	19,804	123,093	11,949
5	7	802	-
118,486	21,976	188,876	157
23,256	5,086	29,497	1,855
1,346	1,069	49,179	16,064
-	248	3,060	-
(2,944)	(8,597)	(20,274)	(16)
-	-	-	10,347
1,032	257	15,535	3,119
-	-	21,327	-
9,778	113	19,230	19,060
<u>1,317,968</u>	<u>373,528</u>	<u>2,151,924</u>	<u>295,949</u>
-	-	31,690	-
-	1,833	125,659	-
32,386	-	32,386	-
12,000	-	12,000	21,493
-	-	338,653	-
2,197,394	39,389	2,555,086	11,970
1,662,759	458,199	2,866,071	461,815
-	-	221,425	-
40,218	-	40,218	-
<u>3,944,757</u>	<u>499,421</u>	<u>6,223,188</u>	<u>495,278</u>
<u>5,262,725</u>	<u>872,949</u>	<u>8,375,112</u>	<u>791,227</u>
<u>24,988</u>	<u>17,563</u>	<u>72,953</u>	<u>21,676</u>

(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, 2025
(In Thousands)

(Continued)

	Business-type Activities - Enterprise Funds			
	Gas Utility	Water Utility	Tidelands Operating	Tideland Oil Revenue
LIABILITIES				
Current Liabilities Payable from Current Assets				
Accounts Payable	7,552	25,477	11,043	2,230
Accrued Wages	588	594	658	70
Accrued Interest Payable	8,322	1,693	2,798	-
Due to Other Funds	3,899	974	964	575
Unearned Revenues	2,007	1,119	2,243	-
Collections Held in Trust	-	-	152	-
Customers Deposits	2,494	1,434	1,532	-
Advances from Developers	-	1,510	-	-
Accrued Self-Insurance Claims - Current	-	-	-	-
Environmental Remediation - Current	-	-	-	-
Due to State of California	-	-	-	7,159
Compensated Absences and Accrued Employee Benefits	2,597	2,564	3,919	226
Financed Purchase Obligations - Current	1,274	1,875	253	-
Bonds Payable Due Within One Year	19,195	1,485	8,495	-
Other Long-Term Obligations - Current	-	-	-	-
Lease Liability - Current	-	-	-	-
SBITA Liability - Current	-	-	-	-
Total Current Liabilities	<u>47,928</u>	<u>38,725</u>	<u>32,057</u>	<u>10,260</u>
Noncurrent Liabilities:				
Advances from Other Funds	-	-	12,000	-
Unearned Revenues	-	-	4,180	-
Accrued Self-Insurance Claims	-	-	-	-
Accrued Oil Field Abandonment Costs	-	-	-	153,609
Environmental Remediation	-	-	-	-
Fair Value - Interest Rate Swap	842	-	-	-
Compensated Absences and Accrued Employee Benefits	5,073	4,601	8,369	215
Financed Purchase Obligations	5,413	12,450	1,568	-
Other Long-Term Obligations	-	-	-	-
Bonds Payable	452,889	94,037	114,738	-
Lease Liability	-	-	-	-
SBITA Liability	-	-	-	-
Total OPEB Liability	517	479	835	27
Net Pension Liability	36,018	35,303	49,533	4,028
Total Noncurrent Liabilities	<u>500,752</u>	<u>146,870</u>	<u>191,223</u>	<u>157,879</u>
Total Liabilities	<u>548,680</u>	<u>185,595</u>	<u>223,280</u>	<u>168,139</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	344,205	8,036	135,208	1,720
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	203,794	376,561	243,428	6,025
Restricted for:				
Debt Service	-	-	4,814	-
Capital Projects	31,072	-	763	-
Insurance	-	-	-	-
Airport	-	-	-	-
Subsidence	-	-	-	-
Unrestricted	(233,280)	(1,574)	100,241	(76,867)
Total Net Position (Deficit)	<u>\$ 1,586</u>	<u>\$ 374,987</u>	<u>\$ 349,246</u>	<u>\$ (70,842)</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				
Net Position of Business-type Activities				

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

Business-type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
62,222	21,798	130,322	24,055
1,985	1,299	5,194	7,786
11,141	1,840	25,794	530
51,465	2,409	60,286	8,093
51,686	2,199	59,254	200
2,249	21	2,422	6,022
-	2,702	8,162	-
-	10,609	12,119	-
1,035	-	1,035	40,161
-	-	-	24
-	-	7,159	115
8,050	4,964	22,320	6,147
-	921	4,323	9,406
31,955	3,945	65,075	1,883
2,500	-	2,500	5,563
-	350	350	-
690	51	741	4,185
<u>224,978</u>	<u>53,108</u>	<u>407,056</u>	<u>114,170</u>
2,087	-	14,087	-
-	4,403	8,583	-
-	-	-	190,019
-	-	153,609	-
-	-	-	376
-	-	842	-
17,252	7,255	42,765	11,909
-	9,641	29,072	41,688
534,575	-	534,575	262,893
501,095	112,887	1,275,646	7,469
-	2,504	2,504	50
503	241	744	7,916
1,606	766	4,230	1,205
121,951	71,725	318,558	75,777
<u>1,179,069</u>	<u>209,422</u>	<u>2,385,215</u>	<u>599,302</u>
<u>1,404,047</u>	<u>262,530</u>	<u>2,792,271</u>	<u>713,472</u>
<u>21,293</u>	<u>11,482</u>	<u>521,944</u>	<u>14,221</u>
2,819,515	376,462	4,025,785	150,294
-	8,062	12,876	-
37,463	28,063	97,361	1,424
-	-	-	31,094
-	10,022	10,022	-
-	212,428	212,428	-
1,005,395	(18,537)	775,378	(97,602)
<u>\$ 3,862,373</u>	<u>\$ 616,500</u>	<u>5,133,850</u>	<u>\$ 85,210</u>
		(44,249)	
		<u>\$ 5,089,601</u>	

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, 2025
(In Thousands)

	Business-type Activities - Enterprise Funds			
	Gas Utility	Water Utility	Tidelands Operating	Tideland Oil Revenue
Operating Revenues:				
Licenses and Permits	\$ -	\$ -	\$ 2,158	\$ -
Fines and Forfeitures	-	-	511	-
Fees, Concessions, and Rentals	-	-	56,965	83,692
From Other Agencies	-	-	56	-
Charges for Services	139,456	136,425	32,444	-
Other	210	5,220	6,645	23
Total Operating Revenues	<u>139,666</u>	<u>141,645</u>	<u>98,779</u>	<u>83,715</u>
Operating Expenses:				
Personnel Services	31,912	27,198	41,723	3,351
Purchases of Gas and Water	33,653	25,691	-	-
Maintenance and Other Operations	22,804	49,076	80,181	8,632
Rental Expense	-	-	-	-
Insurance Premiums	-	-	-	-
Self-Insured Losses	-	-	-	-
Compensated Absences	-	-	-	-
Employee Benefits	-	-	-	-
Payments to Other Entities	-	-	-	48,152
Depreciation/Amortization	8,741	16,307	18,421	1,250
Total Operating Expenses	<u>97,110</u>	<u>118,272</u>	<u>140,325</u>	<u>61,385</u>
Operating Income (Loss)	<u>42,556</u>	<u>23,373</u>	<u>(41,546)</u>	<u>22,330</u>
Noncapital Subsidies:				
Operating Grants Revenue	-	-	322	-
Operating Grants Expense	-	-	-	-
Transfers In	-	-	47,351	-
Transfers Out	(18,839)	(93)	-	(17,011)
Total Noncapital Subsidies	<u>(18,839)</u>	<u>(93)</u>	<u>47,673</u>	<u>(17,011)</u>
Operating Income (Loss) and Noncapital Subsidies	<u>23,717</u>	<u>23,280</u>	<u>6,127</u>	<u>5,319</u>
Other Non-Operating Revenue (Expenses):				
Interest Income	2,581	2,714	9,093	-
Interest Expense	(23,986)	(4,259)	(5,696)	-
Unrealized Investment Gain	121	169	900	-
Gain (Loss) on Disposition of Capital Assets	(451)	-	-	-
Capital Assets to / (from) Other Funds	-	-	-	-
Oil Field Abandonment	-	-	-	932
Capital Grants and Contributions	-	4,452	-	-
Other Income	-	-	-	-
Other Expense	-	(363)	-	-
Total Other Non-Operating Revenue (Expenses)	<u>(21,735)</u>	<u>2,713</u>	<u>4,297</u>	<u>932</u>
Income (Loss) before Unusual or Infrequent Items	<u>1,982</u>	<u>25,993</u>	<u>10,424</u>	<u>6,251</u>
Unusual or Infrequent Items:				
Transfers to CalTrans	-	-	-	-
Change in Net Position	<u>1,982</u>	<u>25,993</u>	<u>10,424</u>	<u>6,251</u>
Net Position (Deficit) - October 1	(396)	348,994	338,822	(77,093)
Net Position (Deficit) - September 30	<u>\$ 1,586</u>	<u>\$ 374,987</u>	<u>\$ 349,246</u>	<u>\$ (70,842)</u>
Change in Net Position of Business - Enterprise Funds				
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				
Change in Net Position of Business-type Activities				

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

Business-Type Activities - Enterprise Funds			Governmental Activities
Harbor	Other Proprietary Funds	Total Proprietary Funds	Internal Service Funds
\$ -	\$ 30,696	\$ 32,854	\$ -
-	5	516	-
46,029	60,670	247,356	-
-	1,803	1,859	-
524,392	110,940	943,657	691,490
4,037	1,927	18,062	2,644
<u>574,458</u>	<u>206,041</u>	<u>1,244,304</u>	<u>694,134</u>
98,993	75,840	279,017	74,252
-	-	59,344	-
129,229	131,348	421,270	105,155
-	427	427	-
-	-	-	22,937
-	-	-	49,625
-	-	-	86,650
-	-	-	323,276
-	-	48,152	-
155,322	23,790	223,831	39,378
<u>383,544</u>	<u>231,405</u>	<u>1,032,041</u>	<u>701,273</u>
<u>190,914</u>	<u>(25,364)</u>	<u>212,263</u>	<u>(7,139)</u>
56,791	1,853	58,966	1,436
(16,879)	-	(16,879)	-
-	769	48,120	13,032
(29,632)	(10,121)	(75,696)	(1,381)
<u>10,280</u>	<u>(7,499)</u>	<u>14,511</u>	<u>13,087</u>
<u>201,194</u>	<u>(32,863)</u>	<u>226,774</u>	<u>5,948</u>
43,008	13,789	71,185	7,678
(22,025)	(4,966)	(60,932)	(8,151)
4,582	1,282	7,054	933
9,107	-	8,656	1,175
-	169	169	-
-	-	932	-
25,348	18,139	47,939	-
2,538	245	2,783	-
(470)	-	(833)	-
<u>62,088</u>	<u>28,658</u>	<u>76,953</u>	<u>1,635</u>
<u>263,282</u>	<u>(4,205)</u>	<u>303,727</u>	<u>7,583</u>
(488)	-	(488)	-
<u>262,794</u>	<u>(4,205)</u>	<u>303,239</u>	<u>7,583</u>
<u>3,599,579</u>	<u>620,705</u>	<u>4,830,611</u>	<u>77,627</u>
<u>\$ 3,862,373</u>	<u>\$ 616,500</u>	<u>5,133,850</u>	<u>\$ 85,210</u>
		303,239	
		(1,859)	
		<u>\$ 301,380</u>	

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, 2025
(In Thousands)

<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Tidelands Operating</u>	<u>Tideland Oil Revenue</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 141,182	\$ 139,989	\$ 65,758	\$ -
Receipts from Oil Companies	-	-	-	90,641
Receipts from Other Entities	-	-	190	-
Receipts from Other Funds	471	-	35,817	93
Payments for Employees Salaries and Benefits	(29,602)	(28,084)	(40,879)	(3,952)
Payments for Goods and Services	(36,964)	(71,982)	(83,219)	(19,198)
Payments for Compensated Absences	-	-	-	-
Payments for Liability Claims	-	-	-	-
Payments to Other Funds	-	(610)	(728)	-
Payments to Other Entities	-	(2,395)	-	(43,764)
Other Cash Receipts	-	-	-	-
Other Cash Payments	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>75,087</u>	<u>36,918</u>	<u>(23,061)</u>	<u>23,820</u>
Cash Flows from Non-Capital Financing Activities:				
Operating Grants Received from Other Governments	-	-	-	-
Utility Credit to Customers	-	(363)	-	-
Payments of Principal on Bonds Payable	(25,280)	-	-	-
Payments of Interest	(25,124)	-	-	-
Transfers In	-	-	47,351	-
Transfers Out	(18,839)	(93)	-	(17,011)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(69,243)</u>	<u>(456)</u>	<u>47,351</u>	<u>(17,011)</u>
Cash Flows from Capital and Related Financing Activities:				
Receipt of Capital Grants	-	-	-	-
Proceeds from the Sale of Capital Assets	-	-	10	-
Proceeds from Issuance of Long-Term Obligations	-	-	-	-
Proceeds from Issuance of Refunding Debt	-	-	92,171	-
Receipts of Contributed Capital	-	4,088	-	-
Receipts from Passenger Facility Charges	-	-	-	-
Proceeds from Financed Purchase Receivable from Other Funds	-	-	4,445	-
Payments for Subscription and Leased Assets	-	-	-	-
Payments for Capital Acquisitions	(20,295)	(37,814)	(32,029)	(21)
Payments of Principal on Bonds Payable	-	(1,755)	(109,445)	-
Payment of Cost of Issuance	-	-	-	-
Payments of Principal on Other Long-Term Obligations	(1,244)	(1,818)	(561)	-
Payments of Interest	-	(4,211)	(4,908)	-
Net Cash Used for Capital and Related Financing Activities	<u>(21,539)</u>	<u>(41,510)</u>	<u>(50,317)</u>	<u>(21)</u>
Cash Flows from Investing Activities:				
Receipts of Interest	2,582	2,714	9,105	-
Receipt from Joint Venture	-	-	-	-
Payments for Purchase of Investments	6,341	-	-	-
Changes in Investments	121	169	848	-
Transfers for Advances to Other Funds	-	-	-	-
Net Cash Provided by Investing Activities	<u>9,044</u>	<u>2,883</u>	<u>9,953</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(6,651)</u>	<u>(2,165)</u>	<u>(16,074)</u>	<u>6,788</u>
Cash and Cash Equivalents - October 1	<u>40,732</u>	<u>61,971</u>	<u>162,213</u>	<u>77,500</u>
Cash and Cash Equivalents - September 30	<u>\$ 34,081</u>	<u>\$ 59,806</u>	<u>\$ 146,139</u>	<u>\$ 84,288</u>

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

<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Other</u>	<u>Total</u>	<u>Internal</u>
<u>Harbor</u>	<u>Proprietary</u>	<u>Proprietary</u>	<u>Service</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
\$ 588,444	\$ 202,590	\$ 1,137,963	\$ 1,674
-	-	90,641	-
-	2,652	2,842	-
-	948	37,329	683,723
(111,178)	(71,846)	(285,541)	(413,424)
(133,834)	(134,531)	(479,728)	(99,372)
-	-	-	(87,159)
-	-	-	(57,969)
-	(1,055)	(2,393)	-
-	-	(46,159)	(63)
45,018	118	45,136	18,047
(11,179)	(374)	(11,553)	-
<u>377,270</u>	<u>(1,498)</u>	<u>488,536</u>	<u>45,457</u>
49,139	-	49,139	1,077
-	-	(363)	-
-	-	(25,280)	-
-	-	(25,124)	-
-	769	48,120	13,032
(29,632)	(10,121)	(75,696)	(1,381)
<u>19,507</u>	<u>(9,352)</u>	<u>(29,204)</u>	<u>12,728</u>
18,581	245	18,826	-
9,338	169	9,517	1,182
-	-	-	16,093
132,895	10,936	236,002	-
-	13,062	17,150	-
-	6,930	6,930	-
-	-	4,445	-
(2,300)	-	(2,300)	(13,834)
(198,276)	(36,662)	(325,097)	(55,741)
(163,965)	(3,869)	(279,034)	(1,788)
(633)	-	(633)	-
(2,415)	(420)	(6,458)	(13,810)
(33,546)	(5,784)	(48,449)	(8,477)
<u>(240,321)</u>	<u>(15,393)</u>	<u>(369,101)</u>	<u>(76,375)</u>
42,692	13,787	70,880	7,678
2,000	-	2,000	-
-	-	6,341	-
4,582	1,282	7,002	934
(4,446)	-	(4,446)	-
<u>44,828</u>	<u>15,069</u>	<u>81,777</u>	<u>8,612</u>
201,285	(11,174)	172,009	(9,578)
965,724	364,543	1,672,683	254,941
<u>\$ 1,167,009</u>	<u>\$ 353,369</u>	<u>\$ 1,844,692</u>	<u>\$ 245,363</u>

(continued)

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

(Continued)

	Business-Type Activities - Enterprise Funds			
	Gas	Water	Tidelands	Tideland
	Utility	Utility	Operating	Oil
	Revenue	Revenue	Revenue	Revenue
Operating Income (Loss)	\$ 42,556	\$ 23,373	\$ (41,546)	\$ 22,330
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for)				
Operating Activities:				
Depreciation and Amortization Expense	8,741	16,307	18,421	1,250
Other Cash Receipts	-	-	322	-
Other Cash Payments	-	-	-	-
(Increase) Decrease in Accounts Receivable, Net	(157)	(2,594)	(2,130)	6,946
(Increase) Decrease in Amounts Due from Other Governments	(9)	-	(1)	-
(Increase) Decrease in Amounts Due from Other Funds	1,041	(591)	3,629	73
(Increase) in Inventory	(1,180)	(1,471)	-	-
(Increase) Decrease in Other Assets	19,745	-	(3)	6
(Increase) in Other Non-Operating Assets	-	(1,163)	-	-
Increase (Decrease) in Accounts Payable	927	3,387	(3,034)	(10,572)
Increase (Decrease) in Accrued Wages Payable	551	330	551	(343)
Increase in Amounts Due to Other Governments	-	-	-	3,868
Increase (Decrease) in Amounts Due to Other Funds	471	(19)	398	520
(Decrease) in Accrued Claims Payable	-	-	-	-
Increase (Decrease) in Unearned Revenues	282	(4)	(142)	-
(Decrease) in Other Liabilities	-	-	-	-
Increase (Decrease) in Collections Held in Trust	360	579	181	-
Increase (Decrease) in OPEB Liability and Related Deferred Outflows/Inflows of Resources	(115)	(115)	9	(21)
Increase (Decrease) in Net Pension Liability and Related Deferred Outflows/Inflows of Resources	1,874	(1,101)	284	(237)
Total Adjustments	32,531	13,545	18,485	1,490
Net Cash Provided by (Used for) Operating Activities	\$ 75,087	\$ 36,918	\$ (23,061)	\$ 23,820
<u>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>				
Additions to Subscription Assets	\$ -	\$ -	\$ -	\$ -
Accrued Capital Related Liabilities	4,322	8,281	-	-
Capitalized Interest	-	-	2,276	-
Amortization of Bond Premium (Discount), Net	651	102	-	-
Net Book Value of Retired Asset	(451)	(500)	-	-
Accrued Oil Field Abandonment Costs	-	-	-	(931)
Proceeds from Issuance of Bonds for Refunding	-	-	-	-
Amortization of Deferred Outflows of Resources on Debt Refunding	-	-	(575)	-
Amortization of Deferred Inflows of Resources on Debt Refunding	-	-	-	-
Accrued Transfers to Other Funds	-	-	-	-
Transfers to CalTrans	-	-	-	-
Borrowing under Other Long-Term Obligations	-	39,500	-	-
Discontinued Capital Projects	-	-	-	-

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

<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
			<u>Activities</u>
	Other	Total	Internal
Harbor	Proprietary	Proprietary	Service
	Funds	Funds	Funds
\$ 190,914	\$ (25,364)	\$ 212,263	\$ (7,139)
155,322	23,790	223,831	39,378
44,978	-	45,300	-
(16,879)	-	(16,879)	-
15,439	(1,062)	16,442	3,640
(6,123)	463	(5,670)	(30)
-	(961)	3,191	(2,084)
-	(73)	(2,724)	-
-	(37)	19,711	(18,775)
-	-	(1,163)	10
18,019	(3,001)	5,726	9,380
(10,697)	952	(8,656)	(1,545)
-	-	3,868	-
(13,398)	(94)	(12,122)	5,282
(515)	-	(515)	14,593
475	(361)	250	200
(2,793)	-	(2,793)	-
-	1,208	2,328	512
2,556	(136)	2,178	79
(28)	3,178	3,970	1,956
186,356	23,866	276,273	52,596
\$ 377,270	\$ (1,498)	\$ 488,536	\$ 45,457

\$ 1,416	\$ 2,156	\$ 3,572	\$ -
53,414	2,156	68,173	-
-	-	2,276	-
14,738	(3,381)	12,110	-
-	-	(951)	-
-	-	(931)	-
46,000	-	46,000	-
-	-	(575)	-
3,404	-	3,404	-
29,184	-	29,184	-
(488)	-	(488)	-
-	-	39,500	-
221	-	221	-

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, 2025
(In Thousands)

	Private Purpose Trust Funds	Custodial Funds
ASSETS:		
Pooled Cash and Investments	\$ 604	\$ 15,475
Non-Pooled Cash and Cash Equivalents	-	10,442
Property Taxes Receivable	-	92
Accounts Receivable	-	2,434
Prepaid Expense	-	9
Land	-	31,460
Total Assets	604	59,912
LIABILITIES:		
Accounts Payable	-	2,199
Collections Held in Trust	-	47
Total Liabilities	-	2,246
NET POSITION:		
Restricted for:		
Miller Library Trust	599	-
Mayor's Fund to End Homelessness	5	-
Oil Rights	-	1,984
Special Assesment Districts	-	12,577
Intermodal Container Transfer Facility	-	5,259
Los Cerritos Wetlands Authority	-	32,673
Other Custodial Funds	-	5,173
Total Restricted Net Position	\$ 604	\$ 57,666

City of Long Beach
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended September 30, 2025
(In Thousands)

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Contributions	\$ -	\$ 32,000
Taxes	-	16,729
Grants	-	2,260
Use of Money and Property	26	1,157
Miscellaneous Revenue	-	8
Total Additions	26	52,154
DEDUCTIONS:		
Administrative Expense	-	61
Payments to Bond Holders	-	9,509
Payments to Others	41	16,055
Loss on Disposition of Capital Assets	-	3,135
Total Deductions	41	28,760
Change in Net Position	(15)	23,394
Net Position, October 1	619	34,272
Net Position, September 30	\$ 604	\$ 57,666

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

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 1 – REPORTING ENTITY

Organization

The City of Long Beach (City) operates under a City Charter originally adopted in 1921 and last amended in 2024. The City Charter establishes the 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 Councilmembers elected to serve within their respective districts. The Mayor, City Auditor, City Attorney, and City Prosecutor are all elected Citywide. The City Council appoints the City Manager and Director of Police Oversight, who serve 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 and Entertainment Center, Queen Mary, Rainbow Harbor, marinas, and oil extraction administration), under a trust agreement with the State of California dating back to 1911. It is the City's policy to establish fees and charges designed to recover the full cost of providing services, including capital costs such as depreciation and debt service. Accordingly, the financial activities of these operations are accounted for as enterprise funds.

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

Blended Component Entities

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

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

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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	Reporting Funds
Long Beach Financing Authority	Governmental	Custodial Funds
Long Beach Bond Financing Authority	Governmental and Business-type	Internal Service Funds Enterprise Funds Governmental Funds
Finance Authority of Long Beach	Governmental and Business-type	Internal Service Funds Enterprise Funds Governmental Funds

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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, and provide public transportation services to the City of Long Beach and its neighboring cities. The City is the LBT's sole shareholder.

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. The appointed Board member shall serve during such term, unless removed by City Council. 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 governing body does not share common membership with that of the City and its service area overlaps other communities.

In accordance with GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus*", LBT is considered a discretely component unit of the City. As such, the financial operations of the LBT are included in this report as a separate column in the basic financial statements to emphasize that it is legally and operationally separate from the City, with financial information being reported for the fiscal year ended June 30, 2025. LBT has a separate legal status and operates as an independently managed nonprofit corporation, receiving no direct administrative or financial support 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.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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, business license taxes, 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 and financing through leases 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).

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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 Utilities 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 Utilities Department.

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

The *Tideland Oil Revenue Fund* is used to account for the proceeds from oil operations within the City's tidelands area and related payments to the State Lands Commission.

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 to End Homelessness, 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 Special Assessment Districts that issue various debts for the benefit of Long Beach area property owners and Los Cerritos Wetlands Authority, a jointly governed organization with the California State Coastal Conservancy, the Lower San Gabriel and Los Angeles River Mountains Conservancy, and the City of Seal Beach to further a comprehensive program of acquisition, protection, conservation, restoration, maintenance and operation, and environmental enhancement of the Los Cerritos Wetlands area.

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 between operating and non-operating revenues and expenses. Operating revenues and expenses are revenues and expenses other than non-operating revenues and expenses. Non-operating revenues and expenses are subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory, and investment income and expenses. Revenues or expenses that otherwise would be classified as non-operating in a business-type activity are classified as operating revenues or operating expenses if those transactions constitute its principal ongoing operations.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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) to facilitate the management of cash and provide income through conservative investment activities.

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 statement of net position date are presented as cash. Cash equivalents and investments with a maturity between 90 days and one year of the statement of net position date, excluding those restricted for long-term purposes, are presented as investments. Unused bond proceeds held with fiscal agents for a specific use stipulated by bond documents are presented as restricted cash and cash equivalents.

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 3 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."

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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.

For the purposes of the fund financial statements, the governmental funds expenditures relating to long-term loans arising from loan subsidy programs are charged to operations upon funding and the loans are recorded, net of an estimated allowance for potentially uncollectible loans, with an offset to a deferred inflow of resources. For purposes of the government-wide financial statements, long-term loans are not offset by deferred inflows of resources.

Inventories and Prepaid Items

Inventory and supplies are accounted for using the consumption method and are stated at average cost, applied on a first-in, first-out basis. They are accounted for as expenditures at the time of purchase and reported in governmental funds as an asset with an offsetting nonspendable fund balance amount. Proprietary fund types are carried at average cost and are expended when consumed. Prepaid items reflect payments for costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements, with expenditures/ expenses recorded when consumed. Inventories and prepaid items recorded in the governmental funds are not in spendable form and thus, an equivalent portion of fund balance is reported as nonspendable.

Capital Assets

Capital assets include property, plant, equipment, right-to-use assets, 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. Right-to-use assets are defined as subscriptions or leased assets with a useful life of more than one year and are recorded at the present value of future subscription/lease payments, including expenses to place the asset into service. 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.

Capital assets of the primary government are depreciated/amortized 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 - 75 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
Right-to-Use Assets	Shorter of the leased/subscription asset's useful life or the lease/subscription term.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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.

Lease Receivables

The City is a lessor for noncancellable leases of land and buildings. The City recognizes a lease receivable and a corresponding deferred inflow of resources in the Government-wide, Business-Type Activities, Governmental, and Proprietary Fund financial statements.

At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received over the course of the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

Key estimates and judgments related to leases in which the City is lessor are as follows:

- The City uses its estimated implicit rate or incremental borrowing rate as the discount rate for leases, whichever is applicable. The present values of the lease payments were calculated using discount rates of 1.34% to 5.00% applicable for the term of each lease agreement.
- The lease term includes the noncancellable period of the lease.
- Projected lease revenues included in the measurement of the lease receivable are comprised of fixed payments required per the lease terms.
- Extension options are included in the lease term unless it is reasonably certain that they will not be exercised.
- Leases with rent payments that depend on an index or rate, such as the Consumer Price Index or market rate, are initially measured using the index or rate as of the commencement of the lease term.
- Leases with periodic percentage rent increases or flat rate rent increases that are specified in the lease terms are included in the measurement of the lease receivable.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivables.

Lease Payable and Subscription-Based Information Technology Arrangements (SBITA)

The City is a lessee for various noncancellable leases of buildings and equipment. The City is also a subscriber of certain SBITAs. In each case, the City recognizes both a liability and an intangible right-to-use asset in the Government-Wide, Proprietary, and Fiduciary Fund financial statements.

At the commencement of a lease contract or SBITA, the City initially measures the liability at the present value of payments expected to be made over the course of the contract or subscription term. Subsequently, the liability is reduced by the principal portion of lease or subscription payments made. The lease and SBITA right-to-use assets are measured as the initial amount of the lease or SBITA liability, adjusted for any payments made at or before the contract commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the lease contract or subscription term.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

Key estimates and judgments related to leases in which the City is a lessee and subscriber of a SBITA are as follows:

- The City uses its estimated implicit rate or incremental borrowing rate as the discount rate for leases and subscriptions, whichever is applicable. The present values of the subscription and lease payments were calculated using discount rates of 3.10% to 3.24% and 4.18% to 5.00% applicable for the term of each subscription and lease agreement, respectively.
- The lease and subscription term includes the noncancellable period of the contract plus all available extension options, unless it is reasonably certain they will not be exercised.
- Projected lease or subscription payments included in the measurement of the subscription right-to-use asset are comprised of fixed payments required per the contract terms.
- Lease contracts or subscriptions with payments that depend on an index or rate, such as the Consumer Price Index or current market rate, are initially measured using the index or rate as of the commencement of the contract term.
- Lease contracts or subscriptions with periodic percentage payment increases or flat rate payment increases that are specified in the contract terms are included in the measurement of the liability.

The City monitors changes in circumstances that would require a remeasurement of its leases or SBITAs and will remeasure the right-to-use assets and liabilities if certain changes occur that are expected to significantly affect the amount of the liabilities.

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 or discount. 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.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

Employee Benefits, Compensated Absences and Termination Benefits

The City's accounting policy is to report governmental funds long-term employee benefits in the government-wide financial statements. For proprietary funds, a 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. 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.

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 \$12.2 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.

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 assets that applies to future periods.

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 assets that applies to future periods.

Specific disclosures of items representing deferred outflows and deferred inflows of resources can be found in Note 22 to the basic financial statements.

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, 2025, the restricted net position balances were \$620.5 million and \$332.7 million for governmental activities and business type activities, respectively.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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:

<i>Classification</i>	<i>Definition</i>	<i>Examples</i>
Nonspendable	Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.	1. Inventories, prepaid items, long-term receivables, and permanent principal of endowment funds.
Restricted	Fund balance should be reported as restricted when constraints placed on the use of resources are either (a) Externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) Imposed by law through constitutional provisions or enabling legislation.	1. Restricted by state statute; 2. Unspent bond proceeds; 3. Grants earned but not spent; 4. Debt covenants; 5. Taxes dedicated to a specific purpose; 6. Revenues restricted by enabling legislation.
Unrestricted	Committed	Used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
	Assigned	Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
	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.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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 on July 1 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 2025 budget prior to October 1, 2024 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.

Implementation of New Accounting Pronouncements

The City applies all Governmental Accounting Standards Board (GASB) Statements and Interpretations. In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The assessment conducted under Statement No. 102 resulted in no matters that met the three criteria for note disclosure for the fiscal year ended September 30, 2025.

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.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of September 30, 2025 are classified in the accompanying financial statements as follows (in thousands):

Cash and Investments

Pooled cash and investments	\$ 2,358,282
Non-pooled cash and investments	<u>223,129</u>
Total cash and investments	<u><u>\$ 2,581,411</u></u>

Cash and investments as of September 30, 2025 consist of the following:

Cash and deposits	\$ 39,825
Investments	<u>2,541,586</u>
Total cash and investments	<u><u>\$ 2,581,411</u></u>

A breakdown of cash, cash equivalents, and investments between the basic financial statements and the fair value of the investment portfolio at September 30, 2025 is as follows (in thousands):

	<i><u>Governmental</u></i> <i><u>Activities</u></i>	<i><u>Business-type</u></i> <i><u>Activities</u></i>	<i><u>Fiduciary</u></i> <i><u>Funds</u></i>	<i><u>Total</u></i>
Pooled Cash and Investments	\$ 620,604	\$ 1,721,599	\$ 16,079	\$ 2,358,282
Non-Pooled Cash and Cash Equivalents	57,904	123,093	10,442	191,439
Restricted Assets:				
Non-Pooled Investments	<u>-</u>	<u>31,690</u>	<u>-</u>	<u>31,690</u>
Total Cash and Investments	<u><u>\$ 678,508</u></u>	<u><u>\$ 1,876,382</u></u>	<u><u>\$ 26,521</u></u>	<u><u>\$ 2,581,411</u></u>

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees 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, 2025. Highly sensitive investments are investments whose sensitivity to market interest rate fluctuations are not fully addressed by use of one of the five methods for reporting interest rate risk.

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

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

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

<i>Authorized Investment Type</i>	<i>Maximum Maturity</i>	<i>Maximum Percentage of Portfolio</i>	<i>Maximum Investment in One Issuer</i>
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
Federal Agency Securities	5 years *	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	5%
Negotiable Certificates of Deposit	5 years *	10%	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. The City manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and timing cash flows from maturities so 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, 2025, the weighted average maturity in years for the City's pooled investments was 2.50 years. The following schedule indicates the interest rate risk of the City's investments as of September 30, 2025 (in thousands):

<i>Investment Type</i>	<i>Fair Value</i>	<i>Weighted Average Maturity (in years)</i>
Pooled Cash and Investments		
Money market mutual funds	\$ 20,005	-
U.S. Treasury notes	620,628	1.74
Federal agency securities	1,058,105	3.17
Corporate notes	520,118	2.43
Local Agency Investment Fund (LAIF)	131,100	1.00
Subtotal Pooled Cash and Investments	2,349,956	
Cash and deposits	8,326	N/A
Total Pooled Cash and Investments	<u>\$ 2,358,282</u>	
Non-Pooled Cash And Investments		
Money market mutual funds	\$ 163,592	-
Guaranteed Investment Contracts (GIC)	28,038	12.13
Subtotal Non-Pooled Cash And Investments	191,630	
Cash and deposits	31,499	N/A
Total Non-Pooled Cash And Investments	<u>\$ 223,129</u>	

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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, 2025 for each investment type (in thousands):

<i>Investment Type</i>	<i>Rating as of Year End</i>					
	<i>Minimum Legal Rating</i>	<i>Total</i>	<i>A-/A/A+</i>	<i>AA-/AA/AA+</i>	<i>AAA</i>	<i>Unrated</i>
Pooled cash and investments						
Money market mutual funds	N/A	\$ 20,005	\$ -	\$ -	\$ 20,005	\$ -
U.S. Treasury notes	N/A	620,628	-	620,628	-	-
Federal agency securities	N/A	1,058,105	-	1,058,105	-	-
Corporate notes	A	520,118	168,285	19,947	331,886	-
Local Agency Investment Fund (LAIF)	N/A	131,100	-	-	-	131,100
Total pooled investments		<u>\$ 2,349,956</u>	<u>\$ 168,285</u>	<u>\$ 1,698,680</u>	<u>\$ 351,891</u>	<u>\$ 131,100</u>
Non-pooled cash and investments						
Money market mutual funds	N/A	\$ 163,592	\$ -	\$ -	\$ -	\$ 163,592
Guaranteed Investment Contracts (GIC)	N/A	28,038	-	-	-	28,038
Total non-pooled investments		<u>\$ 191,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,630</u>

Concentration of Credit Risk

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

<i>Issuer</i>	<i>Investment Type</i>	<i>Reported Amount</i>
Federal Farm Credit Bank	Federal agency securities	\$ 230,684
Federal Home Loan Bank	Federal agency securities	398,784
Federal Agricultural Mtg Corp	Federal agency securities	294,878

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

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

(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, 2025, the City reported pooled deposits of \$23.6 million, less \$15.3 million for checks outstanding. Non-pooled deposits of \$31.5 million were collateralized in compliance with the California Government Code.

Fair Value Hierarchy

The City has the following recurring fair value measurements as of September 30, 2025:

- U.S. Treasury notes totaling \$620.6 million, Federal Agency Securities totaling \$1.1 billion, and Corporate notes totaling \$520.1 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 \$131.1 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 \$183.6 million and \$28.0 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, 2025 (in thousands):

<i>Investments at Fair Value Level</i>	<i>Total</i>	<i>Fair Value Measurement</i>		
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Debt Securities				
U.S. Treasury notes	\$ 620,628	\$ -	\$ 620,628	\$ -
Federal agency securities	1,058,105	-	1,058,105	-
Corporate notes	520,118	-	520,118	-
Total investments at fair value	2,198,851	<u>\$ -</u>	<u>\$ 2,198,851</u>	<u>\$ -</u>
<i>Other Investments at Fair Value</i>				
Local Agency Investment Fund (LAIF)	131,100			
<i>Other Investments at Cost or Contract Value</i>				
Money market mutual funds	183,597			
Guaranteed Investment Contracts (GIC)	28,038			
Total investments	<u>\$ 2,541,586</u>			

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 4 – RECEIVABLES

The City’s receivables are comprised mainly of property taxes receivable, accounts receivable, due from other governments, lease receivable, and other noncurrent 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, lease receivable and other noncurrent receivables.

