City of Long Beach

California

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2009

Cover Photography

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Photos 1 and 6 – Department of Parks, Recreation and Marine, Vic Sagers and Andy Witherspoon photographers
Photos 2, 3, 4, & 5 – Long Beach Convention and Visitors Bureau

City of Long Beach, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

Prepared by the Department of Financial Management
Lori Ann Farrell, Director

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

PREPARED BY THE DEPARTMENT OF FINANCIAL MANAGEMENT

CITY OF LONG BEACH, CALIFORNIA

For the Fiscal Year Ended
September 30, 2009

Lori Ann Farrell
Director of Financial Management

Stephen W. Hannah
City Controller

Mary Williams
Accounting Operations Officer

Francine Wiegelman
Accounting Operations Officer

Komla Prosper Ametu
Accounting Operations Officer

Michael Carrigg
Senior Accountant

Cathy Pingol
Senior Accountant

Mary Hebert
Senior Accountant

Bart Ramos
Senior Accountant

Angie Tran
Accountant

Kim-Hang Nguyen
Accountant

Lucy Hong
Accountant

Amanda Johnson
Accountant

Jim Sugita
Accountant

John Zanier
Administrative Officer

Daniel Thurber
Investment Manager

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City of Long Beach
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2009

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INTRODUCTORY SECTION

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CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (562) 570-6711 • FAX (562) 570-6583

PATRICK H. WEST
CITY MANAGER

June 30, 2010

Honorable Mayor and City Council
City of Long Beach:

In accordance with Section 302(e) of the City Charter, submitted herewith is the Comprehensive Annual Financial Report (CAFR) for the City of Long Beach (City) for the fiscal year ended September 30, 2009. This report has been prepared by the Department of Financial Management in accordance with Generally Accepted Accounting Principles (GAAP) and was audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants.

This report contains management's representations concerning the finances of the City, and management assumes full responsibility for the completeness and reliability of all of the information presented. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. As the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's basic financial statements have been audited by KPMG LLP, an international public accounting firm fully licensed and qualified to perform audits of the State of California (State) and local governments within the State. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded that there was a reasonable basis for rendering an unqualified opinion that the City's basic financial statements for the fiscal year ended September 30, 2009 are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the City's basic financial statements is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the City's fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the

administration of federal awards. The City's separately issued Single Audit report is available by contacting the City's Department of Financial Management.

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

The financial reporting entity for the City includes all the funds of the primary government, as legally defined, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

The City has seven independent fiscal entities that are considered blended component units and one discretely presented component unit. These entities vary widely in function and provide essential services.

For a more detailed overview of the City's component units, see the MD&A and the notes to the basic financial statements.

Profile of the Government

The City of Long Beach, incorporated in 1897, is the sixth largest city in the state of California, located within Los Angeles County in Southern California. The City occupies a land area of approximately 50 square miles and serves a population of 492,682.

The City operates under a City Charter first adopted in 1921. The City Charter establishes the current Mayor-Council-City Manager form of government. The City is divided into nine council districts, with Council members elected to represent their respective districts for up to two four-year terms. The citizens, as a whole, elect a Mayor to serve up to two four-year terms. The citizens, as a whole, also elect a City Auditor, a City Prosecutor, and a City Attorney to serve four-year terms; however, there are no term limits for these positions. The City Council and Mayor appoint a City Manager who serves at their discretion. The City Council is a policy-setting body that is responsible for, among other things, enacting ordinances, adopting the budget, and appointing committees. The City Council appoints, among others, the members of the following commissions and boards:

- Citizen Police Complaint Commission
- Civil Service Commission
- Harbor Commission
- Parks and Recreation Commission
- Planning Commission
- Water Commission

The City Council also either serves as or appoints the voting majority of the governing board for the Southeast Resource Recovery Facility (SERRF) Joint Powers Authority, Housing Authority of the City of Long Beach, Long Beach Housing Development Company, Redevelopment Agency of the City of Long Beach, Long Beach Financing Authority, a portion of Long Beach Bond Finance Authority, and the Long Beach Public Transportation Company.

The City Manager is responsible for directing and supervising the administration of all City Manager-directed departments of the City, to ensure that laws, ordinances, orders, resolutions, contracts, leases,

and franchises are enforced and executed, and for appointing all City employees except for classified civil service employees, the City Clerk, elected officers, and their appointees.

The City provides a full range of municipal services, including police, fire, disaster preparedness, public health and environmental services, library, parks and recreation, social services, engineering, public works, waste management, planning and community development, gas, water, airport and towing services. The City operates and maintains a world-class international deep-water harbor, a nationally recognized convention center, beaches, and marinas. The City also administers oil extraction operations under a trust agreement with the State of California.

The annual budget serves as the foundation for the City's financial planning and control. The City Manager must submit a proposed budget to the Mayor on or before July 1st and the Mayor must present that proposed budget along with recommendations to the City Council on or before August 1st. The City Council is required to hold one or more public hearings on the proposed budget and to adopt a final budget on or before September 30, the close of the City's fiscal year. The budget must be approved by fund and department. The City Council adopted the fiscal year 2009 budget prior to September 30, 2008 for all funds except for expendable trust funds. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various funds. The City Council may amend the budget by motion during the fiscal year. The City Manager may transfer appropriations within the departments or within a given fund, without City Council approval, provided that the total appropriations at the fund level and at the department level do not change. Transfers of appropriations between funds or departments require City Council approval. Total expenditures of each fund may not exceed fund appropriations, and total expenditures for each department may not exceed departmental appropriations. Appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

Moving Forward after the Worst Has Past

In the intertwined world of economics and finance, the latter days of 2008 and the early days of 2009 offered little hope as the so-called Great Recession unfolded with one disastrous news report after another. Now, as the recession abates and the economies of the world begin to show signs of life, we must still heed Churchill's cautionary prose in recognition of the daunting challenges still facing the City.

