The City of Long Beach
Office of the City Auditor

Quarterly Audit of Cash and Investments

September 30, 2025

AUDIT | TAX | ADVISORY

TABLE OF CONTENTS

EXECUTIVE SUMMARY

We have conducted a performance audit of the cash and investment balances of the City of Long Beach (the City) as of September 30, 2025. The City's management is responsible for the cash and investment balances. As of September 30, 2025, the City's cash and investment portfolio totaled approximately $2.58 billion.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

BACKGROUND

City Charter Mandate

Pursuant to Section 803 of the Charter of the City, the Office of the City Auditor is charged with verifying cash and investment balances in the City Treasury on a quarterly basis and providing a written report to the City Council. The Office of the City Auditor has contracted Windes, Inc. to perform the September 30, 2025 audit.

The audit of cash and investment balances of the City includes verifying cash and investments with outside depositories, and evaluating the City Treasurer's compliance with the relevant provisions of the California Government Code and the City's Investment Policy, which is adopted annually by the City Council.

Pooled Cash and Investments

The City's pooled cash is a grouping of the City's available cash for investments. The larger amount of money involved in a pool allows the City to earn a higher rate of return than each fund could receive by itself. Pooled funds that are not needed for operations are invested by the Treasury Bureau. The interest income earned in pooled cash and investments is apportioned to funds based on the ratio of daily cash balances to the total of pooled cash and investments.

BACKGROUND (CONTINUED)

Non-pooled Cash and Investments

Generally, non-pooled cash and investments are used for specific project operations or pledged for reserves or interest payments of outstanding debt.

Asset Management

On May 1, 2024, the City entered into an agreement with Meeder Public Funds ("Meeder") for investment advisory services related to the City's pooled investment portfolio. Meeder will provide ongoing oversight of investment activity, including "best practices" recommendations, as well as updates on both financial and regulatory developments, investment strategy review, and performance and credit analysis related to investments in the City's investment pool. The agreement is for a two-year period, with the option to renew for three additional one-year periods.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our performance audit were to reconcile cash and investments as to the amount and description recorded on the City's books with outside depositories and to evaluate the City's compliance with the relevant provisions of the California Government Code Section 53601 and the City's Investment Policy.

The scope of this audit was limited to the quarter ended September 30, 2025.

We performed the following procedures:

- Obtained an understanding of the internal controls surrounding the City's cash and investment process.

- Obtained confirmations of cash held by banks and investments held by the City Treasurer's safekeeping agent and other custodians as of September 30, 2025 and reconciled them to the City's general ledger.

- Reconciled the balance of total investments on the City Treasurer's Investment Activity Portfolio Statistics Report (Sympro) at September 30, 2025 to the City's general ledger.

- Obtained bank and investment reconciliations at September 30, 2025 and traced balances to the City's general ledger. This also included testing, on a sample basis, the adjustments made on the reconciliation to ensure they are valid adjustments.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY (CONTINUED)

- Compared investments listed on the City Treasurer's Investment Activity Portfolio Statistics Report (Sympro) at September 30, 2025 to the types of investments authorized for the City in accordance with the City's Investment Policy and the relevant provisions of the California Government Code.

- Compared the portfolio mix of investment types listed in the City Treasurer's Investment Activity Portfolio Statistics Report (Sympro) at September 30, 2025 to the portfolio mix limitations imposed by the City's Investment Policy and the relevant provisions of the California Government Code.

- Reviewed supporting documentation on a sample basis, the purchase, sale, and maturity of individual investments to determine compliance with the following provisions of the California Government Code and the City's Investment Policy:

    - Purchases of investments meet minimum rating requirements and maximum allowable maturity periods.
    - All sections of the investment transaction record are properly completed and authorized by the City Treasurer.
    - Transactions are supported by documentation from third-party sources (individual broker confirmations, safekeeping statements, custodian statements, etc.)

- Recalculated accrued interest (in aggregate) to determine if accrued interest for investments held at September 30, 2025 was accurately stated on the City's general ledger.

The allocation of accrued interest and pooled cash and investments between funds was outside the scope of this audit. As such, the Schedule of Pooled and Non-Pooled Cash and Investment Balances by Fund and the Schedule of Pooled and Non-Pooled Cash and Investment Balances by Security Type are attached for informational purposes only.

RESULTS AND CONCLUSIONS

The City's cash and investment balances as of September 30, 2025 are summarized as follows:

Pooled Cash and Investments	$ 2,358,286,628
Non-Pooled Cash and Investments	223,124,795
Total Cash and Investments	$ 2,581,411,423

Based on the results of audit procedures performed, cash and investment balances as recorded on the City's books at September 30, 2025, materially agree as to the amount and description with outside depositories. Also, we found the City to be in compliance with all other relevant provisions of the California Government Code and the City's Investment Policy.