Receivables at September 30, 2025 for the City’s individual major funds, nonmajor and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows (in thousands):

	<i>General Fund</i>	<i>General Capital Projects</i>	<i>Housing Assistance Special Revenue</i>	<i>Nonmajor Governmental Funds</i>	<i>Internal Service Funds</i>	<i>Total</i>
Governmental Activities:						
Receivables:						
Interest Receivable ¹	\$ 588	\$ -	\$ -	\$ 3	\$ -	\$ 591
Property Taxes Receivable	143,123	-	-	-	-	143,123
Accounts Receivable	57,950	2,149	319	6,831	157	67,406
Due from Other Governments	37,271	63,324	1,505	70,767	1,855	174,722
Lease Receivable	128,029	-	-	2,183	-	130,212
Other Noncurrent Receivables	-	-	-	250,233	-	250,233
Total Receivables	366,961	65,473	1,824	330,017	2,012	766,287
Less: Allowance for Receivables	(19,504)	(77)	(298)	(7,728)	(16)	(27,623)
Net Receivables	<u>\$ 347,457</u>	<u>\$ 65,396</u>	<u>\$ 1,526</u>	<u>\$ 322,289</u>	<u>\$ 1,996</u>	<u>\$ 738,664</u>

¹ Excludes \$168 thousand for Build America Subsidy

	<i>Gas Utility</i>	<i>Water Utility</i>	<i>Tidelands Operating</i>	<i>Tideland Oil Revenue</i>	<i>Harbor</i>	<i>Nonmajor Proprietary Funds</i>	<i>Total</i>
Business-type Activities:							
Receivables:							
Interest Receivable	\$ -	\$ -	\$ 790	\$ -	\$ 5	\$ 7	\$ 802
Accounts Receivable	18,591	13,661	8,229	7,933	118,486	21,976	188,876
Due from Other Governments	9	783	363	-	23,256	5,086	29,497
Lease Receivable	-	1,299	125,339	-	-	2,081	128,719
Other Noncurrent Receivables	-	-	-	-	32,386	-	32,386
Total Receivables	18,600	15,743	134,721	7,933	174,133	29,150	380,280
Less: Allowance for Receivables	(6,539)	(880)	(1,314)	-	(2,944)	(8,597)	(20,274)
Net Receivables	<u>\$12,061</u>	<u>\$14,863</u>	<u>\$ 133,407</u>	<u>\$ 7,933</u>	<u>\$ 171,189</u>	<u>\$20,553</u>	<u>\$ 360,006</u>

Lease receivable amount represents various lease agreements as described in Note 10 to the basic financial statements.

Other noncurrent receivables had a balance of \$250.2 million for governmental funds as of September 30, 2025. This amount primarily consists of \$155.1 million for Home Investments Partnerships Program (HOME) loan program reimbursements from the Department of Housing and Urban Development (HUD) and \$86.3 million for Community Development Block Grant (CDBG) loans provided to developers.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2025 is as follows (in thousands):

	<i>Receivable - Due From Other Funds:</i>				
	<i>General</i>	<i>General Capital Projects</i>	<i>Nonmajor Governmental Funds</i>	<i>Gas Utility</i>	<i>Water Utility</i>
<i>Payable - Due To Other Funds:</i>					
General	\$ -	\$ 1,139	\$ 13,906	\$ -	\$ -
General Capital Projects	794	-	1,208	-	-
Housing Assistance Special Revenue	2,000	-	2	-	-
Nonmajor Governmental	6,693	3,548	948	-	-
Gas Utility	1,022	1,472	-	-	-
Water Utility	574	-	-	-	-
Tidelands Operating	137	-	342	-	-
Tideland Oil Revenue	-	-	-	-	-
Harbor	1,871	253	646	6,590	962
Nonmajor Proprietary	1,306	224	1	-	-
Internal Service	3,705	8	315	274	97
Total	\$ 18,102	\$ 6,644	\$ 17,368	\$ 6,864	\$ 1,059

	<i>Receivable - Due From Other Funds:</i>					<i>Total</i>
	<i>Tidelands Operating</i>	<i>Tideland Oil Revenue</i>	<i>Harbor</i>	<i>Nonmajor Proprietary Funds</i>	<i>Internal Service Funds</i>	
<i>Payable - Due To Other Funds:</i>						
General	\$ -	\$ 1	\$ -	\$ 21	\$ 6,345	\$ 21,412
General Capital Projects	-	-	-	63	208	2,273
Housing Assistance Special Revenue	-	-	-	-	96	2,098
Nonmajor Governmental	-	-	1,011	8	987	13,195
Gas Utility	-	-	-	-	1,405	3,899
Water Utility	-	-	-	6	394	974
Tidelands Operating	-	-	-	-	485	964
Tideland Oil Revenue	528	-	-	-	47	575
Harbor	37,004	4	-	66	4,069	51,465
Nonmajor Proprietary	-	-	-	-	878	2,409
Internal Service	1,290	14	335	905	1,150	8,093
Total	\$ 38,822	\$ 19	\$ 1,346	\$ 1,069	\$ 16,064	\$ 107,357

	<i>Receivable - Advances To Other Funds:</i>				
	<i>Nonmajor Governmental Funds</i>		<i>Internal Service</i>		<i>Total</i>
	<i>Funds</i>	<i>Harbor</i>	<i>Service</i>	<i>Total</i>	
<i>Payable - Advances From Other Funds:</i>					
General	\$ -	\$ -	\$ 19,406	\$ -	\$ 19,406
Nonmajor Governmental	3,809	-	-	-	3,809
Tidelands Operating	-	12,000	-	-	12,000
Harbor	-	-	2,087	-	2,087
Total	\$ 3,809	\$ 12,000	\$ 21,493	\$ -	\$ 37,302

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

Due to / Due from Other Funds

The General Fund provided \$7.9 million to various grant funds to cover operating expenses prior to receipt of reimbursements, including \$2.0 million to the Housing Authority and \$5.0 million to the General Grants Fund that will be repaid in fiscal year 2026. The General Fund is also reporting \$3.7 million due from Internal Service Funds, specifically Fleet Services and Employee Benefits funds, due to the funds issuing a rebate to user departments for interest income earned by the funds that resulted in a year-end surplus. The General Fund is also reporting \$12.6 million due to the Health Fund at fiscal year-end due to operating transfers that are discussed in detail in the Interfund Transfers section, and \$6.2 million due to the Employee Benefit Fund for accrued wages and benefits at fiscal year-end.

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 2025 operating revenues is \$28.7 million and will be paid in fiscal year 2026. The remaining \$8.3 million pertains to amounts due by Harbor to the Tidelands Operating Fund for providing police and fire services, and to fund capital projects managed by the Public Works Department. The Harbor Fund reported \$6.6 million owed to the Gas Utility for its share of Pier B project costs during the fiscal year.

The Employee Benefits Fund recorded a total of \$16.1 million due from various funds pertaining to wages and benefits accrued at fiscal year-end.

Advances to/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.

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 as of September 30, 2025.

In fiscal year 2020, the City identified paid time off amounts paid in prior years by the Employee Benefits Fund on behalf of Harbor Fund employees. Repayment of these costs by the Harbor Fund will be over a ten-year period. The outstanding balance as of September 30, 2025 is \$2.6 million, of which \$2.1 million is long-term and \$0.5 million is current.

In fiscal year 2022, the Fleet Services Fund entered into a loan with the General Fund in the amount of \$21.8 million, for the General Fund to reimburse the Water Fund \$21.8 million pursuant to the outcome of Measure M litigation. The term of the interfund loan is 10 years with annual principal payments of \$2.4 million through 2032, payable on the anniversary date of the loan. For fiscal year 2025, the City Council deferred the annual payment due and approved a new amortization schedule increasing the annual payment to \$2.9 million but maintaining the same 10-year term. The General Fund will pay simple interest to the Fleet Services Fund based on the rate earned by the pooled cash investment portfolio. The outstanding balance as of September 30, 2025 is \$19.4 million.

In fiscal year 2023, the Tidelands Operating Fund and Harbor Fund entered into an agreement for the Harbor to provide funding for operating and capital needs of the Queen Mary, whereby the Harbor Fund will advance a total of \$12.0 million over a three-year period. Per the agreement, the City transferred identified oil operations areas to the Harbor for potential leases for port-related activities. As of September 30, 2025, the total amount advanced was \$12.0 million. Repayment of principal and interest will occur through the Harbor's use of the City's share of new lease generated net revenue.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

Interfund Transfers

The City regularly executes transfers from one fund to another, such as for the reimbursement of services. At September 30, 2025, interfund transfers are as follows (in thousands):

	<i>Transfers In:</i>						
	<i>General</i>	<i>Nonmajor</i>	<i>Nonmajor</i>	<i>Internal</i>	<i>Total</i>		
	<i>General</i>	<i>Capital</i>	<i>Governmental</i>	<i>Tidelands</i>	<i>Proprietary</i>	<i>Service</i>	<i>Transfers</i>
<i>General</i>	<i>Projects</i>	<i>Funds</i>	<i>Operating</i>	<i>Funds</i>	<i>Funds</i>	<i>Out</i>	
<i>Transfers Out:</i>							
General	\$ -	\$ 16,254	\$ 28,679	\$ 1,626	\$ -	\$ 4,109	\$ 50,668
General Capital Projects	464	-	-	-	764	-	1,228
Nonmajor Governmental	88	6,755	1,246	-	5	36	8,130
Gas Utility	13,798	4,990	50	-	-	-	18,838
Water Utility	-	-	93	-	-	-	93
Tidelands Operating	-	-	-	-	-	-	-
Tideland Oil Revenue	-	-	-	17,011	-	-	17,011
Harbor	-	43	307	28,714	-	567	29,631
Nonmajor Proprietary	191	1,559	51	-	-	8,320	10,121
Internal Service Funds	3	895	483	-	-	-	1,381
<i>Total Transfers In</i>	<u>\$ 14,544</u>	<u>\$ 30,496</u>	<u>\$ 30,909</u>	<u>\$ 47,351</u>	<u>\$ 769</u>	<u>\$ 13,032</u>	<u>\$ 137,101</u>

Significant transfers include the following:

The General Fund transferred \$16.3 million to the General Capital Projects Fund to fund various capital projects. Of this amount, \$12.5 million was City Measure A funds.

The General Fund transferred a total of \$28.7 million to non-major governmental funds in fiscal year 2025. Of this amount, \$10.0 million was transferred to the General Debt Service Fund for debt service payments and fiscal agent fees. The General Fund also transferred \$17.6 million to the Health Fund for various purposes including: \$4.4 million for administrative costs that were recouped by the General Fund through indirect cost charges to Health department grants, \$3.2 million for indirect cost charges for which there was insufficient grant funding available, and \$10.0 million as an operating transfer subsidy to fund rising personnel and operational costs in providing public health services.

Non-major Governmental funds transferred \$6.8 million to the General Capital Projects fund to provide funding for capital projects.

For Non-major Proprietary funds, specifically the Development Services Fund transferred \$8.2 million to the General Services Fund, an Internal Service Fund, to provide funding for project management of the Enterprise Land Management system that will replace the City’s current digital permitting and licensing system.

The Harbor Fund reported transfers of \$28.7 million to the Tidelands Operating Fund as allowed by the City Charter.

The Tideland Oil Revenue Fund transferred \$17.0 million under the optimized water flood program to the Tidelands Operating Fund.

The Gas Utility Fund reported a transfer of \$13.8 million 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 the General Fund, provided that the maximum amount does not exceed 12% of audited annual gross revenue.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 6 – CAPITAL ASSETS

Capital asset activity for governmental activity for the year ended September 30, 2025 is as follows (in thousands):

<u>Governmental Activities:</u>	<i>Balance at October 1, 2024</i>	<i>Increase</i>	<i>Decrease</i>	<i>Transfers</i>	<i>Balance at September 30 2025</i>
Capital Assets not being Depreciated/Amortized:					
Land	\$ 217,012	\$ -	\$ -	\$ 482	\$ 217,494
Rights-of-way	81,340	-	-	-	81,340
Construction In Progress	106,032	44,162	-	(8,866)	141,328
Total Capital Assets not being Depreciated/Amortized	<u>404,384</u>	<u>44,162</u>	<u>-</u>	<u>(8,384)</u>	<u>440,162</u>
Capital Assets being Depreciated/Amortized:					
Buildings	622,582	2,040	(500)	470	624,592
Improvements Other than Buildings	186,346	-	(173)	8,291	194,464
Infrastructure	430,415	-	-	-	430,415
Machinery and Equipment	124,267	11,930	(4,084)	575	132,688
Vehicles and Aircraft	174,226	42,554	(9,039)	-	207,741
Software and Patents	39,370	-	(91)	-	39,279
Right- to-Use Assets:					
Building	29,158	-	(3)	-	29,155
Equipment	-	11,251	-	-	11,251
SBITA	9,014	16,709	(1,421)	-	24,302
Total Capital Assets being Depreciated/Amortized	<u>1,615,378</u>	<u>84,484</u>	<u>(15,311)</u>	<u>9,336</u>	<u>1,693,887</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	(188,423)	(14,532)	495	-	(202,460)
Improvements Other than Buildings	(112,875)	(8,274)	173	-	(120,976)
Infrastructure	(389,401)	(5,781)	-	-	(395,182)
Machinery and Equipment	(79,100)	(8,069)	4,083	-	(83,086)
Vehicles and Aircraft	(105,222)	(15,262)	9,032	-	(111,452)
Software and Patents	(24,383)	(1,727)	90	-	(26,020)
Right- to-Use Assets:					
Building	(9,101)	(4,211)	30	-	(13,282)
Equipment	-	(1,875)	-	-	(1,875)
SBITA	(5,546)	(5,150)	1,420	-	(9,276)
Total Accumulated Depreciation/Amortization	<u>(914,051)</u>	<u>(64,881)</u>	<u>15,323</u>	<u>-</u>	<u>(963,609)</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>701,327</u>	<u>19,603</u>	<u>12</u>	<u>9,336</u>	<u>730,278</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,105,711</u>	<u>\$ 63,765</u>	<u>\$ 12</u>	<u>\$ 952</u>	<u>\$ 1,170,440</u>

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

Legislative and Legal	\$ 103
General Government	372
Public Safety	6,169
Public Health	4,413
Community and Cultural	5,147
Public Works	9,303
Capital Assets held by City's internal services funds allocated to various functions on a prorated basis based on their usage of the assets	<u>39,378</u>
Total governmental activities depreciation/amortization	<u>\$ 64,881</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

Capital asset activity for business-type activities for the year ended September 30, 2025 is as follows (in thousands):

<u><i>Business-type Activities:</i></u>	<i>Balance at October 1, 2024</i>	<i>Increase</i>	<i>Decrease</i>	<i>Transfers</i>	<i>Balance at September 30, 2025</i>
Capital Assets not being Depreciated/Amortized:					
Land	\$ 1,520,444	\$ -	\$ -	\$ 34,517	\$ 1,554,961
Rights-of-way	203,832	-	-	-	203,832
Water Rights	40	-	-	-	40
Historic Collections	3,442	-	-	-	3,442
Construction In Progress	625,769	381,955	(3,370)	(211,543)	792,811
Total Capital Assets not being Depreciated/Amortized:	<u>2,353,527</u>	<u>381,955</u>	<u>(3,370)</u>	<u>(177,026)</u>	<u>2,555,086</u>
Capital Assets being Depreciated/Amortized:					
Buildings	4,645,691	3	(602)	62,491	4,707,583
Improvements Other than Buildings	827,441	343	(66)	10,939	838,657
Infrastructure	1,486,356	-	(1,716)	87,148	1,571,788
Machinery and Equipment	264,076	7,942	(42,628)	12,756	242,146
Vehicles and Aircraft	124,101	3,756	(1,516)	10	126,351
Software and Patents	38,516	-	(9,615)	2,730	31,631
Right- to-Use Assets:					
Building	3,913	10	-	-	3,923
SBITA	6,953	1,764	-	-	8,717
Total Capital Assets being Depreciated/Amortized	<u>7,397,047</u>	<u>13,818</u>	<u>(56,143)</u>	<u>176,074</u>	<u>7,530,796</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	(2,863,945)	(145,352)	600	-	(3,008,697)
Improvements Other than Buildings	(486,344)	(26,965)	69	-	(513,240)
Infrastructure	(838,592)	(32,771)	776	-	(870,587)
Machinery and Equipment	(230,553)	(9,948)	42,612	-	(197,889)
Vehicles and Aircraft	(42,348)	(4,153)	1,516	-	(44,985)
Software and Patents	(29,626)	(2,222)	9,615	-	(22,233)
Right- to-Use Assets:					
Building	(1,004)	(398)	-	-	(1,402)
SBITA	(3,670)	(2,022)	-	-	(5,692)
Total Accumulated Depreciation/Amortization	<u>(4,496,082)</u>	<u>(223,831)</u>	<u>55,188</u>	<u>-</u>	<u>(4,664,725)</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>2,900,965</u>	<u>(210,013)</u>	<u>(955)</u>	<u>176,074</u>	<u>2,866,071</u>
Business-type Activities Capital Assets, Net	<u>\$ 5,254,492</u>	<u>\$ 171,942</u>	<u>\$ (4,325)</u>	<u>\$ (952)</u>	<u>\$ 5,421,157</u>

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

Gas Utility	\$ 8,741
Tidelands Operating	18,421
Tideland Oil Revenue	1,250
Harbor	155,322
Water Utility	16,307
Nonmajor Business-type Funds:	
Sewer Utility	3,026
Solid Waste Management	746
Airport	19,972
Development Services	46
Total Business-type Activities Depreciation	<u>\$ 223,831</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 7 – CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended September 30, 2025, are as follows (in thousands):

	<i>Balance at October 1, 2024</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance at September 30, 2025</i>	<i>Due Within One Year</i>
Governmental Activities:					
Bonds Payable:					
Revenue Bonds	\$ 123,485	\$ -	\$ (9,135)	\$ 114,350	\$ 9,895
Tax Allocation Bonds	118,940	-	(7,515)	111,425	7,925
Plus (Less) Unamortized Amounts:					
Premium	16,854	-	(1,875)	14,979	-
Total Bonds Payable	<u>259,279</u>	<u>-</u>	<u>(18,525)</u>	<u>240,754</u>	<u>17,820</u>
Notes, Loans and LOC Payable	6,727	142	(198)	6,671	237
Financed Purchase Obligations	57,323	8,177	(11,029)	54,471	9,775
Police and Fire Annuities	3,110	-	(238)	2,872	-
Estimated Oil Field Abandonment Costs	26,420	-	(50)	26,370	-
Environmental Remediation	4,210	527	(272)	4,465	24
Accrued Self-Insured Claims	215,587	14,592	-	230,179	40,161
Accrued Employee Benefits, Net	188,293	13,016	-	201,309	66,845
Lease Liability	21,279	13,137	(10,778)	23,638	5,094
SBITA Liability	2,923	11,177	(825)	13,275	4,825
Total OPEB Liability	37,775	-	(24,344)	13,431	-
Net Pension Liability	1,135,493	-	(129,180)	1,006,313	-
Other LT Obligations-Civic Center	273,923	-	(5,468)	268,455	5,563
Total, Governmental Activities	<u>\$ 2,232,342</u>	<u>\$ 60,768</u>	<u>\$ (200,907)</u>	<u>\$ 2,092,203</u>	<u>\$ 150,344</u>
Business-Type Activities:					
Bonds Payable:					
Revenue Bonds	\$ 1,344,815	\$ 206,675	\$ (303,840)	\$ 1,247,650	\$ 65,075
Plus (Less) Unamortized Amounts:					
Premium	94,756	20,393	(22,078)	93,071	-
Total Bonds Payable	<u>1,439,571</u>	<u>227,068</u>	<u>(325,918)</u>	<u>1,340,721</u>	<u>65,075</u>
Notes, Loans and LOC Payable	494,545	-	(2,635)	491,910	2,500
Financed Purchase Obligations	26,230	10,936	(3,771)	33,395	4,323
Due to State of California	3,291	7,159	(3,291)	7,159	7,159
Estimated Oil Field Abandonment Costs	154,540	11,453	(12,384)	153,609	-
Fair Value of Derivative	1,630	842	(1,630)	842	-
Accrued Claims Liability	1,550	-	(515)	1,035	1,035
Accrued Employee Benefits, Net	60,846	4,238	-	65,084	22,320
Lease Liability	3,176	28	(350)	2,854	350
SBITA Liability	2,077	3,551	(4,143)	1,485	741
Total OPEB Liability	12,305	-	(8,075)	4,230	-
Net Pension Liability	352,039	-	(33,481)	318,558	-
Other LT Obligations - Harbor	-	45,165	-	45,165	-
Total, Business-Type Activities	<u>\$ 2,551,800</u>	<u>\$ 310,440</u>	<u>\$ (396,193)</u>	<u>\$ 2,466,047</u>	<u>\$ 103,503</u>

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

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 8 – BONDS PAYABLE

At September 30, 2025, bonded indebtedness consisted of the following (in thousands):

<i>Description</i>	<i>Date Issued</i>	<i>Final Maturity</i>	<i>Range of Interest Rates</i>	<i>Authorized and Issued</i>	<i>Outstanding September 30, 2025</i>
<u>GOVERNMENTAL ACTIVITIES</u>					
2016 Courthouse Demolition	01/13/16	08/01/26	2.00% - 5.00%	\$ 13,150	\$ 1,520
FALB2019A PS Parking Garage	05/22/19	08/01/39	3.00% - 5.00%	9,245	7,355
FALB2019B Lease Rev Ref Bonds	05/22/19	08/01/31	5.00%	13,350	5,565
FALB 2022 Lease Rev Ref Bonds	05/18/22	08/01/31	5.00%	25,411	14,465
FALB 2023 Lease Rev Bonds	05/23/23	08/01/53	4.00% - 5.00%	77,905	76,605
Premium/Discount				-	7,442
Subtotal, General City Bonds				139,061	112,952
TAX ALLOCATION BONDS:					
2005C North Long Beach Project	02/01/06	08/01/31	3.25% - 5.50%	27,145	9,665
2015AB SA	06/23/15	08/01/40	4.00% - 5.00%	155,820	86,130
2021 SA Lease Revenue Bonds	02/11/21	08/01/39	3.00% - 4.00%	19,765	15,630
Premium/Discount				-	7,025
Subtotal, Tax Allocation Bonds				258,410	118,450
INTERNAL SERVICE FUND BONDS:					
2022 FALB	05/18/22	08/01/31	5.00%	15,729	8,840
Premium/Discount				-	512
Subtotal, Internal Service Fund Bonds				15,729	9,352
Total, Governmental Activities				\$ 413,200	\$ 240,754

(continued)

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

<i>Description</i>	<i>Date Issued</i>	<i>Final Maturity</i>	<i>Range of Interest Rates</i>	<i>Authorized and Issued</i>	<i>Outstanding September 30, 2025</i>
<u>BUSINESS-TYPE ACTIVITIES</u>					
ENTERPRISE FUND BONDS:					
Gas Utility Fund:					
2007A Natural Gas Purchase	10/18/07	11/15/37	4.25% - 5.50%	\$ 635,665	\$ 395,930
2007B Natural Gas Purchase	10/18/07	11/15/33	4.90% - 5.07%	251,695	69,005
Premium/Discount				-	7,149
Subtotal, Gas Utility Bonds				887,360	472,084
Tidelands Operating Fund:					
2017A Tidelands	11/01/17	11/01/27	1.35% - 2.55%	10,190	4,005
2017B Tidelands	11/01/17	11/01/27	1.79% - 3.49%	17,705	2,280
2022 Tidelands	09/14/22	11/01/29	5.00%	32,090	21,600
2025 Marina	05/06/25	05/15/45	5.00%	87,620	87,620
Premium/Discount				-	7,728
Subtotal, Tidelands Bonds				166,720	123,233
Harbor Fund:					
2017A Harbor	06/28/17	05/15/40	5.00%	101,610	101,610
2017B Harbor	06/28/17	05/15/43	5.00%	25,985	25,985
2017C Harbor	06/28/17	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	02/19/20	05/15/27	4.00% - 5.00%	55,725	18,600
2025A Harbor	01/23/25	05/15/42	5.00%	119,055	119,055
Premium/Discount				-	63,830
Subtotal, Harbor Bonds				724,840	533,050
Water Utility Fund:					
2024 Water	05/07/24	05/01/54	4.00% - 5.00%	91,630	90,240
Premium/Discount				-	5,282
Subtotal, Water Utility Bonds				101,480	95,522
Non-Major Enterprise Funds:					
2022A Airport	06/01/22	06/01/40	5.00%	47,505	41,980
2022B Airport	06/01/22	06/01/40	5.00%	32,855	29,320
2022C Airport	06/01/22	06/01/47	5.00% - 5.25%	30,140	30,140
2016 Sewer	08/24/16	05/01/36	4.00% - 5.00%	9,830	6,310
Premium/Discount				-	9,082
Subtotal, Non-Major Enterprise Bonds				120,330	116,832
Total, Business-Type				2,000,730	1,340,721
Grand Total, Primary Government Bonds Payable				\$ 2,413,930	\$ 1,581,475

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

Governmental Funds

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

<i>Year Ending</i>	<i>Governmental Funds</i>		<i>Internal Service Funds</i>		<i>Annual Debt Service Requirements</i>		
	<i>Lease Revenue</i>	<i>Tax Allocation</i>	<i>Lease Revenue</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	
2026	\$ 8,012	\$ 7,925	\$ 1,883	\$ 17,820	\$ 10,503	\$ 28,323	
2027	5,628	8,290	1,996	15,914	9,671	25,585	
2028	5,453	8,690	1,792	15,935	8,905	24,840	
2029	4,353	9,105	987	14,445	8,139	22,584	
2030	4,605	9,570	1,055	15,230	7,420	22,650	
2031 - 2035	14,479	42,490	1,127	58,096	27,166	85,262	
2036 - 2040	14,080	25,355	-	39,435	15,802	55,237	
2041 - 2045	14,740	-	-	14,740	9,410	24,150	
2046 - 2050	18,600	-	-	18,600	5,565	24,165	
2051 - 2055	14,275	-	-	14,275	1,559	15,834	
2056 - 2060	1,285	-	-	1,285	64	1,349	
Subtotal	105,510	111,425	8,840	225,775	104,204	329,979	
Premium / Discount	7,442	7,025	512	14,979	-	14,979	
Totals	\$ 112,952	\$ 118,450	\$ 9,352	\$ 240,754	\$104,204	\$344,958	

Pledged Revenues

The Successor 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, some of which were subsequently refunded. 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, 2025, the total principal and interest requirement for the bonds is \$147.5 million (\$111.4 million for principal and \$36.1 million for interest), payable semiannually through 2040. For the current year, tax increment revenues received, and total debt service paid were \$13.0 million which were sufficient to pay debt service costs.

Business-Type Funds

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

<i>Year Ending</i>	<i>Enterprise Funds</i>					<i>Non Major Funds</i>	<i>Annual Debt Service Requirements</i>		
	<i>Major Funds</i>				<i>Gas Utility</i>		<i>Principal</i>	<i>Interest</i>	<i>Total</i>
	<i>Tidelands Operating</i>	<i>Harbor</i>	<i>Water</i>						
2026	\$ 19,195	\$ 8,495	\$ 31,955	\$ 1,485	\$ 3,945	\$ 65,075	\$ 57,629	\$ 122,704	
2027	25,175	8,885	28,395	1,555	4,130	68,140	54,339	122,479	
2028	29,600	9,370	14,880	1,635	4,330	59,815	51,000	110,815	
2029	20,945	7,690	16,830	1,715	4,550	51,730	48,685	100,415	
2030	42,760	7,880	16,470	1,805	4,775	73,690	45,658	119,348	
2031 - 2035	108,945	19,630	84,640	10,450	27,550	251,215	193,309	444,524	
2036 - 2040	218,315	25,050	100,265	13,340	28,440	385,410	103,837	489,247	
2041 - 2045	-	28,505	115,505	17,030	20,335	181,375	48,132	229,507	
2046 - 2050	-	-	60,280	21,100	9,695	91,075	15,102	106,177	
2051 - 2055	-	-	-	20,125	-	20,125	2,052	22,177	
Subtotal	464,935	115,505	469,220	90,240	107,750	1,247,650	619,743	1,867,393	
Premium / Discount	7,149	7,728	63,830	5,282	9,082	93,071	-	93,071	
Totals	\$ 472,084	\$ 123,233	\$ 533,050	\$ 95,522	\$116,832	\$1,340,721	\$ 619,743	\$1,960,464	

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

New Debt Issuance

In May 2025, the City of Long Beach issued City of Long Beach, Marina Revenue Refunding Bonds, Series 2025 (the Series 2025 Bonds) in the amount of \$87.6 million at a premium to provide funds to (a) current refund and defease all the City’s Marina Revenue Bonds, Series 2015 (Alamitos Bay Marina Project) (b) fund a bond reserve account for the Series 2025 Bonds, and (c) pay the costs of issuance of the Series 2025 Bonds.

The Marina Revenue Bonds Series 2025 bear interest ranging from 4.0% to 5.0% and will be payable on May 15 and November 15 of each year, commencing November 15, 2025. Principal payments are due every May 15, commencing on May 15, 2026, with bond terms maturing through the year 2045 The initial issuance premium on the Series 2025 Bonds is reported as an addition to long-term debt and is amortized using the effective-interest-rate method over the life of the Bonds.

The proceeds of the Series 2025 bonds, and certain other available money of the department will be used for the following purposes (in thousands):

Proceeds of refunding bonds issued	\$ 87,620
Premium	6,554
Available Amounts from Refunding Bonds	9,495
Reserve Fund	(3,608)
Cost of Issuance	<u>(678)</u>
Deposit to Escrow	<u>\$ 99,383</u>
Net Present Value Savings (economic gain)	<u>\$ 6,659</u>

On February 14, 2025, the City of Long Beach, acting by and through its Board of Harbor Commissioners, issued \$119.1 million Harbor Revenue and Revenue Refunding Bonds, Series 2025A (the Series 2025A Bonds) to provide funds to (a) current refund and defease a portion of the City’s Harbor Revenue Bonds Series 2015D, (b) pay and/or reimburse the Harbor for capital expenditures incurred by the Harbor , including, but not limited, to, the Series 2025 A Projects, and (c) pay the costs of issuing the Series 2025A Bonds. This refunding increased the total debt service payments over the next 17 years by \$52.2 million with an economic gain of \$6.9 million.

The Series 2025A Bonds bear interest of 5.0% and will be payable on May 15 and November 15 of each year, commencing May 15, 2025. Principal payments are due every May 15, commencing on May 15, 2026, with bond terms maturing through the year 2042. The initial issuance premium on the Series 2025A Bonds is reported as an addition to long-term debt and is amortized using the effective-interest-rate method over the life of the bonds.

The Series 2025A Bonds maturing on or before May 15, 2034, are not subject to redemption prior to maturity. The Series 2025A Bonds maturing on and after May 15, 2035 are subject to redemption prior to maturity, at the option of the Board, as a whole or in part of any date, on or after November 15, 2034 at a redemption price equal to 100% of the principal amount of the Series 2025A Senior Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

The proceeds of the Series 2025A bonds, and certain other available money of the Harbor will be used for the following purposes (in thousands):

Proceeds of refunding bonds issued	\$ 119,055
Premium	13,839
Available Amounts from Refunding Bonds	575
Deposit to Construction Fund	(86,148)
Additional Proceeds	(3)
Cost of Issuance	<u>(668)</u>
Deposit to Escrow	<u>\$ 46,650</u>
Net Present Value Savings (economic gain)	<u>\$ 6,995</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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, 2025, 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 – 10/01/40
• Range of Interest Rates:	5.25% – 6.40%
• Amounts Authorized and Issued:	\$1,060,000 – \$43,000,000
• Range of Amounts Outstanding:	\$340,000 – \$19,750,000
• Aggregate Outstanding at September 30, 2025:	\$31,540,000

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 Operating 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 debt is payable from special tax revenues levied on the property within the district. The bonds will mature in October 2025 and bear interest rates ranging from 5.75 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 remaining two term bonds will mature in October 2026 and October 2032 with an interest rate of 6.35 percent and 6.40 percent, respectively.

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 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 remaining two term bonds will mature in September 2026 and September 2037, with an interest rate of 5.27 percent and 5.37 percent, respectively.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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 levied annually on land within the district and certain pledged Belmont Shore area parking meter revenues. Proceeds were 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 5.46 percent to 6.15 percent.

Toledo Utility Underground: In June 2010, Assessment District No. 08-01 (the Toledo Utility Underground) 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 5.25 percent to 5.50 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, 2025, the City's conduit debt outstanding consisted of the following (in thousands):

<u>Description</u>	<u>Final Maturity</u>	<u>Amount Authorized</u>	<u>Outstanding at September 30, 2025</u>
Carnival Bonds	2030	\$ 30,000	\$ 13,185
Grisham Housing Bonds Series A	2035	<u>10,245</u>	<u>738</u>
Total Conduit Debt		<u>\$ 40,245</u>	<u>\$ 13,923</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 9 – NOTES, LOANS PAYABLE AND OTHER LONG-TERM OBLIGATIONS

At September 30, 2025, the City had notes, loans payable and other long-term obligations, consisting of the following (in thousands):

<u>Description</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Range of Interest Rates</u>	<u>Authorized and Issued</u>	<u>Outstanding at September 30, 2025</u>
<u>GOVERNMENTAL ACTIVITIES</u>					
NOTES, LOANS AND LINES OF CREDIT PAYABLE:					
General Fund:					
Southern California Edison	12/08/17	05/25/25	2.11%	\$ 396	\$ -
Southern California Edison	01/09/18	02/25/25	2.18%	877	-
Southern California Edison	05/08/18	10/23/24	2.69%	869	-
Southern California Edison	01/31/19	02/27/27	2.37%	715	136
Premium/Discount				-	2
Total General Fund				<u>2,857</u>	<u>138</u>
Successor Agency Fund:					
Los Angeles County	01/21/92	N/A	3.75%	-	<u>6,533</u>
OTHER LONG-TERM OBLIGATIONS:					
General Fund:					
Financed Purchase Obligations	09/18/23	09/18/33	4.46%	4,119	3,377
Police and Fire Annuity	N/A	N/A	N/A	37,600	2,872
Total General Fund				<u>41,719</u>	<u>6,249</u>
General Services Fund:					
Financed Purchase Obligations	Various	Various	0.87% - 3.82%	68,107	29,494
Fleet Services Fund:					
Financed Purchase Obligations	Various	Various	1.91% - 2.94%	30,310	21,600
Civic Center Fund:					
New Civic Center Complex	8/1/2019	12/31/61	1.78%	300,702	268,455
Total, Governmental Activities				<u>\$ 443,695</u>	<u>\$ 332,469</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
NOTES, LOANS AND LINES OF CREDIT PAYABLE:					
Solid Waste Management Fund:					
Financed Purchase Obligations	04/24/25	04/24/35	4.03	\$ 10,936	\$ 10,562
Gas Utility Fund:					
Financed Purchase Obligations	08/03/15	05/01/30	2.40%	18,000	6,687
Water Fund:					
Financed Purchase Obligations	12/20/18	12/20/33	3.35%	27,394	14,325
Tidelands Operating Fund:					
Financed Purchase Obligations	02/05/24	02/05/32	4.09%	2,202	1,821
Harbor Fund:					
Harbor 2021 TIFIA Loan	05/20/20	05/15/55	1.26%	500,000	491,910
OTHER LONG-TERM OBLIGATIONS:					
Harbor Fund:					
Harbor Pier G Slip Fill Project	12/9/2024	8/31/2051	5%	300,000	45,165
Total, Business-Type Activities				<u>\$ 858,532</u>	<u>\$ 570,470</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

Governmental Activities

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 was 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, 2025 totaled \$6.5 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, 2025 totaled \$136 thousand.

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

<i>Year ending</i>	<i>Governmental Activities</i>				
	<i>General Fund</i>	<i>Successor Agency</i>	<i>Annual Debt Service Requirements</i>		
			<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2026	\$ 95	\$ 142	\$ 237	\$ 2	\$ 239
2027	41	-	41	-	41
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031 - 2035	-	-	-	-	-
2036 - 2040	-	6,391	6,391	-	6,391
Subtotal	136	6,533	6,669	2	6,671
Premium/Discount	2	-	2	-	2
Total	<u>\$ 138</u>	<u>\$ 6,533</u>	<u>\$ 6,671</u>	<u>\$ 2</u>	<u>\$ 6,673</u>

Financed Purchase Obligations

The City entered into various direct borrowing agreements with lenders to finance the acquisition of governmental assets including computers, technology equipment, machinery, and vehicles for City staff and operations, in which the asset transfers ownership to the City by the end of the agreement. Repayments are secured from revenues of the General Services Internal Service Fund and the Fleet Internal Service Fund, which primarily come from billing revenues from other City departments. The General Fund primarily benefits from the financed purchase assets.

During fiscal year 2025 the City executed new obligations for equipment and vehicles, where the asset transfers ownership to the City by the end of the agreement. Under various agreements with different entities, the obligations totaled \$8.2 million to be paid over terms ranging from 7 to 10 years at rates between 3.70% to 4.31%.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

Aggregate future debt service payments under the City’s governmental activities financed purchase obligations are as follows (in thousands):

<i>Year Ending</i>	<i>Governmental Activities</i>					
	<i>Principal Payments</i>			<i>Annual Debt Service Requirements</i>		
	<i>General Fund</i>	<i>General Services</i>	<i>Fleet Services</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2026	\$ 369	\$ 5,117	\$ 4,281	\$ 9,767	\$ 1,399	\$ 11,166
2027	385	4,587	4,427	9,399	1,101	10,500
2028	403	4,133	4,578	9,114	814	9,928
2029	421	3,511	3,378	7,310	564	7,874
2030	440	3,624	2,316	6,380	393	6,773
2031 - 2035	1,359	8,522	2,620	12,501	403	12,904
Totals	\$ 3,377	\$ 29,494	\$ 21,600	\$ 54,471	\$ 4,674	\$ 59,145

Availability Payment Arrangement (APA)- 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.

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

<i>Year Ending</i>	<i>Principal</i>	<i>Base Interest</i>	<i>Sub Total</i>	<i>Variable Growth</i>	<i>Harbor Fee</i>	<i>Total</i>
2026	\$ 5,563	\$ 4,636	\$ 10,199	\$ 13,901	\$ 749	\$ 24,849
2027	5,661	4,538	10,199	15,821	749	26,769
2028	5,761	4,439	10,200	18,006	749	28,955
2029	5,862	4,338	10,200	20,461	749	31,410
2030	5,965	4,235	10,200	23,192	749	34,141
2031 - 2035	31,435	19,563	50,998	167,002	3,746	221,746
2036 - 2040	34,296	16,702	50,998	280,266	4,281	335,545
2041 - 2045	37,417	13,581	50,998	447,507	6,052	504,557
2046 - 2050	40,823	10,175	50,998	737,764	4,211	792,973
2051 - 2055	44,538	6,459	50,997	1,112,130	4,669	1,167,796
2056 - 2060	48,592	2,406	50,998	1,730,772	4,000	1,785,770
2061	2,543	7	2,550	72,867	134	75,551
	<u>\$ 268,456</u>	<u>\$ 91,079</u>	<u>\$ 359,535</u>	<u>\$4,639,689</u>	<u>\$30,838</u>	<u>\$5,030,062</u>

Business-Type Activities

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. In May 2020, Harbor entered into a revised new TIFIA loan agreement (the 2020 TIFIA Loan) for an approved amount up to \$500.0 million that replaced the 2014 TIFIA Loan. Under the 2020 TIFIA Loan, the USDOT allowed Harbor to borrow up to \$500.0 million, provided the amount so borrowed 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 one year after substantial completion of the replacement bridge that was retroactively declared in December of 2020. The Harbor has fully drawn down on the \$500.0 million TIFIA Loan as of fiscal year ending 2022. The TIFIA Loan will be repaid over a period not to exceed 35 years at an interest rate of 1.26%.