To ensure a balanced budget by fiscal year end, management, employee unions, and the City Council worked together to close the large budget shortfalls that resulted from the economic downturn. Although City management again presented the Mayor and City Council with a structurally balanced budget for fiscal year 2010, most of the same uncertainties that affected last year will impact planning for subsequent years budgets. The State's budget crisis, as well as fluctuations in the City's primary revenue streams, continues to undermine the budget process.

However, as Mayor Bob Foster noted when alluding to 2009 as "a year of economic turmoil unknown in most of our lifetimes," the so-called Great Recession "tested our resolve, our habits, and our character." The City's elected officials and management have resolved to meet current challenges with prudent planning and foresight with an eye on inevitable economic uncertainties and a long-awaited recovery.

Managing Priorities with Finite Resources

Facing the daunting challenge of meeting continuous expectations with declining resources, the City actually trimmed government while maintaining vital services. It has become a realistic and attainable mantra of the City to do more with less and with a greater degree of proficiency.

To help meet the City's budgetary constraints, the City and its employee unions worked together to significantly reduce expenses through the restructuring of key union contracts and employee furloughs. As the City took steps to reduce its expenses, a $9 million budget stabilization reserve using one-time revenues was created to provide a buffer against future unanticipated shortfalls.

Even as the end of the economic downturn appears to be far out on the horizon, the City's prudent actions in controlling its spending over the last decade have positioned it to better weather this storm than most cities throughout the State. Still, each subsequent year will require detailed planning and analysis to address both expected and unanticipated economic challenges.

The Downside of Interconnected Economies

A particular characteristic of the recession is how globally interconnected economies have compounded anticipated "ripple effects" throughout the year. Nowhere has this outcome been more painfully evident than within the relationship between the State of California and local governments within the state.

During the last decade, the State has increasingly made a habit of utilizing local revenues to address state revenue shortfalls. Municipalities, working through such associations as the League of California Cities have fought an ongoing battle to retain control of core local revenues, such as sales taxes, property taxes, gasoline taxes, and vehicle license fees, often only to see the legislature expropriate such income through parliamentary machinations. The relatively recent passage by the voters of Proposition 1A demonstrated that Californians want to limit both legislative encroachments and unfunded mandates. Nevertheless, the state of the California economy in recent years has continued to make local revenues a tempting target for legislators who continue to defer hard decisions into the future. As Mayor Foster recently noted, "It's time to put the State's fiscal house in order rather than make it a contest for survival."

A Business-Friendly City Committed to Economic Expansion

With a 2009 officially estimated population of 492,682, Long Beach is the sixth largest city in California and the 34th largest city in the United States, which makes it larger than Cleveland, Omaha, Miami, Minneapolis, Pittsburgh, and Kansas City. Elected officials and City management are determined to maximize the fiscal potential of the City's location, climate, and population by recruiting and encouraging new businesses. The fact that Long Beach was named the Most Business Friendly City in Los Angeles County last year was due in large measure to changes that were made in the City's official approach to business. There was a renewed focus on attracting new employers to the City, and acknowledgement that more must be done to retain the businesses and employers that are already located in the City. The City now has a small and local business preference program to help local businesses thrive and keep tax revenues here at home. By effectively "leveling the playing" field, the preference program makes it much more likely for small business owners to secure City business.

To assist a very important local business and community partner, the Boing Corporation, Long Beach has continued to support the funding of the C-17 transport and the nearly 5,000 Boeing jobs that the program supports. It now appears that there are sufficient appropriations to keep the project funded into 2012.

Boeing also holds two other very valuable assets that will be important to the City: the former 717 airliner production site and the new industrial development at Douglas Park. With over 1 million square feet of space under one roof, the 717 site has been proposed as both a potential movie studio and, for a

brief time, an electric vehicle production facility. The City will similarly explore other creative, ways to utilize its assets and grow the local economy.

Maintaining the Focus on Sustainability & Neighborhoods

The City is committed to becoming an environmentally sustainable city. On its most fundamental level sustainability is the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Being sustainable or "green" means minimizing our impact on the planet by strategies that use less energy and less water, and generate less solid waste, pollution and greenhouse gases. In addition, planting more trees, improving water quality in our bays and rivers, and increasing and improving access to open space results in the maintenance of a healthy community. With these goals in mind, a Citywide Green Team was established.

The stated purpose of the Citywide Green Team is to

- Generate internal interest and create department green champions;
- Implement green policies and programs throughout the city's operations and facilities;
- Share information and identify opportunities for making operations more sustainable;
- Be a sounding board for new ideas; and
- Educate other staff and raise awareness of sustainability.

In Long Beach, although the majority of the City is developed, there are still strategies that help make neighborhoods and structures more sustainable. Walkable neighborhoods, green buildings, access to parks, open space, and transit options all help create neighborhoods that are organized and built in a way that incorporates a mix of businesses and amenities, transportation options, and recreational choices all within walking distance of residences.

Walkable neighborhoods are a key component of sustainability in the City, offering several health, environmental, and community benefits. Walkable neighborhoods locate housing near grocery and retail stores, schools, libraries, parks, and other local amenities within an easy and safe walk. The City is ranked the 8th most walkable city in the United States.

Likewise, City management has proclaimed its intention to make Long Beach "The Most Bicycle Friendly City in the United States," as stated in signage that has now been affixed to the external walls of City Hall. Expanded bike paths, locking stations, and other related amenities have been placed and expanded throughout the City. An innovative shared bicycle/automobile corridor known as a "sharrow" has been opened on Second Street in Belmont Shore and promises to be a harbinger of such transportation innovations to come within the City. Sharrows include stencils of a bicycle with two arrow-like chevron markings above it painted in areas too narrow for a dedicated bike lane. The idea is to keep cyclists away from parked cars while promoting awareness of their right to use the road.

Noteworthy Achievements

In his most recent State of the City address, Mayor Bob Foster highlighted areas for recognition both as achievements in the past year and as areas of continued emphasis for 2010:

- The City is a safe and a well-protected city. In 2009, crime rates dropped again, by nearly 3%. In particular, gang-related shootings dropped more than 8%.