MANAGEMENT COMMENTS

Management concurs that investment activity for the subject period was in full compliance with the applicable sections of the California Government Code and the City's Investment Policy.

Windes, Inc.

Long Beach, California
March 24, 2026

ATTACHMENT I

POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES BY FUND AT SEPTEMBER 30, 2025 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2024

Fund Number	Name of Fund	Pooled September 30, 2025	Non-Pooled September 30, 2025	Total at September 30, 2025	Total at September 30, 2024
1000	GF - Operating	$ 66,769,782	$ 231,803	$ 67,001,585	$ 98,472,030
1009	GF - District Priority	749,656	-	749,656	1,204,977
1010	GF - Cap/Oper Grants	1	-	1	73
1011	GF - Long Beach Recovery Act	(375)	-	(375)	24,096,530
1020	GF - CLB Measure A	(9,257,187)	-	(9,257,187)	(9,000,628)
1021	GF - CLB Measure US	670,275	-	670,275	581,759
1030	GF - CLB Measure MA	-	-	-	(3,743)
1040	GF - Asset Seizure Federal	1,038,585	-	1,038,585	995,394
1041	GF - Asset Seizure US Treasury	3,270,160	-	3,270,160	992,544
1042	GF - Asset Seizure State	1,566,241	-	1,566,241	1,328,015
1043	GF - ASF Priority Intvntn Prgm	129,896	-	129,896	104,017
1100	GF - Uplands Oil Operating	22,420,802	-	22,420,802	20,358,729
2000	SR - General Grants	(175,896)	-	(175,896)	18,619
2001	SR - American Rescue Plan Act	-	-	-	(3,000)
2010	SR - City Manager Grants	581,070	-	581,070	1,885,694
2015	SR - Parks Grants	(3,106,865)	-	(3,106,865)	(2,905,569)
2020	SR - Police Grants	5,807,037	-	5,807,037	3,876,051
2025	SR - City Prosecutor Grants	1,051,861	-	1,051,861	1,242,000
2026	SR - CP Grants Annual Fund	206,332	-	206,332	242,461
2030	SR - Fire Grants	(8,603,511)	-	(8,603,511)	(8,500,162)
2035	SR - Development Srvc Grants	515,686	-	515,686	497,209
2040	SR - Library Grants	4,689,646	-	4,689,646	4,240,036
2041	SR - Library Grants Annual	(566,762)	-	(566,762)	(586,919)
2100	SR - PS Oil Prod Tax - Fire	10,598	-	10,598	1,007
2150	SR - PS Oil Prod Tax - Police	227,766	-	227,766	201,173
2200	SR - Health Operating	(9,243,100)	800	(9,242,300)	(89,103)
2210	SR - Health Grants	9,244,191	-	9,244,191	1,158,828
2301	SR - CUPA Annual	(1,681,246)	-	(1,681,246)	(1,124,611)
2310	SR - CUPA GRANT	(11,625)	-	(11,625)	-
2400	SR - Spec Adver/Prom Operating	13,885,165	-	13,885,165	14,211,457
2500	SR - Housing Operations	8,469,384	-	8,469,384	7,412,008
2501	SR - Housing Annual	8,422,115	20,518	8,442,633	10,079,553
2550	SR - LB Community Invest Co	3,467,070	-	3,467,070	6,471,417
2600	SR - Belmont Shre Pkg Mtr	461,295	-	461,295	420,003
2650	SR - Business Assistance	1,420,519	-	1,420,519	1,419,555
2710	SR - Workforce Development Grants	(3,011,842)	28,767	(2,983,075)	(4,464,238)

ATTACHMENT I

POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES
BY FUND AT SEPTEMBER 30, 2025
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2024
(Continued)