City of Long Beach
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For the Fiscal Year Ended September 30, 2025

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

<i>Business-Type Activities</i>				
	<i>Principal Payments</i>		<i>Annual Debt Service Requirements</i>	
<i>Year Ending</i>	<i>Harbor</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2026	\$ 2,500	\$ 2,500	\$ 3,074	\$ 5,574
2027	2,565	2,565	3,058	5,623
2028	2,690	2,690	3,050	5,740
2029	2,770	2,770	3,025	5,795
2030	2,855	2,855	3,008	5,863
2031 - 2035	15,805	15,805	14,767	30,572
2036 - 2040	48,810	48,810	13,881	62,691
2041 - 2045	57,715	57,715	12,241	69,956
2046 - 2050	163,156	163,156	9,163	172,319
2051 - 2055	193,044	193,044	3,702	196,746
Subtotal	491,910	491,910	68,970	560,880
Premium / Discount	-	-	-	-
Totals	\$ 491,910	\$ 491,910	\$ 68,970	\$ 560,880

Financed Purchase Obligations

The City entered into multiple direct borrowing agreements with lenders to finance the installation of a surface membrane to the Convention and Entertainment Center roof and for the implementation of an Advanced Metering Infrastructure (AMI). Repayments are secured from charges for services of the Tidelands Operating Fund for the Convention and Entertainment Center financed purchase obligations, and from charges for services of the Water Fund and the Gas Utility Fund for the AMI financed purchase obligations.

During fiscal year 2025 the City executed new obligations for equipment, where the asset transfers ownership to the City by the end of the agreement. Under the agreement with different entities, the obligations totaled \$10.9 million to be paid over ten consecutive renewal terms at rate 4.03%.

Annual debt service requirements to maturity for business-type activities financed purchase obligations are as follows (in thousands):

<i>Business-type Activities</i>							
	<i>Principal Payments</i>			<i>Annual Debt Service Requirements</i>			
<i>Year Ending</i>	<i>Gas Utility</i>	<i>Water Utility</i>	<i>Tidelands Operating</i>	<i>Solid Waste Management</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2026	\$ 1,274	\$ 1,875	\$ 253	\$ 921	\$ 4,323	\$ 953	\$ 5,276
2027	1,305	1,938	265	960	4,468	940	5,408
2028	1,337	2,004	275	999	4,615	792	5,407
2029	1,369	2,073	286	1,040	4,768	639	5,407
2030	1,402	2,143	298	1,082	4,925	481	5,406
2031 - 2035	-	4,292	444	5,560	10,296	696	10,992
Totals	\$ 6,687	\$ 14,325	\$ 1,821	10,562	\$ 33,395	\$ 4,501	\$ 37,896

City of Long Beach
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Availability Payment Arrangement (APA)- Pier G Slip Fill Project

In December 2024, the Board of Harbor Commissioners approved the Fifth Amendment to the Preferential Assignment Agreement (PAA) with a tenant, International Transportation Service, LLC (ITS), for the construction and financing of the Pier G Slip Fill Improvement project. The project involves demolishing existing berths, constructing a pile supported concrete wharf connecting Berth G232 to Berth G236, and building a conventional container terminal on the newly created fill and wharf segment. The total estimated cost of the project is \$300 million. ITS is responsible for the design and construction, including the financing of the estimated cost. Harbor agrees to fund the costs in excess of the estimated cost up to \$50 million, if needed.

During construction and until substantial completion, Harbor will make a monthly contribution payment to ITS equal to 5% annual simple interest on the approved reimbursable costs. After substantial completion, the total reimbursable cost amount will be established and shall be repaid as a monthly credit against rent obligation or cash payment at the sole option of Harbor. The monthly credit shall be a level amount over the remaining term of the PAA based on the total reimbursable cost with a 5% simple interest per annum. The project is anticipated to be substantially completed in December 2028, after which Harbor will begin approximately 22 years of repayments through the end of the PAA term on August 31, 2051. As of September 30, 2025, the Pier G Slip Fill Improvement project has reached \$45.2 million in project expenses.

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

<i>Business-Type Activities</i>				
	<i>Principal Payments</i>		<i>Annual Debt Service Requirements</i>	
<i>Year Ending</i>	<i>Harbor</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2026	\$ -	\$ -	\$ 2,258	\$ 2,258
2027	-	-	2,258	2,258
2028	-	-	2,258	2,258
2029	826	826	2,244	3,070
2030	1,144	1,144	2,191	3,335
2031 - 2035	6,653	6,653	10,022	16,675
2036 - 2040	8,533	8,533	8,140	16,673
2041 - 2045	10,960	10,960	5,715	16,675
2046 and thereafter	17,049	17,049	2,683	19,732
Subtotal	45,165	45,165	37,769	82,934
Premium / Discount	-	-	-	-
Totals	\$ 45,165	\$ 45,165	\$ 37,769	\$ 82,934

City of Long Beach
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NOTE 10 – LEASES

Lease Receivable

The City is a lessor in various noncancelable leases of City-owned properties such as land and buildings. During fiscal year 2025, the City recognized \$16.9 million in lease inflows that included \$5.8 million in interest revenue.

The following is a schedule of future minimum lease payment receipts on noncancelable leases as of September 30, 2025 (in thousands):

<i>Year Ending September 30,</i>	<i>Governmental Activities</i>		<i>Business-type Activities</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2026	\$ 6,926	\$ 2,784	\$ 3,060	\$ 2,813
2027	7,152	2,527	3,148	2,702
2028	7,691	2,259	3,062	2,592
2029	7,453	1,982	2,321	2,505
2030	3,572	1,818	2,283	2,432
2031-2035	17,763	8,124	9,885	11,248
2036-2040	20,035	6,429	8,972	10,265
2041-2045	22,879	4,431	10,480	9,253
2046-2050	26,525	2,184	11,639	8,122
2051-2055	10,216	158	12,935	6,895
2056-2060	-	-	14,727	5,438
2061-2065	-	-	16,912	4,004
2066-2070	-	-	12,595	2,269
2071-2075	-	-	5,801	1,468
2076-2080	-	-	5,731	881
2081-2085	-	-	5,168	237
Total	<u>\$ 130,212</u>	<u>\$ 32,696</u>	<u>\$ 128,719</u>	<u>\$ 73,124</u>

The following is the schedule of lease payment income for the fiscal year ended September 30, 2025(in thousands):

	<i>Governmental Activities</i>	<i>Business-type Activities</i>
Minimum Lease Payments	\$ 9,080	\$ 5,811
Variable Lease Payments	1,804	198
Total	<u>\$ 10,884</u>	<u>\$ 6,009</u>

The minimum lease payment is a fixed amount based on the lease agreements. The variable lease payment is a percentage of revenue above a certain base for the asset development leases or a calculated percentage of the gross revenue less the minimum rent payment for the other leases.

Business-Type Activities

The City has various Harbor marine terminal leases that are considered regulated leases, at all times subject to federal, state, regional and municipal laws, ordinances and regulations (e.g., including but not limited to State Lands Commission and Federal Maritime Commission). These regulated leases are not included in the measurement of lease receivables. The City recognized \$436.7 million in lease revenue during fiscal year 2025 for these leases.

City of Long Beach
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The City also has various aeronautical leasing agreements for land and hangar space at the Airport. These qualify as Federal Aviation Administration (FAA) regulated leases and are not included in the measurement of lease receivables. The City recognized \$7.3 million in lease revenue during fiscal year 2025 for these leases.

As of September 30, 2025, the minimum payments expected to be received over the remaining lease terms totaled \$6.6 billion, as shown in the following table:

<i>Year Ending September 30,</i>	<i>Harbor</i>	<i>Airport</i>	<i>Total</i>
2026	\$ 437,180	\$ 7,431	\$ 444,611
2027	419,866	7,369	427,235
2028	299,223	7,215	306,438
2029	293,585	6,671	300,256
2030	279,475	6,563	286,038
2031 - 2035	1,346,572	31,398	1,377,970
2036 - 2040	1,294,940	28,197	1,323,137
2041 - 2045	1,004,195	23,938	1,028,133
2046 - 2050	909,842	24,264	934,106
2051 - 2055	146,068	16,726	162,794
2056- 2060		10,122	10,122
2061 - 2065	-	9,329	9,329
2066 - 2070	-	7,708	7,708
2071 - 2075	-	5,905	5,905
2076 - 2080	-	5,905	5,905
2081 - 2085	-	4,480	4,480
Total	<u>\$ 6,430,946</u>	<u>\$ 203,221</u>	<u>\$ 6,634,167</u>

Lease Liabilities

The City has entered into various leases as a lessee. These leases vary in the nature, substance, terms and conditions dependent upon the asset being leased. Examples of the types of assets leased range from office space, special events space, and warehouse space. The City categorizes leases as either short-term (12 months or less in length, including options) or long-term. In determining the future minimum lease payments and receipts, the City includes the right to extend option terms in the non-cancelable lease term. Short-term lease financial transactions are reflected in the government-wide Statement of Activities and in the fund financial statements.

During fiscal year 2025, the City executed multiple lease amendments to existing leases for office space. Under various agreements with different entities, the lease contracts include lease terms ranging from three to ten years.

The following is a schedule of future minimum lease payments for the lease liabilities as of September 30, 2025 (in thousands):

<i>Year Ending September 30,</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2026	\$ 4,980	\$ 889	\$ 350	\$ 111
2027	3,655	720	319	98
2028	3,556	581	345	84
2029	3,123	464	373	69
2030	1,525	379	402	53
2031-2035	6,799	759	1,065	54
Total	<u>\$ 23,638</u>	<u>\$ 3,792</u>	<u>\$ 2,854</u>	<u>\$ 469</u>

City of Long Beach
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Rent payments related to leases for governmental activities were \$10.2 million and \$459 thousand for business-type activities, for the year ended September 30, 2025. Variable payments not previously included in the measurement of the lease liability were \$311 thousand for the year ended September 30, 2025. There were no payments for residual value guarantees or termination penalties during the reporting period.

The following is a schedule of right-to-use lease assets by major classes at September 30, 2025 (in thousands):

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>
Leased Building/Equipment	\$ 40,406	\$ 3,923
Leased Asset Accumulated Depreciation	(15,157)	(1,402)
	\$ 25,249	\$ 2,521

NOTE 11 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City is a lessee in various noncancelable Subscription-Based Information Technology Arrangements (SBITAs). These arrangements are for software as a service, platform as a service, or infrastructure as a service and vary in terms and conditions. SBITAs are presented in the financial statements and accompanying note disclosures and categorized as either short-term (12 months or less in length, including options) or long-term. In determining the future minimum subscription payments, the City includes the right to extend option terms in the non-cancelable lease term if it is reasonably certain that the option will be exercised. Variable payments based on a per seat subscription or based on transaction volumes are not included in the measurement of the SBITA payable. Short-term SBITAs are reflected in the government-wide Statement of Activities and in the fund financial statements.

The following is the schedule of future minimum SBITA payments for the fiscal year ended September 30, 2025 (in thousands):

Year Ending September 30,	<i>Governmental Activities</i>		<i>Business-type Activities</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2026	\$ 4,825	\$ 239	\$ 741	\$ 35
2027	4,301	146	536	13
2028	1,971	79	79	4
2029	1,951	33	62	3
2030	55	4	67	1
2031-2035	172	5	-	-
Total	\$ 13,275	\$ 506	\$ 1,485	\$ 56

The minimum SBITA payment is a fixed amount based on the SBITA agreements. There was no variable subscription payment that was not included in the measurement of the subscription liability for governmental activities for the fiscal year ended September 30, 2025. Additionally, there were no payments for termination penalties during the reporting period.

The following is a schedule of the right-to-use (RTU) assets and accumulated amortization for subscription leases at September 30, 2025, (in thousands):

	<i>Governmental Activities</i>	<i>Business-type Activities</i>
Subscription Asset	\$ 24,302	\$ 8,717
Subscription Asset Accumulated Amortization	(9,276)	(5,692)
	\$ 15,026	\$ 3,025

City of Long Beach
Notes to the Basic Financial Statements
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NOTE 12 – DERIVATIVE INSTRUMENTS

At September 30, 2025, the City had the following hedging derivative instruments outstanding within business-type activities:

<i>Type</i>	<i>Objective</i>	<i>Notional Amount</i>	<i>Effective Date</i>	<i>Various Maturity Dates to:</i>	<i>Terms</i>
Pay-Fixed Interest Rate Swap	To reduce the risks associated with the change in interest rates related to the 2007 Series B Variable-rate Bonds.	\$69.0 million	8/15/2023	11/15/2033	Receive 67% SOFR plus 1.725%, pay fixed at 5.088%
Commodity Forward Contract	To hedge against a reduction in revenues resulting from changes in monthly commodity prices.	65.1 million MMBtu ¹	11/18/2007	9/30/2037	Pay variable receive fixed for scheduled notional quantities.

¹ MMBtu is one million British Thermal Units.

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 Bonds' outstanding notional amounts to \$69.0 million as follows:

<i>Maturity Date</i>	<i>Notional Amounts (In Thousands)</i>	<i>Synthetic Fixed Rate</i>	<i>Variable Rate</i>	<i>Spread</i>
11/15/2025	\$ 19,195	4.940%	4.249%	1.585%
11/15/2026	25,175	4.965%	4.269%	1.605%
11/15/2027	24,630	4.992%	4.289%	1.625%
11/15/2033	5	5.088%	4.389%	1.725%
	<u>\$ 69,005</u>	4.968% ²	4.271% ³	1.607% 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 SOFR rate curve at September 30, 2025, 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. The effective date was later amended on August 15, 2023, to update the reference index rate from London Interbank Offered Rate (LIBOR) to Secured Overnight Financing Rate (SOFR).

City of Long Beach
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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 SOFR, 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 \$1.6 million on October 1, 2024. During the fiscal year ended September 30, 2025, the negative fair value decreased by \$785 thousand to a negative fair value of \$843 thousand. The fair value for the interest rate swap is described as the exit price, which is based on the SOFR swap rate.

The commodity swap, with the market price quoted by RBC, had a fair value of \$339.3 million on October 1, 2024. During the fiscal year, fair value decreased \$637 thousand to a fair value of \$338.7 million as of September 30, 2025. The fair value for the commodity swap is based on RBC's quoted price. The commodity swap is classified as Level 3 as the valuation relies primarily on unobservable inputs.

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

<i>Maturity Date</i>	<i>Fair Value, October 1, 2024</i>	<i>Change in Fair Value</i>	<i>Fair Value, September 30, 2025</i>
<i>Interest Rate Swap</i>			
11/15/2025	\$ (190)	\$ 177	\$ (13)
11/15/2026	(573)	304	(269)
11/15/2027	(865)	304	(561)
	(1,628)	785	(843)
<i>Commodity Swap</i>			
9/30/2037	339,290	(637)	338,653
Total	\$ 337,662	\$ 148	\$ 337,810

City of Long Beach
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Information on the effects of these transactions on the financial statement presentation can be found in Note 22 to the basic financial statements.

Credit Risks: As of September 30, 2025, 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 Utilities Department (LBUD), that operates 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 custodian role migrated first to Wells Fargo and most recently to Principal Custody Solutions.

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 LBUD, its gas distribution utility.

In March 2019, Moody's upgraded its long-term rating from A3 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, 2025, debt service requirements of the variable-rate debt and net swap payments, assuming the current interest rate remains the same for their term, were as follows (in thousands):

<i>Fiscal Year</i> <i>Ending</i> <i>September 30</i>	<i>Variable-Rate Bonds</i>		<i>Net Swap</i>	<i>Total</i>
	<i>Principal</i>	<i>Interest</i>	<i>Payments</i>	<i>Interest</i>
2026	25,175	1,531	176	1,707
2027	24,630	305	99	404
2028	-	-	18	18
2029	-	-	-	-
2030	-	-	-	-
2031 - 2034	5	1	-	1
Total	<u>\$ 49,810</u>	<u>\$ 1,837</u>	<u>\$ 293</u>	<u>\$ 2,130</u>

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

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

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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, 2025, are summarized in the following table:

	<i>Miscellaneous</i>		
	Prior to October 1, 2006	On or after October 1, 2006 and prior to January 1, 2013	On or after January 1, 2013
Hire date			
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	8.00%	8.00%	8.00%
Employer	30.97%	30.97%	30.97%
	Percentage of Eligible Compensation		
Monthly benefits	2.0% to 2.7%	2.0% to 2.5%	1.0% to 2.0%
	<i>Safety</i>		
	Prior to May 4, 2012	On or after May 5, 2012 and prior to January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	3.0% @ 50	2.0% @ 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	9.00%	9.00%	13.25%
Employer	54.29%	54.29%	54.29%
	Percentage of Eligible Compensation		
Monthly benefits	2.4% to 3.0%	2.00%	2.0% to 2.7%

City of Long Beach
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Employees Covered – Based on the June 30, 2024 funding valuation report, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Active employees	4,035	1,083
Inactive employees or beneficiaries currently receiving benefits	4,994	1,987
Inactive employees entitled to but not yet receiving benefits	5,114	407

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. The City’s contribution amounts during the year were \$102.1 million and \$84.4 million for the Miscellaneous and Safety Plans, respectively.

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, 2025 (measurement date), using the actuarial valuation report as of June 30, 2024 rolled forward using standard actuarial procedures. At September 30, 2025, the City reported net pension liability of \$1.3 billion for both plans. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date (VD)	June 30, 2024	June 30, 2024
Measurement Date (MD)	June 30, 2025	June 30, 2025
Actuarial Cost Method	Entry Age Actuarial Cost Method	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salary Increase	Varies by Entry Age and Service	
Mortality	Derived using CalPERS' membership data for all funds	

1 The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates include full generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

City of Long Beach
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Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2025, was 6.90%. This is based on the long-term expected rate of return on plan assets and is net of investment expenses but not reduced for administrative expenses. In determining the long-term expected rate of return, CalPERS took into account 20-year market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates to project compound (geometric) returns over the long term. The expected real rates of return by asset class are as follows:

<i>Asset Class</i>	<i>Assumed Asset Allocation¹</i>	<i>Long-Term Expected Real Rate of Return^{1,2}</i>
Public Equity	37.00 %	4.56 %
Private Equity	17.00	5.56
Fixed Income	28.00	2.53
Real Assets	15.00	3.03
Private Debt	8.00	4.93
Strategic Leverage	(5.00)	1.40

¹ Figures are based on the 2024 Mid-Cycle Asset Liability Management study.

² An expected annual rate of price inflation of 2.30% was used for this period.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from the City will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the CalPERS Net Pension Liability

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

<i>Miscellaneous Plan</i>	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability/(Asset)</i>
Balance at July 1, 2024 (MD)	\$ 3,325,773	\$ 2,572,238	\$ 753,535
Changes in the year:			
Service Cost	63,219	-	63,219
Interest on Total Pension Liability	230,630	-	230,630
Changes of Benefit Terms	-	-	-
Differences between Actual and Expected Experience	79,561	-	79,561
Changes in Assumptions	-	-	-
Contribution - Employer	-	102,113	(102,113)
Contribution - Employee	-	31,133	(31,133)
Net Investment Income	-	309,684	(309,684)
Administrative Expenses	-	(1,837)	1,837
Net Plan to Plan Resource Movement	-	1	(1)
Benefit Payments, including Refunds of Employee Contributions	(188,957)	(188,957)	-
Net Changes	184,453	252,137	(67,684)
Balance at June 30, 2025 (MD)	\$ 3,510,226	\$ 2,824,375	\$ 685,851

City of Long Beach
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<i>Safety Plan</i>	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability/(Asset)</i>
Balance at July 1, 2024 (MD)	\$ 3,322,738	\$ 2,592,749	\$ 729,989
Changes in the year:			
Service Cost	50,156	-	50,156
Interest on Total Pension Liability	227,835	-	227,835
Changes of Benefit Terms	-	-	-
Differences between Actual and Expected Experience	45,530	-	45,530
Changes in Assumptions	-	-	-
Contribution - Employer	-	84,434	(84,434)
Contribution - Employee	-	21,081	(21,081)
Net Investment Income	-	310,826	(310,826)
Administrative Expenses	-	(1,852)	1,852
Net Plan to Plan Resource Movement	-	1	(1)
Benefit Payments, including Refunds of Employee Contributions	(182,768)	(182,768)	-
Net Changes	140,753	231,722	(90,969)
Balance at June 30, 2025 (MD)	\$ 3,463,491	\$ 2,824,471	\$ 639,020

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 6.90 percent, compared to a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%). Amounts shown below are in thousands:

<i>Net Pension Liability/(Asset)</i>	<i>1% Decrease (5.90%)</i>	<i>Discount Rate (6.90%)</i>	<i>1% Increase (7.90%)</i>
Miscellaneous	\$ 1,138,773	\$ 685,851	\$ 311,938
Safety	1,094,263	639,020	265,080

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

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

For the year ended September 30, 2025, the City recognized pension expense of \$122.8 million and \$120.4 million for the Miscellaneous and Safety Plan, respectively.

City of Long Beach
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At September 30, 2025, 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	\$ 28,874	\$ -	\$ 26,265	\$ -	\$ 55,139	\$ -
Differences Between Actual and Expected Experience	81,498	-	105,170	(762)	186,668	(762)
Changes in Assumptions	-	-	1,676	-	1,676	-
Net Differences between Projected and Actual Earnings on Plan Investments	-	(65,052)	-	(65,035)	-	(130,087)
Change in Proportion	12,648	(12,648)	2,549	(2,549)	15,197	(15,197)
Total	<u>\$ 123,020</u>	<u>\$ (77,700)</u>	<u>\$ 135,660</u>	<u>\$ (68,346)</u>	<u>\$ 258,680</u>	<u>\$ (146,046)</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner. Net difference between projected and actual earnings on pension plan investments are recognized in pension expense over a 5-year period and the other economic/demographic gains or losses and assumption changes or inputs are recognized over the expected average remaining service lifetime (EARSL) for all active and inactive members, which are 3.2 years and 3.7 years for the Miscellaneous and Safety Plan, respectively, as of measurement date of June 30, 2025.

The \$55.1 million reported as deferred outflows of resources related to contributions made by the City subsequent to the measurement date of June 30, 2025 but before September 30, 2025, will be recognized as a reduction of the net pension liability in the year ending September 30, 2026. 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
2026	\$ 86,894	2026	\$ 94,907	2026	\$ 181,801
2027	(9,162)	2027	4,275	2027	(4,887)
2028	(34,433)	2028	(31,186)	2028	(65,619)
2029	(26,853)	2029	(26,947)	2029	(53,800)
Total	<u>\$ 16,446</u>	Total	<u>\$ 41,049</u>	Total	<u>\$ 57,495</u>

City of Long Beach
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For the Fiscal Year Ended September 30, 2025

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. There are no assets 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, 2025, the count of employees covered by the benefit terms was:

Inactive employees currently receiving benefits	1,034
Active employees	<u>5,004</u>
Total	<u><u>6,038</u></u>

Total OPEB Liability and Changes of Assumptions

At September 30, 2025, the City’s total OPEB liability was \$17.7 million. Discount rate was updated based on municipal bond rate from 4.63% as of September 30, 2023 measurement date to 3.81% as of September 30, 2024 measurement date. The total OPEB liability in the September 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	September 30, 2024	
Measurement Date	September 30, 2024	
Actuarial Cost Method	Entry Age	
Actuarial Assumptions:		
Inflation	2.50%	
Discount Rate	3.81%	Based on Fidelity Municipal Bond GO AA 20-year Bond Index
Payroll Increases	Aggregate 2.75%	
	Merit	CalPERS 2000-2019 Experience Study
Health Care Cost Trend Rates	7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076	
Mortality, Termination, Disability, Retirement	CalPERS 2000-2019 Experience Study	
Mortality Improvement	Mortality projected fully generational with Scale MP-2021	
Participation Rates:		
Miscellaneous Plan	75%, 100% select City plans	
Safety	90%, 85% select City plans	

City of Long Beach
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Changes in the Total OPEB Liability (in thousands)

Balance at October 1, 2024		\$ 50,080
Service Cost	3,112	
Interest on Total OPEB liability	2,322	
Difference between Expected and Actual Experience	(30,136)	
Change in Assumptions	(1,636)	
Benefit Payments	(6,081)	
Net Changes		<u>(32,419)</u>
Balance at September 30, 2025		<u>\$ 17,661</u>

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

	<i>1% Decrease (2.81%)</i>	<i>Discount Rate (3.81%)</i>	<i>1% Increase (4.81%)</i>
Total OPEB Liability (Asset)	\$ (5,032)	\$ 17,661	\$ 32,890

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

	<i>1% Decrease</i>	<i>Healthcare Cost Trend Rate</i>	<i>1% Increase</i>
Total OPEB Liability (Asset)	\$ 31,281	\$ 17,661	\$ (3,870)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized an OPEB expense of \$1.9 million. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Amounts paid subsequent to measurement date	\$ 5,164	\$ -
Difference between expected and actual experience	586	(29,655)
Change in assumptions	35,870	(16,720)
Change in proportion	3,398	(3,398)
Total	<u>\$ 45,018</u>	<u>\$ (49,773)</u>

The \$5.2 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, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses (income) over the next 10 years, as follows (in thousands):

<i>Year Ending September 30</i>	<i>Amount to be Recognized</i>
2026	\$ (3,465)
2027	(3,370)
2028	(1,703)
2029	694
2030	1,400
2031 -2035	(3,475)
Total	<u>\$ (9,919)</u>

City of Long Beach
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NOTE 15 – SELF-INSURANCE PROGRAMS

The City has adopted separate insurance programs for workers' compensation and general liability claims. The City is self-insured for workers' compensation for the first \$5 million per occurrence and general liability for the first \$7.5 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, 2025, the City accrued non-discounted estimates totaling \$230.2 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 \$24.8 million and a long-term liability of \$134.9 million. The City has recorded in the General Liability Insurance Fund a current liability of \$15.4 million and a long-term liability of \$55.1 million.

The ultimate amount of losses incurred through September 30, 2025 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, 2025 and 2024 is as follows (in thousands):

	<i>Workers' Compensation Claims</i>	<i>General Liability Claims</i>	<i>Total</i>
Balance at October 1, 2023	\$ 135,337	\$ 57,997	\$ 193,334
Additions	33,443	15,075	48,518
Payments	(15,635)	(10,630)	(26,265)
Balance at September 30, 2024	153,145	62,442	215,587
Additions	24,438	24,225	48,663
Payments	(17,867)	(16,203)	(34,070)
Balance at September 30, 2025	\$ 159,716	\$ 70,464	\$ 230,180

City of Long Beach
Notes to the Basic Financial Statements
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NOTE 16 – GOVERNMENTAL FUND BALANCES AND FUND DEFICITS

As of September 30, 2025, total fund balances for the City’s major and non-major governmental funds are as follows (in thousands):

	<i>General</i>	<i>Capital</i>	<i>Housing</i>	<i>Other</i>	<i>Total</i>
	<i>General</i>	<i>Projects</i>	<i>Assistance</i>	<i>Governmental</i>	<i>Governmental</i>
			<i>Special Revenue</i>	<i>Funds</i>	<i>Funds</i>
Fund Balances (Deficit):					
Nonspendable:					
Prepaid Expense and Deposits	\$ 2,543	\$ 3,003	\$ -	\$ 5,565	\$ 11,111
Inventory	-	-	-	1,493	1,493
Subtotal	<u>2,543</u>	<u>3,003</u>	<u>-</u>	<u>7,058</u>	<u>12,604</u>
Restricted for:					
Debt Service	-	-	-	18,264	18,264
Public Safety	6,005	-	-	5,397	11,402
Community and Cultural	-	-	25,701	63,554	89,255
Public Works	-	175,591	-	16,892	192,483
Subtotal	<u>6,005</u>	<u>175,591</u>	<u>25,701</u>	<u>104,107</u>	<u>311,404</u>
Committed to:					
Community and Cultural	-	-	-	1,200	1,200
Other Purposes - Emergency Reserve	50,124	-	-	-	50,124
Other Purposes - Operating Reserve	7,955	-	-	-	7,955
Oil Abandonment	19,339	-	-	-	19,339
Subtotal	<u>77,418</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>78,618</u>
Assigned to:					
Subsequent Year's Appropriations	10,545	-	-	-	10,545
Unfunded Liabilities and Commitments	8,965	-	-	-	8,965
Public Works	-	73,462	-	-	73,462
Subtotal	<u>19,510</u>	<u>73,462</u>	<u>-</u>	<u>-</u>	<u>92,972</u>
Unassigned (Deficit)					
	-	-	-	(7,130)	(7,130)
Total Fund Balances	<u>\$ 105,476</u>	<u>\$252,056</u>	<u>\$ 25,701</u>	<u>\$ 105,235</u>	<u>\$ 488,468</u>

Fund Deficits

The Other Governmental Funds reported a deficit \$7.1 million in unassigned fund balance mostly due to pending reimbursements from the Federal Emergency Management Agency (FEMA) for COVID-19 costs that were incurred in the Health and General Grants funds.

The Tideland Oil Revenue Fund, a major proprietary fund, reported a deficit net position of \$70.8 million as of September 30, 2025. Tideland Oil Revenue Fund deficit net position is due to a future oil field abandonment liability of \$153.6 million, reflecting a decrease of \$0.9 million during the fiscal year. The City will continue to set aside funding annually with the intent to accumulate sufficient resources to fully fund the oil field abandonment liability. It is anticipated that oil operations will cease in 2035, at which time the City will begin paying for oil field abandonment costs.

The Towing Fund, a nonmajor enterprise fund, reported a deficit net position of \$5.2 million as of September 30, 2025. This deficit primarily resulted from the recognition of a net pension liability of \$3.6 million. City management believes that the deficit net position will be recovered through future charges for services and the cash position of the fund will improve to support ongoing operations.

The Development Services Fund, a nonmajor enterprise fund, reported a deficit net position of \$10.9 million as of September 30, 2025. This deficit primarily resulted from the transfer of funds to the General Services Fund for project management of the Enterprise Land Management system that will replace the City’s current digital permitting and licensing system. City management believes the cash position of the fund is sufficient to support ongoing operations.

As of September 30, 2025, the General Services Fund reflected a deficit net position of \$0.9 million. This deficit was primarily attributed to the net pension liability of \$34.3 million as of September 30, 2025. City management believes the cash position of the fund is sufficient to support ongoing operations.

City of Long Beach
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As of September 30, 2025, the Workers' Compensation Insurance Fund reflected a deficit net position of \$137.9 million. This deficit included the impact of accrued liabilities for Accrued Claims and Net Pension Liability of \$159.7 million and \$9.0 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.

As of September 30, 2025, the General Liability Insurance Fund reflected a deficit net position of \$62.4 million. This deficit included the impact of accrued liabilities for Accrued Claims and Net Pension Liability of \$70.5 million and \$4.7 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

In 1911 the State of California (State) committed to the trusteeship of the City certain tidelands properties the City has been required to administer. Revenues received from the City's tidelands area are restricted by State law to tidelands-related purposes. Oil production revenue is allocated under a net profits agreement where the State, City, and operator receive a percentage of the profits. 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, 2025, the State's total estimated abandonment cost liability is \$1.0 billion, which decreased by \$3.9 million from the prior fiscal year. 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, 2025, and as provided for in Assembly Bill (AB) 137, the State has set aside and deposited approximately \$395.5 million of the \$1.0 billion estimated liability into the State's Oil Trust Fund - Abandonment Reserve. In the Tideland Oil fund, the abandonment reserve set aside for the estimated liability is \$78.9 million, an increase of \$7.6 million from the prior year.

At September 30, 2025, the Tideland Oil Fund recorded an estimated oil field abandonment cost liability of \$153.6 million decreasing by \$0.9 million from fiscal year 2024. 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 \$26.4 million of which \$19.3 million has been funded in the Upland Oil Fund (part of the General Fund) as of September 30, 2025.

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, 2025, the reserve balance in the Subsidence Fund is \$212.4 million.

City of Long Beach
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NOTE 18 – POLLUTION REMEDIATION OBLIGATIONS

The City is involved in several remediation actions to clean up pollution sites within its boundaries. These matters generally coincide with the City’s ownership of land, buildings, and infrastructure assets. In some cases, regulatory agencies (e.g., California State Water Resources Control Board, Regional Water Quality Control Board, State Department of Toxic Substances Control) notified the City of the need for remedial action. In addition, the City conducts its own environmental monitoring and this activity identifies pollution sites and matters requiring further investigation and possible remediation. Once the City is aware of these conditions, it commences monitoring, assessment, testing and/or cleanup activities, and recognizes a pollution remediation obligation when estimates can reasonably be determined. The pollution remediation obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. The types of pollution that have been identified include groundwater and soil contamination, leaking underground storage tanks, asbestos and lead paint contamination, methane gas detection, and excessive levels of other contaminants. Remediation efforts include continuous groundwater monitoring on a recurring semi-annual basis, developing remediation and feasibility studies, source identification studies, site testing, sampling and analysis, ground water cleanup, and removal of storage tanks, asbestos tiles, and other hazardous materials.

As of September 30, 2025, the City’s estimated pollution remediation obligation totaled \$4.5 million, which was related to governmental activities as shown in the following table (in thousands):

	<i>GASB 34 Conversion Adjustments</i>	<i>Internal Service Funds</i>	<i>Total Governmental Activities</i>
Governmental Activities:			
Environmental Remediation:			
55th Way Landfill			
(formerly Paramount Landfill)	\$ 2,880	\$ -	\$ 2,880
El Cortez (formerly El Ranchito)	320	-	320
Cowelco	865	-	865
Leaking Underground Storage Tanks	-	400	400
Total Environmental Remediation	\$ 4,065	\$ 400	\$ 4,465

The estimated liability was determined by project managers, based on historical cost information for projects of the same type, size and complexity and measured at their current value. In subsequent periods, the City will adjust the estimated obligation when new information indicates that such changes are required. At this time, the City has determined there are no estimated recoveries reducing the obligation. The City has an Environmental Pollution Insurance Policy that may cover some costs for the period in question.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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, 2025 totaled \$2.8 million. The ICTF financial statements for the year ended June 30, 2025 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.

The City also provides a pension benefit through a 401(a) Pension Plan for certain full-time employees. The City is responsible for the administration of the Plan with the City Council having the authority to amend or terminate contribution provisions. Retirement benefits depend on amounts contributed plus investment earnings. Employer contribution rates to the Plan are determined by negotiation between the City and the employee associations, and detailed along with other wage and benefit issues in MOUs between the entities.

Effective October 1, 2022, the City contributes 2 to 5 percent of eligible participants' base compensation into the Plan, based on the various employee associations' Memorandum of Understanding. Plan participants have the right to 100 percent of contributions made on their behalf and related earning upon their death, permanent and total disability or upon attainment of normal retirement age. Annual Pension Cost Employer contributions to the Plan as of September 30, 2025, was \$2.9 million.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 21 – COMMITMENTS AND CONTINGENCIES

Encumbrances

The City uses encumbrances to control expenditure commitments for the year. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but as restricted or committed fund balance on the governmental funds balance sheet. Encumbrances related to capital projects are funded through the current year appropriated budget, which carries over to the following fiscal year.

At September 30, 2025, business-type and governmental funds had outstanding operating and capital contractual commitments for construction projects and purchases of goods and services, as follows (in thousands):

Governmental Activities

General Capital Projects	\$ 133,007
Non-major Governmental Funds	10,126
Housing Assistance	9
Internal Service Fund	19,358
Total	\$ 162,500

Business-Type Activities

Gas Utility	\$ 1,436
Water	15,254
Tidelands Operating	26,579
Harbor	21,689
Non-major Business-Type Funds	10,556
Total	\$ 75,514

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 purpose of issuing the Mello-Roos Bonds pursuant to a City sublease agreement. 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. The City was subject to a lease payment of \$874 thousand for the fiscal year ended September 30, 2025.

Environmental Mitigation Credits

In September 2019, the Harbor entered into a nonoperating Memorandum of Understanding (MOU) with the City of Long Beach Public Works Department to purchase 19.7 mitigation credits from the Colorado Lagoon Restoration project for \$26.3 million. In August 2022, the amount was increased to a total of \$32.0 million due to the revised project budget. \$25.9 million has been paid to the City as reimbursement for actual cost incurred per the MOU terms as of September 30, 2025. The remaining \$6.1 million will be paid through fiscal year 2026.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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

In 1989, the cities of Los Angeles and Long Beach entered into a Joint Exercise of Powers Agreement (JPA) to create the Alameda Corridor Transportation Authority (ACTA). This agreement was amended and restated in 1996. The purpose of ACTA was to acquire, construct, finance, and operate the Alameda Corridor. The Alameda Corridor consists of a 20-mile-long rail cargo expressway connecting the ports in San Pedro Bay to the transcontinental rail yards near downtown Los Angeles, and it began operating in April 2004. The Alameda Corridor Use and Operating Agreement was executed by the Harbor, the Harbor Department of the City of Los Angeles (POLA), the ACTA, and the Burlington Northern Santa Fe and Union Pacific Railroads (the Railroads) in 1998. This JPA provides for a payment of funds, known as a "Shortfall Advance," to be made, under certain circumstances, to ACTA by the Harbor and the POLA. Revenue generated by use fees and container charges, paid by the Railroads, will be used to pay debt service on ACTA financing, to establish and maintain bond repayment and reserve funds, to establish and replenish a reserve account, and to pay ACTA's reasonable expenses relating to administration of the rail corridor. Use fees end in 2062 or sooner if the ACTA Obligations are paid off earlier.

To the extent that the revenue from use fees and container charges is not sufficient to meet ACTA's obligations, the Harbor and POLA have agreed to advance the funds necessary to make up the difference. This obligation began after completion of the corridor project and is limited to a total of 40% of the total annual debt service, with the Harbor and POLA each responsible for one half or 20% of the total amount due in such calendar year.