- Wireless 911 service was deployed citywide and response times for priority one calls are faster than ever before.
- Traffic accidents are down 6% and traffic citations are up 3%.
- The Fire Department responded to more than 57,000 calls for service demonstrating that it is one of the most active and competent departments in the nation.
- The Convention and Visitors Bureau continued to showcase the City despite the challenging national economy.
- City workers filled 32,400 potholes, with an average 48-hour response time; they repaired 15.6 miles of streets and 13.5 miles of sidewalks; and 2 million square feet of graffiti was removed within 48 hours of being reported.
- The City opened three dog parks, broke ground on four new park facilities, and cleared the way for more than nine acres of additional park space for the future.
- This year, with cooperation from the County and the creative help of our Public Works Department and Southern California Edison, the Arlington Storm Drain will be rehabilitated to provide flood protection for the first time in two decades.

The Port of Long Beach

As one of America's premier seaports and a trailblazer in goods movement and environmental stewardship, the Port of Long Beach (the Port) was also a prominent bellwether of the worldwide economic crisis.

Trade valued annually at more than $100 billion moves through the City, making it one of the busiest seaports in the world. Everything from clothing and shoes to toys, furniture, and consumer electronics arrives at the Port before making its way to store shelves throughout the country. Specialized terminals also move petroleum, automobiles, cement, lumber, steel, and other products.

A major economic force, the Port supports more than 30,000 jobs in Long Beach, 316,000 jobs throughout Southern California, and 1.4 million jobs throughout the United States. It generates about $16 billion in annual trade-related wages statewide.

In recent weeks, there have been signs of a recovery in cargo volume, but from December 2008 to December 2009, there was a 20.5% reduction in Loaded Inbound Containers and a 19.9% reduction in Loaded Outbound Containers. These statistics illustrate in stark terms both the impact of the recession and the inertia that must be overcome for the resumption of growth in one of the nation's largest ports.

The Airport

Unlike the Port, the Long Beach Airport (the Airport) did not suffer a precipitous decline in passenger volume during the recession. The Airport's convenience, accessibility, and local charm made it a continued popular point of departure and arrival for airline passengers throughout Southern California. Airport officials reported that there was a decline in passenger volumes from 2008 to 2009 of only 0.2%, from 2,913,926 in 2008 to 2,909,307 in 2009.

The Airport offers direct flights throughout the United States with easy domestic and international connections. Airlines departing the Airport fly nonstop to major hubs across the country including Phoenix, San Francisco, Chicago, New York, and Washington, D.C. The Airport hosts Alaska Airlines/Horizon Air, Delta Air Lines/Skywest, Jet Blue Airways, and US Airways. Beginning March

1, 2010, the Airport will begin construction of a new on-site parking garage. Groundbreaking for a new boarding lounge and concession area is expected to begin in early 2011.

Confidence in the Future

Variations in economic cycles have impacted the City in the past, and they will again in the future. However, the fundamental strengths of the City remain: its perfect climate, natural beauty, prime Southern California location, and diverse neighborhoods. Rather than being discouraged by the temporary vagaries of the marketplace, City officials, employees, businesses, and residents are working on plans for a revitalized future. Although there may be variations in approach and priorities, all stakeholders are committed to a set of common goals. These goals are to ensure that:

- The City will be a safe community of neighborhoods in a healthy environment.
- There will be a continued focus on youth and education.
- Economic opportunities will be available to all.
- Government will be responsive, transparent, and accountable.

Confidence in the achievement of these goals will guarantee that temporary economic setbacks will be transcended by the reality of a vibrant and progressive future for the City.

Financial Planning and Performance Management

Performance management makes local government work better and become more cost effective for its residents by establishing performance goals, measuring progress, and making strategic decisions based on specific desired outcomes. The City's process involves five steps:

Planning: establishing the objectives departments will accomplish annually.

Budgeting: funding resources around clear and measurable priorities through the City's budgeting process.

Measuring: tracking operational and financial performance on a monthly, quarterly, and annual basis to measure progress toward accomplishing short- and long-term goals.

Communicating: publishing a portfolio of financial performance reports and updates for internal and external audiences, City Council, the community, and City management.

Evaluating: analyzing performance information to make strategic operational, fiscal, and policy decisions and set goals for the coming year.

In a time of economic contraction, the successful deployment of a Performance Management Budget will help the City invest its limited resources in the programs that most effectively deliver essential and core services to the community it serves.

Cash Management Policies and Practices

To maintain flexibility in cash management, the City employs a pooled cash system (see Note 4 to the Basic Financial Statements in the Financial Section). Under the City's pool, all available cash is invested daily in various securities, while maintaining reasonable liquidity to meet maturing obligations and maximizing returns through the use of competitive rate comparisons from various investment sources.

The market value of the City's pooled investments at September 30, 2009 was $1,630,758,000. The City's investment pool earned an annual average return of 1.62 percent, reflecting a 1.57 basis point decrease over the prior year. For the prior fiscal year, the market value of City's pooled investments was $1,663,004,000, and the investment pool earned an annual average return of 3.19 percent.

The rate of return, which was impacted by the downturn in the economy, demonstrates that the City maintained a reasonable and safe return on its investments during fiscal year 2009, while employing prudent investment policies to safeguard the City's cash assets and maintaining adequate levels of liquidity. The City's Department of Financial Management presents cash and investment reports to the City Manager, Investment Advisory Committee, and City Council each quarter. The City Auditor also performs a quarterly independent audit of City cash accounts and investments for adherence to the City's Statement of Investment Policy. The City's general investment strategies are set forth in a formal Statement of Investment Policy, which has been written in accordance with State law and is reviewed and approved annually by the City Council.

The City is also pleased to announce that the City's investment pool continues to be rated as AAA by the Standard and Poor's rating agency signaling the safety and low risk of the portfolio.