Fund Number	Name of Fund	Pooled September 30, 2025	Non-Pooled September 30, 2025	Total at September 30, 2025	Total at September 30, 2024
2711	SR - Comm Dev Grants - HUD	2,272,856	-	2,272,856	4,037,093
2713	SR - Comm Dev - Other Grants	857,629	-	857,629	744,774
2714	SR - CD Grants Annual Fund	(75,630)	-	(75,630)	(53,023)
2760	SR - Housing Auth Grnts	(14,422)	-	(14,422)	(882,732)
2761	SR - Housing Auth Annual	153,883	31,185,619	31,339,502	32,338,184
2810	SR - DIF-Traffic Mitigation Fees	10,146,731	-	10,146,731	8,989,075
2811	SR - DIF-Parks Impact Fees	13,869,446	-	13,869,446	11,643,645
2812	SR - DIF-Police Impact Fees	3,449,047	-	3,449,047	4,895,803
2813	SR - DIF-Fire Impact Fees	1,699,885	-	1,699,885	1,612,908
2814	SR - DIF-Low Impact Development	7,297,226	-	7,297,226	4,578,651
4005	DS - General Debt Service	9,867,502	5,019,169	14,886,671	17,532,642
4505	DS - Successor Agency	387,063	3,315,208	3,702,271	5,565,616
5010	CP - Capital Grants	(43,521,903)	-	(43,521,903)	(36,292,987)
5012	CP - CAPITAL ADVANCED GRANTS	1,414,981	-	1,414,981	-
5015	CP - Bond Proceeds	(181,318)	6,107,904	5,926,586	37,543,032
5020	CP - Capital Projects	75,083,025	-	75,083,025	122,258,487
5021	CP - CIP Personnel - Annual	(22,268)	-	(22,268)	(14,629)
5120	CP - Special Assessment Projects	1,775,589	3,832	1,779,421	1,779,272
5200	CP - Legislative	4,912,736	-	4,912,736	4,912,736
5320	CP - State Gas Tax CP Projects	17,370,664	-	17,370,664	14,017,219
5411	CP - County Prop C Metro	39,561,432	-	39,561,432	31,004,229
5412	CP - County Measure R Metro	27,533,495	-	27,533,495	20,519,750
5413	CP - State AB2766 Air Quality	4,310,671	-	4,310,671	4,580,070
5414	CP - County Measure M Metro	32,391,121	-	32,391,121	26,033,333
5416	CP - County Prop A Metro	28,592,279	-	28,592,279	25,721,318
5417	CP - State RMRA Local Return	12,220,417	-	12,220,417	12,619,116
5418	CP - County Measure W	7,476,524	-	7,476,524	5,662,565
5420	CP- State PT Tran Dev Act SB821	23,338	-	23,338	(397,168)
5500	CP - Successor Agency Operating	174	-	174	174
5501	CP - Successor Agency Annual	8,923,204	37,110	8,960,314	9,500,233
6000	IS - Civic Center Operating	1,315,577	-	1,315,577	2,466,958
6005	IS - Civic Center Debt	559,924	-	559,924	551,981
6020	IS - Civic Center Capital	(1,276,839)	-	(1,276,839)	939,178
6100	IS - Genral Services Operating	1,859,263	-	1,859,263	(3,230,160)
6105	IS - General Services Debt	(1,245,408)	7,176,878	5,931,470	16,714,252
6110	IS - General Service Grants	3,908,546	-	3,908,546	1,602,360

ATTACHMENT I

POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES BY FUND AT SEPTEMBER 30, 2025 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2024 (Continued)

Fund Number	Name of Fund	Pooled September 30, 2025	Non-Pooled September 30, 2025	Total at September 30, 2025	Total at September 30, 2024
6120	IS - General Services Capital	13,780,712	-	13,780,712	12,156,519
6121	IS - General Services Oper/SPC Project	(813,095)	-	(813,095)	(404,102)
6200	IS - Fleet Operating	5,632,427	-	5,632,427	(678,607)
6205	IS - Fleet Debt	(1,855,286)	-	(1,855,286)	(3,735,495)
6210	IS - Fleet Grants	(44,664)	-	(44,664)	(145,051)
6220	IS - Fleet Capital	7,095,395	-	7,095,395	6,641,467
6230	IS - Fleet Replacement	61,838,472	4,772,075	66,610,547	75,380,193
6300	IS - Workers' Compensation	33,872,974	-	33,872,974	31,866,122
6350	IS - General Liability	13,016,851	-	13,016,851	17,773,284
6400	IS - EBF - Operating	3,808,448	-	3,808,448	(29,932,505)
6401	IS - EBF - Healthcare	59,931,332	-	59,931,332	51,203,836
6402	IS - EBF - Payroll Taxes	3,725,440	-	3,725,440	(4,988,761)
6403	IS - EBF - Paid Time Off	59,989,491	-	59,989,491	12,048,052
6405	IS - EBF - Pension & Retirement	(31,685,919)	-	(31,685,919)	68,712,771
7000	EF - Gas Operating	22,059,396	750	22,060,146	27,511,701
7005	EF - Gas Debt	5,318	28,067,900	28,073,218	35,210,552
7020	EF - Gas Cap/Oper Proj	11,991,461	-	11,991,461	12,393,860
7035	EF - Gas Prepay (LBBFA)	(5,824)	-	(5,824)	(5,824)
7100	EF - Water Operating	44,205,823	20,000	44,225,823	13,927,292
7101	EF - Water Reclaimed Operating	11,372,733	-	11,372,733	4,678,291
7105	EF - Water Debt	(4,708,980)	24,693,611	19,984,631	42,800,507
7106	EF - Water Debt Others	(986,513)	-	(986,513)	(986,513)
7120	EF - Water Capital Projects	(9,499,828)	-	(9,499,828)	5,058,625
7121	EF - Water Reclaimed Capital	(5,291,069)	-	(5,291,069)	(3,506,707)
7200	EF - Sewer Operating	25,827,112	-	25,827,112	19,602,278
7205	EF - Sewer Debt	(1,190,465)	-	(1,190,465)	(432,629)
7220	EF - Sewer Capital Projects	(15,378,203)	-	(15,378,203)	(9,135,075)
7300	EF - Sol Waste Operating	14,721,558	7,637,764	22,359,322	13,740,302
7310	EF - Sol Waste Cap/Oper Grants	1,760,449	-	1,760,449	1,930,064
7320	EF - Sol Waste Cap/Oper Proj	(424,955)	-	(424,955)	(424,955)
7350	EF - SERRF Operations	9,311,832	-	9,311,832	18,293,537
7355	EF - SERRF JPA Debt	177	-	177	167
7400	EF - Airport Operating	62,648,447	-	62,648,447	58,934,697
7410	EF - Airport Grants	(3,126,000)	-	(3,126,000)	(407,602)
7411	EF - Airport Passenger Fac Chrg	4,680,809	-	4,680,809	3,689,633
7412	EF - Airport Customer Fac Chrg	2,861,667	-	2,861,667	5,002,479