Any Shortfall Advances made by the Harbor and the POLA are reimbursable, with interest, upon ACTA's ability to pay, which is undefined in the near term. The previously paid Shortfall Advances of \$5.9 million remained unchanged as of September 30, 2025. The most recent notice date, March 18, 2025, indicates that there is no projected shortfall for ACTA's fiscal year ending June 30, 2026.

Gerald Desmond Bridge Replacement (GDBR) Project

The new Gerald Desmond Bridge Replacement (Long Beach International Gateway Bridge or GDBR) has been completed and transferred to the California Department of Transportation (CalTrans) as a component of the state highway system on March 2022. The Department has an agreement with CalTrans for maintenance costs of the new GDBR for a 30-year period commencing on the date of the ownership transfer to CalTrans.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 22 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

At September 30, 2025, Deferred Outflows of Resources and Deferred Inflows of Resources are as follows:

	Governmental Funds (In Thousands)				
	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>GASB 34 Conversion Adjustments</u>	<u>Total Adjusted Governmental Funds</u>
<i>Deferred Outflows of Resources:</i>					
Economic loss from the refunding of debt	\$ -	\$ -	\$ -	\$ 533	\$ 533
Pension contributions after measurement date	-	-	-	38,566	38,566
CalPERS Change in assumptions, experience, and expected investment returns	-	-	-	140,050	140,050
Change in pension allocation proportion	-	-	-	2,166	2,166
OPEB contributions after measurement date	-	-	-	3,575	3,575
OPEB Change in assumptions, experience, and expected investment returns	-	-	-	25,241	25,241
Change in OPEB allocation proportion	-	-	-	619	619
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,750</u>	<u>\$ 210,750</u>
<i>Deferred Inflows of Resources:</i>					
Economic gain from the refunding of debt	\$ -	\$ -	\$ -	\$ 2,952	\$ 2,952
Unavailable revenue and property taxes	146,796	245,031	391,827	(242,652)	149,175
Leases	118,926	2,120	121,046	-	121,046
CalPERS Change in assumptions, experience, and expected investment returns	-	-	-	93,207	93,207
Change in pension allocation proportion	-	-	-	3,527	3,527
OPEB Change in assumptions, experience, and expected investment returns	-	-	-	32,109	32,109
Change in OPEB allocation proportion	-	-	-	1,489	1,489
Total deferred inflows of resources	<u>\$ 265,722</u>	<u>\$ 247,151</u>	<u>\$ 512,873</u>	<u>\$(109,368)</u>	<u>\$ 403,505</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

Internal Service Funds
(In Thousands)

	<i>Civic Center</i>	<i>General Services</i>	<i>Fleet Services</i>	<i>Workers' Compensation Insurance</i>	<i>General Liability Insurance</i>	<i>Employee Benefits</i>	<i>Total Internal Service Funds</i>	<i>Total Governmental Activities</i>
Deferred Outflows of Resources:								
Economic loss from the refunding of debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533
Pension contributions after measurement date	30	1,446	541	381	199	594	3,191	41,757
CalPERS Change in assumptions, experience, and expected investment returns	83	4,079	1,527	1,074	562	1,720	9,045	149,095
Change in pension allocation proportion	19	1,350	113	-	2,194	2,280	5,956	8,122
OPEB contributions after measurement date	-	178	69	35	13	57	352	3,927
OPEB Change in assumptions, experience, and expected investment returns	-	1,257	488	244	90	407	2,486	27,727
Change in OPEB allocation proportion	-	211	49	73	71	242	646	1,265
Total deferred outflows of resources	<u>\$ 132</u>	<u>\$ 8,521</u>	<u>\$ 2,787</u>	<u>\$ 1,807</u>	<u>\$ 3,129</u>	<u>\$ 5,300</u>	<u>\$ 21,676</u>	<u>\$ 232,426</u>
Deferred Inflows of Resources:								
Economic gain from the refunding of debt	\$ -	\$ -	\$ 261	\$ -	\$ -	\$ -	\$ 261	\$ 3,213
Deferred revenue	-	-	-	-	-	-	-	149,175
Leases	-	-	-	-	-	-	-	121,046
CalPERS Change in assumptions, experience, and expected investment returns	66	3,256	1,219	857	449	1,347	7,194	100,401
Change in pension allocation proportion	23	242	597	2,182	135	5	3,184	6,711
OPEB Change in assumptions, experience, and expected investment returns	-	1,598	621	310	115	517	3,161	35,270
Change in OPEB allocation proportion	-	102	132	47	86	54	421	1,910
Total deferred inflows of resources	<u>\$ 89</u>	<u>\$ 5,198</u>	<u>\$ 2,830</u>	<u>\$ 3,396</u>	<u>\$ 785</u>	<u>\$ 1,923</u>	<u>\$ 14,221</u>	<u>\$ 417,726</u>

Enterprise Funds
(In Thousands)

	<i>Gas Utility</i>	<i>Water Utility</i>	<i>Tidelands</i>	<i>Tideland Oil Revenue</i>	<i>Harbor</i>	<i>Nonmajor Enterprise Funds</i>	<i>Total Enterprise Funds</i>
Deferred Outflows of Resources:							
Issuance costs - Bond Insurance	\$ -	\$ -	\$ 24	\$ -	\$ -	\$ -	\$ 24
Economic loss from the refunding of debt	-	-	271	-	-	10	281
Pension contributions after measurement date	1,516	1,486	2,056	170	5,134	3,019	13,381
CalPERS Change in assumptions, experience, and expected investment returns	4,280	4,195	7,281	479	14,491	8,522	39,248
Change in pension allocation proportion	1,314	-	887	-	945	3,929	7,075
OPEB contributions after measurement date	151	140	244	8	470	225	1,238
OPEB Change in assumptions, experience, and expected investment returns	1,067	988	1,723	57	3,316	1,580	8,731
Change in OPEB allocation proportion	231	136	839	17	632	278	2,133
Derivative instrument							
Interest rate swap	842	-	-	-	-	-	842
Total deferred outflows of resources	<u>\$ 9,401</u>	<u>\$ 6,945</u>	<u>\$ 13,325</u>	<u>\$ 731</u>	<u>\$ 24,988</u>	<u>\$ 17,563</u>	<u>\$ 72,953</u>
Deferred Inflows of Resources:							
Economic gain from the refunding of debt	\$ -	\$ 118	\$ 4,551	\$ -	\$ 3,801	\$ 15	\$ 8,485
Leases	-	1,067	120,383	-	-	1,828	123,278
CalPERS Change in assumptions, experience, and expected investment returns	3,416	3,348	4,932	382	11,567	6,804	30,449
Change in pension allocation proportion	491	1,895	2,810	1,142	1,669	479	8,486
OPEB Change in assumptions, experience, and expected investment returns	1,357	1,256	2,191	72	4,219	2,010	11,105
Change in OPEB allocation proportion	288	352	341	124	37	346	1,488
Derivative instrument							
Commodity swap	338,653	-	-	-	-	-	338,653
Other- PPP	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>\$ 344,205</u>	<u>\$ 8,036</u>	<u>\$ 135,208</u>	<u>\$ 1,720</u>	<u>\$ 21,293</u>	<u>\$ 11,482</u>	<u>\$ 521,944</u>

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

NOTE 23 - 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 governments and an individual, business or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual, business 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 residents in the areas governed by 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 sector of 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 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 Incentive 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 are required to generate sales in excess of \$50 million annually. The sales performance of these businesses must be verified by a business evaluation, which includes sales performance analysis. The program returns 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, 2025, sales tax abatements totaled \$10.1 million.

City of Long Beach
Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2025

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. The amount of transient occupancy taxes abated totaled \$899 thousand in fiscal year 2025.

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.

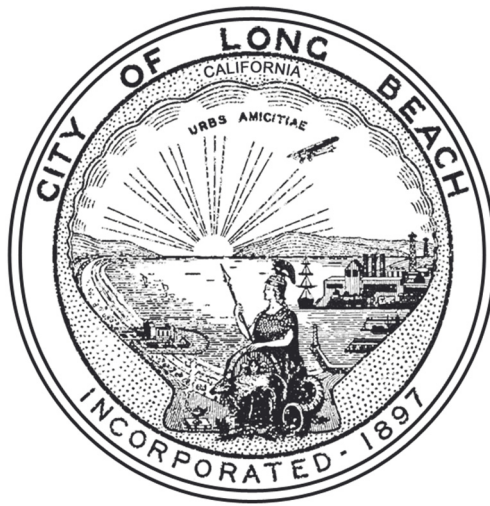
The purpose of the Mills Act Program is to encourage the designation, restoration, and protection of historic properties. Properties must be designated City of Long Beach historic properties. Participating property owners enter into a formal agreement with the City for a minimum 10-year term; contracts 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 2025, the City had agreements for which re-assessments were completed by the County Assessor's office with a total property tax valuation of \$273 million, and an estimated tax abatement of \$300 thousand.

NOTE 24 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through the date the financial statements were available to be issued, and determined that no subsequent events occurred that require adjustment to or disclosure in the financial statements.



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City of Long Beach
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2025
(In Thousands)

	Budgeted Amounts		Actual	Actual on Budgetary Basis	Actual and Final Budget Variance - Positive (Negative)
	Original	Final			
Revenues:					
Property Taxes	\$ 248,761	\$ 248,761	\$ 240,303	\$ 240,303	\$ (8,458)
Sales Taxes	155,042	155,042	150,803	150,803	(4,239)
Utility Users Taxes	52,830	52,830	47,554	47,554	(5,276)
Other Taxes	48,896	48,896	50,532	50,532	1,636
Franchise Fees	34,179	34,179	25,275	25,275	(8,904)
Licenses and Permits	43,207	43,207	49,798	49,798	6,591
Fines and Forfeitures	17,407	17,407	17,541	17,541	134
Use of Money and Property	47,376	48,552	40,281	40,281	(8,271)
From Other Agencies	7,222	10,540	12,999	12,999	2,459
Charges for Services	54,296	49,828	55,675	55,675	5,847
Other	3,812	4,576	6,001	6,001	1,425
Proceeds from Sale of Capital Asset	-	-	146	146	146
Leases	-	-	11,251	11,251	11,251
Transfers In	24,521	24,551	14,544	14,544	(10,007)
Total Revenues	737,549	738,369	722,703	722,703	(15,666)
Expenditures:					
Current:					
Legislative and Legal					
Mayor and City Council	9,996	11,648	9,314	9,314	2,334
City Attorney	4,708	4,708	4,369	4,369	339
City Clerk	6,234	6,282	5,423	5,423	859
General Government					
City Auditor	3,524	3,524	3,456	3,456	68
City Manager	13,730	21,000	14,649	14,649	6,351
Civil Service	4,671	4,671	4,091	4,091	580
Financial Management	14,999	14,472	8,766	8,766	5,706
Development Services	1,765	2,841	2,789	2,789	52
Public Safety					
Police	311,680	321,980	312,848	312,848	9,132
Fire	153,934	160,882	159,681	159,681	1,201
Disaster Preparedness	16,617	16,617	16,253	16,253	364
City Prosecutor	8,781	9,378	8,359	8,359	1,019
Development Services - Code Enforcement	4,243	4,836	4,186	4,186	650
Public Health	21,186	27,482	24,723	24,723	2,759
Community and Cultural					
Development Services	3,873	9,954	8,704	8,704	1,250
Library	26,084	26,205	25,960	25,960	245
Parks and Recreation	41,230	42,958	40,762	40,762	2,196
Public Works	69,858	77,141	73,433	73,433	3,708
Oil Operations	3,833	7,036	2,951	2,951	4,085
Debt Service	12	12	210	210	(198)
Capital Outlay	129	(71)	12,091	12,091	(12,162)
Transfers Out	41,893	51,953	50,668	50,668	1,285
Total Expenditures	762,980	825,509	793,686	793,686	31,823
Net Change in Budgetary Fund Balance	\$ (25,431)	\$ (87,140)	(70,983)	\$ (70,983)	\$ 16,157
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis				\$ (70,983)	
Add: Encumbrances				-	
Change in Fund Balance - September 30, GAAP Basis				(70,983)	
Fund Balance, October 1, GAAP Basis				176,459	
Fund Balance, September 30, GAAP Basis				\$ 105,476	

City of Long Beach
Required Supplementary Information
Housing Assistance Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2025
(In Thousands)

	Budgeted Amounts		Final and Original	Actual on	Actual and Final
	Original	Final	Budget Variance - Positive (Negative)	Budgetary Basis	Budget Variance - Positive (Negative)
Revenues:					
Use of Money and Property	\$ 92	\$ 92	\$ -	\$ 342	\$ 250
From Other Agencies	125,633	152,281	26,648	140,998	(11,283)
Other	177	177	-	126	(51)
Total Revenues	<u>125,902</u>	<u>152,550</u>	<u>26,648</u>	<u>141,466</u>	<u>(11,084)</u>
Expenditures:					
General Government					
Financial Management	19	19	-	19	-
Development Services	<u>120,048</u>	<u>152,905</u>	<u>(32,857)</u>	<u>145,397</u>	<u>7,508</u>
Total Expenditures	<u>120,067</u>	<u>152,924</u>	<u>(32,857)</u>	<u>145,416</u>	<u>7,508</u>
Net Change in Budgetary Fund Balance	<u>\$ 5,835</u>	<u>\$ (374)</u>	<u>\$ 59,505</u>	<u>\$ (3,950)</u>	<u>\$ (3,576)</u>

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	<u>\$ (3,950)</u>
Add: Encumbrances	<u>9</u>
Change in Fund Balance - September 30, GAAP Basis	<u>(3,941)</u>
Fund Balance, October 1, GAAP Basis	<u>29,642</u>
Fund Balance, September 30, GAAP Basis	<u>\$ 25,701</u>

See accompanying Independent Auditors' Report

City of Long Beach
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Fiscal Year Ended September 30, 2025
(In Thousands)

The City adopts an annual budget for 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 2025 final budget for estimated revenues and expenditure appropriations reflected a net decrease to budgeted fund balance of \$87.1 million. The change between original and final budgeted amounts was \$63.3 million and consisted of additional appropriation for expenditures and other financing uses of \$62.5 million and an increase in revenue and other financing sources of \$820 thousand.
- The Housing Assistance Fund's Fiscal Year 2025 final budget for estimated revenues and expenditure appropriations reflected a net decrease to budgeted fund balance of \$374 thousand. The change between original and final budgeted amounts was \$59.5 million and consisted of additional appropriation for expenditures and other financing uses of \$32.9 million and an increase in revenue and other financing sources of \$26.6 million.

Significant changes in the General Fund appropriations budget include:

- An increase of \$10.5 million in the Police Department for various purchases including body worn cameras and taser equipment, public safety renovations, and one-time negotiated payments to Police Officers Association members.
- An increase of \$7.9 million in the City Manager Department for various purposes including the climate action plan, the Justice Fund, homelessness response efforts, and racial equity programs.
- An increase of \$4.5 million in the Health and Human Services Department for public health services including homelessness response efforts and enhanced youth programs.
- An increase of \$3.8 million in the Community Development Department including additional funding for Down Payment Assistance and Tenant Right to Counsel programs.
- An increase of \$3.4 million in the Fire Department due to additional staffing assistance to the California Office of Emergency Services (CalOES) for mutual aid during fire events.
- An increase in Transfers Out of \$10.0 million to the Health and Human Services Department to provide funding to cover rising costs in personnel and public health services.

The actual budgetary basis results of the General Fund as compared to the final budget reflect a net positive variance of \$16.2 million. This consists of unfavorable variances in revenues and other financing sources of \$26.9 million and a favorable variance in expenditures and other financing uses of \$43.1 million.

The General Fund revenues and other financing sources unfavorable budget to actual variance of \$26.9 million is mostly due to property taxes, utility users taxes, sales and use taxes, franchise fees, and use of money and property. There was also a positive budget variance in licenses and permits and charges for services. For General Fund expenditures and other financing uses, it reflects a positive budget to actual variance of \$43.1 million primarily due to lower expenses than budget in various departments including in City Manager, Financial Management and Police departments.

Significant changes in the Housing Assistance Fund appropriations budget include:

- An increase of \$31.7 million in the Housing Choice Voucher Program's Housing Assistance Payments (HAP). The costs were offset by an increase in grant revenues.

The actual budgetary basis results of the Housing Assistance Fund as compared to final budget reflect a net unfavorable variance of \$3.6 million, consisting of an unfavorable variance in revenues of \$11.1 million and a favorable variance of \$7.5 million in expenditures. Revenues from other agencies were lower due to reduced spending of federal grant revenues.

See accompanying Independent Auditors' Report

City of Long Beach
Required Supplementary Information
(Unaudited)

**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
(In Thousands)

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

Notes to Schedule:

¹ Changes in assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021 and 7.65% for measurement dates 2015 through 2016.

² Benefit payments include refunds of employee contributions.

2021	2022	2023	2024	2025	
\$ 2,813,763	\$ 2,891,887	\$ 3,028,741	\$ 3,158,986	\$ 3,325,773	Total Pension Liability (TPL)
45,016	50,653	52,133	55,896	63,219	TPL - beginning
196,483	198,959	207,669	218,672	230,630	Service cost
(13,138)	(16,364)	36,365	72,224	79,561	Interest in the TPL
-	61,627	-	-	-	Differences between actual and expected experience
(150,237)	(158,021)	(168,898)	(180,005)	(188,957)	Changes in assumptions ¹
78,124	136,854	130,245	166,787	184,453	Benefit payments ²
\$ 2,891,887	\$ 3,028,741	\$ 3,158,986	\$ 3,325,773	\$ 3,510,226	Net change in TPL
					TPL - ending (a)
\$ 2,153,414	\$ 2,577,251	\$ 2,326,863	\$ 2,410,296	\$ 2,572,238	Plan Fiduciary Net Position
7	-	-	-	1	Plan fiduciary net position - beginning
78,158	81,488	87,338	89,811	102,113	Net Plan to Plan Resource Movement
19,885	21,568	23,576	27,344	31,133	Contribution - employer
478,175	(193,818)	143,128	226,753	309,684	Contribution - employees
(2,151)	(1,605)	(1,711)	(1,961)	(1,837)	Net investment income
(150,237)	(158,021)	(168,898)	(180,005)	(188,957)	Administrative expenses
-	-	-	-	-	Benefit payments ³
423,837	(250,388)	83,433	161,942	252,137	Other miscellaneous expense
\$ 2,577,251	\$ 2,326,863	\$ 2,410,296	\$ 2,572,238	\$ 2,824,375	Net change in fiduciary net position
\$ 314,636	\$ 701,878	\$ 748,690	\$ 753,535	\$ 685,851	Plan fiduciary net position - ending (b)
89.12%	76.83%	76.30%	77.34%	80.46%	Net pension liability - ending (a)-(b)
\$ 265,736	\$ 267,155	\$ 286,764	\$ 314,024	\$ 361,873	Fiduciary net position as a percentage of the TPL
118.40%	262.72%	261.08%	239.96%	189.53%	Covered payroll
					NPL as percentage of covered payroll

See accompanying Independent Auditors' Report

City of Long Beach
Required Supplementary Information
(Unaudited)

Schedule of Contributions
Miscellaneous Plan
As of and for the year ended September 30
Last 10 Years
(In Thousands)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution ¹	\$ 39,877	\$ 45,864	\$ 53,278	\$ 62,484	\$ 71,565
Contributions in relation to the actuarially determined	<u>(39,877)</u>	<u>(45,864)</u>	<u>(53,278)</u>	<u>(62,484)</u>	<u>(71,565)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ³	\$ 246,490	\$ 258,248	\$ 269,936	\$ 270,237	\$ 285,980
Contributions as a percentage of covered payroll	16.18%	17.76%	19.74%	23.12%	25.02%

Notes to schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024 were from the June 30, 2021 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	For details, see June 30, 2022 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2022
Inflation	2.30%
Salary Increases	Varies by entry age and service
Payroll Growth	2.80%
Investment Rate of Return	6.80%, net of pension plan investment and administrative expenses, including inflation.
Retirement Age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

Notes

¹Actuarially Determined Calculation is based on a CalPERS projection of the Miscellaneous payroll.

²Amount represents actual contributions as recorded by CalPERS.

³Amount represents actual contributions based on City's fiscal year.

2021	2022	2023	2024	2025
\$ 78,158	\$ 81,488	\$ 87,338	\$ 89,811	\$ 102,113
(78,158)	(81,488)	(87,338)	(89,811)	(102,113)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 279,318	\$ 295,145	\$ 338,983	\$ 371,774	\$ 403,726
27.98%	27.61%	25.76%	24.16%	25.29%

See accompanying Independent Auditors' Report

City of Long Beach
Required Supplementary Information
(Unaudited)

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

(In Thousands)

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

Notes to Schedule:

¹ Changes in assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021 and 7.65% for measurement dates 2015 through 2016.

² Benefit payments include refunds of employee contributions.

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
					Total Pension Liability
<u>\$ 2,723,971</u>	<u>\$ 2,825,833</u>	<u>\$ 2,961,636</u>	<u>\$ 3,088,961</u>	<u>\$ 3,322,738</u>	TPL - beginning
45,592	49,374	47,858	51,010	50,156	Service cost
191,618	194,259	202,912	218,359	227,835	Interest in the TPL
-	-	1,023	-	-	Changes in benefit terms
1,763	(31,255)	32,814	135,898	45,530	Differences between actual and expected experience
-	68,729	-	-	-	Changes in assumptions ¹
<u>(137,111)</u>	<u>(145,304)</u>	<u>(157,282)</u>	<u>(171,490)</u>	<u>(182,768)</u>	Benefit payments ²
<u>101,862</u>	<u>135,803</u>	<u>127,325</u>	<u>233,777</u>	<u>140,753</u>	Net change in TPL
<u>\$ 2,825,833</u>	<u>\$ 2,961,636</u>	<u>\$ 3,088,961</u>	<u>\$ 3,322,738</u>	<u>\$ 3,463,491</u>	TPL - ending (a)
					Plan Fiduciary Net Position
<u>\$ 2,178,824</u>	<u>\$ 2,612,594</u>	<u>\$ 2,358,099</u>	<u>\$ 2,441,614</u>	<u>\$ 2,592,749</u>	Plan fiduciary net position - beginning
(7)	-	-	-	1	Net Plan to Plan Resource Movement
71,008	71,361	78,314	74,757	84,434	Contribution - employer
16,780	17,840	19,499	19,933	21,081	Contribution - employees
485,277	(196,765)	144,718	229,922	310,826	Net investment income
(2,177)	(1,627)	(1,734)	(1,987)	(1,852)	Administrative expenses
<u>(137,111)</u>	<u>(145,304)</u>	<u>(157,282)</u>	<u>(171,490)</u>	<u>(182,768)</u>	Benefit payments ³
-	-	-	-	-	Other miscellaneous expense
<u>433,770</u>	<u>(254,495)</u>	<u>83,515</u>	<u>151,135</u>	<u>231,722</u>	Net change in fiduciary net position
<u>\$ 2,612,594</u>	<u>\$ 2,358,099</u>	<u>\$ 2,441,614</u>	<u>\$ 2,592,749</u>	<u>\$ 2,824,471</u>	Plan fiduciary net position - ending (b)
<u>\$ 213,239</u>	<u>\$ 603,537</u>	<u>\$ 647,347</u>	<u>\$ 729,989</u>	<u>\$ 639,020</u>	Net pension liability - ending (a)-(b)
92.45%	79.62%	79.04%	78.03%	81.55%	Fiduciary net position as a percentage of the TPL
\$ 156,245	\$ 154,439	\$ 149,930	\$ 162,041	\$ 161,794	Covered payroll
136.48%	390.79%	431.77%	450.50%	394.96%	NPL as percentage of covered payroll

See accompanying Independent Auditors' Report

City of Long Beach
Required Supplementary Information
(Unaudited)

Schedule of Contributions
Safety Plan
As of and for the year ended September 30
Last 10 Years
(In Thousands)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution ¹	\$ 32,845	\$ 39,371	\$ 46,437	\$ 55,248	\$ 64,654
Contributions in relation to the actuarially determined contribution ²	<u>(32,845)</u>	<u>(39,371)</u>	<u>(46,437)</u>	<u>(55,248)</u>	<u>(64,654)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ³	\$ 159,773	\$ 177,401	\$ 186,217	\$ 182,947	\$ 191,903
Contributions as a percentage of covered payroll	20.56%	22.19%	24.94%	30.20%	33.69%

Notes to schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024 were from the June 30, 2021 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	For details, see June 30, 2022 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2022 Funding
Inflation	2.30%
Salary Increases	Varies by entry age and service
Payroll Growth	2.80%
Investment Rate of Return	6.80%, net of pension plan investment and administrative expenses, including inflation.
Retirement Age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

Notes

¹Actuarially Determined Calculation is based on a CalPERS projection of the Safety payroll.

²Amount represents actual contributions as recorded by CalPERS.

³Amount represents actual contributions based on City's fiscal year.

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 71,008	\$ 71,361	\$ 78,314	\$ 74,757	\$ 84,434
(71,008)	(71,361)	(78,314)	(74,757)	(84,434)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 189,019	\$ 196,182	\$ 215,849	\$ 227,869	\$ 245,025
37.57%	36.37%	36.28%	32.81%	34.46%

See accompanying Independent Auditors' Report

City of Long Beach
Required Supplementary Information
(Unaudited)

Schedule of Changes in Total OPEB Liability and Related Ratios^{1,2}

As of September 30

Last 10 Years

(In Thousands)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability - beginning	\$ 42,493	\$ 45,122	\$ 49,940	\$ 51,502	\$ 23,248
Service cost	2,077	2,145	2,818	2,675	2,167
Interest on total OPEB liability	1,655	1,754	1,622	1,878	917
Difference between expected and actual experience	-	(8,920)	-	(1,874)	-
Changes of assumptions	-	11,093	(2,023)	(29,859)	(13,756)
Benefit payments	(1,103)	(1,254)	(855)	(1,074)	(2,921)
Net change in total OPEB liability	2,629	4,818	1,562	(28,254)	(13,593)
Total OPEB liability - ending	\$ 45,122	\$ 49,940	\$ 51,502	\$ 23,248	\$ 9,655
Covered-employee payroll	\$ 395,105	\$ 406,263	\$ 435,649	\$ 417,383	\$ 442,631
Total OPEB liability as a percentage of covered-employee payroll	11.4%	12.3%	11.8%	5.6%	2.2%
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB liability - beginning	\$ 9,655	\$ 8,786	\$ 4,166	\$ 47,182	\$ 50,080
Service cost	1,718	1,492	1,371	2,950	3,112
Interest on total OPEB liability	265	212	82	2,095	2,322
Difference between expected and actual experience	1,211	-	(2,828)	-	(30,136)
Changes of assumptions	(539)	(3,296)	47,923	2,897	(1,636)
Benefit payments	(3,525)	(3,028)	(3,532)	(5,044)	(6,081)
Net change in total OPEB liability	(870)	(4,620)	43,016	2,898	(32,419)
Total OPEB liability - ending	\$ 8,785	\$ 4,166	\$ 47,182	\$ 50,080	\$ 17,661
Covered-employee payroll	\$ 437,870	\$ 453,717	\$ 475,772	\$ 535,393	\$ 565,970
Total OPEB liability as a percentage of covered-employee payroll	2.0%	0.9%	9.9%	9.4%	3.1%

Notes to Schedule:

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

² Discount rate was updated based on municipal bond rate as of the measurement date. Discount rate was 3.81% at September 30, 2025, 4.63% at September 30, 2023, and 4.40% at September 30, 2022.

City of Long Beach
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
ASSETS				
Pooled Cash and Investments	\$ 71,577	\$ 10,255	\$ 10,698	\$ 92,530
Non-Pooled Cash and Cash Equivalents	51	8,335	41	8,427
Receivables:				
Interest Receivable	-	-	3	3
Accounts Receivable	6,831	-	-	6,831
Due from Other Governments	70,767	-	-	70,767
Due from Other Funds	17,368	-	-	17,368
Lease Receivables	100	-	2,083	2,183
Allowance for Receivables	(7,728)	-	-	(7,728)
Inventory	1,482	-	-	1,482
Other Assets	150	-	-	150
Advances to Other Funds	3,809	-	-	3,809
Land Held for Resale	5,426	-	-	5,426
Other Noncurrent Receivables	244,992	-	5,241	250,233
Total Assets	\$414,825	\$ 18,590	\$ 18,066	\$ 451,481
LIABILITIES				
Accounts Payable	\$ 8,076	\$ 4	\$ 9	\$ 8,089
Accrued Wages and Benefits Payable	1,485	-	-	1,485
Due to Other Funds	13,193	-	2	13,195
Unearned Revenues	68,804	-	31	68,835
Deposits and Collections Held in Trust	614	2,871	197	3,682
Advances from Other Funds	3,809	-	-	3,809
Total Liabilities	95,981	2,875	239	99,095
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	239,883	-	7,268	247,151
FUND BALANCES				
Nonspendable	7,058	-	-	7,058
Restricted	75,284	15,715	10,559	101,558
Committed	1,200	-	-	1,200
Unassigned	(4,581)	-	-	(4,581)
Total Fund Balance	78,961	15,715	10,559	105,235
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$414,825	\$ 18,590	\$ 18,066	\$ 451,481

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, 2025
(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Taxes:				
Property	\$ 6,071	\$ 10,713	\$ -	\$ 16,784
Sales	3,014	-	-	3,014
Other Taxes	15,406	-	-	15,406
Licenses and Permits	15,606	-	-	15,606
Use of Money and Property	6,567	848	741	8,156
From Other Agencies	142,368	-	-	142,368
Charges for Services	2,018	-	-	2,018
Other	2,899	-	222	3,121
Total Revenues	193,949	11,561	963	206,473
Expenditures:				
Current:				
General Government	3,319	-	-	3,319
Public Safety	20,076	-	-	20,076
Public Health	107,636	-	-	107,636
Community and Cultural	56,916	4	674	57,594
Public Works	742	-	-	742
Total Current Expenditures	188,689	4	674	189,367
Capital Improvements	2,001	-	-	2,001
Debt Service:				
Principal	-	15,273	-	15,273
Interest	-	10,861	-	10,861
Debt Administration Fees	-	37	-	37
Total Expenditures	190,690	26,175	674	217,539
Excess of Revenues over (under) Expenditures	3,259	(14,614)	289	(11,066)
Other Financing Sources (Uses):				
Transfers In	20,670	10,239	-	30,909
Transfers Out	(8,092)	(36)	(2)	(8,130)
Total Other Financing Sources (Uses)	12,578	10,203	(2)	22,779
Net Change in Fund Balances	15,837	(4,411)	287	11,713
Fund Balances - October 1	63,124	20,126	10,272	93,522
Fund Balances - September 30	\$ 78,961	\$ 15,715	\$ 10,559	\$ 105,235

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, 2025
(In Thousands)

	Special Revenue			
	General Grants	Police and Fire Public Safety Oil Production Act	Community Development Grants	Health
ASSETS				
Pooled Cash and Investments	\$ 399	\$ 238	\$ 43	\$ 1
Non-Pooled Cash and Cash Equivalents	-	-	29	1
Receivables:				
Accounts Receivable	2	240	20	3,083
Due from Other Governments	23,986	-	6,563	39,756
Due from Other Funds	2,032	-	341	13,186
Lease Receivable	-	-	-	100
Allowance for Receivables	(5)	-	(5,202)	(2,086)
Inventory	-	-	-	1,482
Other Assets-Current	73	-	63	11
Advances to Other Funds	-	-	3,809	-
Land Held for Resale	-	-	821	-
Other Noncurrent Receivables (Net)	1,211	-	86,305	-
Total Assets	<u>\$ 27,698</u>	<u>\$ 478</u>	<u>\$ 92,792</u>	<u>\$ 55,534</u>
LIABILITIES				
Accounts Payable	\$ 723	\$ -	\$ 362	\$ 6,119
Accrued Wages	195	-	138	1,007
Due to Other Funds	6,644	-	192	2,716
Unearned Revenues	15,982	230	1,231	51,279
Deposits and Collections Held in Trust	-	-	-	522
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>23,544</u>	<u>230</u>	<u>1,923</u>	<u>61,643</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	1,211	-	81,103	89
FUND BALANCES (DEFICIT)				
Nonspendable	73	-	884	1,493
Restricted	-	248	8,882	-
Committed	-	-	-	-
Unassigned	2,870	-	-	(7,691)
Total Fund Balances	<u>2,943</u>	<u>248</u>	<u>9,766</u>	<u>(6,198)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 27,698</u>	<u>\$ 478</u>	<u>\$ 92,792</u>	<u>\$ 55,534</u>

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	
\$ 462	\$ 20,359	\$ 36,462	\$ 13,613	\$ 71,577	ASSETS
-	21	-	-	51	Pooled Cash and Investments
-	41	-	3,445	6,831	Non-Pooled Cash and Cash Equivalents
-	399	-	63	70,767	Receivables:
22	1	1,213	573	17,368	Accounts Receivable
-	-	-	-	100	Due from Other Governments
-	-	-	(435)	(7,728)	Due from Other Funds
-	-	-	-	1,482	Lease Receivable
-	-	-	3	150	Allowance for Receivables
-	-	-	-	3,809	Inventory
-	4,605	-	-	5,426	Other Assets-Current
-	155,095	-	2,381	244,992	Advances to Other Funds
\$ 484	\$ 180,521	\$ 37,675	\$ 19,643	\$ 414,825	Land Held for Resale
					Other Noncurrent Receivables (Net)
					Total Assets
\$ 153	\$ 185	\$ -	\$ 534	\$ 8,076	LIABILITIES
-	25	-	120	1,485	Accounts Payable
-	17	3,545	79	13,193	Accrued Wages
-	12	-	70	68,804	Due to Other Funds
10	3	-	79	614	Unearned Revenues
-	3,809	-	-	3,809	Deposits and Collections Held in Trust
163	4,051	3,545	882	95,981	Advances from Other Funds
					Total Liabilities
-	155,099	-	2,381	239,883	DEFERRED INFLOWS OF RESOURCES
					Deferred Inflows of Resources
-	4,605	-	3	7,058	FUND BALANCES (DEFICIT)
321	16,766	34,130	14,937	75,284	Nonspendable
-	-	-	1,200	1,200	Restricted
-	-	-	240	(4,581)	Committed
321	21,371	34,130	16,380	78,961	Unassigned
\$ 484	\$ 180,521	\$ 37,675	\$ 19,643	\$ 414,825	Total Fund Balances
					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, 2025
(In Thousands)

	Special Revenue			
	General Grants	Police and Fire Public Safety Oil Production Act	Community Development Grants	Health
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 6,071
Sales	-	-	-	3,014
Other Taxes	-	2,790	-	-
Licenses and Permits	-	-	-	5,408
Use of Money and Property	78	32	72	1,522
From Other Agencies	28,932	-	22,217	83,802
Charges for Services	12	-	-	1,994
Other	573	-	662	450
Total Revenues	<u>29,595</u>	<u>2,822</u>	<u>22,951</u>	<u>102,261</u>
Expenditures:				
Current:				
General Government	1,885	-	-	-
Public Safety	16,406	2,797	873	-
Public Health	-	-	-	105,112
Community and Cultural	4,036	-	23,464	-
Public Works	742	-	-	-
Total Current Expenditures	<u>23,069</u>	<u>2,797</u>	<u>24,337</u>	<u>105,112</u>
Capital Improvements	1,552	-	-	449
Total Expenditures	<u>24,621</u>	<u>2,797</u>	<u>24,337</u>	<u>105,561</u>
Excess of Revenues over (under) Expenditures	<u>4,974</u>	<u>25</u>	<u>(1,386)</u>	<u>(3,300)</u>
Other Financing Sources (Uses)				
Transfers In	2,391	-	36	17,646
Transfers Out	(93)	-	(1,793)	(984)
Total Other Financing Sources (Uses)	<u>2,298</u>	<u>-</u>	<u>(1,757)</u>	<u>16,662</u>
Net Change in Fund Balances	7,272	25	(3,143)	13,362
Fund Balances - October 1	<u>(4,329)</u>	<u>223</u>	<u>12,909</u>	<u>(19,560)</u>
Fund Balances - September 30	<u>\$ 2,943</u>	<u>\$ 248</u>	<u>\$ 9,766</u>	<u>\$ (6,198)</u>

See accompanying Independent Auditors' Report

Special Revenue

Belmont Shore Parking Meter Revenue	Housing Development	Development Impact Fees	Other Special Revenue Funds	Total Special Revenue Funds	
					Revenues:
					Taxes:
\$ -	\$ -	\$ -	\$ -	\$ 6,071	Property
-	-	-	-	3,014	Sales
-	-	-	12,616	15,406	Other Taxes
-	275	5,072	4,851	15,606	Licenses and Permits
1,326	1,417	1,440	680	6,567	Use of Money and Property
-	7,200	-	217	142,368	From Other Agencies
-	-	-	12	2,018	Charges for Services
-	740	-	474	2,899	Other
<u>1,326</u>	<u>9,632</u>	<u>6,512</u>	<u>18,850</u>	<u>193,949</u>	Total Revenues
					Expenditures:
					Current:
-	251	-	1,183	3,319	General Government
-	-	-	-	20,076	Public Safety
-	-	-	2,524	107,636	Public Health
1,360	12,771	-	15,285	56,916	Community and Cultural
-	-	-	-	742	Public Works
<u>1,360</u>	<u>13,022</u>	<u>-</u>	<u>18,992</u>	<u>188,689</u>	Total Current Expenditures
-	-	-	-	2,001	Capital Improvements
<u>1,360</u>	<u>13,022</u>	<u>-</u>	<u>18,992</u>	<u>190,690</u>	Total Expenditures
<u>(34)</u>	<u>(3,390)</u>	<u>6,512</u>	<u>(142)</u>	<u>3,259</u>	Excess of Revenues Over (Under) Expenditures
					Other Financing Sources (Uses)
-	-	462	135	20,670	Transfers In
-	(1)	(5,186)	(35)	(8,092)	Transfers Out
<u>-</u>	<u>(1)</u>	<u>(4,724)</u>	<u>100</u>	<u>12,578</u>	Total Other Financing Sources (Uses)
<u>(34)</u>	<u>(3,391)</u>	<u>1,788</u>	<u>(42)</u>	<u>15,837</u>	Net Change in Fund Balances
<u>355</u>	<u>24,762</u>	<u>32,342</u>	<u>16,422</u>	<u>63,124</u>	Fund Balances - October 1
<u>\$ 321</u>	<u>\$ 21,371</u>	<u>\$ 34,130</u>	<u>\$ 16,380</u>	<u>\$ 78,961</u>	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, 2025
 (In Thousands)