Risk Management

The City is self-insured for workers' compensation and tort liability. While the City has accumulated funds in the City's Insurance Internal Service Fund to meet losses as they arise, additional contributions will soon be necessary to meet potential future liabilities. Various risk control techniques are also in place, including safety training for employees and the inclusion of appropriate legal provisions in third-party contracts and leases that are incorporated to minimize risk of loss. Additional information about the City's self-insurance programs is reported in Note 16 to the Basic Financial Statements in the accompanying Financial Section of this report.

Debt Administration

During fiscal year 2009, the City and its agencies issued approximately $69.3 million in debt as follows:

Fund / Agency	Amount (millions)	Purpose
General Fund	$ 54.0	Tax Revenue Anticipation Notes
Water	3.0	Water Commercial Paper
Airport	8.3	Airport Commercial Paper
Water	4.0	Sewer Commercial Paper
	$ 69.3	

The Tax Revenue Anticipation Notes were issued in October 2008 to meet the cash flow needs of the City's General Fund and were repaid before the fiscal year ended. General Fund revenues, mostly from tax receipts, were accumulated to pay off the notes.

More detailed information about the debt position of the City is reported in Notes 8 through 12 of the Notes to the Basic Financial Statements in the accompanying Financial Section of this report as well as in the Schedules of Debt Capacity of the accompanying Statistical Section.

Pension and Other Post-Employment Benefits

The City provides full-time employees retirement and disability benefits, including annual cost-of-living adjustments and death benefits through the California Public Employees' Retirement System (CalPERS), agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State. Benefit provisions and all other requirements are established by State statute and City ordinance. The contribution requirements to the pension plan are established and amended annually by CalPERS. The City's funding policy is to make contributions as determined by CalPERS.

The City provides Special Status Contractors and seasonal and temporary employees retirement and death and disability benefits through a Public Agency Retirement System (PARS) defined benefit single-employer retirement plan. The PARS plan is administered through a third-party administrator. The City's funding policy is to make the contribution as determined by the PARS plan's actuary.

The City also provides post-retirement health care benefits under the provisions of the City's Personnel Ordinance where upon retirement from the City, retirees, their spouses, and eligible dependents are allowed to use the cash value of the employee's accumulated unused sick leave to pay for health, dental, vision, short- and long-term disability and long-term care insurance under the City's Retired Employees' Health Insurance Program. As of September 30, 2009, there were 580 participants in this program. Consistent with Governmental Accounting Standards Board (GASB) Statement No. 45 requirements, the City hired an independent actuarial firm to analyze and calculate the City's unfunded accrued actuarial liability for these other post employment benefits. The results of this study have been presented to the City Council's Budget Oversight Committee as part of implementing GASB No. 45 during fiscal year 2008.

Additional information on the pension arrangements and post-employment health-care benefits can be found in Notes 14 and 15, of the Notes to the Basic Financial Statements in the accompanying Financial Section of this report.

Independent Audit

Section 803 of the City Charter requires the City Auditor, at least once in each fiscal year, to audit the financial statements of the City. Immediately upon completion of such audit, the City Auditor shall make and file with the City Clerk a written report thereof. The City Auditor contracted with an independent certified public accounting firm for the audit of the City's Basic Financial Statements for the fiscal year ended September 30, 2009. The Independent Auditors' report has been included in this report.

Certificate of Achievement

For the second year in a row and for the second time since 1996, the Government Finance Officers Association (GFOA) of the United States and Canada has awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,

PATRICK H. WEST	LORI ANN FARRELL
CITY MANAGER	DIRECTOR OF FINANCIAL MANAGEMENT

Directory of City Officials
As of September 30, 2009

Bob Foster
Mayor

Val Lerch
Vice-Mayor
9th District

Robert Garcia
Councilmember
1st District

Suja Lowenthal
Councilmember
2nd District

Gary DeLong
Councilmember
3rd District

Patrick O'Donnell
Councilmember
4th District

Gerrie Schipske
Councilmember
5th District

Dee Andrews
Councilmember
6th District

Tonia Reyes Uranga
Councilmember
7th District

Rae Gabelich
Councilmember
8th District

Elected Department Heads

City Attorney	Robert E. Shannon
City Auditor	Laura Doud
City Prosecutor	Thomas M. Reeves