ATTACHMENT I

POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES
BY FUND AT SEPTEMBER 30, 2025
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2024
(Continued)

Fund Number	Name of Fund	Pooled September 30, 2025	Non-Pooled September 30, 2025	Total at September 30, 2025	Total at September 30, 2024
7420	EF - Airport Cap/Oper Proj	(9,134,373)	-	(9,134,373)	(7,146,377)
7425	EF - Airport Debt	1,136,835	12,164,435	13,301,270	12,491,911
7500	EF - Developmnt Svcs Operating	27,343,572	-	27,343,572	42,885,023
7510	EF - Developmnt Svcs Grants	(1,063,451)	-	(1,063,451)	(204,420)
7520	EF - Develpmnt Svc Casp SB1186	903,839	-	903,839	794,719
7550	EF - Towing Operating	258,433	1,700	260,133	942,915
7600	EF - Tidelands Operating	98,186,101	2,000	98,188,101	109,133,456
7605	EF - Tidelands Debt	4,478,669	2,046,809	6,525,478	1,433,914
7610	EF - Tidelands Capital Grants	300,000	-	300,000	300,000
7620	EF - Tidelands Capital Projects	(25,429,377)	-	(25,429,377)	(16,926,002)
7631	EF - Tidelands Parking Annual	12,326,533	-	12,326,533	9,951,019
7635	EF - TF Convntn Ctr Pkg Surchg	2,738,820	-	2,738,820	3,415,875
7700	EF - TF Marina Operating	47,022,574	3,652,136	50,674,710	53,366,994
7710	EF - TF Marina Capital Grant	1,606,552	-	1,606,552	1,606,552
7720	EF - TF Marina Capital Projects	21,629	-	21,629	49,908
7750	EF - TF Queen Mary Project Oper	(265,518)	799,669	534,151	(79,621)
7751	EF - TF QM Entertainment District Oper	2,546,542	-	2,546,542	3,321,953
7770	EF - TF Queen Mary Capital Project	(241,813)	-	(241,813)	238,804
7800	EF - Tidelands Oil	84,287,707	-	84,287,707	77,499,510
7850	EF - TF Subsidence	212,428,187	-	212,428,187	203,986,002
7900	EF - Harbor Operating	4,569,805,114	400	4,569,805,514	4,328,164,598
7901	Ef - Harbor CTP 2022 Zero EMSS	120,238,456	-	120,238,456	83,623,320
7910	EF - Harbor Cap/Oper Grants	144,985,058	-	144,985,058	114,990,930
7920	EF - Harbor Cap/Oper Proj	(3,767,775,528)	-	(3,767,775,528)	(3,585,548,284)
7935	EF - HA DEBT 2015B BONDS	-	-	-	1,311,188
7936	EF - HA DEBT 2015C BONDS	-	-	-	1,239,094
7937	EF - HA DEBT 2015D BONDS	-	-	-	1,253,719
7938	EF - HA DEBT 2017A BONDS	3,671,438	-	3,671,438	1,905,188
7939	EF - HA DEBT 2017B BONDS	487,219	-	487,219	487,219
7940	EF - HA DEBT 2017C BONDS	799,875	-	799,875	799,875
7942	EF - HA DEBT 2019A BONDS	4,190,813	-	4,190,813	3,024,563
7943	EF - HA DEBT 2020A BONDS	3,292,500	-	3,292,500	11,221,181
7948	EF - HA DEBT 2021 TIFIA	3,280,878	-	3,280,878	3,251,176
7949	EF - HA DEBT 2025A BONDS	8,339,156	75,694,006	84,033,162	-
8000	CS - Fiduciary Operating	4,377,489	-	4,377,489	3,868,902
8010	CS - Prisoner Welfare	358,557	1,500	360,057	342,984