	General Grants				
	Budgeted Amounts		Final and Original Budget Variance -	Actual on	Actual and Final Budget
	Original	Final	Positive (Negative)	Budgetary Basis	Variance Positive (Negative)
	Original	Final	(Negative)	Basis	(Negative)
Revenues:					
Use of Money and Property	\$ -	\$ -	\$ -	\$ 78	\$ 78
From Other Agencies	10,187	32,003	21,816	28,932	(3,071)
Charges for Services	198	373	175	12	(361)
Other	345	962	617	573	(389)
Transfers In	27	132	105	2,391	2,259
Total Revenues	10,757	33,470	22,713	31,986	(1,484)
Expenditures:					
General Government	720	820	(100)	2,577	(1,757)
Public Safety	7,200	16,340	(9,140)	17,728	(1,388)
Public Health	-	1,795	(1,795)	-	1,795
Community and Cultural	2,999	12,836	(9,837)	4,297	8,539
Public Works	300	1,538	(1,238)	742	796
Capital Improvements	-	603	(603)	1,552	(949)
Transfers Out	-	-	-	93	(93)
Total Expenditures	11,219	33,932	(22,713)	26,989	6,943
Net Change in Budgetary Fund Balance	\$ (462)	\$ (462)	\$ 45,426	\$ 4,997	\$ 5,459
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis				\$ 4,997	
Add: Encumbrances				2,275	
Change in Fund Balance - September 30, GAAP Basis				7,272	
Fund Balance, October 1, GAAP Basis				(4,329)	
Fund Balance, September 30, GAAP Basis				\$ 2,943	

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, 2025
 (In Thousands)

Police and Fire Public Safety Oil Production Tax					
	Budgeted Amounts		Final and Original Budget Variance -	Actual on Budgetary Basis	Actual and Final Budget Variance
	Original	Final	Positive (Negative)		Positive (Negative)
Revenues:					
Other Taxes	\$ 2,239	\$ 2,790	\$ 551	\$ 2,790	\$ -
Use of Money and Property	27	31	4	32	1
Total Revenues	2,266	2,821	555	2,822	1
Expenditures:					
Public Safety	2,238	2,797	(559)	2,797	-
Total Expenditures	2,238	2,797	(559)	2,797	-
Net Change in Budgetary Fund Balance	\$ 28	\$ 24	\$ 1,114	\$ 25	\$ 1
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis					\$ 25
Add: Encumbrances					-
Change in Fund Balance - September 30, GAAP Basis					25
Fund Balance, October 1, GAAP Basis					223
Fund Balance, September 30, GAAP Basis					\$ 248

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, 2025
 (In Thousands)

Community Development Grants					
	Budgeted Amounts		Final and Original Budget Variance -	Actual on Budgetary Basis	Actual and Final Budget Variance
	Original	Final	Positive (Negative)		Positive (Negative)
Revenues:					
Use of Money and Property	\$ 21	\$ 21	\$ -	\$ 72	\$ 51
From Other Agencies	7,510	28,045	20,535	22,217	(5,828)
Other	1,540	2,038	498	662	(1,376)
Transfers In	-	-	-	36	36
Total Revenues	9,071	30,104	21,033	22,987	(7,117)
Expenditures:					
Public Safety	840	840	-	873	(33)
Community and Cultural	15,685	29,126	(13,441)	24,189	4,937
Transfers Out	-	-	-	1,793	(1,793)
Total Expenditures	16,525	29,966	(13,441)	26,855	3,111
Net Change in Budgetary Fund Balance	\$ (7,454)	\$ 138	\$ 34,474	\$ (3,868)	\$ (4,006)
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis				\$ (3,868)	
Add: Encumbrances				725	
Change in Fund Balance - September 30, GAAP Basis				(3,143)	
Fund Balance, October 1, GAAP Basis				12,909	
Fund Balance, September 30, GAAP Basis				\$ 9,766	

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, 2025
 (In Thousands)

	Health				
	Budgeted Amounts		Final and Original Budget Variance -	Actual on	Actual and Final Budget
	Original	Final	Positive (Negative)	Budgetary Basis	Variance Positive (Negative)
Revenues:					
Property Taxes	\$ 7,218	\$ 7,218	\$ -	\$ 6,071	\$ (1,147)
Sales Taxes	3,436	3,436	-	3,014	(422)
Licenses and Permits	4,491	4,491	-	5,408	917
Use of Money and Property	45	45	-	1,522	1,477
From Other Agencies	42,992	123,709	80,717	83,802	(39,907)
Charges for Services	3,356	3,356	-	1,994	(1,362)
Other	59	8,356	8,297	450	(7,906)
Transfers In	1,169	5,686	4,517	17,646	11,960
Total Revenues	<u>62,766</u>	<u>156,297</u>	<u>93,531</u>	<u>119,907</u>	<u>(36,390)</u>
Expenditures:					
Public Health	65,381	161,481	(96,100)	112,159	49,322
Capital Improvements	1,766	1,766	-	449	1,317
Transfers Out	-	-	-	984	(984)
Total Expenditures	<u>67,147</u>	<u>163,247</u>	<u>(96,100)</u>	<u>113,592</u>	<u>49,655</u>
Net Change in Budgetary Fund Balance	<u>\$ (4,381)</u>	<u>\$ (6,950)</u>	<u>\$ 189,631</u>	<u>\$ 6,315</u>	<u>\$ 13,265</u>

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	<u>\$ 6,315</u>
Add: Encumbrances	<u>7,047</u>
Change in Fund Balance - September 30, GAAP Basis	<u>13,362</u>
Fund Balance, October 1, GAAP Basis	<u>(19,560)</u>
Fund Balance, September 30, GAAP Basis	<u>\$ (6,198)</u>

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, 2025
 (In Thousands)

Belmont Shore Parking Meter Revenue					
	Budgeted Amounts		Final and Original Budget Variance - Positive (Negative)	Actual on Budgetary Basis	Actual and Final Budget Variance Positive (Negative)
	Original	Final			
Revenues:					
Use of Money and Property	\$ 894	\$ 894	\$ -	\$ 1,326	\$ 432
Total Revenues	894	894	-	1,326	432
Expenditures:					
General Government	67	67	-	-	67
Community and Cultural	783	1,514	(731)	1,360	154
Total Expenditures	850	1,581	(731)	1,360	221
Net Change in Budgetary Fund Balance	\$ 44	\$ (687)	\$ 731	\$ (34)	\$ 653
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis				\$ (34)	
Add: Encumbrances				-	
Change in Fund Balance - September 30, GAAP Basis				(34)	
Fund Balance, October 1, GAAP Basis				355	
Fund Balance, September 30, GAAP Basis				\$ 321	

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, 2025
 (In Thousands)

	Housing Development				
	Budgeted Amounts		Final and Original Budget Variance -	Actual on	Actual and Final Budget
	Original	Final	Positive (Negative)	Budgetary Basis	Variance Positive (Negative)
	Original	Final	(Negative)	Basis	(Negative)
Revenues:					
Licenses and Permits	\$ 695	\$ 695	\$ -	\$ 275	\$ (420)
Use of Money and Property	471	471	-	1,417	946
From Other Agencies	2,509	18,015	15,506	7,200	(10,815)
Other	813	813	-	740	(73)
Total Revenues	4,488	19,994	15,506	9,632	(10,362)
Expenditures:					
General Government	251	251	-	251	-
Community and Cultural	7,472	22,979	(15,507)	12,823	10,156
Transfers Out	-	-	-	1	(1)
Total Expenditures	7,723	23,230	(15,507)	13,075	10,155
Net Change in Budgetary Fund Balance	\$ (3,235)	\$ (3,236)	\$ 31,013	\$ (3,443)	\$ (207)
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis					\$ (3,443)
Add: Encumbrances					52
Change in Fund Balance - September 30, GAAP Basis					(3,391)
Fund Balance, October 1, GAAP Basis					24,762
Fund Balance, September 30, GAAP Basis					\$ 21,371

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, 2025
 (In Thousands)

	Development Impact Fees				
	Budgeted Amounts		Final and Original Budget Variance -	Actual on	Actual and Final Budget
	Original	Final	Positive (Negative)	Budgetary Basis	Variance Positive (Negative)
	Original	Final	(Negative)	Basis	(Negative)
Revenues:					
Licenses and Permits	\$ 2,865	\$ 2,865	\$ -	\$ 5,072	\$ 2,207
Use of Money and Property	-	-	-	1,440	1,440
Transfers In	-	-	-	462	462
Total Revenues	2,865	2,865	-	6,974	4,109
Expenditures:					
Capital Improvements	7	7	-	16	(9)
Transfers Out	3,093	3,093	-	5,186	(2,093)
Total Expenditures	3,100	3,100	-	5,202	(2,102)
Net Change in Budgetary Fund Balance	\$ (235)	\$ (235)	\$ -	\$ 1,772	\$ 2,007

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	\$ 1,772
Add: Encumbrances	16
Change in Fund Balance - September 30, GAAP Basis	1,788
Fund Balance, October 1, GAAP Basis	32,342
Fund Balance, September 30, GAAP Basis	\$ 34,130

See accompanying Independent Auditors' Report

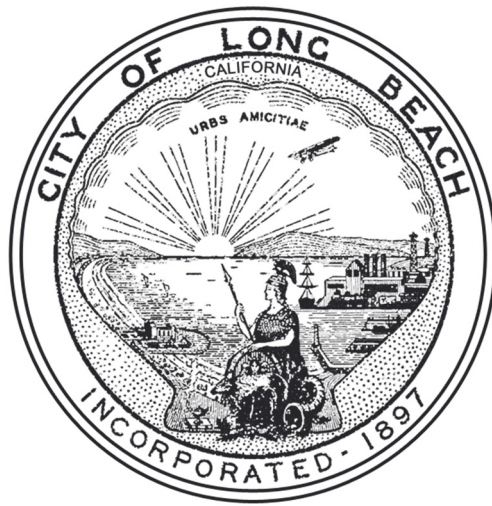
City of Long Beach
 Nonmajor Special Revenue Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual (Budgetary Basis)
 For the Fiscal Year Ended September 30, 2025
 (In Thousands)

	Other Special Revenue Funds				
	Budgeted Amounts		Final and Original Budget Variance -	Actual on	Actual and Final Budget
	Original	Final	Positive (Negative)	Budgetary Basis	Variance Positive (Negative)
	Original	Final	(Negative)	Basis	(Negative)
Revenues:					
Other Taxes	\$ 12,171	\$12,171	\$ -	\$ 12,616	\$ 445
Licenses and Permits	2,998	2,998	-	4,851	1,853
Use of Money and Property	267	267	-	680	413
From Other Agencies	-	75	75	217	142
Charges for Services	-	-	-	12	12
Other	768	818	50	474	(344)
Transfers In	106	89	(17)	135	46
Total Revenues	16,310	16,418	108	18,985	2,567
Expenditures:					
General Government	599	1,034	(435)	1,183	(149)
Public Health	3,009	3,009	-	2,524	485
Community and Cultural	14,840	15,538	(698)	15,292	246
Transfers Out	-	-	-	35	(35)
Total Expenditures	18,448	19,581	(1,133)	19,034	547
Net Change in Budgetary Fund Balance	\$ (2,138)	\$ (3,163)	\$ 1,241	\$ (49)	\$ 3,114

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

Change in Fund Balance - September 30, Budgetary Basis	\$ (49)
Add: Encumbrances	7
Change in Fund Balance - September 30, GAAP Basis	(42)
Fund Balance, October 1, GAAP Basis	16,422
Fund Balance, September 30, GAAP Basis	\$ 16,380

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, 2025
 (In Thousands)

	General Debt Service	Successor Agency Debt Service	Total Debt Service Funds
ASSETS			
Pooled Cash and Investments	\$ 9,868	\$ 387	\$ 10,255
Non-Pooled Cash and Cash Equivalents	5,019	3,316	8,335
Total Assets	<u>\$ 14,887</u>	<u>\$ 3,703</u>	<u>\$ 18,590</u>
LIABILITIES			
Accounts Payable	\$ 4	\$ -	\$ 4
Deposits and Collections Held in Trust	2,871	-	2,871
Total Liabilities	<u>2,875</u>	<u>-</u>	<u>2,875</u>
FUND BALANCES			
Restricted	12,012	3,703	15,715
Total Fund Balance	<u>12,012</u>	<u>3,703</u>	<u>15,715</u>
Total Liabilities and Fund Balances	<u>\$ 14,887</u>	<u>\$ 3,703</u>	<u>\$ 18,590</u>

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2025
(In Thousands)

	General Debt Service	Successor Agency Debt Service	Total Debt Service Funds
Revenues:			
Taxes:			
Property	\$ -	\$ 10,713	\$ 10,713
Use of Money and Property	410	438	848
Total Revenues	<u>410</u>	<u>11,151</u>	<u>11,561</u>
Expenditures:			
Current:			
Community and Cultural	-	4	4
Total Current Expenditures	<u>-</u>	<u>4</u>	<u>4</u>
Debt Service:			
Principal	7,758	7,515	15,273
Interest	5,370	5,491	10,861
Debt Administration Fees	34	3	37
Total Expenditures	<u>13,162</u>	<u>13,013</u>	<u>26,175</u>
Excess of Revenues over (under) Expenditures	<u>(12,752)</u>	<u>(1,862)</u>	<u>(14,614)</u>
Other Financing Sources (Uses):			
Transfers In	10,239	-	10,239
Transfers Out	<u>(36)</u>	<u>-</u>	<u>(36)</u>
Total Other Financing Sources	<u>10,203</u>	<u>-</u>	<u>10,203</u>
Net Change in Fund Balances	(2,549)	(1,862)	(4,411)
Fund Balances - October 1	<u>14,561</u>	<u>5,565</u>	<u>20,126</u>
Fund Balances - September 30	<u><u>\$ 12,012</u></u>	<u><u>\$ 3,703</u></u>	<u><u>\$ 15,715</u></u>

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, 2025

(In Thousands)

General Debt Service Fund					
	Budgeted Amounts		Final and Original Budget Variance - Positive (Negative)	Actual on Budgetary Basis	Actual and Final Budget Variance - Positive (Negative)
	Original	Final			
Revenues:					
Use of Money and Property	\$ 250	\$ 250	\$ -	\$ 410	\$ 160
Transfers In	10,725	11,237	512	10,239	(998)
Total Revenues	10,975	11,487	512	10,649	(838)
Expenditures:					
Debt Service	12,568	12,568	-	13,162	(594)
Transfers Out	36	36	-	36	-
Total Expenditures	12,604	12,604	-	13,198	(594)
Net Change in Budgetary Fund Balance	\$ (1,629)	\$ (1,117)	\$ 512	\$ (2,549)	\$ (1,432)
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis				\$ (2,549)	
Add: Encumbrances				-	
Change in Fund Balance - September 30, GAAP Basis				(2,549)	
Fund Balance, October 1, GAAP Basis				14,561	
Fund Balance, September 30, GAAP Basis				\$ 12,012	

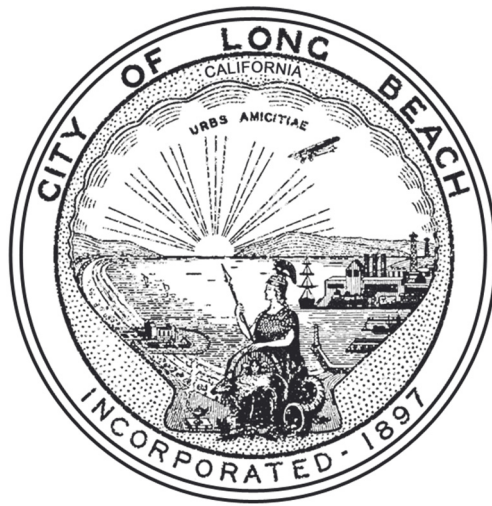
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City of Long Beach
 Nonmajor Debt Service Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual (Budgetary Basis)
 For the Fiscal Year Ended September 30, 2025

(In Thousands)

Successor Agency Debt Service Fund					
	Budgeted Amounts		Final and Original Budget Variance - Positive (Negative)	Actual on Budgetary Basis	Actual and Final Budget Variance - Positive (Negative)
	Original	Final			
Revenues:					
Property Taxes	\$ 30,162	\$ 30,162	\$ -	\$ 10,713	\$ (19,449)
Use of Money and Property	-	-	-	438	438
Total Revenues	30,162	30,162	-	11,151	(19,011)
Expenditures:					
Community and Cultural	-	-	-	4	(4)
Debt Service	13,046	13,046	-	13,009	37
Total Expenditures	13,046	13,046	-	13,013	33
Net Change in Budgetary Fund Balance	\$ 17,116	\$ 17,116	\$ -	\$ (1,862)	\$ (18,978)
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis				\$ (1,862)	
Add: Encumbrances				-	
Change in Fund Balance - September 30, GAAP Basis				(1,862)	
Fund Balance, October 1, GAAP Basis				5,565	
Fund Balance, September 30, GAAP Basis				\$ 3,703	

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, 2025
(In Thousands)

	Special Assessment Capital Projects	Successor Agency Capital Projects	Total Capital Projects Funds
ASSETS			
Pooled Cash and Investments	\$ 1,775	\$ 8,923	\$ 10,698
Non-Pooled Cash and Cash Equivalents	4	37	41
Receivables:			
Interest Receivable	-	3	3
Lease Receivable	-	2,083	2,083
Other Noncurrent Receivables	-	5,241	5,241
Total Assets	\$ 1,779	\$ 16,287	\$ 18,066
LIABILITIES			
Accounts Payable	\$ -	\$ 9	\$ 9
Due to Other Funds	2	-	2
Unearned Revenues	-	31	31
Deposits and Collections Held in Trust	-	197	197
Total Liabilities	2	237	239
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources	-	7,268	7,268
FUND BALANCES			
Restricted	1,777	8,782	10,559
Total Fund Balance	1,777	8,782	10,559
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,779	\$ 16,287	\$ 18,066

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, 2025
 (In Thousands)

	Special Assessment Capital Projects	Successor Agency Capital Projects	Total Capital Projects Funds
Revenues:			
Taxes:			
Use of Money and Property	\$ -	\$ 741	\$ 741
Other	-	222	222
Total Revenues	<u>-</u>	<u>963</u>	<u>963</u>
Expenditures:			
Current:			
Community and Cultural	-	674	674
Total Expenditures	<u>-</u>	<u>674</u>	<u>674</u>
Excess of Revenues Over (under) Expenditures	<u>-</u>	<u>289</u>	<u>289</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(2)</u>	<u>-</u>	<u>(2)</u>
Net Change in Fund Balances	(2)	289	287
Fund Balances - October 1	<u>1,779</u>	<u>8,493</u>	<u>10,272</u>
Fund Balances - September 30	<u>\$ 1,777</u>	<u>\$ 8,782</u>	<u>\$ 10,559</u>

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, 2025

(In Thousands)

Special Assessment Capital Projects Fund					
	Budgeted Amounts		Final and Original Budget Variance - Positive (Negative)	Actual on Budgetary Basis	Actual and Final Budget Variance - Positive (Negative)
	Original	Final			
Revenues:					
Use of Money and Property	\$ 15	\$ 15	\$ -	\$ -	\$ (15)
Total Revenues	15	15	-	-	(15)
Expenditures:					
Transfers Out	-	-	-	2	2
Total Expenditures	-	-	-	2	2
Net Change in Budgetary Fund Balance	\$ 15	\$ 15	\$ -	\$ (2)	\$ (17)
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis					\$ (2)
Add: Encumbrances					-
Change in Fund Balance - September 30, GAAP Basis					(2)
Fund Balance, October 1, GAAP Basis					1,779
Fund Balance, September 30, GAAP Basis					\$ 1,777

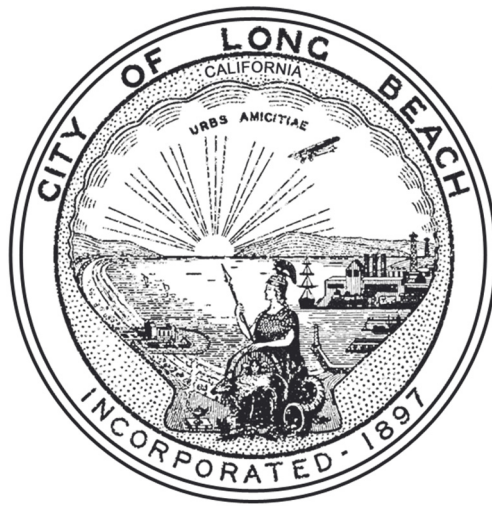
See accompanying Independent Auditors' Report

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, 2025

(In Thousands)

Successor Agency Capital Projects Fund					
	Budgeted Amounts		Final and Original Budget Variance - Positive (Negative)	Actual on Budgetary Basis	Actual and Final Budget Variance - Positive (Negative)
	Original	Final			
Revenues:					
Property Taxes	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ (3,000)
Use of Money and Property	797	797	-	741	(56)
Other	408	408	-	222	(186)
Total Revenues	4,205	4,205	-	963	(3,242)
Expenditures:					
Community and Cultural	4,279	4,279	-	674	3,605
Total Expenditures	4,279	4,279	-	674	3,605
Net Change in Budgetary Fund Balance	\$ (74)	\$ (74)	\$ -	\$ 289	\$ 363
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis				\$ 289	
Add: Encumbrances				-	
Change in Fund Balance - September 30, GAAP Basis				289	
Fund Balance, October 1, GAAP Basis				8,493	
Fund Balance, September 30, GAAP Basis				\$ 8,782	

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 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, 2025
(In Thousands)

	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Total Nonmajor Proprietary Funds
ASSETS							
Current Assets:							
Pooled Cash and Investments	\$ 9,259	\$ 59,067	\$ 25,369	\$ 258	\$ 212,428	\$ 27,184	\$ 333,565
Non-Pooled Cash and Cash Equivalents	-	12,164	7,638	2	-	-	19,804
Receivables:							
Interest Receivable	-	7	-	-	-	-	7
Accounts Receivable	2,736	4,597	12,086	270	-	2,287	21,976
Due from Other Governments	-	3,920	1,036	-	-	130	5,086
Due from Other Funds	26	145	761	57	-	80	1,069
Lease Receivable - Current	-	248	-	-	-	-	248
Allowance for Receivables	(127)	(133)	(6,069)	(260)	-	(2,008)	(8,597)
Inventory	257	-	-	-	-	-	257
Other Assets - Current	86	26	1	-	-	-	113
Total Current Assets	12,237	80,041	40,822	327	212,428	27,673	373,528
Noncurrent Assets:							
Noncurrent Receivables:							
Lease Receivable	-	1,833	-	-	-	-	1,833
Capital Assets:							
Land and Other Capital Assets Not Being Depreciated	14,692	19,001	5,696	-	-	-	39,389
Capital Assets, Net of Accumulated Depreciation/Amortization	87,229	362,478	8,249	-	-	243	458,199
Total Noncurrent Assets	101,921	383,312	13,945	-	-	243	499,421
Total Assets	114,158	463,353	54,767	327	212,428	27,916	872,949
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows of Resources	1,507	4,189	5,882	680	-	5,305	17,563
LIABILITIES							
Current Liabilities Payable from Current Assets:							
Accounts Payable	2,517	10,304	7,415	181	-	1,381	21,798
Accrued Wages	132	285	419	70	-	393	1,299
Accrued Interest Payable	114	1,719	7	-	-	-	1,840
Due to Other Funds	123	360	407	1,056	-	463	2,409
Unearned Revenues	-	324	1,557	-	-	318	2,199
Collections Held in Trust	-	-	-	-	-	21	21
Customers Deposits	-	320	808	-	-	1,574	2,702
Advances from Developers	274	-	-	-	-	10,335	10,609
Compensated Absences and Accrued Employee Benefits	531	1,345	1,415	278	-	1,395	4,964
Financed Purchase Obligations-Current	-	-	921	-	-	-	921
Bonds Payable Due within One Year	455	3,490	-	-	-	-	3,945
Lease Liability - Current	-	350	-	-	-	-	350
SBITA Liability	-	-	51	-	-	-	51
Total Current Liabilities	4,146	18,497	13,000	1,585	-	15,880	53,108
Noncurrent Liabilities:							
Unearned Revenues	-	4,403	-	-	-	-	4,403
Compensated Absences and Accrued Employee Benefits	940	2,568	1,733	349	-	1,665	7,255
Financed Purchase Obligations	-	-	9,641	-	-	-	9,641
Bonds Payable	6,469	106,418	-	-	-	-	112,887
Lease Liability	-	2,504	-	-	-	-	2,504
SBITA Liability	-	-	241	-	-	-	241
Total OPEB Liability	98	260	186	38	-	184	766
Net Pension Liability	7,232	16,657	20,687	3,611	-	23,538	71,725
Total Noncurrent Liabilities	14,739	132,810	32,488	3,998	-	25,387	209,422
Total Liabilities	18,885	151,307	45,488	5,583	-	41,267	262,530
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources	1,094	4,332	2,595	651	-	2,810	11,482
NET POSITION							
Net Investment in Capital Assets	92,481	270,085	13,653	-	-	243	376,462
Restricted for:							
Debt Service	-	8,062	-	-	-	-	8,062
Capital Projects	-	28,063	-	-	-	-	28,063
Airport	-	10,022	-	-	-	-	10,022
Subsidence	-	-	-	-	212,428	-	212,428
Unrestricted	3,205	(4,329)	(1,087)	(5,227)	-	(11,099)	(18,537)
Total Net Position	\$95,686	\$311,903	\$ 12,566	\$(5,227)	\$ 212,428	\$ (10,856)	\$ 616,500

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, 2025
(In Thousands)

	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Total Nonmajor Proprietary Funds
Operating Revenues:							
Licenses and Permits	\$ -	\$ -	\$ 4,129	\$ -	\$ -	\$ 26,567	\$ 30,696
Fines and Forfeitures	-	5	-	-	-	-	5
Fees, Concessions and Rentals	-	60,649	21	-	-	-	60,670
From Other Agencies	-	1,803	-	-	-	-	1,803
Charges for Services	23,396	684	79,268	5,761	-	1,831	110,940
Other	86	-	118	20	-	1,703	1,927
Total Operating Revenues	23,482	63,141	83,536	5,781	-	30,101	206,041
Operating Expenses:							
Personnel Services	5,703	17,651	25,287	3,699	-	23,500	75,840
Maintenance and Other Operations	11,120	34,555	63,188	3,749	-	18,736	131,348
Rental Expense	-	-	427	-	-	-	427
Depreciation/Amortization	3,026	19,972	746	-	-	46	23,790
Total Operating Expenses	19,849	72,178	89,648	7,448	-	42,282	231,405
Operating Income (Loss)	3,633	(9,037)	(6,112)	(1,667)	-	(12,181)	(25,364)
Noncapital Subsidies:							
Operating Grants	-	-	1,853	-	-	-	1,853
Transfers In	-	-	5	-	-	764	769
Transfers Out	-	(120)	(808)	-	-	(9,193)	(10,121)
Total Noncapital Subsidies	-	(120)	1,050	-	-	(8,429)	(7,499)
Operating Income (Loss) and Noncapital Subsidies	3,633	(9,157)	(5,062)	(1,667)	-	(20,610)	(32,863)
Other Non-Operating Income (Expenses):							
Interest Income	446	2,974	1,250	25	7,583	1,511	13,789
Interest Expense	(174)	(4,604)	(188)	-	-	-	(4,966)
Unrealized Investment Gain	35	231	83	(2)	859	76	1,282
Gain on Disposition of Capital Assets	-	-	169	-	-	-	169
Capital Grants and Contributions	-	18,139	-	-	-	-	18,139
Other Income	-	-	-	-	-	245	245
Total Other Non-Operating Revenue (Expenses)	307	16,740	1,314	23	8,442	1,832	28,658
Change in Net Position	3,940	7,583	(3,748)	(1,644)	8,442	(18,778)	(4,205)
Net Position - October 1	91,746	304,320	16,314	(3,583)	203,986	7,922	620,705
Net Position - September 30	\$ 95,686	\$ 311,903	\$ 12,566	\$ (5,227)	\$ 212,428	\$ (10,856)	\$ 616,500

See accompanying Independent Auditors' Report

City of Long Beach
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2025
(In Thousands)

<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:</u>	Sewer	Airport	Solid Waste Management	Towing	Subsidence	Development Services	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 22,087	\$ 60,470	\$ 82,789	\$ 5,794	\$ -	\$ 31,450	\$ 202,590
Receipts from Other Entities	-	2,652	-	-	-	-	2,652
Receipts from Other Funds	-	-	-	948	-	-	948
Payments for Employees Salaries and Benefits	(5,729)	(16,502)	(23,910)	(3,810)	-	(21,895)	(71,846)
Payments for Goods and Services	(9,753)	(34,510)	(67,996)	(3,638)	-	(18,634)	(134,531)
Payments to Other Funds	(17)	(78)	(729)	-	-	(231)	(1,055)
Other Income	-	-	118	-	-	-	118
Other Cash Payments	-	-	(374)	-	-	-	(374)
Net Cash Provided by (Used for) Operating Activities	<u>6,588</u>	<u>12,032</u>	<u>(10,102)</u>	<u>(706)</u>	<u>-</u>	<u>(9,310)</u>	<u>(1,498)</u>
Cash Flows from Non-Capital Financing Activities:							
Transfers In	-	-	5	-	-	764	769
Transfers Out	-	(120)	(808)	-	-	(9,193)	(10,121)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>-</u>	<u>(120)</u>	<u>(803)</u>	<u>-</u>	<u>-</u>	<u>(8,429)</u>	<u>(9,352)</u>
Cash Flows from Capital and Related Financing Activities:							
Receipt of Capital Grants	-	-	-	-	-	245	245
Proceeds from the Sale of Capital Assets	-	-	169	-	-	-	169
Proceeds from Issuance of Refunding Debt	-	-	10,936	-	-	-	10,936
Receipts of Contributed Capital	-	11,209	1,853	-	-	-	13,062
Receipts from Passenger Facility Charges	-	6,930	-	-	-	-	6,930
Payments for Capital Acquisitions	(7,120)	(25,841)	(3,317)	-	-	(384)	(36,662)
Payments of Principal on Bonds Payable	(544)	(3,325)	-	-	-	-	(3,869)
Payments of Principal on Other Long-Term Obligations	-	-	(420)	-	-	-	(420)
Payments of Interest	(181)	(5,422)	(181)	-	-	-	(5,784)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(7,845)</u>	<u>(16,449)</u>	<u>9,040</u>	<u>-</u>	<u>-</u>	<u>(139)</u>	<u>(15,393)</u>
Cash Flows from Investing Activities:							
Receipts of Interest	446	2,972	1,250	25	7,583	1,511	13,787
Changes in Investments	35	231	83	(2)	859	76	1,282
Net Cash Provided by Investing Activities	<u>481</u>	<u>3,203</u>	<u>1,333</u>	<u>23</u>	<u>8,442</u>	<u>1,587</u>	<u>15,069</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(776)</u>	<u>(1,334)</u>	<u>(532)</u>	<u>(683)</u>	<u>8,442</u>	<u>(16,291)</u>	<u>(11,174)</u>
Cash and Cash Equivalents - October 1	10,035	72,565	33,539	943	203,986	43,475	364,543
Cash and Cash Equivalents - September 30	<u>\$ 9,259</u>	<u>\$ 71,231</u>	<u>\$ 33,007</u>	<u>\$ 260</u>	<u>\$ 212,428</u>	<u>\$ 27,184</u>	<u>\$ 353,369</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u>							
Operating Income (Loss)	\$ 3,633	\$ (9,037)	\$ (6,112)	\$ (1,667)	\$ -	\$ (12,181)	\$ (25,364)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Operating Activities:							
Depreciation and Amortization Expense	3,026	19,972	746	-	-	46	23,790
(Increase) Decrease in Accounts Receivable, Net	(1,395)	604	(438)	13	-	154	(1,062)
Increase (Decrease) in Amounts Due from Other Governments	-	849	(386)	-	-	-	463
Decrease in Amounts Due from Other Funds	(17)	(78)	(729)	(57)	-	(80)	(961)
(Decrease) in Inventory	(73)	-	-	-	-	-	(73)
(Increase) Decrease in Other Operating Assets	(86)	46	3	-	-	-	(37)
Increase (Decrease) in Accounts Payable	1,575	(312)	(4,477)	111	-	102	(3,001)
Increase (Decrease) in Accrued Wages Payable	85	596	(123)	(49)	-	443	952
Increase (Decrease) in Amounts Due to Other Funds	(49)	(1,004)	105	1,005	-	(151)	(94)
Increase (Decrease) in Unearned Revenues	-	(146)	(358)	-	-	143	(361)
Increase (Decrease) in Collections Held in Trust	-	(11)	167	-	-	1,052	1,208
(Decrease) in OPEB Liability and Related Deferred Outflows/Inflows of Resources	(10)	(33)	(41)	(5)	-	(47)	(136)
Increase (Decrease) in Net Pension Liability and Related Deferred Outflows/Inflows of Resources	(101)	586	1541	(57)	-	1,209	3,178
Total Adjustments	<u>2,955</u>	<u>21,069</u>	<u>(3,990)</u>	<u>961</u>	<u>-</u>	<u>2,871</u>	<u>23,866</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 6,588</u>	<u>\$ 12,032</u>	<u>\$ (10,102)</u>	<u>\$ (706)</u>	<u>\$ -</u>	<u>\$ (9,310)</u>	<u>\$ (1,498)</u>
<u>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</u>							
Amortization of Bond Premium (Discount), Net	\$ 109	\$ (3,490)	\$ -	\$ -	\$ -	\$ -	\$ (3,381)
Accrued Capital Related Liabilities	2,156	-	-	-	-	-	2,156

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, 2025
(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 Investments	\$ 599	\$ 17,490	\$ 72,666	\$ 33,873	\$ 13,017	\$ 95,769	\$ 233,414
Non-Pooled Cash and Cash Equivalents	-	7,177	4,772	-	-	-	11,949
Receivables:							
Accounts Receivable	27	17	113	-	-	-	157
Due from Other Governments	-	1,800	55	-	-	-	1,855
Due from Other Funds	1,628	759	284	1,233	1,131	11,029	16,064
Allowance for Receivables	-	-	(16)	-	-	-	(16)
Deposits	-	-	-	-	-	10,347	10,347
Inventory	-	-	3,119	-	-	-	3,119
Other Assets - Current	-	54	-	-	-	19,006	19,060
Total Current Assets	2,254	27,297	80,993	35,106	14,148	136,151	295,949
Noncurrent Assets:							
Noncurrent Receivables:							
Advances to Other Funds	-	-	19,406	-	-	2,087	21,493
Capital Assets:							
Land and Other Capital Assets Not Being Depreciated	9,735	2,235	-	-	-	-	11,970
Capital Assets, Net of Accumulated Depreciation/Amortization	299,377	56,730	105,708	-	-	-	461,815
Total Noncurrent Assets	309,112	58,965	125,114	-	-	2,087	495,278
Total Assets	311,366	86,262	206,107	35,106	14,148	138,238	791,227
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows of Resources	132	8,521	2,787	1,807	3,129	5,300	21,676
LIABILITIES							
Current Liabilities Payable from Current Assets:							
Accounts Payable	1,920	3,387	4,847	189	1,446	12,266	24,055
Accrued Wages and Benefits	14	603	238	257	80	6,594	7,786
Accrued Interest Payable	-	404	126	-	-	-	530
Due to Other Funds	28	465	2,856	199	1,329	3,216	8,093
Unearned Revenue	-	200	-	-	-	-	200
Collections Held in Trust	-	-	-	-	-	6,022	6,022
Compensated Absences and Accrued Employee Benefits	-	2,695	1,109	742	388	1,213	6,147
Accrued Claims - Current	-	-	-	24,810	15,351	-	40,161
Environmental Remediation - Current	-	-	24	-	-	-	24
Lease Liability - Current	-	115	-	-	-	-	115
SBITA Liability - Current	-	4,185	-	-	-	-	4,185
Financed Purchase Obligations - Current	-	5,125	4,281	-	-	-	9,406
Bonds Payable Due within One Year	-	-	1,883	-	-	-	1,883
Other Long Term Obligation - Current	5,563	-	-	-	-	-	5,563
Total Current Liabilities	7,525	17,179	15,364	26,197	18,594	29,311	114,170
Noncurrent Liabilities:							
Compensated Absences and Accrued Employee Benefits	-	6,060	2,347	1,144	397	1,961	11,909
Accrued Claims	-	-	-	134,906	55,113	-	190,019
Environmental Remediation	-	-	376	-	-	-	376
Financed Purchase Obligations	-	24,369	17,319	-	-	-	41,688
Other Long Term Obligations	262,893	-	-	-	-	-	262,893
Bonds Payable	-	-	7,469	-	-	-	7,469
Lease Liability	-	50	-	-	-	-	50
SBITA Liability	-	7,916	-	-	-	-	7,916
OPEB Liability	-	609	236	119	44	197	1,205
Net Pension Liability	696	34,330	12,850	9,040	4,733	14,128	75,777
Total Noncurrent Liabilities	263,589	73,334	40,597	145,209	60,287	16,286	599,302
Total Liabilities	271,114	90,513	55,961	171,406	78,881	45,597	713,472
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources	89	5,198	2,830	3,396	785	1,923	14,221
NET POSITION (DEFICIT)							
Net Investment in Capital Assets	40,578	24,169	85,547	-	-	-	150,294
Restricted for:							
Capital Projects	-	1,424	-	-	-	-	1,424
Insurance	-	-	-	-	-	31,094	31,094
Unrestricted	(283)	(26,521)	64,556	(137,889)	(62,389)	64,924	(97,602)
Total Net Position (Deficit)	\$ 40,295	\$ (928)	\$ 150,103	\$ (137,889)	\$ (62,389)	\$ 96,018	\$ 85,210