Appointed by Council or Commission

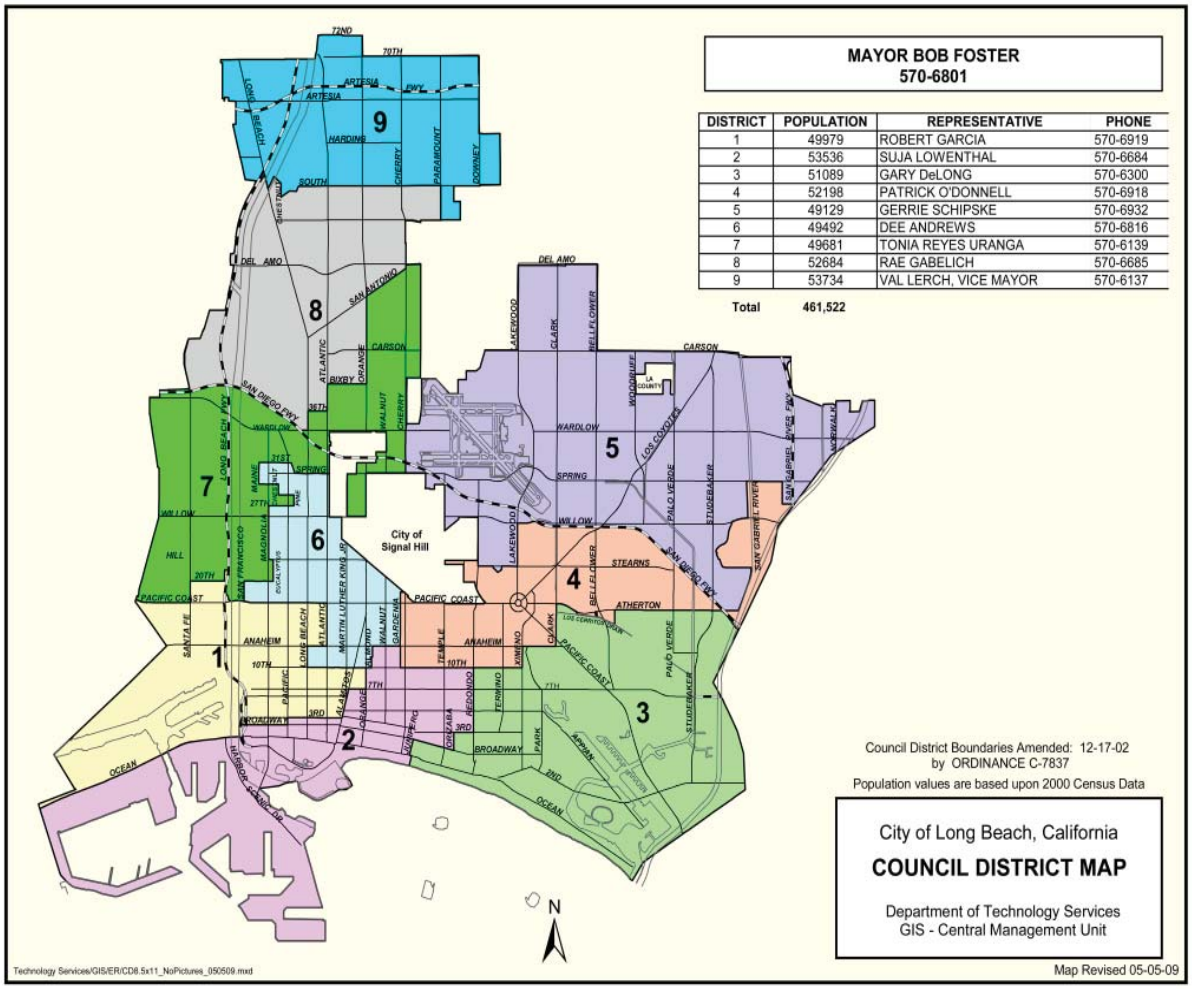
City Clerk	Larry Herrera
Executive Director - Civil Service	Mario R. Beas
Executive Director - Harbor	Richard D. Steinke
General Manager - Water	Kevin L. Wattier

City Manager
Patrick H. West

Assistant City Manager
Suzanne Frick

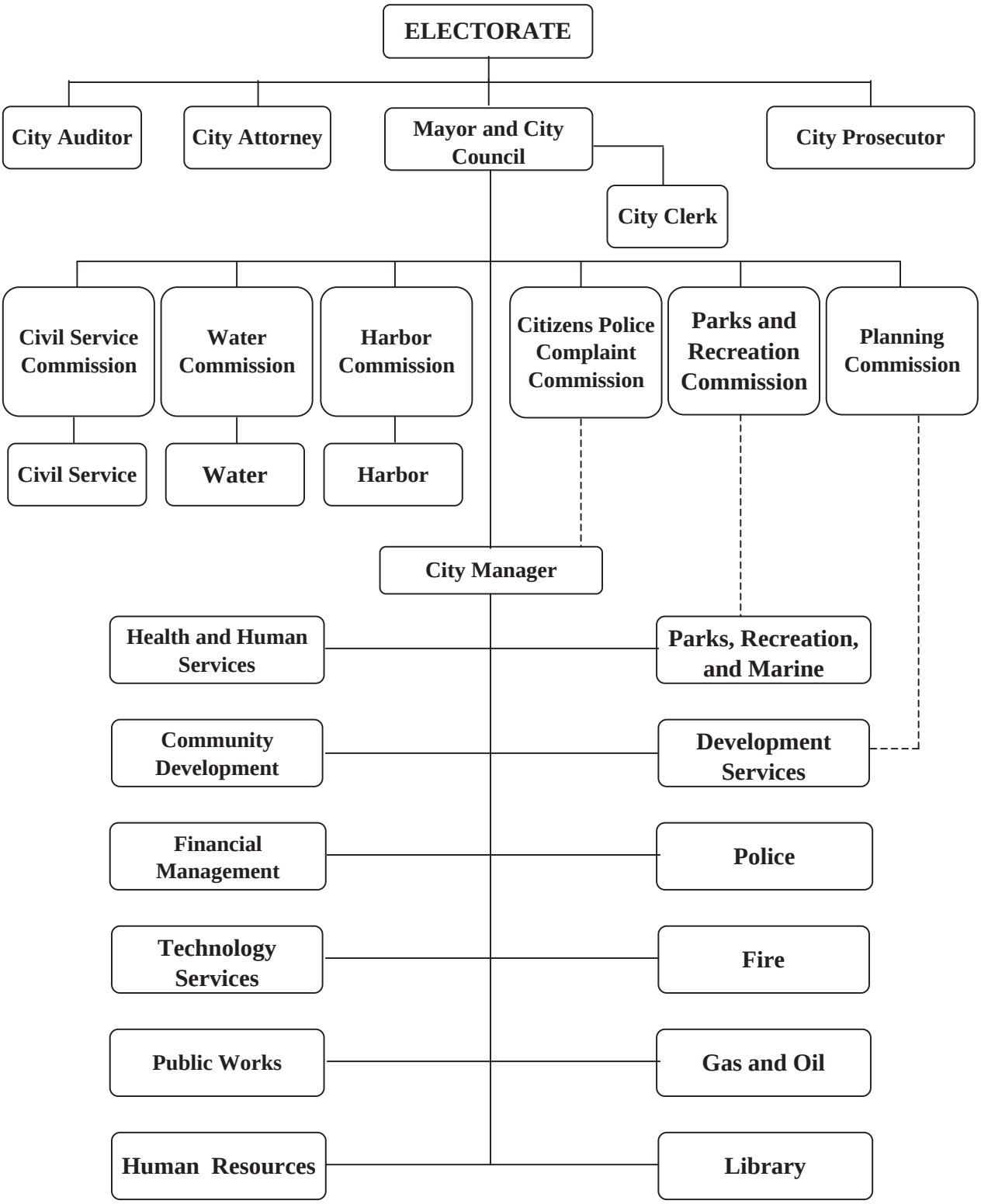
Deputy City Manager
Reginald I. Harrison