ATTACHMENT I

POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES BY FUND AT SEPTEMBER 30, 2025 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2024 (Continued)

Fund Number	Name of Fund	Pooled September 30, 2025	Non-Pooled September 30, 2025	Total at September 30, 2025	Total at September 30, 2024
8100	CS - Asmt CFD5 Lb Towne Center	253,607	1,234,500	1,488,107	2,624,914
8105	CS - Asmt CFD6 Pike Pub Imprv	1,124,199	5,841,298	6,965,497	6,778,877
8110	CS - Asmt CFD7-1 Douglas Pk Cm	764,758	1,349,701	2,114,459	1,867,925
8115	CS - Asmt CFD7-2 Belmont Shore	67,127	509,704	576,831	556,126
8120	CS - Asmt CFD8-1 Toledo Ugd Ut	62,364	189,109	251,473	225,711
8125	CS - Asmt CFD11-1 Douglas Pk N	147,694	-	147,694	91,662
8190	CS - Other Special Assessment	164,230	-	164,230	158,313
8200	CS - ICTF JPA Operating	5,258,699	-	5,258,699	4,016,694
8300	CS - Earthquake Asmt Dist 90-3	300,024	-	300,024	284,562
8310	CS - Earthquake Asmt Dist 93-1	614,779	-	614,779	592,695
8400	CS - Los Cerritos Wetlands Auth	-	1,318,120	1,318,120	1,087,883
8500	CS - Pkg & Bus Area Improve	1,214,767	-	1,214,767	1,665,327
8550	CS - Promenade District	766,974	-	766,974	676,228
8600	PP - Expendable Trust	(41,312)	-	(41,312)	(736)
8610	PP - Library Miller Trust	639,950	-	639,950	614,732
8620	PP - Homeless Expendable Trust	5,595	-	5,595	5,393
	TOTAL CASH AND INVESTMENTS	$ 2,358,286,628	$ 223,124,795	$ 2,581,411,423	$ 2,536,343,618

* The City's pooled cash and investments was audited in aggregate and the allocation among funds was outside the scope of the performance audit. The allocation is presented for informational purposes only.

ATTACHMENT II

POOLED AND NON-POOLED CASH AND INVESTMENT BALANCES
BY SECURITY TYPE AT SEPTEMBER 30, 2025
WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2024

	Pooled September 30, 2025	Non-Pooled September 30, 2025	Total at September 30, 2025	Total at September 30, 2024
CASH				
Cash in Banks	$ 8,330,838	$ 31,494,457	$ 39,825,295	$ 19,604,507
Cash with Fiscal Agents	-	163,592,458	163,592,458	153,807,977
Total Cash	8,330,838	195,086,915	203,417,753	173,412,484
INVESTMENTS				
U.S. Treasury Notes	620,628,115	-	620,628,115	813,664,535
Federal Farm Credit Bank	230,684,401	-	230,684,401	232,408,855
Federal Home Loan Bank	398,784,092	-	398,784,092	273,305,486
Federal National Mortgage Association	83,979,412	-	83,979,412	65,536,192
Federal Home Loan Mortgage Corporation (FHLMC)	49,778,606	-	49,778,606	146,039,079
Federal Agriculture Mtg Corp	294,878,342	-	294,878,342	199,164,519
Local Agency Investment Fund (L.A.I.F.)	131,099,888	-	131,099,888	363,365
Guaranteed Investment Contracts	-	28,037,880	28,037,880	34,379,165
Money Market	20,005,071	-	20,005,071	132,901,812
Corporate Notes	520,117,863	-	520,117,863	465,168,126
Total Investments	2,349,955,790	28,037,880	2,377,993,670	2,362,931,134
TOTAL CASH AND INVESTMENTS	$ 2,358,286,628	$ 223,124,795	$ 2,581,411,423	$ 2,536,343,618