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, 2025
(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	\$ 25,358	\$ 83,639	\$ 73,444	\$ 41,880	\$ 46,708	\$ 420,461	\$ 691,490
Other	-	556	1,924	114	50	-	2,644
Total Operating Revenues	<u>25,358</u>	<u>84,195</u>	<u>75,368</u>	<u>41,994</u>	<u>46,758</u>	<u>420,461</u>	<u>694,134</u>
Operating Expenses:							
Personnel Services	433	34,547	13,262	10,035	4,563	11,412	74,252
Maintenance and Other Operations	13,474	49,394	26,321	4,384	7,726	3,856	105,155
Insurance Premiums	-	-	-	-	22,937	-	22,937
Self-Insured Losses	-	-	-	25,400	24,225	-	49,625
Compensated Absences	-	-	-	8,514	-	78,136	86,650
Employee Benefits	-	-	-	-	-	323,276	323,276
Depreciation/Amortization	11,904	10,949	16,524	-	1	-	39,378
Total Operating Expenses	<u>25,811</u>	<u>94,890</u>	<u>56,107</u>	<u>48,333</u>	<u>59,452</u>	<u>416,680</u>	<u>701,273</u>
Operating Income (Loss)	<u>(453)</u>	<u>(10,695)</u>	<u>19,261</u>	<u>(6,339)</u>	<u>(12,694)</u>	<u>3,781</u>	<u>(7,139)</u>
Noncapital Subsidies:							
Operating Grants	-	1,406	30	-	-	-	1,436
Transfers In	36	12,480	408	-	-	108	13,032
Transfers Out	(473)	(411)	(476)	(21)	-	-	(1,381)
Total Noncapital Subsidies	<u>(437)</u>	<u>13,475</u>	<u>(38)</u>	<u>(21)</u>	<u>-</u>	<u>108</u>	<u>13,087</u>
Operating Income (Loss) and Noncapital Subsidies	<u>(890)</u>	<u>2,780</u>	<u>19,223</u>	<u>(6,360)</u>	<u>(12,694)</u>	<u>3,889</u>	<u>5,948</u>
Other Non-Operating Revenue (Expenses):							
Interest Income	101	227	2,762	1,198	110	3,280	7,678
Interest Expense	(6,133)	(1,163)	(855)	-	-	-	(8,151)
Unrealized Investment Gain	(4)	77	300	138	41	381	933
Gain (Loss) on Disposition of Capital Assets	-	-	1,175	-	-	-	1,175
Total Other Non-Operating Revenue (Expenses)	<u>(6,036)</u>	<u>(859)</u>	<u>3,382</u>	<u>1,336</u>	<u>151</u>	<u>3,661</u>	<u>1,635</u>
Change in Net Position	<u>(6,926)</u>	<u>1,921</u>	<u>22,605</u>	<u>(5,024)</u>	<u>(12,543)</u>	<u>7,550</u>	<u>7,583</u>
Net Position (Deficit) - October 1	47,221	(2,849)	127,498	(132,865)	(49,846)	88,468	77,627
Net Position (Deficit) - September 30	<u>\$ 40,295</u>	<u>\$ (928)</u>	<u>\$ 150,103</u>	<u>\$ (137,889)</u>	<u>\$ (62,389)</u>	<u>\$ 96,018</u>	<u>\$ 85,210</u>

See accompanying Independent Auditors' Report

City of Long Beach
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2025
(In Thousands)

<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	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	\$ -	\$ 1,674	\$ -	\$ -	\$ -	\$ -	\$ 1,674
Receipts from Other Funds	24,141	84,132	77,869	41,594	46,916	409,071	683,723
Payments to Other Entities	(63)	-	-	-	-	-	(63)
Payments for Employees Salaries and Benefits	(461)	(33,498)	(13,300)	(9,360)	(4,700)	(352,105)	(413,424)
Payments for Goods and Services	(13,006)	(49,821)	(24,068)	(4,358)	(8,119)	-	(99,372)
Changes on Compensated Absences	-	1,019	97	(8,355)	136	(80,056)	(87,159)
Payments for Liability Claims	-	-	-	(18,829)	(39,140)	-	(57,969)
Other Cash Receipts	-	-	-	-	-	18,047	18,047
Net Cash Provided by (Used for) Operating Activities	<u>10,611</u>	<u>3,506</u>	<u>40,598</u>	<u>692</u>	<u>(4,907)</u>	<u>(5,043)</u>	<u>45,457</u>
Cash Flows from Non-Capital Financing Activities:							
Operating Grants Received from Other Governments	-	1,047	30	-	-	-	1,077
Operating Subsidies Received from Other Funds	36	12,480	408	-	-	108	13,032
Operating Subsidies Paid to Other Funds	(473)	(411)	(476)	(21)	-	-	(1,381)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(437)</u>	<u>13,116</u>	<u>(38)</u>	<u>(21)</u>	<u>-</u>	<u>108</u>	<u>12,728</u>
Cash Flows from Capital and Related Financing Activities:							
Proceeds from the Sale of Capital Assets	-	-	1,182	-	-	-	1,182
Proceeds from Issuance Of Long-Term Obligations	-	9,088	7,005	-	-	-	16,093
Payments for Subscription and Leased Assets	-	(13,834)	-	-	-	-	(13,834)
Payments for Capital Acquisitions	(2,030)	(10,297)	(43,413)	-	(1)	-	(55,741)
Payments of Principal on Bonds Payable	-	-	(1,788)	-	-	-	(1,788)
Payments of Principal on Other Long-Term Obligations	(5,467)	(2,832)	(5,511)	-	-	-	(13,810)
Payments of Interest	(6,133)	(1,223)	(1,121)	-	-	-	(8,477)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(13,630)</u>	<u>(19,098)</u>	<u>(43,646)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(76,375)</u>
Cash Flows from Investing Activities:							
Receipts of Interest	101	227	2,762	1,198	110	3,280	7,678
Changes in Investments	(4)	77	300	138	42	381	934
Net Cash Provided by (Used for) Investing Activities	<u>97</u>	<u>304</u>	<u>3,062</u>	<u>1,336</u>	<u>152</u>	<u>3,661</u>	<u>8,612</u>
Net Decrease in Cash and Cash Equivalents	<u>(3,359)</u>	<u>(2,172)</u>	<u>(24)</u>	<u>2,007</u>	<u>(4,756)</u>	<u>(1,274)</u>	<u>(9,578)</u>
Cash and Cash Equivalents - October 1	<u>3,958</u>	<u>26,839</u>	<u>77,462</u>	<u>31,866</u>	<u>17,773</u>	<u>97,043</u>	<u>254,941</u>
Cash and Cash Equivalents - September 30	<u>\$ 599</u>	<u>\$ 24,667</u>	<u>\$ 77,438</u>	<u>\$ 33,873</u>	<u>\$ 13,017</u>	<u>\$ 95,769</u>	<u>\$ 245,363</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

Operating Income (Loss)	\$ (453)	\$ (10,695)	\$ 19,261	\$ (6,339)	\$ (12,694)	\$ 3,781	\$ (7,139)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Depreciation and Amortization Expense	11,904	10,949	16,524	-	1	-	39,378
(Increase) Decrease in Accounts Receivable, Net	119	918	(46)	-	-	2,649	3,640
(Increase) in Amounts Due from Other Governments	-	-	(30)	-	-	-	(30)
(Increase) Decrease in Amounts Due from Other Funds	(1,336)	722	(161)	(400)	(1,128)	219	(2,084)
(Increase) Decrease in Other Operating Assets	-	231	-	-	-	(19,006)	(18,775)
Decrease in Other Non-operating Assets	-	-	10	-	-	-	10
Increase (Decrease) in Accounts Payable	468	(658)	2,319	11	(393)	7,633	9,380
Increase (Decrease) in Accrued Wages Payable	5	1,169	126	463	148	(3,456)	(1,545)
Increase (Decrease) in Amounts Due to Other Funds	(63)	(229)	2,662	15	1,286	1,611	5,282
Increase in Accrued Claims Payable	-	-	-	6,571	8,022	-	14,593
Increase in Unearned Revenues	-	200	-	-	-	-	200
Increase in Collections Held in Trust	-	-	-	-	-	512	512
Increase (Decrease) in OPEB Liability and Related Deferred Outflows/Inflows of Resources	-	(109)	(51)	36	26	177	79
Increase (Decrease) in Net Pension Liability and Related Deferred Outflows/Inflows of Resources	(33)	1,008	(16)	335	(175)	837	1,956
Total Adjustments	<u>11,064</u>	<u>14,201</u>	<u>21,337</u>	<u>7,031</u>	<u>7,787</u>	<u>(8,824)</u>	<u>52,596</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 10,611</u>	<u>\$ 3,506</u>	<u>\$ 40,598</u>	<u>\$ 692</u>	<u>\$ (4,907)</u>	<u>\$ (5,043)</u>	<u>\$ 45,457</u>

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 to End Homelessness 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, 2025
(In Thousands)

	Belmont Shore Parking District	Taxes Oil Rights	Special Assessment Districts	Intermodal Container Transfer Facility JPA
ASSETS:				
Pooled Cash and Investments	\$ 89	\$ 1,984	\$ 2,584	\$ 5,259
Non-Pooled Cash and Cash Equivalents	-	-	9,124	-
Property Taxes Receivable, Net	-	-	1	-
Accounts Receivable	-	-	-	-
Prepaid Expense	-	-	-	-
Land	-	-	-	-
Total Assets	<u>89</u>	<u>1,984</u>	<u>11,709</u>	<u>5,259</u>
LIABILITIES:				
Accounts Payable	89	-	-	-
Collections Held in Trust	-	-	47	-
Total Liabilities	<u>89</u>	<u>-</u>	<u>47</u>	<u>-</u>
NET POSITION:				
Restricted	<u>\$ -</u>	<u>\$ 1,984</u>	<u>\$ 11,662</u>	<u>\$ 5,259</u>

City of Long Beach
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended September 30, 2025
(In Thousands)

	Belmont Shore Parking District	Taxes Oil Rights	Special Assessment Districts	Intermodal Container Transfer Facility JPA
ADDITIONS:				
Contributions	\$ -	\$ -	\$ 3,367	\$ 4,998
Taxes	-	-	1,218	-
Grants	-	-	-	-
Use of Money and Property	-	325	365	244
Miscellaneous Revenue	-	-	8	-
Total Additions	<u>-</u>	<u>325</u>	<u>4,958</u>	<u>5,242</u>
DEDUCTIONS:				
Administrative Expense	-	-	52	-
Payments to Bond Holders	-	-	5,509	4,000
Payments to Others	-	-	-	-
Gain (Loss) on Disposition of Capital Assets	-	-	-	-
Total Deductions	<u>-</u>	<u>-</u>	<u>5,561</u>	<u>4,000</u>
Change in Net Position	<u>-</u>	<u>325</u>	<u>(603)</u>	<u>1,242</u>
Net Position, October 1	<u>-</u>	<u>1,659</u>	<u>12,265</u>	<u>4,017</u>
Net Position, September 30	<u>\$ -</u>	<u>\$ 1,984</u>	<u>\$ 11,662</u>	<u>\$ 5,259</u>

See accompanying Independent Auditors' Report

Earthquake Assessment District	Los Cerritos Wetlands Authority	Other Custodial Funds	Total Custodial Funds	
\$ 915	\$ -	\$ 4,644	\$ 15,475	ASSETS:
-	1,318	-	10,442	Pooled Cash and Investments
-	-	91	92	Non-Pooled Cash and Cash Equivalents
-	280	2,154	2,434	Property Taxes Receivable, Net
-	9	-	9	Accounts Receivable
-	31,460	-	31,460	Prepaid Expense
				Land
915	33,067	6,889	59,912	Total Assets
-	394	1,716	2,199	LIABILITIES:
-	-	-	47	Accounts Payable
-	394	1,716	2,246	Collections Held in Trust
				Total Liabilities
\$ 915	\$ 32,673	\$ 5,173	\$ 57,666	NET POSITION:
				Restricted

Earthquake Assessment District	Los Cerritos Wetlands Authority	Other Custodial Funds	Total Custodial Funds	
\$ -	\$ 23,635	\$ -	\$ 32,000	ADDITIONS:
-	-	15,511	16,729	Contributions
-	2,260	-	2,260	Taxes
37	26	160	1,157	Grants
-	-	-	8	Use of Money and Property
37	25,921	15,671	52,154	Miscellaneous Revenue
				Total Additions
-	3	6	61	DEDUCTIONS:
-	-	-	9,509	Administrative Expense
-	2,325	13,730	16,055	Payments to Bond Holders
-	3,135	-	3,135	Payments to Others
-	5,463	13,736	28,760	Gain (Loss) on Disposition of Capital Assets
37	20,458	1,935	23,394	Total Deductions
878	12,215	3,238	34,272	Change in Net Position
\$ 915	\$ 32,673	\$ 5,173	\$ 57,666	Net Position, October 1
				Net Position, September 30

See accompanying Independent Auditors' Report

City of Long Beach
 Fiduciary Funds
 Private Purpose Trust Funds
 Combining Statement of Fiduciary Net Position
 September 30, 2025
 (In Thousands)

	<u>Miller Library</u>	<u>Mayor's Fund to End Homelessness</u>	<u>Total</u>
ASSETS			
Pooled Cash and Investments	\$ 599	\$ 5	\$ 604
Total Assets	<u>\$ 599</u>	<u>\$ 5</u>	<u>\$ 604</u>
NET POSITION			
Held in Trust for Private Purpose Restricted	<u>\$ 599</u>	<u>\$ 5</u>	<u>\$ 604</u>

City of Long Beach
 Fiduciary Funds
 Private Purpose Trust Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended September 30, 2025
 (In Thousands)

	<u>Miller Library</u>	<u>Mayor's Fund to End Homelessness</u>	<u>Total</u>
Additions:			
Use of Money and Property	\$ 26	\$ -	\$ 26
Deductions:			
Payments to Others	41	-	41
Total Deductions	<u>41</u>	<u>-</u>	<u>41</u>
Change in Net Position	(15)	-	(15)
Net Position, October 1	<u>614</u>	<u>5</u>	<u>619</u>
Net Position, September 30	<u>\$ 599</u>	<u>\$ 5</u>	<u>\$ 604</u>

See accompanying Independent Auditors' Report

City of Long Beach
General Fund
Combining Balance Sheet
September 30, 2025
(In Thousands)

	General Fund	Uplands Oil Fund	Eliminations	Total Combined General Fund
ASSETS				
Pooled Cash and Investments	\$ 64,935	\$ 22,421	\$ -	\$ 87,356
Non-Pooled Cash and Cash Equivalents	234	-	-	234
Receivables:				
Interest Receivable	588	-	-	588
Property Taxes	143,123	-	-	143,123
Accounts Receivable	56,758	1,192	-	57,950
Due from Other Governments	37,271	-	-	37,271
Due from Other Funds	18,102	-	-	18,102
Lease Receivable	128,029	-	-	128,029
Allowance for Receivables	(19,504)	-	-	(19,504)
Other Assets	2,543	-	-	2,543
Total Assets	<u>432,079</u>	<u>23,613</u>	<u>-</u>	<u>455,692</u>
LIABILITIES				
Accounts Payable	19,896	456	-	20,352
Accrued Wages and Benefits Payable	9,461	-	-	9,461
Due to Other Governments	614	-	-	614
Due to Other Funds	21,108	304	-	21,412
Unearned Revenues	8,234	-	-	8,234
Deposits and Collections Held in Trust	5,015	-	-	5,015
Advances from Other Funds	19,406	-	-	19,406
Total Liabilities	<u>83,734</u>	<u>760</u>	<u>-</u>	<u>84,494</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources	<u>265,722</u>	<u>-</u>	<u>-</u>	<u>265,722</u>
FUND BALANCES				
Nonspendable	2,543	-	-	2,543
Restricted	6,005	-	-	6,005
Committed	46,933	22,721	-	69,654
Assigned	27,274	-	-	27,274
Unassigned	(132)	132	-	-
Total Fund Balances	<u>82,623</u>	<u>22,853</u>	<u>-</u>	<u>105,476</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 432,079</u>	<u>\$ 23,613</u>	<u>\$ -</u>	<u>\$ 455,692</u>

See accompanying Independent Auditors' Report

City of Long Beach
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended September 30, 2025
(In Thousands)

	General Fund	Uplands Oil Fund	Eliminations	Total Combined General Fund
Revenues:				
Taxes:				
Property	\$ 240,303	\$ -	\$ -	\$ 240,303
Sales	150,803	-	-	150,803
Utility Users	47,554	-	-	47,554
Other Taxes	50,532	-	-	50,532
Franchise Fees	25,275	-	-	25,275
Licenses and Permits	49,798	-	-	49,798
Fines and Forfeitures	17,541	-	-	17,541
Use of Money and Property	27,252	13,029	-	40,281
From Other Agencies	12,999	-	-	12,999
Charges for Services	55,675	-	-	55,675
Other	6,001	-	-	6,001
Total Revenues	<u>683,733</u>	<u>13,029</u>	<u>-</u>	<u>696,762</u>
Expenditures:				
Legislative and Legal	19,106	-	-	19,106
General Government	33,751	-	-	33,751
Public Safety	501,327	-	-	501,327
Public Health	24,723	-	-	24,723
Community and Cultural	75,426	-	-	75,426
Public Works	73,433	-	-	73,433
Oil Operations	16	2,935	-	2,951
Total Current Expenditures	<u>727,782</u>	<u>2,935</u>	<u>-</u>	<u>730,717</u>
Capital Improvements	12,091	-	-	12,091
Debt Service:				
Principal	191	-	-	191
Interest	5	-	-	5
Debt Administration Fees	14	-	-	14
Total Expenditures	<u>740,083</u>	<u>2,935</u>	<u>-</u>	<u>743,018</u>
Excess of Revenues over Expenditures	<u>(56,350)</u>	<u>10,094</u>	<u>-</u>	<u>(46,256)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Asset	146	-	-	146
Leases	11,251	-	-	11,251
Transfers In	23,013	-	(8,469)	14,544
Transfers Out	(50,668)	(8,469)	8,469	(50,668)
Total Other Financing Sources (Uses)	<u>(16,258)</u>	<u>(8,469)</u>	<u>-</u>	<u>(24,727)</u>
Net Change in Fund Balances	<u>(72,608)</u>	<u>1,625</u>	<u>-</u>	<u>(70,983)</u>
Fund Balances - October 1	155,231	21,228	-	176,459
Fund Balances - September 30	<u>\$ 82,623</u>	<u>\$ 22,853</u>	<u>\$ -</u>	<u>\$ 105,476</u>

See accompanying Independent Auditors' Report

City of Long Beach
General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended September 30, 2025
(In Thousands)

	Final Amended Budget			Actual on Budgetary Basis		Combined Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
	General	Uplands Oil	Combined	General	Uplands Oil		
Revenues:							
Property Taxes	\$ 248,761	\$ -	\$ 248,761	\$ 240,303	\$ -	\$ 240,303	\$ (8,458)
Sales Taxes	155,042	-	155,042	150,803	-	150,803	(4,239)
Utility Users Taxes	52,830	-	52,830	47,554	-	47,554	(5,276)
Other Taxes	48,896	-	48,896	50,532	-	50,532	1,636
Franchise Fees	34,179	-	34,179	25,275	-	25,275	(8,904)
Licenses and Permits	43,207	-	43,207	49,798	-	49,798	6,591
Fines and Forfeitures	17,407	-	17,407	17,541	-	17,541	134
Use of Money and Property	35,523	13,029	48,552	27,252	13,029	40,281	(8,271)
From Other Agencies	10,540	-	10,540	12,999	-	12,999	2,459
Charges for Services	49,828	-	49,828	55,675	-	55,675	5,847
Other	4,576	-	4,576	6,001	-	6,001	1,425
Proceeds from Sale of Capital Asset	-	-	-	146	-	146	146
Leases	-	-	-	11,251	-	11,251	11,251
Transfers In	24,551	-	24,551	14,544	-	14,544	(10,007)
Total Revenues	725,340	13,029	738,369	709,674	13,029	722,703	(15,666)
Expenditures:							
Current:							
Legislative and Legal							
Mayor and City Council	11,648	-	11,648	9,314	-	9,314	2,334
City Attorney	4,708	-	4,708	4,369	-	4,369	339
City Clerk	6,282	-	6,282	5,423	-	5,423	859
General Government							
City Auditor	3,524	-	3,524	3,456	-	3,456	68
City Manager	21,000	-	21,000	14,649	-	14,649	6,351
Civil Service	4,671	-	4,671	4,091	-	4,091	580
Financial Management	14,472	-	14,472	8,766	-	8,766	5,706
Development Services	2,841	-	2,841	2,789	-	2,789	52
Public Safety							
Police	321,980	-	321,980	312,848	-	312,848	9,132
Fire	160,882	-	160,882	159,681	-	159,681	1,201
Disaster Preparedness	16,617	-	16,617	16,253	-	16,253	364
City Prosecutor	9,378	-	9,378	8,359	-	8,359	1,019
Development Services - Code Enforcement	4,836	-	4,836	4,186	-	4,186	650
Public Health	27,482	-	27,482	24,723	-	24,723	2,759
Community and Cultural							
Development Services	9,954	-	9,954	8,704	-	8,704	1,250
Library	26,205	-	26,205	25,960	-	25,960	245
Parks and Recreation	42,958	-	42,958	40,762	-	40,762	2,196
Public Works	77,141	-	77,141	73,433	-	73,433	3,708
Oil Operations	3,772	3,264	7,036	16	2,935	2,951	4,085
Capital Outlay	(71)	-	(71)	12,091	-	12,091	(12,162)
Debt Service	12	-	12	210	-	210	(198)
Transfers Out	43,813	8,140	51,953	42,199	8,469	50,668	1,285
Total Expenditures	814,105	11,404	825,509	782,282	11,404	793,686	31,823
Net Change in Budgetary Fund Balance	\$ (88,765)	\$ 1,625	\$ (87,140)	\$ (72,608)	\$ 1,625	\$ (70,983)	\$ 16,157

Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis

	General	Uplands Oil	Combined
Change in Fund Balance - September 30, Budgetary Basis	\$ (72,608)	\$ 1,625	\$ (70,983)
Add: Encumbrances	-	-	-
Change in Fund Balance - September 30, GAAP Basis	(72,608)	1,625	(70,983)
Fund Balance, October 1, GAAP Basis	155,231	21,228	176,459
Fund Balance, September 30, GAAP Basis	\$ 82,623	\$ 22,853	\$ 105,476

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, 2025
(In Thousands)

	Adopted Budget	Final Amended Budget	Actual on a Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Sales Taxes	\$ 65,807	\$ 65,807	\$ 65,571	\$ (236)
Total Revenues	<u>65,807</u>	<u>65,807</u>	<u>65,571</u>	<u>(236)</u>
Expenditures:				
General Government	2,443	1,873	121	1,752
Public Safety	43,223	44,225	43,840	385
Community and Cultural	-	652	53	599
Transfers Out ^(a)	19,483	19,483	19,427	56
Total Expenditures	<u>65,149</u>	<u>66,233</u>	<u>63,441</u>	<u>2,792</u>
Net Change in Fund Balance (Deficit)	658	(426)	2,130	<u>\$ (3,028)</u>
Fund Balance October 1, GAAP Basis	<u>1,110</u>	<u>1,110</u>	<u>1,110</u>	
Fund Balance September 30, Budgetary Basis	<u>\$ 1,768</u>	<u>\$ 684</u>	<u>\$ 3,240</u>	

Fund Balances as of September 30, 2025

Assigned for Subsequent year Programmed Uses, October 1	\$ 1,110
Less:	
Programmed Releases in Fiscal Year 2025 ^(b)	(1,083)
Add:	
New Programmed Assignments as of September 30 ^(c)	<u>3,213</u>
Amounts Assigned for Subsequent Year Programmed Uses	3,240
Unassigned Fund Balance	<u>0</u>
Total Measure A Fund Balance	<u>\$ 3,240</u>

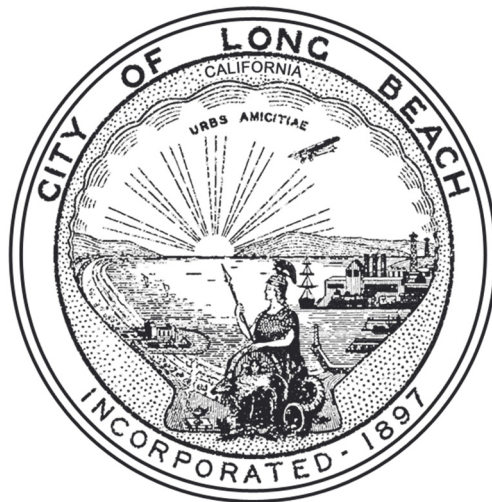
Notes:

- ^(a) Amounts "transferred out" are transferred to the City's Capital Projects fund for use in authorized Measure A projects.
^(b) Amounts released from reserves during the fiscal year to fund Measure A projects as programmed in prior fiscal years.
^(c) Amounts reserved to fund future Measure A projects.

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, 2025
 (In Thousands)

	Budgeted Amounts		Final and Original	Actual on	Actual and Final
	Original	Final	Budget Variance - Positive (Negative)	Budgetary Basis	Budget Variance - Positive (Negative)
Revenues:					
Use of Money and Property	\$ 806	\$ 806	\$ -	\$ 8,601	\$ 7,795
From Other Agencies	66,574	182,973	116,399	110,571	(72,402)
Other	-	807	807	356	(451)
Transfers In	154,175	64,572	(89,603)	30,496	(34,076)
Total Revenues	<u>221,555</u>	<u>249,158</u>	<u>27,603</u>	<u>150,024</u>	<u>(99,134)</u>
Expenditures:					
Public Works	36,425	37,080	(655)	8,502	28,578
Capital Improvements	128,346	348,035	(219,689)	303,629	44,406
Transfers Out	59,331	59,451	(120)	1,228	58,223
Total Expenditures	<u>224,102</u>	<u>444,566</u>	<u>(220,464)</u>	<u>313,359</u>	<u>131,207</u>
Net Change in Budgetary Fund Balance (Deficit)	<u>\$ (2,547)</u>	<u>\$ (195,408)</u>	<u>\$ 248,067</u>	<u>\$ (163,335)</u>	<u>\$ 32,073</u>
Reconciliation of Fund Balances, Budgetary Basis to GAAP Basis					
Change in Fund Balance - September 30, Budgetary Basis				<u>\$ (163,335)</u>	
Add: Encumbrances				<u>133,007</u>	
Change in Fund Balance - September 30, GAAP Basis				<u>(30,328)</u>	
Fund Balance, October 1, GAAP Basis				<u>282,384</u>	
Fund Balance, September 30, GAAP Basis				<u>\$ 252,056</u>	

See accompanying Independent Auditors' Report



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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.

Summary financial information for the consolidated Gas Utility Fund is presented on the following pages (in thousands) as of September 30, 2025:

City of Long Beach
Gas Utility Fund
Combining Statement of Net Position
September 30, 2025
(In Thousands)

	<u>Gas Operating Function</u>	<u>LBBFA Gas Prepay Function</u>	<u>Total Before Elimination</u>	<u>Elimination Debit (Credit)</u>	<u>Total Gas Utility Fund</u>
ASSETS					
Current Assets:					
Pooled Cash and Investments	\$ 34,045	\$ 5	\$ 34,050	\$ -	\$ 34,050
Non-Pooled Cash and Cash Equivalents	1	30	31	-	31
Receivables:					
Accounts Receivable	15,710	2,881	18,591	-	18,591
Due from Other Governments	9	-	9	-	9
Due from Other Funds	7,404	-	7,404	(540)	6,864
Allowance for Receivables	(6,539)	-	(6,539)	-	(6,539)
Inventory	7,499	-	7,499	-	7,499
Prepaid Gas - Current	-	21,327	21,327	-	21,327
Other Assets	318	-	318	-	318
Total Current Assets	<u>58,447</u>	<u>24,243</u>	<u>82,690</u>	<u>(540)</u>	<u>82,150</u>
Noncurrent Assets:					
Restricted Noncurrent Assets:					
Non-Pooled Investments	-	28,038	28,038	-	28,038
Fair Value - Commodity Swap	-	338,653	338,653	-	338,653
Capital Assets:					
Land and Other Assets Not Being Depreciated	28,691	-	28,691	-	28,691
Capital Assets, Net of Accumulated Depreciation/Amortization	186,113	-	186,113	-	186,113
Prepaid Gas - Long-Term	-	221,425	221,425	-	221,425
Total Noncurrent Assets	<u>214,804</u>	<u>588,116</u>	<u>802,920</u>	<u>-</u>	<u>802,920</u>
Total Assets	<u>273,251</u>	<u>612,359</u>	<u>885,610</u>	<u>(540)</u>	<u>885,070</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources	<u>8,559</u>	<u>842</u>	<u>9,401</u>	<u>-</u>	<u>9,401</u>
LIABILITIES					
Current Liabilities Payable from Current Assets:					
Accounts Payable	7,552	-	7,552	-	7,552
Accrued Wages	588	-	588	-	588
Accrued Interest Payable	66	8,256	8,322	-	8,322
Due to Other Funds	3,899	540	4,439	(540)	3,899
Unearned Revenues	2,007	-	2,007	-	2,007
Customers Deposits	2,494	-	2,494	-	2,494
Compensated Absences and Accrued Employee Benefits	2,597	-	2,597	-	2,597
Financed Purchase Obligations - Current	1,274	-	1,274	-	1,274
Bonds Payable Due within One Year	-	19,195	19,195	-	19,195
Total Current Liabilities	<u>20,477</u>	<u>27,991</u>	<u>48,468</u>	<u>(540)</u>	<u>47,928</u>
Noncurrent Liabilities:					
Fair Value - Interest Rate Swap	-	842	842	-	842
Compensated Absences and Accrued Employee Benefits	5,073	-	5,073	-	5,073
Financed Purchase Obligations	5,413	-	5,413	-	5,413
Bonds Payable	-	452,889	452,889	-	452,889
Net OPEB Liability	517	-	517	-	517
Net Pension Liability	36,018	-	36,018	-	36,018
Total Noncurrent Liabilities	<u>47,021</u>	<u>453,731</u>	<u>500,752</u>	<u>-</u>	<u>500,752</u>
Total Liabilities	<u>67,498</u>	<u>481,722</u>	<u>549,220</u>	<u>(540)</u>	<u>548,680</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources	<u>5,552</u>	<u>338,653</u>	<u>344,205</u>	<u>-</u>	<u>344,205</u>
NET POSITION (DEFICIT)					
Net Investment in Capital Assets	203,794	-	203,794	-	203,794
Restricted for:					
Capital Projects	31,072	-	31,072	-	31,072
Unrestricted	(26,106)	(207,174)	(233,280)	-	(233,280)
Total Net Position (Deficit)	<u>\$ 208,760</u>	<u>\$ (207,174)</u>	<u>\$ 1,586</u>	<u>\$ -</u>	<u>\$ 1,586</u>

City of Long Beach
Gas Utility Fund
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2025
(In Thousands)

	<i>Gas Operating Function</i>	<i>LBBFA Gas Prepay Function</i>	<i>Total Before Elimination</i>	<i>Elimination Debit (credit)</i>	<i>Total Gas Utility Fund</i>
Operating Revenues:					
Charges for Services	\$ 139,456	\$ 11,988	\$ 151,444	\$ (11,988)	\$ 139,456
Other	209	1	210	-	210
Total Revenues	<u>139,665</u>	<u>11,989</u>	<u>151,654</u>	<u>(11,988)</u>	<u>139,666</u>
Operating Expenses:					
Personnel Services	31,912	-	31,912	-	31,912
Purchases of Gas	57,009	(11,368)	45,641	(11,988)	33,653
Maintenance and Other Operations	22,799	5	22,804	-	22,804
Depreciation/Amortization	8,741	-	8,741	-	8,741
Total Operating Expenses	<u>120,461</u>	<u>(11,363)</u>	<u>109,098</u>	<u>(11,988)</u>	<u>97,110</u>
Operating Income	<u>19,204</u>	<u>23,352</u>	<u>42,556</u>	<u>-</u>	<u>42,556</u>
Non-Operating Income (Expense):					
Interest Income	1,688	893	2,581	-	2,581
Interest Expense	630	(24,616)	(23,986)	-	(23,986)
Unrealized Investment Loss	121	-	121	-	121
Loss on Disposition of Capital Assets	(451)	-	(451)	-	(451)
Total Non-Operating Income (Expense)	<u>1,988</u>	<u>(23,723)</u>	<u>(21,735)</u>	<u>-</u>	<u>(21,735)</u>
Income (Loss) before Contributions and Transfers	21,192	(371)	20,821	-	20,821
Transfers:					
Transfers Out	(18,839)	-	(18,839)	-	(18,839)
Change in Net Position	2,353	(371)	1,982	-	1,982
Net Position (Deficit), October 1	<u>206,407</u>	<u>(206,803)</u>	<u>(396)</u>	<u>-</u>	<u>(396)</u>
Net Position (Deficit), September 30	<u><u>\$ 208,760</u></u>	<u><u>\$ (207,174)</u></u>	<u><u>\$ 1,586</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,586</u></u>

City of Long Beach
Gas Utility Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2025
(In Thousands)

<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<i>Gas Operating Function</i>	<i>LBBFA Gas Prepay Function</i>	<i>Eliminations Increase (decrease)</i>	<i>Total Gas Utility Fund</i>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 128,728	\$ 12,454	\$ -	\$ 141,182
Receipts from Other Funds	471	-	-	471
Payments for Employee Salaries	(29,602)	-	-	(29,602)
Payments for Goods and Services	(36,199)	(765)	-	(36,964)
Payments to Other Funds	-	-	-	-
Other Receipts	-	36,248	(36,248)	-
Other Payments	(36,248)	-	36,248	-
Net Cash Provided by Operating Activities	<u>27,150</u>	<u>47,937</u>	<u>-</u>	<u>75,087</u>
Cash Flows from Non-Capital Financing Activities:				
Payments of Principal on Bonds Payable	(743)	(24,537)	-	(25,280)
Payments of Interest	(34)	(25,090)	-	(25,124)
Transfers Out	(18,839)	-	-	(18,839)
Net Cash Used for Non-Capital Financing Activities	<u>(19,616)</u>	<u>(49,627)</u>	<u>-</u>	<u>(69,243)</u>
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(20,295)	-	-	(20,295)
Payments of Principal on Other Long-Term Obligations	(1,244)	-	-	(1,244)
Net Cash Used for Capital and Related Financing Activities	<u>(21,539)</u>	<u>-</u>	<u>-</u>	<u>(21,539)</u>
Cash Flows from Investing Activities:				
Receipts of Interest	1,689	893	-	2,582
Payments for Investments	6,341	-	-	6,341
Changes in Investments	121	-	-	121
Net Cash Provided by (Used for) Investing Activities	<u>8,151</u>	<u>893</u>	<u>-</u>	<u>9,044</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,854)	(797)	-	(6,651)
Cash and Cash Equivalents - October 1	39,900	832	-	40,732
Cash and Cash Equivalents - September 30	<u>\$ 34,046</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ 34,081</u>
 <u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>				
Operating Income	\$ 19,204	\$ 23,352	\$ -	\$ 42,556
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization Expense	8,741	-	-	8,741
(Increase) Decrease in Accounts Receivable, Net	(157)	465	(465)	(157)
(Increase) in Amounts Due from Other Governments	(9)	-	-	(9)
Decrease in Amounts Due from Other Funds	1,041	-	-	1,041
(Increase) in Inventory	(1,180)	-	-	(1,180)
(Increase) Decrease in Other Operating Assets/Gas Prepay	(16,503)	36,248	-	19,745
(Increase) Decrease in Other Non-Operating Assets	11,368	(11,368)	-	-
Increase in Accounts Payable	462	-	465	927
Increase in Accrued Wages Payable	551	-	-	551
Increase (Decrease) in Amounts Due to Other Funds	1,231	(760)	-	471
Increase in Unearned Revenues	282	-	-	282
Increase in Collections Held in Trust	360	-	-	360
(Decrease) in OPEB Liability and Related Deferred Outflows/Inflows of Resources	(115)	-	-	(115)
Increase in Net Pension Liability and Related Deferred Outflows/Inflows of Resources	1,874	-	-	1,874
Total Adjustments	<u>7,946</u>	<u>24,585</u>	<u>-</u>	<u>32,531</u>
Net Cash Provided by Operating Activities	<u>\$ 27,150</u>	<u>\$ 47,937</u>	<u>\$ -</u>	<u>\$ 75,087</u>
 <u>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</u>				
Accrued Capital Related Liabilities	\$ 4,322	\$ -	\$ -	\$ 4,322
Amortization of Bond Premium (Discount), Net	651	-	-	651
Net Book Value of Retired Assets	(451)	-	-	(451)

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 Operating Fund.