Director of Community Development	Dennis Thys
Director of Financial Management	Lori Ann Farrell
Director of Health and Human Services	Ronald Arias
Director of Human Resources	Suzanne R. Mason
Director of Library Services	Eleanore Schmidt
Director of Long Beach Gas and Oil	Christopher J. Garner
Director of Parks, Recreation and Marine	Phil T. Hester
Director of Planning and Building	Craig Beck
Director of Public Works	Michael P. Conway
Director of Technology Services	Curtis Tani
Fire Chief	David W. Ellis
Chief of Police	Anthony W. Batts


MAYOR BOB FOSTER
570-6801
DISTRICT | POPULATION | REPRESENTATIVE | PHONE
1 | 49979 | ROBERT GARCIA | 570-6919
2 | 53536 | SUJA LOWENTHAL | 570-6684
3 | 51089 | GARY DeLONG | 570-6300
4 | 52198 | PATRICK O'DONNELL | 570-6918
5 | 49129 | GERRIE SCHIPSKE | 570-6932
6 | 49492 | DEE ANDREWS | 570-6816
7 | 49681 | TONIA REYES URANGA | 570-6139
8 | 52684 | RAE GABELICH | 570-6685
9 | 53734 | VAL LERCH, VICE MAYOR | 570-6137
Total 461,522
City of Signal Hill
Council District Boundaries Amended: 12-17-02
by ORDINANCE C-7837
Population values are based upon 2000 Census Data
City of Long Beach, California
COUNCIL DISTRICT MAP
Department of Technology Services
GIS - Central Management Unit
Technology Services/GIS/ER/CD8.5x11_NoPictures_050509.mxd
Map Revised 05-05-09

LONG BEACH CITY GOVERNMENT
ORGANIZATIONAL CHART

As of September 30, 2009



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Long Beach California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

FINANCIAL SECTION

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KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Long Beach, California (the City) as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Long Beach, California (the City) as of September 30, 2009, and the respective changes in financial positions and, where applicable, cash flows thereof and the respective budgetary comparisons for General Fund, the Housing Development Fund, and the Community Development Grants Fund for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

KPMG LLP, a U.S. limited liability partnership, is the U.S.
member firm of KPMG International, a Swiss cooperative.

As discussed in note 2 to the financial statements, the City adopted Government Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Applications of these statements are effective as of October 1, 2008.

The accompanying management's discussion and analysis on pages 3 through 25 and the schedules of funding progress on pages 139 and 140 are not a required part of the financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information, and accordingly, we express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information identified in the table of contents as the introductory section, the additional financial information section, other supplementary information section, and the statistical section are presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual fund statements and schedules in the additional financial information section and other supplementary information section have been subjected to the audit procedures applied by us and the other auditor in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditor, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory sections and the statistical section have not been subjected to the auditing procedures applied by us and the other auditor in the basic financial statements, and accordingly, we express no opinion on them.

KPMG LLP

June 30, 2010

MANAGEMENTS DISCUSSION AND ANALYSIS

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As the management team for the City of Long Beach (the City), we present to the readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2009. We encourage readers to consider this information in conjunction with the information found in the letter of transmittal.

Financial Highlights

Government-wide Basis:

- The assets of the City exceeded its liabilities as of September 30, 2009 by $4.0 billion (*net assets*). Of this amount, $1.2 billion may be used to meet the government's ongoing General Fund, grant, capital project, and business-type activity obligations to citizens and creditors. However, expenditure restrictions apply to the grant funds and much of the business-type and capital project funds.
- The City's total net assets increased by $97.4 million, reflecting a $104.5 million increase in net assets for business-type activities and a $7.1 million decrease in net assets for governmental activities.
- The City's total long-term liabilities, including such items as bonds, notes, leases payable, accrued self-insured claims, and retiree benefits, decreased by $307.6 million, or 9.6 percent, during the fiscal year. The decrease is primarily due to a tender offer of $251.7 million on outstanding bonds and a decrease of 56.8 million in accrued liabilities for environmental remediation.

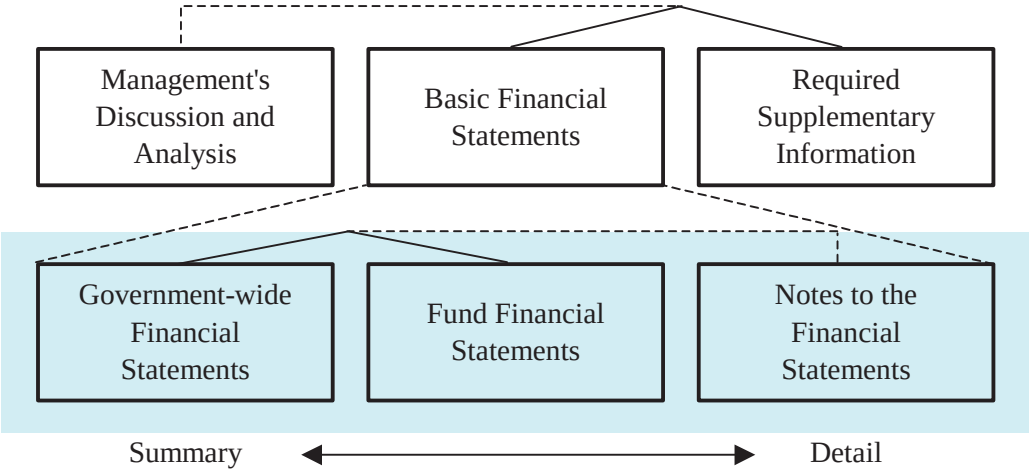
Fund Basis:

- As of September 30, 2009, the unreserved fund balance for the General Fund was $45.9 million, or 12.0 percent, of total General Fund expenditures. Designated General Fund reserves of $37.1 million, coupled with a $2.5 million general-purpose reserve, as prescribed by the City Charter and listed under undesignated, comprised the Emergency Reserve. Unreserved designated for subsequent appropriation includes a reduction for long-term advance of $6.1 million from the Subsidence Fund allowed under State legislation.
- As of September 30, 2009, the City's governmental funds reported a deficit unreserved fund balance of $20.8 million. The governmental funds, excluding the General Fund, reported combined unreserved deficit fund balances of $66.7 million. The deficit fund balance primarily results from the requirement to reserve fund balance for land held for resale, debt service, future capital projects, and noncurrent receivables totaling $312.3 million in the Redevelopment Capital Projects Fund. This amount is offset by a deficit unreserved fund balance of $137.3 million leaving the total fund balance for the Redevelopment Capital Projects Fund of $175.0 million. $70.8 million in fund balances designated for subsequent years' appropriations helps to offset the Redevelopment Capital Projects Fund deficit fund balance.

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 are comprised of three components: government-wide financial statements, 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.

REQUIRED COMPONENTS OF THE ANNUAL FINANCIAL REPORT



Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents consolidated information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information on how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes or expenses pertaining to earned but unused employee vacation and sick leave.

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate transportation company for which the City is the sole stakeholder and, therefore, has authority to affect the company. Financial information for this

component unit is reported separately from the financial information presented for the primary government itself. Also included in the governmental activities of the government-wide financial statements are the Housing Authority of the City of Long Beach, the Long Beach Housing Development Company, the Redevelopment Agency of the City of Long Beach, the Long Beach Financing Authority and a portion of the Long Beach Bond Finance Authority.

The business-type activities portion of the government-wide financial statements also includes the Southeast Resource Recovery Facility, a portion of the Long Beach Bond Finance Authority, and the Long Beach Capital Improvement Corporation. Although legally separate from the City, these component units are blended with the primary government because of their close governance by, or financial relationships with, the City.

Fund financial statements: The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The focus of governmental and proprietary fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth in Government Accounting Standards Board (GASB)Statement No. 34 - *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Housing Development Fund, Community Development Grants Fund, General Capital Projects Fund, and the Redevelopment Capital Projects Fund. Each is considered to be a major fund. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements*, located in the Additional Financial Information section of this report.

The City adopts an annual appropriated budget for its funds. A budgetary comparison is provided for each of the City's governmental funds to demonstrate compliance with their budgets. The budgetary comparison statements for the General Fund and major Special Revenue Funds are located in the basic

financial statements, while the statements for the major capital projects funds and non-major governmental funds are included in the Additional Financial Information section of this report.

Proprietary funds: Proprietary funds are generally used to account for operations that provide services to the general public on a continuing basis or to internal City departments. Proprietary funds provide the same type of information contained in the business-type activities portion of the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds: enterprise and internal service.

- ***Enterprise funds*** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the gas and water utilities, solid waste management operations, tidelands operations, tideland oil revenue operations and the port, all of which are classified as major funds. The City also reports enterprise operations for the sewer utility, airport, towing operation and land subsidence fund as non-major enterprise funds shown in the Additional Financial Information section of this report.
- ***Internal Service funds*** are used to accumulate and allocate certain support costs internally among the City's various functions. The City uses internal service funds to account for: the operation and financing of the Civic Center complex; information technology assets and services, lease-purchase of equipment, and reprographics equipment and services; the operation, maintenance, and replacement of the City's vehicle fleet and related facilities; the City's risk management and self-insurance programs, including workers' compensation and general liability, compensated absences, payroll taxes, and health and retirement benefits. Because these services predominantly benefit governmental rather than business-type functions, they are incorporated into governmental activities in the government-wide financial statements. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the Additional Financial Information section of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds include Private Purpose Trust Funds such as the Miller Library Fund and the Mayor's Fund for the Homeless and Agency Funds such as special parking and business assessment districts. Fiduciary funds are *not* reflected in the accompanying government-wide financial statements because the resources of those funds are *not* available to support the City's programs. The fiduciary fund financial statements are presented on the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements can be found in the Basic Financial Statements section of this report.

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

Other Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. The combining statements referred to above in connection with non-major governmental funds and internal service funds are presented in the Additional Financial Information section, along with information regarding capital assets.

The following table provides a summary of the significant features of the financial statements as well as insight into how the information is compiled for statement presentation:

	Government-wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire Entity (except fiduciary funds)	The day-to-day operating activities of the City for basic governmental services.	The day-to-day operating activities of the City for . business-type enterprises	Instances in which the City administers resources on behalf of other entities or groups.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus; except agency funds do not have a measurement focus.
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Current assets and liabilities that come due during the year or soon thereafter. Excludes capital assets and long-term debt.	All assets and liabilities, both financial and capital, short-term and long-term.	All assets held in trustee or agency capacity for others.
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during the year or soon thereafter; expenditures when goods and services have been received and the related liability is due and payable.	All revenues and expenses during year regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

Government-Wide Financial Analysis

Analysis of Net Assets: Net assets may serve as a useful indicator of a government's financial position. At the end of the current fiscal year, the City reported positive net assets balances for both governmental and business-type activities, with total assets exceeding liabilities by $4.0 billion.

Below are the three components of net assets and their respective fiscal year-end balances:

- **Invested in capital assets net of related debt:** This represents 54.2 percent, or $2.2 billion, of the City's total net assets for fiscal year 2008-09 compared to 53.9 percent, or $2.1 billion, for fiscal year 2007-08. The component consists of capital assets (land and easements, structures and improvements, infrastructure, and equipment) net of accumulated depreciation reduced by 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, since the capital assets themselves cannot be used to liquidate these liabilities.