Summary financial information for the consolidated Tidelands Enterprise Fund is presented on the following pages (in thousands) as of September 30, 2025:

City of Long Beach
Tidelands Operating Fund
Combining Statement of Net Position
September 30, 2025
(In Thousands)

	Tidelands Operating	Tidelands Parking	Marina	Queen Mary	Aquarium of the Pacific	Total Before Elimination	Adjustments and Eliminations	Consolidated Tidelands Operating Total
ASSETS								
Current Assets:								
Pooled Cash and Investments	\$ 77,535	\$ 15,065	\$ 48,650	\$ 2,039	\$ -	\$ 143,289	\$ -	\$ 143,289
Non-Pooled Cash and Cash Equivalents	2,049	-	1	800	-	2,850	-	2,850
Receivables:								
Interest Receivable	779	-	11	-	-	790	-	790
Accounts Receivable	6,066	173	934	1,056	-	8,229	-	8,229
Due from Other Governments	313	-	50	-	-	363	-	363
Due from Other Funds	38,125	6	174	524	-	38,829	(7)	38,822
Lease Receivable - Current	1,692	-	732	-	-	2,424	-	2,424
Allowance for Receivables	(550)	(3)	-	(761)	-	(1,314)	-	(1,314)
Other Assets	1	-	3	-	-	4	-	4
Total Current Assets	126,010	15,241	50,555	3,658	-	195,464	(7)	195,457
Noncurrent Assets:								
Non-Pooled Investments	-	-	3,652	-	-	3,652	-	3,652
Noncurrent Receivables:								
Lease Receivable	120,916	-	1,999	-	-	122,915	-	122,915
Capital Assets:								
Land and Other Capital Assets Not Being Depreciated	149,778	-	3,042	3,442	9,900	166,162	-	166,162
Capital Assets, Net of Accumulated Depreciation/Amortization	111,378	3,884	84,725	2,952	3,284	206,223	-	206,223
Total Noncurrent Assets	382,072	3,884	93,418	6,394	13,184	498,952	-	498,952
Total Assets	508,082	19,125	143,973	10,052	13,184	694,416	(7)	694,409
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflows of Resources	9,389	-	3,110	826	-	13,325	-	13,325
Total Assets and Deferred Outflows	517,471	19,125	147,083	10,878	13,184	707,741	(7)	707,734
LIABILITIES								
Current Liabilities Payable from Current Assets:								
Accounts Payable	8,366	575	736	1,366	-	11,043	-	11,043
Accrued Wages	405	8	224	21	-	658	-	658
Accrued Interest Payable	495	-	1,623	680	-	2,798	-	2,798
Due to Other Funds	1,096	11	190	(326)	-	971	(7)	964
Unearned Revenues	352	-	1,891	-	-	2,243	-	2,243
Collections Held in Trust	152	-	-	-	-	152	-	152
Customers Deposits	-	-	1,507	25	-	1,532	-	1,532
Compensated Absences and Accrued Employee Benefits	2,968	-	889	62	-	3,919	-	3,919
Financed Purchase Obligations - Current	253	-	-	-	-	253	-	253
Bonds Payable Due Within One Year	5,275	-	2,485	735	-	8,495	-	8,495
Total Current Liabilities	19,362	594	9,545	2,563	-	32,064	(7)	32,057
Noncurrent Liabilities:								
Advances from Other Funds	-	-	-	12,000	-	12,000	-	12,000
Unearned Revenues	4,057	-	123	-	-	4,180	-	4,180
Compensated Absences and Accrued Employee Benefits	7,588	-	703	78	-	8,369	-	8,369
Financed Purchase Obligations	1,568	-	-	-	-	1,568	-	1,568
Bonds Payable	21,566	-	91,627	1,545	-	114,738	-	114,738
Total OPEB Liability	744	-	91	-	-	835	-	835
Net Pension Liability	33,758	-	14,775	1,000	-	49,533	-	49,533
Total Noncurrent Liabilities	69,281	-	107,319	14,623	-	191,223	-	191,223
Total Liabilities	88,643	594	116,864	17,186	-	223,287	(7)	223,280
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows of Resources	126,117	-	8,996	95	-	135,208	-	135,208
Total Liabilities and Deferred Inflows	214,760	594	125,860	17,281	-	358,495	(7)	358,488
NET POSITION								
Net Investment in Capital Assets	229,726	3,884	(7,480)	4,114	13,184	243,428	-	243,428
Restricted for:								
Debt Service	26	-	4,788	-	-	4,814	-	4,814
Capital Projects	-	763	-	-	-	763	-	763
Unrestricted	72,959	13,884	23,915	(10,517)	-	100,241	-	100,241
Total Net Position	\$ 302,711	\$ 18,531	\$ 21,223	\$ (6,403)	\$ 13,184	\$ 349,246	\$ -	\$ 349,246

City of Long Beach
Tidelands Operating Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended September 30, 2025
(In Thousands)

	Tidelands Operating	Tidelands Parking	Marina	Queen Mary	Aquarium of the Pacific	Total Before Elimination	Adjustments and Eliminations	Consolidated Tidelands Operating Total
Operating Revenues:								
Licenses and Permits	\$ 170	\$ 296	\$ -	\$ 1,692	\$ -	\$ 2,158	\$ -	\$ 2,158
Fines and Forfeitures	511	-	-	-	-	511	-	511
Fees, Concessions, and Rentals	10,991	9,795	30,519	5,660	-	56,965	-	56,965
From Other Agencies	42	-	14	-	-	56	-	56
Charges for Services	31,782	316	346	-	-	32,444	-	32,444
Other	6,611	3	31	-	-	6,645	-	6,645
Total Operating Revenues	50,107	10,410	30,910	7,352	-	98,779	-	98,779
Operating Expenses:								
Personnel Services	28,010	425	11,843	1,445	-	41,723	-	41,723
Maintenance and Other Operations	52,238	8,240	10,829	8,874	-	80,181	-	80,181
Depreciation/Amortization	9,135	1,222	4,016	826	3,222	18,421	-	18,421
Total Operating Expenses	89,383	9,887	26,688	11,145	3,222	140,325	-	140,325
Operating Income (Loss)	(39,276)	523	4,222	(3,793)	(3,222)	(41,546)	-	(41,546)
Noncapital Subsidies:								
Operating Grants	285	-	37	-	-	322	-	322
Transfers In	47,351	-	-	8,841	-	56,192	(8,841)	47,351
Transfers Out	(1,570)	-	-	(7,271)	-	(8,841)	8,841	-
Total Noncapital Subsidies	46,066	-	37	1,570	-	47,673	-	47,673
Operating Income (Loss) and Noncapital Subsidies	6,790	523	4,259	(2,223)	(3,222)	6,127	-	6,127
Other Non-Operating Revenue (Expense):								
Interest Income	6,447	551	2,095	-	-	9,093	-	9,093
Interest Expense	(716)	-	(4,496)	(484)	-	(5,696)	-	(5,696)
Unrealized Investment Gain (Loss)	701	-	199	-	-	900	-	900
Gain (Loss) on Disposition of Capital Assets	-	(10)	10	-	-	-	-	-
Total Other Non-Operating Revenue (Expense)	6,432	541	(2,192)	(484)	-	4,297	-	4,297
Change in Net Position	13,222	1,064	2,067	(2,707)	(3,222)	10,424	-	10,424
Net Position, October 1	289,489	17,467	19,156	(3,696)	16,406	338,822	-	338,822
Net Position, September 30	\$ 302,711	\$ 18,531	\$ 21,223	\$ (6,403)	\$ 13,184	\$ 349,246	\$ -	\$ 349,246

See accompanying Independent Auditors' Report

City of Long Beach
Fleet Services Fund
Combining Statement of Net Position (Deficit)
September 30, 2025
(In Thousands)

	Fleet Operating	Fleet Vehicle Acquisitions	Fleet Debt Service	Fleet Other	Adjustments and Eliminations	Total Fleet Service Fund
ASSETS						
Current Assets:						
Pooled Cash and Investments	\$ 5,632	\$ 59,983	\$ -	\$ 7,051	\$ -	\$ 72,666
Non-Pooled Cash and Cash Equivalents	-	4,772	-	-	-	4,772
Accounts Receivable	52	-	-	61	-	113
Due from Other Governments	-	30	-	25	-	55
Due from Other Funds	106	2,033	-	-	(1,855)	284
Allowance for Receivables	(16)	-	-	-	-	(16)
Inventory	3,119	-	-	-	-	3,119
Total Current Assets	<u>8,893</u>	<u>66,818</u>	<u>-</u>	<u>7,137</u>	<u>(1,855)</u>	<u>80,993</u>
Noncurrent Assets:						
Noncurrent Receivables:						
Advances to Other Funds	-	19,406	-	-	-	19,406
Capital Assets:						
Capital Assets, Net of Accumulated Depreciation/Amortization	105,708	-	-	-	-	105,708
Total Noncurrent Assets	<u>105,708</u>	<u>19,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,114</u>
Total Assets	<u>114,601</u>	<u>86,224</u>	<u>-</u>	<u>7,137</u>	<u>(1,855)</u>	<u>206,107</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources	<u>2,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,787</u>
LIABILITIES						
Current Liabilities Payable from Current Assets:						
Accounts Payable	1,395	3,339	-	113	-	4,847
Accrued Wages and Benefits	194	44	-	-	-	238
Accrued Interest Payable	-	53	73	-	-	126
Due to Other Funds	4,655	(1,799)	1,855	-	(1,855)	2,856
Compensated Absences and Accrued Employee Benefits	1,109	-	-	-	-	1,109
Environmental Remediation - Current	24	-	-	-	-	24
Financed Purchase Obligations - Current	-	4,281	-	-	-	4,281
Bonds Payable Due Within One Year	-	-	1,883	-	-	1,883
Total Current Liabilities	<u>7,377</u>	<u>5,918</u>	<u>3,811</u>	<u>113</u>	<u>(1,855)</u>	<u>15,364</u>
Noncurrent Liabilities:						
Environmental Remediation	376	-	-	-	-	376
Financed Purchase Obligations	-	17,319	-	-	-	17,319
Bonds Payable	-	-	7,469	-	-	7,469
Compensated Absences and Accrued Employee Benefits	2,347	-	-	-	-	2,347
OPEB Liability	236	-	-	-	-	236
Net Pension Liability	12,850	-	-	-	-	12,850
Total Noncurrent Liabilities	<u>15,809</u>	<u>17,319</u>	<u>7,469</u>	<u>-</u>	<u>-</u>	<u>40,597</u>
Total Liabilities	<u>23,186</u>	<u>23,237</u>	<u>11,280</u>	<u>113</u>	<u>(1,855)</u>	<u>55,961</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources	<u>2,569</u>	<u>-</u>	<u>261</u>	<u>-</u>	<u>-</u>	<u>2,830</u>
NET POSITION (DEFICIT)						
Net Investment in Capital Assets	105,708	(10,809)	(9,352)	-	-	85,547
Unrestricted	(14,075)	73,796	(2,189)	7,024	-	64,556
Total Net Position (Deficit)	<u>\$ 91,633</u>	<u>\$ 62,987</u>	<u>\$ (11,541)</u>	<u>\$ 7,024</u>	<u>\$ -</u>	<u>\$ 150,103</u>

See accompanying Independent Auditors' Report

City of Long Beach

Fleet Services Funds

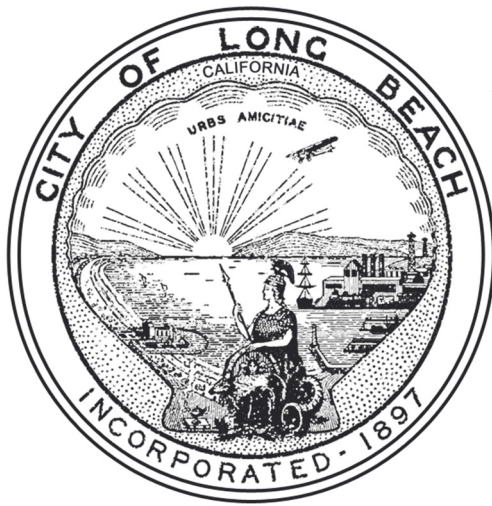
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)

For the Fiscal Year Ended September 30, 2025

(In Thousands)

	Fleet Operating	Fleet Vehicle Acquisitions	Fleet Debt Service	Fleet Other	Adjustments and Eliminations	Total Fleet Service Fund
Operating Revenues:						
Billing to Other Departments	\$ 32,849	\$ 39,955	\$ -	\$ 640	\$ -	\$ 73,444
Other	1,762	11	-	151	-	1,924
Total Operating Revenues	<u>34,611</u>	<u>39,966</u>	<u>-</u>	<u>791</u>	<u>-</u>	<u>75,368</u>
Operating Expenses:						
Personnel Services	11,082	2,180	-	-	-	13,262
Maintenance and Other Operations	(22,111)	48,043	-	389	-	26,321
Depreciation/Amortization	16,524	-	-	-	-	16,524
Total Operating Expenses	<u>5,495</u>	<u>50,223</u>	<u>-</u>	<u>389</u>	<u>-</u>	<u>56,107</u>
Operating Income (Loss)	<u>29,116</u>	<u>(10,257)</u>	<u>-</u>	<u>402</u>	<u>-</u>	<u>19,261</u>
Noncapital Subsidies:						
Operating Grants	-	30	-	-	-	30
Transfers In	277	131	3,949	-	(3,949)	408
Transfers Out	(3,966)	(459)	-	-	3,949	(476)
Total Noncapital Subsidies	<u>(3,689)</u>	<u>(298)</u>	<u>3,949</u>	<u>-</u>	<u>-</u>	<u>(38)</u>
Operating Income (Loss) and Noncapital Subsidies	<u>25,427</u>	<u>(10,555)</u>	<u>3,949</u>	<u>402</u>	<u>-</u>	<u>19,223</u>
Other Non-Operating Revenue (Expenses):						
Interest Income	2,620	142	-	-	-	2,762
Interest Expense	(252)	(583)	(20)	-	-	(855)
Unrealized Investment Loss	300	-	-	-	-	300
Gain (Loss) on Disposition of Capital Assets	(7)	1,182	-	-	-	1,175
Total Non-Operating Income (Expenses)	<u>2,661</u>	<u>741</u>	<u>(20)</u>	<u>-</u>	<u>-</u>	<u>3,382</u>
Change in Net Position	28,088	(9,814)	3,929	402	-	22,605
Net Position (Deficit) - October 1	63,545	72,801	(15,470)	6,622	-	127,498
Net Position (Deficit) - September 30	<u>\$ 91,633</u>	<u>\$ 62,987</u>	<u>\$ (11,541)</u>	<u>\$ 7,024</u>	<u>\$ -</u>	<u>\$ 150,103</u>

See accompanying Independent Auditors' Report



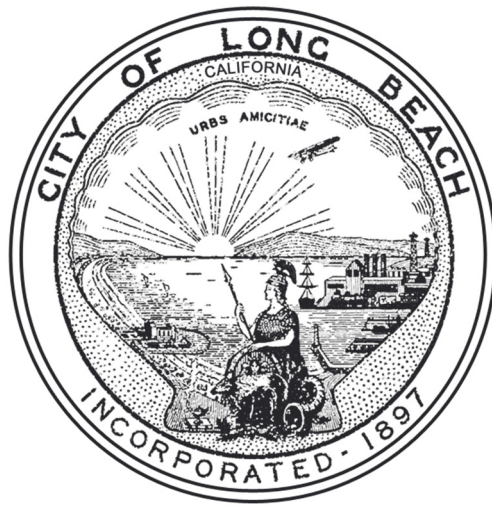
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STATISTICAL SECTION

The Statistical Section is included to provide financial statement users with additional historical perspective, context, and detail for use in evaluating the information contained with the financial statements, notes to the financial statements, and required supplementary information with the goal of providing the user a better understanding of the City's economic condition.

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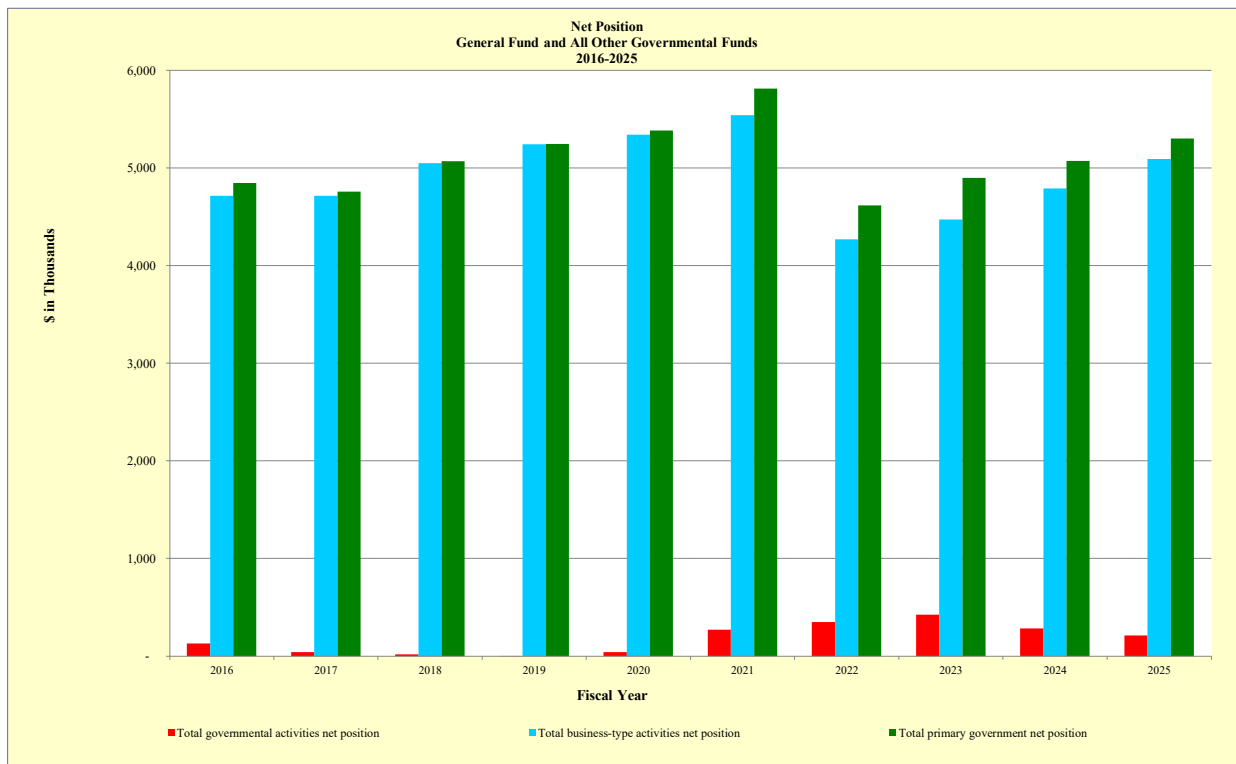
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant fiscal year.



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City of Long Beach
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net Investment in Capital Assets	\$ 346,224	\$ 361,370	\$ 377,098	\$ 418,191	\$ 432,090	\$ 452,155	\$ 456,247	\$ 509,197	\$ 528,858	\$ 561,064
Restricted	393,588	397,204	403,557	428,903	442,908	475,699	517,994	602,376	618,584	617,992
Unrestricted	(610,409)	(716,979)	(761,817)	(844,483)	(833,911)	(655,868)	(624,992)	(686,121)	(863,560)	(966,954)
Total governmental activities net position	129,403	41,595	18,838	2,611	41,087	271,986	349,249	425,452	283,882	212,102
Business-type activities:										
Net Investment in Capital Assets	4,229,484	4,229,484	4,477,724	4,604,194	4,707,630	4,727,066	3,548,274	3,630,537	3,804,254	4,025,785
Restricted	323,827	323,827	298,613	297,552	312,076	326,665	361,377	349,335	374,524	332,687
Unrestricted	160,569	160,569	272,494	338,972	320,382	487,398	357,369	491,122	609,443	731,129
Total business-type activities net position	4,713,880	4,713,880	5,048,831	5,240,718	5,340,088	5,541,129	4,267,020	4,470,994	4,788,221	5,089,601
Primary government:										
Net Investment in Capital Assets	4,575,708	4,590,854	4,854,822	5,022,385	5,139,720	5,179,221	4,004,521	4,139,734	4,333,112	4,586,849
Restricted	717,415	721,031	702,170	726,455	754,984	802,364	879,371	951,711	993,108	950,679
Unrestricted	(449,840)	(556,410)	(489,323)	(505,511)	(513,529)	(168,470)	(267,623)	(194,999)	(254,117)	(235,825)
Total primary government net position	\$ 4,843,283	\$ 4,755,475	\$ 5,067,669	\$ 5,243,329	\$ 5,381,175	\$ 5,813,115	\$ 4,616,269	\$ 4,896,446	\$ 5,072,103	\$ 5,301,703



See accompanying Independent Auditors' Report

City of Long Beach
Change in Net Position¹
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Legislative and Legal	\$ 11,814	\$ 13,343	\$ 13,025	\$ 15,245	\$ 13,155	\$ 13,058	\$ 16,722	\$ 16,764	\$ 22,981	\$ 20,081
General Government	23,869	29,718	29,189	43,637	40,408	36,564	41,335	60,982	40,420	57,467
Public Safety	344,358	402,361	409,632	430,512	389,489	311,933	407,420	478,186	555,319	537,406
Public Health	46,150	49,688	53,045	57,729	71,880	60,016	101,438	90,921	142,343	140,532
Community and Cultural	155,792	173,637	167,624	183,825	190,370	217,381	259,577	201,820	295,370	273,036
Public Works	103,772	123,268	139,209	171,927	136,067	163,203	170,385	227,659	252,601	224,600
Oil Operations	6,466	9,694	3,755	3,777	1,775	3,679	6,830	3,673	2,704	2,971
Interest on Long-Term Debt	19,104	19,120	17,916	17,473	19,055	19,781	18,253	16,115	18,136	17,109
Total Governmental Activities Expenses	711,325	820,829	833,395	924,125	862,199	825,615	1,021,960	1,096,120	1,329,874	1,273,202
Business-type Activities:										
Gas Utility	66,896	80,680	83,276	110,991	94,835	83,900	128,684	165,351	115,677	121,540
Water Utility	93,959	96,082	98,204	95,970	111,219	93,075	136,550	120,124	121,176	123,698
Tidelands Operating	107,313	126,123	130,796	124,283	143,249	110,419	146,178	143,954	131,159	146,165
Tidelands Oil Revenue	70,949	93,200	101,495	101,872	30,436	84,298	164,564	120,329	89,753	60,657
Harbor	307,546	298,756	298,441	309,722	327,081	336,106	1,871,078	403,723	396,342	409,668
Sewer	16,151	16,766	14,931	15,375	18,819	14,973	16,871	17,505	19,039	20,262
Airport	47,686	51,917	53,758	55,739	58,627	51,655	67,459	65,966	69,687	76,461
Community Development	20,281	25,907	25,912	27,223	28,928	22,505	28,481	33,371	39,289	43,515
Solid Waste Management	72,745	76,332	71,388	88,967	90,197	76,048	85,257	74,340	90,549	87,359
Towing	5,815	5,524	5,283	6,402	5,421	4,557	7,264	7,019	7,523	7,267
Subsidence	-	-	-	-	-	287	8,042	(1,469)	(6,204)	(859)
Total Business-Type Activities Expenses	809,341	871,287	883,484	936,544	908,812	877,823	2,660,428	1,150,213	1,073,990	1,095,733
Total Primary Government Expenses	1,520,666	1,692,116	1,716,879	1,860,669	1,771,011	1,703,438	3,682,388	2,246,333	2,403,864	2,368,935
Program Revenues:										
Governmental Activities:										
Charges for services:										
Legislative and Legal	1,804	52	481	34	558	18	186	48	35	23
General Government	17,955	17,981	17,727	16,473	16,182	15,729	16,244	16,025	22,635	20,087
Public Safety	38,050	34,995	43,536	50,961	50,198	49,116	53,776	64,199	70,163	67,024
Public Health	7,284	8,052	8,550	10,232	9,826	7,471	10,289	10,801	12,753	9,270
Community and Cultural	37,057	46,584	36,606	48,104	45,185	50,403	36,154	71,000	73,951	55,039
Public Works	32,854	35,004	37,890	48,954	42,018	40,655	56,023	46,838	45,291	48,554
Oil Operations	10,900	12,176	16,060	14,926	9,743	11,190	16,195	15,591	13,486	13,029
Operating Grants and Contributions	170,614	176,643	187,038	167,793	200,489	352,336	302,613	292,313	264,362	297,215
Capital Grants and Contributions	2,085	12,286	10,739	67,976	65,232	76,033	86,781	110,649	108,264	109,721
Total Governmental Activities Program Revenues	\$ 318,603	\$ 343,773	\$ 358,627	\$ 425,453	\$ 439,431	\$ 602,951	\$ 578,261	\$ 627,464	\$ 610,940	\$ 619,962

(continued)

City of Long Beach
Change in Net Position¹
Last Ten Fiscal Years
(Accrual basis of accounting)
(In Thousands)

(continued)

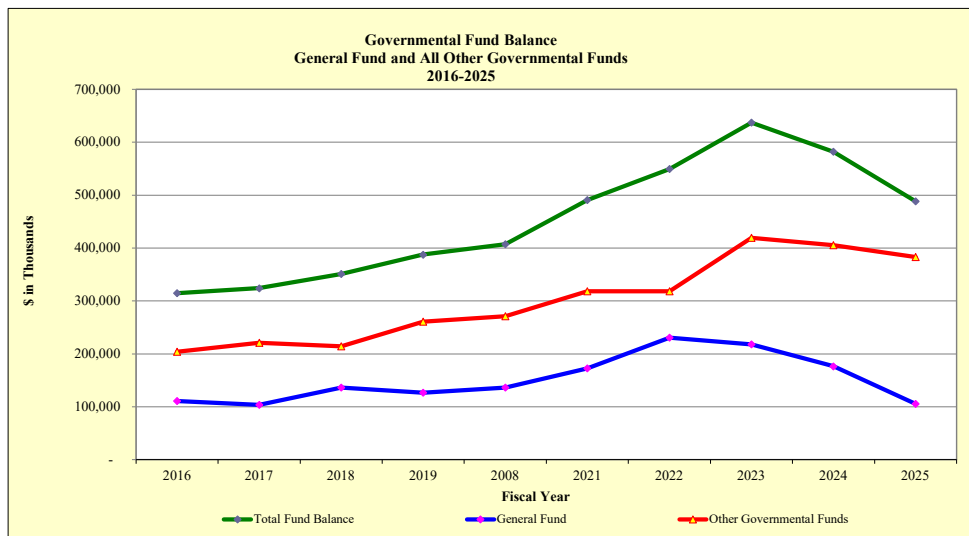
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-Type activities:										
Charges for Services:										
Gas Utility	\$ 79,826	\$ 97,033	\$ 92,109	\$ 120,562	\$ 103,869	\$ 112,277	\$ 144,115	\$ 174,612	\$ 137,361	\$ 139,666
Water Utility	98,677	100,761	104,701	102,474	116,071	122,089	123,932	111,499	127,595	141,645
Tidelands Operating	67,205	76,352	77,734	80,594	72,467	99,458	84,845	103,212	96,494	98,779
Tidelands Oil Revenue	53,630	81,989	124,721	117,528	59,385	99,144	190,336	120,164	125,103	83,715
Harbor	363,343	388,834	406,420	415,321	399,841	440,340	513,989	563,199	617,870	576,996
Sewer	18,355	19,964	19,578	19,750	19,200	19,613	21,694	20,296	21,410	23,482
Airport	39,723	49,607	50,464	46,997	31,034	30,899	51,026	55,366	63,746	63,141
Development Services	23,015	31,039	29,471	30,803	24,293	18,670	34,161	33,712	40,964	30,346
Solid Waste Management	75,637	82,848	75,450	79,627	86,034	82,722	84,838	81,373	76,448	83,536
Towing	5,568	5,310	5,139	5,885	4,583	6,140	7,217	6,532	6,633	5,781
Subsidence	-	-	-	499	499	500	614	-	-	-
Operating Grants and Contributions	758	976	2,768	932	3,394	160	219	535	9,655	58,966
Capital Grants and Contributions	150,510	83,681	99,586	96,660	80,020	40,099	131,479	118,726	32,965	47,939
Total Business-Type Activities										
Program Revenues	976,247	1,018,394	1,088,141	1,117,632	1,000,690	1,072,111	1,388,465	1,389,226	1,356,244	1,353,992
Total Primary Government										
Program Revenues	1,294,850	1,362,167	1,446,768	1,543,085	1,440,121	1,675,062	1,966,726	2,016,690	1,967,184	1,973,954
Net Revenues (expenses):										
Governmental Activities	(417,633)	(502,968)	(495,076)	(516,798)	(439,249)	(246,398)	(464,512)	(497,157)	(718,934)	(653,240)
Business-Type Activities	166,906	147,107	204,657	181,088	91,878	194,288	(1,271,963)	188,317	282,254	258,259
Total Net Expenses	(250,727)	(355,861)	(290,419)	(335,710)	(347,371)	(52,110)	(1,736,475)	(308,840)	(436,680)	(394,981)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	200,766	191,514	199,576	211,007	220,665	225,820	234,386	242,374	261,259	257,350
Sales	67,658	99,528	133,523	138,598	129,095	150,887	174,257	156,500	150,995	153,817
Utility Users	37,079	35,858	36,639	34,898	33,767	38,546	40,349	48,660	47,319	47,554
Other	47,746	46,837	51,558	51,066	39,449	40,098	56,868	56,535	66,354	65,938
Unrestricted Investment Earnings	13,182	3,581	4,761	14,172	11,426	3,496	1,495	20,618	33,685	29,227
Transfers	16,855	11,930	25,954	32,704	26,881	(5,284)	13,607	20,172	17,752	27,574
Total Governmental Activities	383,286	389,248	452,011	482,445	461,244	453,563	520,962	544,859	577,364	581,460
Business-type Activities:										
Unrestricted Investment Earnings	10,802	7,714	13,357	43,503	34,336	1,469	11,461	35,829	54,997	71,185
Unusual or Infrequent Item - Transfer to CalTrans	-	-	-	-	-	-	-	(50,696)	(2,272)	(488)
Transfers	(16,855)	(11,930)	(25,954)	(32,704)	(26,881)	5,284	(13,607)	(20,172)	(17,752)	(27,574)
Total Business-type Activities	(6,053)	(4,216)	(12,597)	10,799	7,492	6,753	(2,146)	(35,039)	34,973	43,121
Total Primary Government	377,233	385,032	439,414	493,244	468,736	460,316	518,816	509,820	612,337	624,581
Change in Net Position										
Government activities	(9,436)	(87,808)	(22,757)	(16,227)	38,476	230,899	77,263	76,203	(141,570)	(71,780)
Business-type Activities	160,853	142,891	192,060	191,887	99,370	201,041	(1,274,109)	203,974	317,227	301,380
Total Primary Government	\$ 151,417	\$ 55,083	\$ 169,303	\$ 175,660	\$ 137,846	\$ 431,940	\$ (1,196,846)	\$ 280,177	\$ 175,657	\$ 229,600

Note:

¹ Reclassified prior year numbers due to implementation of GASB 103 in FY 2024.

City of Long Beach
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(In Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Nonspendable	\$ 102	\$ 500	\$ 1,375	\$ 1,424	\$ 1,503	\$ 2,127	\$ 1,632	\$ 1,278	\$ 1,333	\$ 2,543
Restricted	4,498	4,469	4,807	5,009	5,864	2,836	2,921	3,179	3,420	6,005
Committed	63,568	64,539	67,640	69,440	50,708	76,543	77,711	79,572	83,557	69,654
Assigned	38,482	31,947	59,463	50,495	75,789	107,658	148,586	133,702	88,149	27,274
Unassigned	3,934	1,926	3,072	138	2,066	(16,483)	-	-	-	-
Total General Fund	110,584	103,381	136,357	126,506	135,930	172,681	230,850	217,731	176,459	105,476
Other Governmental Funds:										
Nonspendable	2,577	2,613	1,324	2,406	2,377	2,416	2,587	3,341	8,625	10,061
Restricted	173,562	180,084	174,541	199,781	201,777	219,947	251,580	317,428	316,699	302,850
Committed	1,422	1,414	1,414	1,414	1,414	1,414	1,200	1,200	1,200	1,200
Assigned	26,710	36,582	37,067	57,443	65,823	94,482	88,422	115,303	100,792	73,462
Unassigned	-	-	-	-	-	-	(25,276)	(17,846)	(21,768)	(4,581)
Total Other Governmental Funds	204,271	220,693	214,346	261,044	271,391	318,259	318,513	419,426	405,548	382,992
Total All Governmental Funds	\$ 314,855	\$ 324,074	\$ 350,703	\$ 387,550	\$ 407,321	\$ 490,940	\$ 549,363	\$ 637,157	\$ 582,007	\$ 488,468



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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Taxes:										
Property	\$ 201,207	\$ 191,808	\$ 199,336	\$ 210,656	\$ 220,665	\$ 226,143	\$ 234,391	\$ 242,156	\$ 261,174	\$ 257,087
Sales	67,658	99,528	133,523	138,598	129,095	150,887	174,257	156,500	150,995	153,817
Utility Users	37,079	35,858	36,639	34,898	33,767	38,546	40,349	48,660	47,319	47,554
Other Taxes	47,746	46,837	51,558	51,066	39,449	40,098	56,868	56,535	66,354	65,938
Franchise Fees	24,911	25,912	20,308	18,126	16,481	23,734	20,813	28,501	29,620	25,275
Licenses and Permits	25,456	24,926	26,076	42,728	48,803	47,010	53,489	59,439	68,773	65,404
Fines and Forfeitures	16,292	16,184	15,946	17,674	16,354	14,395	17,670	17,006	15,912	17,541
Use of Money and Property	40,991	33,815	39,419	48,033	39,543	33,846	27,601	64,921	79,639	57,380
From Other Agencies	170,780	187,872	197,570	235,841	290,748	42,857	389,394	402,948	372,626	406,936
Charges for Services	29,482	33,533	41,034	46,987	44,621	41,676	48,011	54,668	55,799	57,693
Other Contributions	249	194	137	-	-	-	-	-	-	-
Other	13,167	19,907	17,599	19,944	10,236	11,444	17,471	15,343	10,280	9,604
Total Revenues	675,018	716,374	779,145	864,551	889,762	670,636	1,080,314	1,146,677	1,158,491	1,164,229
Expenditures:										
Legislative and Legal	11,420	11,522	13,378	13,458	13,108	16,537	17,128	14,452	19,938	19,106
General Government	21,793	23,285	25,426	39,002	40,577	41,833	40,812	30,283	29,242	37,089
Public Safety	307,065	353,456	360,879	383,222	369,052	423,769	407,198	412,083	483,714	521,403
Public Health	42,819	44,530	47,658	52,487	69,773	84,751	101,002	111,162	138,052	132,359
Community and Cultural	152,005	160,985	173,542	180,390	188,806	222,778	261,439	229,873	257,765	278,408
Public Works	74,580	73,103	82,450	71,989	61,459	67,115	74,608	70,101	84,407	82,677
Oil Operations	2,352	2,563	2,945	2,774	2,572	2,446	2,979	3,458	3,059	2,951
Total Current Expenditures	612,034	669,444	706,278	743,322	745,347	859,229	905,166	871,412	1,016,177	1,073,993
Capital Improvements	38,629	45,693	47,935	90,370	73,355	102,712	102,680	197,797	179,315	184,714
Debt Service:										
Principal	18,717	20,564	28,439	23,356	20,072	22,159	23,503	25,977	24,858	15,464
Interest	16,763	16,156	15,361	14,155	13,679	11,970	10,153	9,597	13,214	10,866
Debt Administration Fees	434	90	29	27	24	26	506	710	38	51
Total Expenditures	686,577	751,947	798,042	871,230	852,477	996,096	1,042,008	1,105,493	1,233,602	1,285,088
(Deficiency) of Revenues over (under) Expenditures	(11,559)	(35,573)	(18,897)	(6,679)	37,285	50,140	38,306	41,184	(75,111)	(120,859)
Other Financing Sources (Uses):										
Proceeds from Sale of Capital Asset	-	-	-	-	11,062	1,539	1,180	-	2,209	146
Leases	-	-	-	-	-	-	-	-	-	11,251
Issuance of Refunding Debt	13,150	-	2,306	26,458	-	19,765	25,411	82,026	-	-
Premium (Discount) on Debt Issuance	1,045	-	-	-	-	4,170	2,123	6,415	-	-
Payment to Refunded Bonds										
Escrow Agent	-	-	-	(15,020)	-	(26,300)	(25,057)	-	-	-
Transfers In	60,641	104,983	125,473	130,312	126,196	228,486	133,452	203,265	99,301	75,949
Transfers Out	(65,195)	(60,191)	(82,253)	(97,813)	(154,772)	(193,771)	(116,992)	(245,096)	(81,549)	(60,026)
Total Other Financing Sources	9,641	44,792	45,526	43,526	(17,514)	33,479	20,117	46,610	19,961	27,320
Net Change in Fund Balances	\$ (1,918)	\$ 9,219	\$ 26,629	\$ 36,847	\$ 19,771	\$ 83,619	\$ 58,423	\$ 87,794	\$ (55,150)	\$ (93,539)
Debt Service as a Percentage of Noncapital Expenditures	5.4%	5.0%	5.6%	4.4%	4.0%	3.6%	3.3%	3.7%	3.2%	2.2%

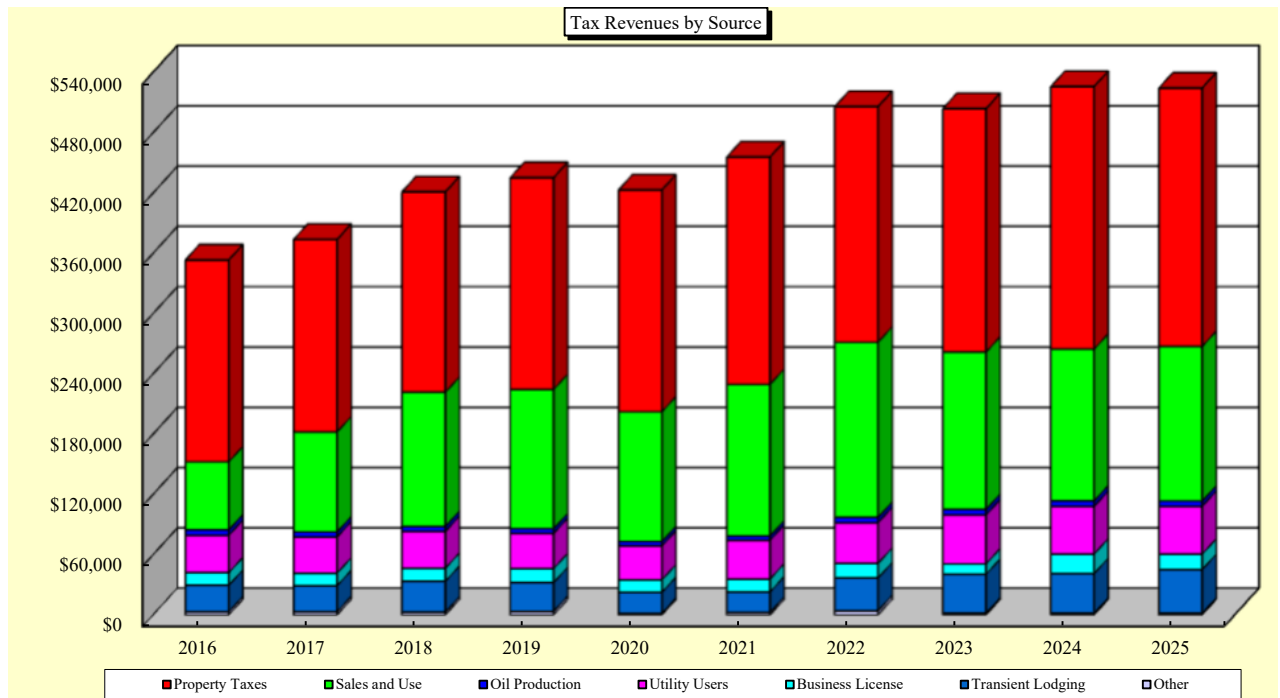
Debt Service as a Percentage of Noncapital Expenditures calculated as follows:
$$\frac{\text{(Principal + Interest)}}{\text{(Total Expenditures - Capital Outlay)}}$$

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
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
2022	234,391	174,257	5,413	40,349	14,578	32,590	4,287	505,865
2023	242,156	156,500	5,638	48,660	10,331	38,632	1,934	503,851
2024	261,174	150,995	5,670	47,319	19,385	39,491	1,808	525,842
2025	257,087	153,817	5,361	47,554	15,333	43,403	1,842	524,397

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.

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
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%
2022	68,114,455	3,865,716	(1,831,667)	70,148,504	1.00%
2023	72,318,166	4,375,513	(1,799,429)	74,894,250	1.00%
2024	75,675,203	4,670,086	(2,550,198)	77,795,091	1.00%
2025	78,776,244	4,894,044	(2,485,754)	81,184,534	1.00%

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. Valuations of real property are frozen at the value of the property in 1975, with an allowable adjustment up to 2% per year for inflation. However, property is reassessed to its current value when a change of ownership occurs. New construction, including tenant improvements, is assessed at its current value. This 1% is shared by all taxing agencies for which the subject property resides. In 1986, the State Constitution was amended to allow rates over the 1% base rate for voter approved general obligation debt. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and are subject to the limitations described above.

Source: Los Angeles County Office of Assessor

City of Long Beach
Property Tax Rates -
All Overlapping Governments
Per \$100 of Assessed Value -
Last Ten Fiscal Years

Overlapping Rates						
Fiscal Year-end	City Direct Rate	Los Angeles County	Unified Schools	Community College	Special Districts	Total
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	-	0.125520	0.027175	0.003500	1.156195
2021	1.000000	-	0.113228	0.043759	0.003500	1.160487
2022	1.000000	-	0.121072	0.024882	0.003500	1.149454
2023	1.000000	-	0.124219	0.060231	0.003500	1.187950
2024	1.000000	-	0.128018	0.051361	0.007000	1.186379
2025	1.000000	-	0.119605	0.048543	0.007000	1.175148

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.

City of Long Beach
Principal Property Taxpayers
Current Year and Nine Fiscal Years Ago
(In Thousands)

Taxpayer	Fiscal Year 2025		Fiscal Year 2016	
	Assessed Valuation	Percentage of Total Net Assessed Valuation	Assessed Valuation	Percentage of Total Net Assessed Valuation
CF Alpha and Golf Prop Co LLC	\$ 270,680	0.37 %		
GCC Long Beach LLC	226,526	0.31		
TABC Inc.	221,829	0.30	\$ 77,048	0.16 %
PCH Property LLC	190,092	0.26		
Douglas Park Associates III & IV LLC	178,826	0.24		
2009 CUSA Community Owner LLC	173,791	0.24	146,874	0.31
Gelt Volta Pine Fee Owner LLC	162,300	0.22		
John Hancock Life Insurance	159,843	0.22	138,207	0.29
707 East Ocean Boulevard LLC	143,608	0.20		
Equity One Vons Circle LLC	137,424	0.19		
IMT Capital IV Gallery LLC	136,885	0.19		
LBX Retail Owner LLC	133,855	0.18		
601 W Ocean Blvd. Ground	124,848	0.17		
Onni Broadway Block Long Beach	122,528	0.17		
PPF AMLI 245 West Broadway LLC	120,791	0.17		
Terra Funding Shoreline Square	119,646	0.16	101,367	0.21
DP3 Sub 1 & 2 LLC	117,825	0.16	49,692	0.11
GSIC II Pine Owner LP	110,077	0.15		
2300 Redondo Holdings LLC	100,681	0.14		
Tesoro Logistics Operations LLC	96,927	0.13	238,095	0.50
Avanath Northpointe LP			49,399	0.10
The Boeing Company			285,974	0.61
Legacy Partners II LB World Trade LLC			165,990	0.35
AGNL Clinic Pine LP			137,939	0.29
Noble Utah Long Beach LLC			98,382	0.21
Lyon West Gateway LLC			82,642	0.18
City Place Long Beach LLC			77,670	0.16
Alamitos Bay Partnership			61,456	0.13
HEI Long Beach LLC			59,011	0.13
Sunstone Ocean LLC			58,423	0.12
Comninet Freeway LP			72,112	0.15
California Broadcast Center LLC			51,491	0.11
Pacific Castle			50,278	0.11
Southwood Gardens LLC			50,186	0.11
	<u>\$ 3,048,982</u>	<u>4.17 %</u>	<u>\$ 2,052,236</u>	<u>4.34 %</u>

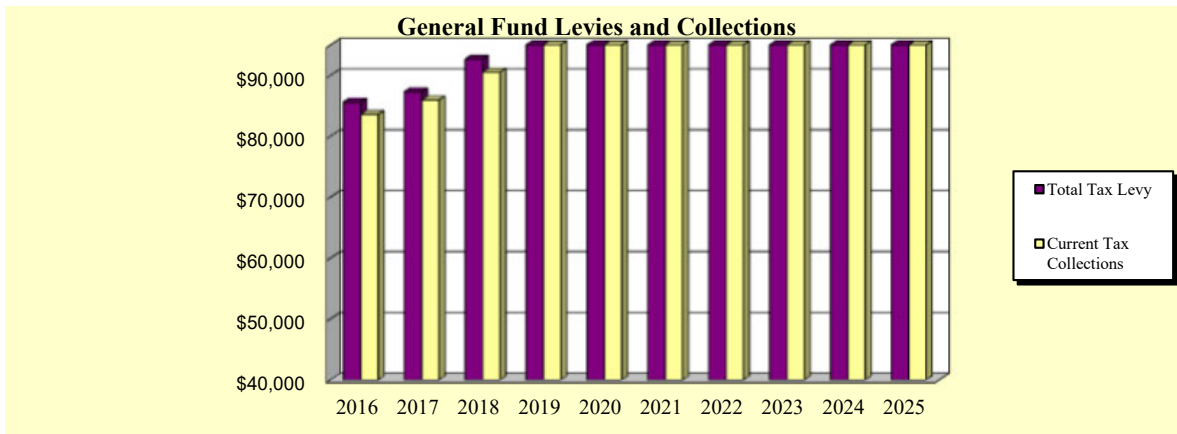
Source: California Municipal Statistics, Inc.

See accompanying Independent Auditors' Report

City of Long Beach
Property Tax Levies and Collections
Last Ten Fiscal Years
(In Thousands)

General Fund

Fiscal Year-end	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections ¹	Collections as Percentage of Levy	Outstanding Delinquent Taxes	Delinquent Tax as Percentage of Current Levy
2016	\$ 85,609	\$ 83,582	97.6%	\$ 2,821	\$ 86,403	100.9%	\$ 5,605	6.5%
2017	87,315	85,962	98.5%	7,581	93,543	107.1%	5,430	6.2%
2018	92,661	90,551	97.7%	3,068	93,619	101.0%	5,472	5.9%
2019	97,494	95,437	97.9%	5,019	100,456	103.0%	5,902	6.1%
2020	102,555	98,949	96.5%	5,763	104,712	102.1%	6,761	6.6%
2021	106,411	103,379	97.2%	3,335	106,714	100.3%	7,077	6.7%
2022	106,411	103,379	97.2%	3,335	106,714	100.3%	7,077	6.7%
2023	116,565	114,240	98.0%	4,303	118,543	101.7%	7,172	6.2%
2024	124,586	121,488	97.5%	3,555	125,043	100.4%	7,767	6.2%
2025	128,710	123,468	95.9%	3,708	127,176	98.8%	10,123	7.9%



Note: ¹ Excludes motor vehicle and vehicle license fees in-lieu taxes, interests, penalties and Los Angeles County administrative cost.

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	Financed Purchase Obligations	Other Long-Term Obligations	Lease Liability	SBITA Liability	Total Governmental Activities
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	319,864	-	-	664,015
2021	75,899	-	182,304	7,569	38,943	313,765	-	-	618,480
2022	66,580	-	165,340	7,233	47,068	307,576	-	-	593,797
2023	142,215	-	144,814	6,898	42,226	279,296	16,058	4,632	636,139
2024	132,650	-	126,629	6,727	57,323	273,923	21,279	2,923	621,454
2025	122,303	-	118,451	6,671	54,471	268,455	23,638	13,275	607,264

Business-type Activities							
	Revenue Bonds	Notes Payable	Financed Purchase Obligations	Other Long-Term Obligations	Lease Liability	SBITA Liability	Total Business-type Activities
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
2022	1,519,722	513,207	30,105	-	-	-	2,063,034
2023	1,435,131	510,925	27,179	-	3,555	2,044	1,978,834
2024	1,439,571	494,545	26,230	-	3,176	2,077	1,965,599
2025	1,340,721	491,910	33,395	45,165	2,854	1,485	1,915,530

	Total Primary Government	Percentage of Personal Income	Per Capita
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	2,849,907	4.208%	6,160
2021	2,797,114	4.384%	5,993
2022	2,656,831	4.567%	5,767
2023	2,614,973	4.758%	5,707
2024	2,587,053	4.956%	5,639
2025	2,522,794	5.162%	5,454

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Long Beach
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Fiscal Year-end	Outstanding General Bonded Debt				Ratio of Net Bonded Debt to Assessed Value ⁽²⁾	Per Capita ⁽³⁾
	Pension Obligation Bonds	Tax Allocation Bonds	Less: Amounts Restricted for Debt Service ⁽¹⁾	Net Bonded Debt ⁽¹⁾		
2016	\$ 30,597	\$ 262,870	\$ 20,591	\$ 272,876	57%	\$ 580.43
2017	25,083	248,167	20,894	252,356	52%	537.56
2018	19,283	233,113	16,769	235,627	45%	504.17
2019	13,183	217,290	17,450	213,023	40%	460.46
2020	6,765	200,820	21,504	186,081	28%	398.68
2021	-	182,304	16,962	165,342	24%	358.91
2022	-	165,340	15,022	150,318	21%	328.05
2023	-	144,814	6,879	137,935	21%	301.02
2024	-	126,628	5,565	121,063	15%	263.86
2025	-	118,450	3,703	114,747	14%	248.07

Notes:

- (1) Includes Redevelopment bonds issued during fiscal years 2002, 2003, 2005, and 2006.
- (2) Assessed value can be found in the Schedule of Assessed Value and Actual Value of Taxable Property. Percentage calculated using the following formula:
Net Bonded Debt / (Assessed Value - Exemptions).
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Long Beach
Schedule of Direct and Overlapping Debt
September 30, 2025 (In Thousands)

2024-25 Assessed Valuation:	\$75,868,478				
<u>DIRECT DEBT:</u>		Outstanding	Exclusions	Estimated	
City of Long Beach		Debt		Overlapping	
Lease Revenue Bonds		\$ 122,303	\$ -	\$ 122,303	
Tax Allocation Bonds		118,451	-	118,451	
Notes Payable		6,671	-	6,671	
Financed Purchase Obligations		54,471	-	54,471	
Lease Liability		23,638	-	23,638	
SBITA Liability		13,275	-	13,275	
Total Direct Debt		\$ 338,809	\$ -	\$ 338,809	
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	% Applicable				
Cerritos Community College District	0.432 %	\$ 482,480	\$ 480,396	\$ 2,084	
Coast Community College District	0.001	829,130	829,122	8	
Compton Community College District	2.999	130,286	126,379	3,907	
Long Beach Community College District	86.137	744,825	103,255	641,570	
Los Angeles Community College District	0.040	4,403,750	4,401,988	1,762	
ABC Unified School District	1.359	168,166	165,881	2,285	
Compton Unified School District	0.021	224,563	224,516	47	
Long Beach Unified School District	86.137	1,506,668	208,869	1,297,799	
Los Angeles Unified School District	0.049	10,581,455	10,576,270	5,185	
Paramount Unified School District	10.761	169,500	151,260	18,240	
Metropolitan Water District	1.935	17,155	16,823	332	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT ⁽¹⁾		\$ 19,257,978	\$ 17,284,759	\$ 1,973,219	
<u>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>					
Los Angeles County General Fund Obligations	3.747 %	\$ 3,851,969	\$ 3,707,636	\$ 144,333	
Los Angeles County Superintendent of Schools Certificates of Participation	3.747	1,824	1,756	68	
Compton Unified School District Certificates of Participation	0.021	19,265	19,261	4	
Los Alamitos Unified School District Certificates of Participation	0.009	26,630	26,628	2	
Los Angeles Unified School District Certificates of Participation	0.049	225,010	224,900	110	
Los Angeles Unified School District Judgment Obligation Bonds	0.049	308,150	307,999	151	
Paramount Unified School District Certificates of Participation	10.761	18,093	16,146	1,947	
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$ 4,450,941	\$ 4,304,326	\$ 146,615	
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	100.000 %	\$ 111,155	\$ -	\$ 111,155	
TOTAL GROSS OVERLAPPING COMBINED DEBT		\$ 23,820,074	\$ 21,589,085	\$ 2,230,989	
Less: Los Angeles Unified School District General Obligation Bonds supported obligations		461,235	461,009	226	
TOTAL NET OVERLAPPING COMBINED DEBT		\$ 23,358,839	\$ 21,128,076	\$ 2,230,763	
TOTAL GROSS DIRECT AND OVERLAPPING COMBINED DEBT ⁽²⁾		\$ 24,158,883	\$ 21,589,085	\$ 2,569,798	
TOTAL NET DIRECT AND OVERLAPPING COMBINED DEBT ⁽²⁾		\$ 23,697,648	\$ 21,128,076	\$ 2,569,572	

Ratios to 2024-25 Assessed Valuation:
Total Overlapping Tax and Assessment Debt (\$1,973,219)..... 2.51%

Ratios to Adjusted Assessed Valuation:
Total Direct Debt (\$114,350)..... 0.15%
Gross Combined Direct Debt (\$2,345,339)..... 2.98% (3)
Net Combined Direct Debt (\$2,345,113)..... 2.98%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$22,017,096):
Total Overlapping Tax Increment Debt..... 0.50%

Notes:

- (1) Excludes 1915 Act and Mello-Roos Act Bonds
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations
- (3) Includes supported Los Angeles Unified School District General Obligation 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				
	2016	2017	2018	2019	2020
Assessed valuation	\$ 52,898,656	\$ 55,662,248	\$ 58,634,492	\$ 61,889,133	\$ 65,445,552
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	13,224,664	13,915,562	14,658,623	15,472,283	16,361,388
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,983,700	2,087,334	2,198,793	2,320,842	2,454,208
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 1,983,700</u>	<u>\$ 2,087,334</u>	<u>\$ 2,198,793</u>	<u>\$ 2,320,842</u>	<u>\$ 2,454,208</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2021	2022	2023	2024	2025
Assessed valuation	\$ 67,573,359	\$ 71,980,171	\$ 76,693,679	\$ 80,345,289	\$ 83,670,288
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	16,893,340	17,995,043	19,173,420	20,086,322	20,917,572
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	2,534,001	2,699,256	2,876,013	3,012,948	3,137,636
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 2,534,001</u>	<u>\$ 2,699,256</u>	<u>\$ 2,876,013</u>	<u>\$ 3,012,948</u>	<u>\$ 3,137,636</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

The Government Code of the State of California provides for a legal debt limit of 15 percent of gross assessed valuation. This provision was enacted when assessed valuation was based on 25 percent of market value. Effective with fiscal year 1982, each parcel is assessed at 100 percent of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25 percent level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Long Beach, Department of Financial Management
County of Los Angeles, Department of Auditor-Controller

City of Long Beach
Pledged Revenue Coverage
Gas Utility Fund Revenue Bond Coverage
Last Ten Fiscal Years⁽³⁾
(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	
2016	\$ 79,526	\$ 28,135	\$ 51,391	\$ (949)	\$ 50,442	\$ 7,150	\$ 31,375	\$ 38,525	1.31
2017	96,723	40,459	56,264	192	56,456	8,120	31,024	39,144	1.44
2018	91,786	44,279	47,507	59	47,566	8,925	30,628	39,553	1.20
2019	120,228	71,223	49,005	1,739	50,744	10,290	30,135	40,425	1.26
2020	102,486	56,438	46,048	1,138	47,186	11,905	29,552	41,457	1.14
2021	111,930	46,343	65,587	422	66,009	13,990	28,873	42,863	1.54
2022	144,115	89,010	55,105	(1,795)	53,310	16,040	28,084	44,124	1.21
2023	165,333	130,525	34,808	11,951	46,759	18,645	27,174	45,819	1.02
2024	137,361	81,778	55,583	5,159	60,742	21,655	26,116	47,771	1.27
2025	139,666	88,369	51,297	(2,581)	48,716	25,280	24,915	50,195	0.97

Water Utility Fund Revenue Bond Coverage
Last Ten Fiscal Years⁽²⁾⁽³⁾
(In Thousands)

2016	\$ 97,650	\$ 81,086	\$ 16,564	\$ (237)	\$ 16,327	\$ 2,630	\$ 1,264	\$ 3,894	4.19
2017	97,383	80,127	17,256	887	18,143	2,730	1,165	3,895	4.66
2018	99,173	82,733	16,440	2,795	19,235	2,815	1,077	3,892	4.94
2019	99,289	81,439	17,850	4,802	22,652	2,930	964	3,894	5.82
2020	113,090	97,712	15,378	3,376	18,754	3,050	847	3,897	4.81
2021	118,968	76,726	42,242	2,108	44,350	3,170	725	3,895	11.39
2022	122,595	94,864	27,731	(24,178)	3,553	3,300	592	3,892	0.91
2023	110,138	97,674	12,464	(4,625)	7,839	3,450	444	3,894	2.01
2024	127,595	98,317	29,278	(1,775)	27,503	3,720	280	4,000	6.88
2025	141,645	101,965	39,680	(2,714)	36,966	1,390	4,063	5,453	6.78

Notes:

- (1) Operating expenses exclude depreciation and amortization; non-operating income (loss) excludes interest expense.
- (2) The Water Revenue Refunding Bonds Series 1997A were refunded by the Water Revenue Refunding Bonds Series 2010A. Current debt service payments for the 1997 Bonds were covered by the 2010 Bonds refunding issue proceeds.
- (3) City implemented GASB 103 starting in FY 2024. Prior years operating and non-operating revenues and expenses were not reclassified in accordance with GASB 103.

Source: City of Long Beach, Department of Financial Management

City of Long Beach
Pledged Revenue Coverage
Airport Revenue Bond Coverage
Last Ten Fiscal Years ⁽⁵⁾
(In Thousands)

Fiscal Year-end	Operating Revenue	Operating Expenses ⁽¹⁾⁽²⁾	Net Operating Income	Non-Operating Income (Loss) ⁽¹⁾	Net Revenue or Funds Available for Debt Service	Debt Service Requirements			Times Coverage
						Principal ⁽³⁾	Interest	Total	
2016	\$ 36,951	\$ 30,562	\$ 6,389	\$ 3,200	\$ 9,589	\$ 2,515	\$ 6,750	\$ 9,265	1.03
2017	46,678	33,250	13,428	3,199	16,627	2,625	6,640	9,265	1.79
2018	47,497	35,711	11,786	4,007	15,793	2,740	6,522	9,262	1.71
2019	44,780	36,798	7,982	4,938	12,920	2,875	6,388	9,263	1.39
2020	29,778	26,759	3,019	8,741	11,760	3,015	6,252	9,267	1.27
2021	29,585	24,685	4,900	9,225	14,125	3,160	6,109	9,269	1.52
2022	50,037	39,686	10,351	(4,999)	5,352	3,310	6,309	9,619	0.56
2023	55,200	44,590	10,610	3,258	13,868	2,570	5,256	7,826	1.77
2024	63,746	48,876	14,870	22,364	37,234	3,165	5,453	8,618	4.32
2025	63,141	52,206	10,935	21,344	32,279	3,325	5,294	8,619	3.75

Fleet Services Fund
Temple Willow Revenue Bond Coverage
Last Ten Fiscal Years ⁽⁵⁾
(In Thousands)

2016	\$ 33,502	\$ 24,459	\$ 9,043	\$ 1,968	\$ 11,011	\$ -	\$ 912	\$ 912	12.07
2017	36,539	27,341	9,198	2,036	11,234	-	912	912	12.32
2018	41,177	25,520	15,657	2,055	17,712	773	912	1,685	10.51
2019	45,561	29,937	15,624	2,458	18,082	1,410	884	2,294	7.88
2020	47,481	32,111	15,370	1,785	17,155	1,542	780	2,322	7.39
2021	41,911	23,409	18,502	1,636	20,138	1,542	780	2,322	8.67
2022	56,129	33,843	22,286	(396)	21,890	1,808	737	2,545	8.60
2023	60,266	33,400	26,866	1,660	28,526	1,600	696	2,296	12.42
2024	74,476	38,641	35,835	3,696	39,531	1,693	616	2,309	17.12
2025	75,368	39,583	35,785	4,237	40,022	1,788	531	2,319	17.26

Marina Fund ⁽⁴⁾
Marina Revenue Bond Coverage
Last Ten Fiscal Years ⁽⁵⁾
(In Thousands)

2016	\$ 20,358	\$ 14,613	\$ 5,745	\$ 202	\$ 5,947	\$ -	\$ 5,352	\$ 5,352	1.11
2017	22,050	13,975	8,075	327	8,402	-	5,634	5,634	1.49
2018	23,954	15,764	8,190	459	8,649	1,250	5,634	6,884	1.26
2019	23,698	15,802	7,896	2,712	10,608	1,400	5,571	6,971	1.52
2020	24,165	18,220	5,945	2,644	8,589	1,550	5,501	7,051	1.22
2021	25,181	15,719	9,462	2,049	11,511	1,720	5,424	7,144	1.61
2022	26,438	17,242	9,196	1,502	10,698	1,900	5,338	7,238	1.48
2023	27,059	20,167	6,892	3,114	10,006	2,100	5,243	7,343	1.36
2024	30,119	21,943	8,176	2,062	10,238	2,300	5,138	7,438	1.38
2025	30,910	22,672	8,238	2,105	10,343	2,480	5,091	7,571	1.37

Notes:

- (1) Operating expenses exclude depreciation and amortization; non-operating income excludes interest expense and investment gain/loss. 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.
- (3) Senior Airport Bonds Series 2009 and Senior Airport Bonds Series 2010 were refunded by the Senior Airport Revenue Refunding Bond Series 2022A, 2022B, and 2022C.
- (4) First year of operations was FY 16.
- (5) City implemented GASB 103 starting in FY 2024. Prior years operating and non-operating revenues and expenses were not reclassified in accordance with GASB 103.

Source: City of Long Beach, Department of Financial Management

City of Long Beach
Pledged Revenue Coverage
Tidelands Operating Segment
Revenue Bond Coverage
Last Ten Fiscal Years ⁽²⁾⁽⁴⁾
(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 ⁽³⁾	Interest	Total	
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)	6,400	4,365	10,765	-
2020	40,896	84,123	(43,227)	6,971	(36,256)	6,635	4,100	10,735	-
2021	49,625	60,087	(10,462)	3,385	(7,077)	4,975	3,835	8,810	-
2022	46,929	77,171	(30,242)	(3,098)	(33,340)	8,360	4,664	13,024	-
2023	55,552	85,751	(30,199)	16,732	(13,467)	6,495	1,354	7,849	-
2024	60,500	84,335	(23,835)	12,839	(10,996)	7,375	1,689	9,064	-
2025	60,517	88,913	(28,396)	7,689	(20,707)	7,650	1,401	9,051	-

Harbor Fund
Revenue Bond Coverage
Last Ten Fiscal Years ⁽⁴⁾
(In Thousands)

2016	\$ 360,660	\$ 143,873	\$ 216,787	\$ 2,712	\$ 219,499	\$ 45,360	\$ 27,666	\$ 73,026	3.01
2017	381,010	142,349	238,661	8,445	247,106	44,905	27,171	72,076	3.43
2018	401,678	136,669	265,009	6,761	271,770	47,190	32,378	79,568	3.42
2019	412,273	140,144	272,129	12,277	284,406	45,965	31,059	77,024	3.69
2020	398,629	142,707	255,922	13,335	269,257	37,300	36,834	74,134	3.63
2021	434,644	134,723	299,921	5,696	305,617	24,470	31,889	56,359	5.42
2022	479,577	166,496	313,081	27,340	340,421	35,530	31,058	66,588	5.11
2023	515,396	199,999	315,397	(2,607)	312,790	37,090	29,493	66,583	4.70
2024	573,756	218,867	354,889	100,036	454,925	38,945	27,639	66,584	6.83
2025	574,458	228,222	346,236	(43,008)	303,228	31,015	29,628	60,643	5.00

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.
- (3) The Long Beach Aquarium of the Pacific Lease Revenue Refunding Bonds Series 2012 was refunded by the Tidelands Revenue Refunding Bond Series 2022.
- (4) City implemented GASB 103 starting in FY 2024. Prior years operating and non-operating revenues and expenses were not reclassified in accordance with GASB 103.

Source: City of Long Beach, Department of Financial Management

City of Long Beach
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year-end	Estimated Population (1)	Personal Income (in millions) (2)	Per Capita Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)
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	20,460	43,836	69,708	8.9
2022	460,682	(5) 21,038	45,667	67,573	4.6
2023	458,222	(5) 21,801	47,578	65,826	4.7
2024	458,813	(5) 22,739	49,561	64,267	6.0
2025	462,561	(5) 23,879	51,623	62,947	6.3

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 2024, 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) State of California Department of Finance.

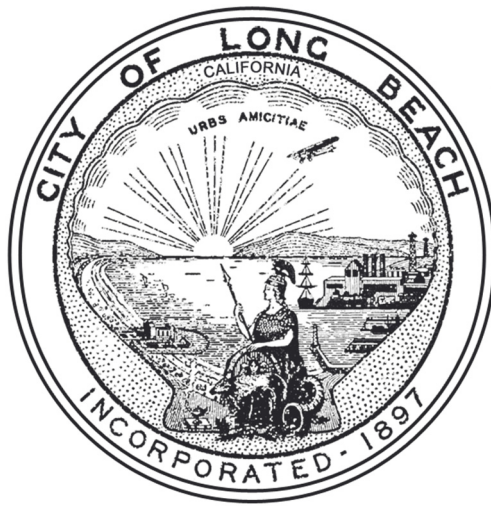
City of Long Beach
Principal Employers
Current Year and Nine Years Ago

Ranking	Employer	Fiscal Year 2025		Ranking	Fiscal Year 2016	
		Number of Employees (1)	Percentage of Total City Employment (2)		Number of Employees (1)	Percentage of Total City Employment (2)
1	Long Beach Unified School District	12,217	5.17%	1	12,213	5.24%
2	City of Long Beach	6,010	2.54%	2	5,122	2.21%
3	Long Beach Memorial Medical Center	4,664	1.97%	3	5,138	2.18%
4	Veteran Affairs Medical Center	3,851	1.63%	6	2,950	1.12%
5	California State University Long Beach (CSULB)	3,534	1.50%	5	3,057	1.24%
6	Long Beach City College	2,385	1.01%	7	2,695	1.10%
7	CSULB Research Foundation	1,755	0.74%	10	1,480	0.61%
8	The Boeing Company	1,609	0.68%	8	1,677	0.68%
9	St. Mary Medical Center	1,595	0.67%	4	2,039	1.55%
10	Molina Healthcare Inc	474	0.20%	9	1,488	0.62%

Sources:

(1) Department of Financial Management Accounting and Business License.

(2) State of California Employment Development Department Labor Market Info for 2015 and 2024.



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City of Long Beach
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Legislative and Legal	122	140	136	141	141	148	135	120	132	126
General Government ⁽¹⁾	513	534	556	607	718	609	592	763	810	824
Public Safety	1,698	1,738	1,729	1,862	1,862	1,638	1,585	1,618	1,616	1,709
Public Health	252	259	287	272	272	484	533	490	475	448
Community and Cultural ⁽¹⁾	1,006	1,040	855	1,008	1,008	874	910	1,006	1,094	1,113
Public Works	263	310	305	297	213	329	359	308	322	486
Gas Utility	201	209	199	183	183	191	189	194		
Utility	224	224	248	266	266	245	237	246	466	448
Airport	97	98	103	89	89	92	99	104	118	127
Solid Waste Management	177	187	183	198	198	198	177	170	196	82
Towing	26	26	27	27	27	30	28	30	28	27
Tideland Oil Revenue	16	17	15	17	17	13	13	16	15	14
Harbor	527	536	514	509	509	533	538	529	575	606
Total	5,122	5,318	5,157	5,476	5,503	5,384	5,395	5,594	5,847	6,010

Source: City of Long Beach, Department of Financial Management

City of Long Beach
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Public Safety:					
Police priority one calls response time in minutes	4.60	4.80	4.50	4.30	4.40
Violent crime rate - per 1,000 residents	5.79	6.40	7.00	5.75	4.96
Fire on-scene arrival for emergency calls within six minute	43.4%	41.7%	41.1%	38.6%	37.0%
Public Health:					
Percentage of beach days that are safe for swimming in summer	94%	90%	88%	89%	86%
Homeless population ratio vs. total population ⁽¹⁾	0.51%	0.51%	0.39%	0.40%	0.44%
Community and Cultural					
Public library computer session log-ons	218,717	254,974	225,983	186,873	79,862
Parks, recreation programs - youth and teen attendance	835,358	892,556	793,226	820,748	4,062
Public Works:					
Number of trees trimmed	19,500	23,112	21,857	22,055	25,000
Curbs and alleys swept in miles	154,300	141,132	142,851	147,316	125,254
Sidewalk repaired in square feet	333,039	296,865	603,504	537,666	306,044
Storm drain catch basins cleaned	5,800	5,800	5,800	5,800	5,800
Gas Utility:					
Gas consumption in sales dollars-total	\$ 64,382,000	\$ 78,467,000	\$ 77,999,000	\$ 98,355,000	\$ 79,886,282
Gas consumption in cubic feet (In 000's)	8,542,000	9,237,000	8,802,000	9,116,009	9,113,067
Average daily gas consumption (MCF)	23,404	25,307	24,114	24,975	24,967
Gas mains installed/replaced/relocated in feet	22,556	40,737	17,327	32,032	22,279
Gas meters installed/removed/replaced	29,873	34,465	2,944	1,279	1,983
Water Utility:					
Water daily demand in thousand gallons	46,417	45,869	47,620	44,478	50,503
Water annual demand in thousand gallons	16,942,297	16,742,192	17,381,120	16,234,549	18,433,521
Available supply total in thousand gallons	19,412,932	19,045,926	19,172,030	17,439,187	20,238,997
Sewer Utility:					
Sewer mains cleaned in miles	405	113	439	477	360
Sewer mains and laterals repaired in number of jobs	215	169	157	164	162
Airport:					
Number of commercial passengers enplaned	1,327,001	1,793,753	2,006,292	1,757,499	904,815
Number of commercial passengers deplaned	1,325,537	1,794,245	2,007,872	1,752,650	914,487
Number of aircraft landings and take offs	295,007	294,303	266,892	293,587	294,509
Solid Waste Management:					
Number of refuse tons collected	187,432	193,622	185,403	192,483	202,620
Number of recycling tons collected	158,852	160,037	133,932	40,955	39,481
SERRF tons of refuse received	417,169	426,430	359,752	385,541	378,016
SERRF energy sold to So Cal Edison megawatt-hours	158,400	201,438	165,702	182,342	181,000
Harbor:					
Number of container movements in twenty-foot equivalent unit	6,946,255	7,230,758	8,000,929	7,747,251	7,660,975
Cargo in thousands of metric revenue tons	161,322	168,100	180,593	172,961	168,574
Number of ship calls	2,227	2,149	2,278	2,095	2,237

Source: City Departments

(1) The homeless population count is biannual.

(2) SERRF stopped accepting refuse 1/31/2024 and the facility stopped operations 3/14/2024

Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Function
					Public Safety:
4.60	5.10	5.40	5.80	6	Police priority one calls response time in minutes
5.60	5.72	7.90	8.00	7.90	Violent crime rate - per 1,000 residents
34.0%	33.8%	29.0%	27.4%	25.6%	Fire on-scene arrival for emergency calls within six minute
					Public Health:
92%	90%	83%	84%	88.5%	Percentage of beach days that are safe for swimming in summer
0.26%	0.71%	0.76%	0.76%	0.8%	Homeless population ratio vs. total population ⁽¹⁾
					Community and Cultural
12,249	60,860	71,373	76,457	83,871	Public library computer session log-ons
215,621	338,609	383,063	442,740	576,050	Parks, recreation programs - youth and teen attendance
					Public Works:
19,500	30,000	24,000	17,472	14,963	Number of trees trimmed
128,042	149,796	144,488	145,938	140,259	Curbs and alleys swept in miles
416,167	427,831	401,900	302,456	334,729	Sidewalk repaired in square feet
5,800	55,700	5,700	5,700	5,700	Storm drain catch basins cleaned
					Gas Utility:
\$ 87,908,917	\$ 111,662,459	\$ 154,621,175	\$ 92,122,500	96,494,612	Gas consumption in sales dollars-total
8,941,456	8,397,277	9,401,836	9,349,121	7,966,831	Gas consumption in cubic feet (In 000's)
24,497	23,006	25,758	25,614	21,827	Average daily gas consumption (MCF)
24,500	30,100	22,000	27,000	20,000	Gas mains installed/replaced/relocated in feet
1,459	2,698	861	2,682	5,677	Gas meters installed/removed/replaced
					Water Utility:
45,647	42,616	38,923	40,259	39,664	Water daily demand in thousand gallons
16,661,155	15,337,807	14,206,816	14,694,707	14,477,332	Water annual demand in thousand gallons
1,983,812	15,565,436	14,960,338	17,543,590	16,631,370	Available supply total in thousand gallons
					Sewer Utility:
380	343	295	342	331	Sewer mains cleaned in miles
263	191	141	157	162	Sewer mains and laterals repaired in number of jobs
					Airport:
767,207	1,576,552	1,767,380	2,072,058	1,923,421	Number of commercial passengers enplaned
766,260	1,568,060	1,767,012	2,081,818	1,930,487	Number of commercial passengers deplaned
320,601	330,840	340,789	389,031	387,450	Number of aircraft landings and take offs
					Solid Waste Management:
201,510	189,810	194,825	189,027	183,410	Number of refuse tons collected
42,719	31,143	48,657	30,012	28,390	Number of recycling tons collected
386,047	371,746	343,793	73,939	-	SERRF tons of refuse received ⁽²⁾
191,160	189,108	165,636	22,356	-	SERRF energy sold to So Cal Edison / CAISO megawatt-hours ⁽²⁾
					Harbor:
9,500,860	9,631,901	7,613,939	9,113,375	10,122,596	Number of container movements in twenty-foot equivalent unit
198,118	202,766	172,290	194,196	204,953	Cargo in thousands of metric revenue tons
2,561	2,698	2,400	2,378	2,560	Number of ship calls

City of Long Beach
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Public Safety:					
Number of police stations	1	1	1	1	1
Number of police substations (full facility)	3	3	3	3	3
Number of fire stations	23	23	23	23	23
Community and Cultural:					
Number of parks	168	169	169	169	167
Parks and golf courses in acres	3,124	3,125	3,125	3,126	3,125
Number of libraries	12	12	12	12	12
Number of library holdings (books, videos, tapes)	851,614	795,629	798,760	740,442	728,829
Number of library circulations	1,233,309	1,335,819	1,302,021	1,273,997	966,790
Public Works:					
Street in miles	823	823	823	823	823
Storm drain lines in miles	180	180	180	180	180
Number of street lights	32,283	27,439	32,481	32,502	32,480
Gas Utility:					
Gas mains in miles	929	931	916	917	917
Water Utility:					
Water mains in miles	912	912	912	916	917
Number of fire hydrants	6,894	6,910	6,953	7,036	7,049
Number of water services	95,749	95,667	95,586	95,690	95,731
Sewer Utility:					
Sanitary sewers in miles	714	715	714	714	715
Number of manholes	15,127	15,112	15,122	15,125	15,126
Sanitary sewer pump stations	28	28	28	28	28
Storm drain pump stations	22	23	23	23	23
Solid Waste Management:					
Number of waste-to-energy facilities ⁽¹⁾	1	1	1	1	1
Harbor:					
Sanitary sewer pump stations	39	39	39	39	39
Storm drain pump stations	22	22	22	22	22

Source: City Departments

(1) SERRF stopped accepting refuse 1/31/2024 and the facility stopped operations 3/14/2024

Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Function
					Public Safety:
1	1	1	1	1	Number of police stations
3	3	3	3	3	Number of police substations (full facility)
23	23	23	23	23	Number of fire stations
					Community and Cultural:
167	166	166	166	166	Number of parks
3,125	3,122	3,122	3,122	3,117	Parks and golf courses in acres
12	12	12	12	12	Number of libraries
707,151	709,449	717,210	687,789	637,486	Number of library holdings (books, videos, tapes)
756,037	1,026,106	1,034,764	1,090,298	1,470,500	Number of library circulations
					Public Works:
823	1,012	1,012	1,012	1,012	Street in miles
180	180	180	180	180	Storm drain lines in miles
35,254	35,254	35,254	35,254	35,254	Number of street lights
					Gas Utility:
917	917	917	917	917	Gas mains in miles
					Water Utility:
917	917	916	916	915	Water mains in miles
7,054	7,070	7,082	7,089	7,108	Number of fire hydrants
95,891	96,167	96,287	96,511	96,535	Number of water services
					Sewer Utility:
715	714	714	714	714	Sanitary sewers in miles
15,132	15,143	15,142	15,141	15,137	Number of manholes
28	28	29	29	28	Sanitary sewer pump stations
23	23	23	23	23	Storm drain pump stations
					Solid Waste Management:
1	1	-		-	Number of waste-to-energy facilities ⁽¹⁾
					Harbor:
39	39	39	39	39	Sanitary sewer pump stations
22	22	22	22	22	Storm drain pump stations

See accompanying Independent Auditors' Report