- **Restricted net assets:** Restricted net assets account for 16.5 percent, or $657.1 million, of the City's total net assets for fiscal year 2008-09 compared to 16.6 percent, or $645.3 million, for fiscal year 2007-08. This component of net assets represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net assets:** Unrestricted net assets account for 29.3 percent, or $1.2 billion, of the City's total net assets for fiscal year 2008-09 compared to 29.5 percent, or $1.1 billion, for fiscal year 2007-08. This component of the City's total net assets may be used to meet the City's ongoing obligations to citizens and creditors. Total unrestricted net assets at the end of fiscal year 2008-09 is made up of a $185.3 million from governmental activities and $982.1 million from business-type activities compared to $182.0 million from governmental activities and $964.3 million from business-type activities for the prior year.

Net Assets
September 30, 2009 and 2008
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and Other Assets	$ 1,086,313	$1,079,174	$ 2,395,556	$ 2,549,925	$ 3,481,869	$ 3,629,099
Capital Assets	698,735	729,742	3,168,831	3,154,350	3,867,566	3,884,092
Total Assets	1,785,048	1,808,916	5,564,387	5,704,275	7,349,435	7,513,191
Liabilities:						
Current Liabilities	342,279	358,756	461,040	403,394	803,319	762,150
Noncurrent Liabilities, Net	764,106	764,350	1,799,200	2,101,273	2,563,306	2,865,623
Total Liabilities	1,106,385	1,123,106	2,260,240	2,504,667	3,366,625	3,627,773
Net Assets:						
Invested in Capital Assets, Net of Related Debt	203,709	217,866	1,954,565	1,875,911	2,158,274	2,093,777
Restricted	289,658	285,937	367,477	359,364	657,135	645,301
Unrestricted	185,296	182,007	982,105	964,333	1,167,401	1,146,340
Total Net Assets	$ 678,663	$ 685,810	$ 3,304,147	$ 3,199,608	$ 3,982,810	$ 3,885,418

Change in Current Assets and Noncurrent Liabilities: The decrease in governmental activities current liabilities of $16.5 million primarily resulted from $3.9 million decrease in accounts payable, a $5.3 million decrease in deferred revenue related to a decrease in anticipated property tax collections, and a $3.3 million decrease in accrued short-term debt service payments. The decrease in business-type activity Current and Other Assets of $154.4 million and Noncurrent Liabilities of $302.1 million primarily resulted from a tender offer for a portion of the 2007 Gas Prepay Bonds. At September 30, 2009, the bonds, originally issued in the amount of $887.4 million and resulting in a prepaid asset valued at $865.2 million, had been reduced by $230.9 million and $224.2, million respectively. Additional details concerning the 2007 Gas Prepay bond redemption can be found in note 10.

The following table provides information from the Statement of Activities of the City for the fiscal year 2008-09, as compared to the prior year:

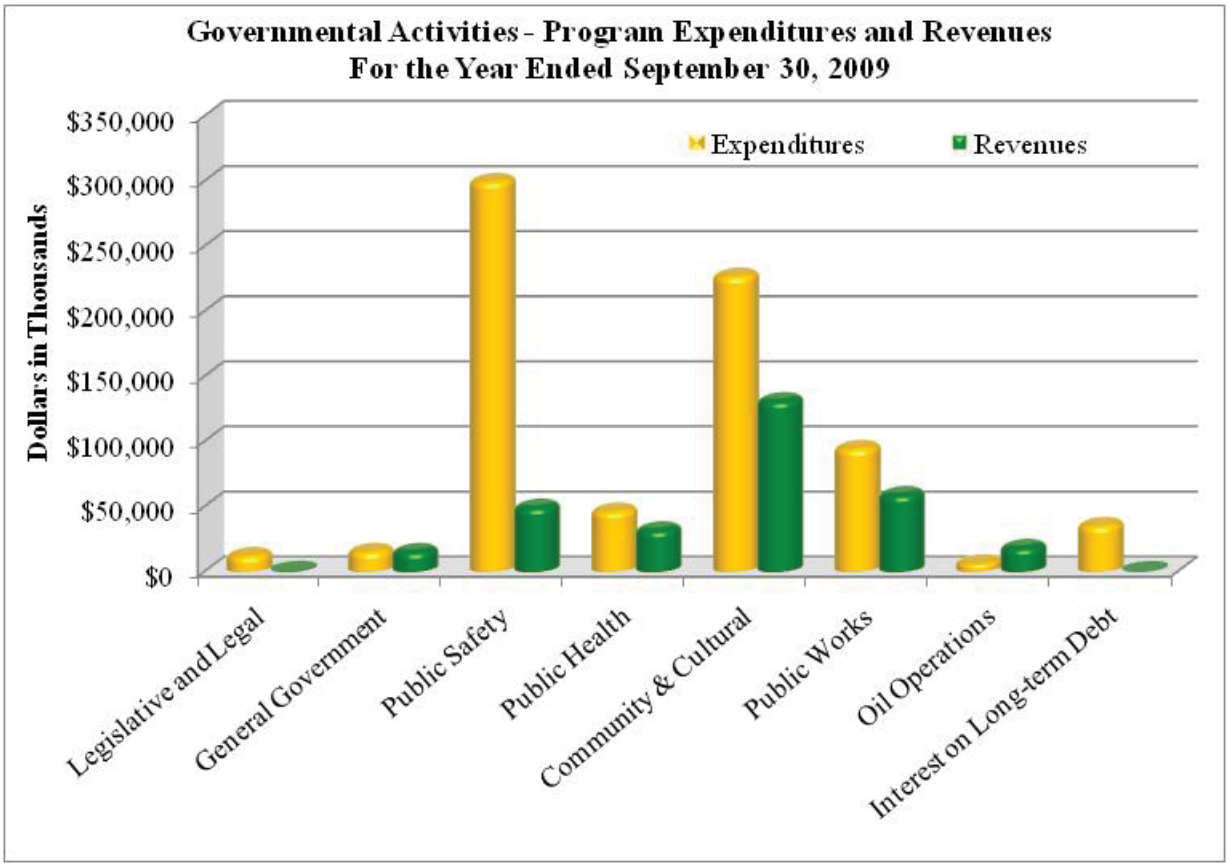
Changes in Net Assets
September 30, 2009 and 2008
(In Thousands)

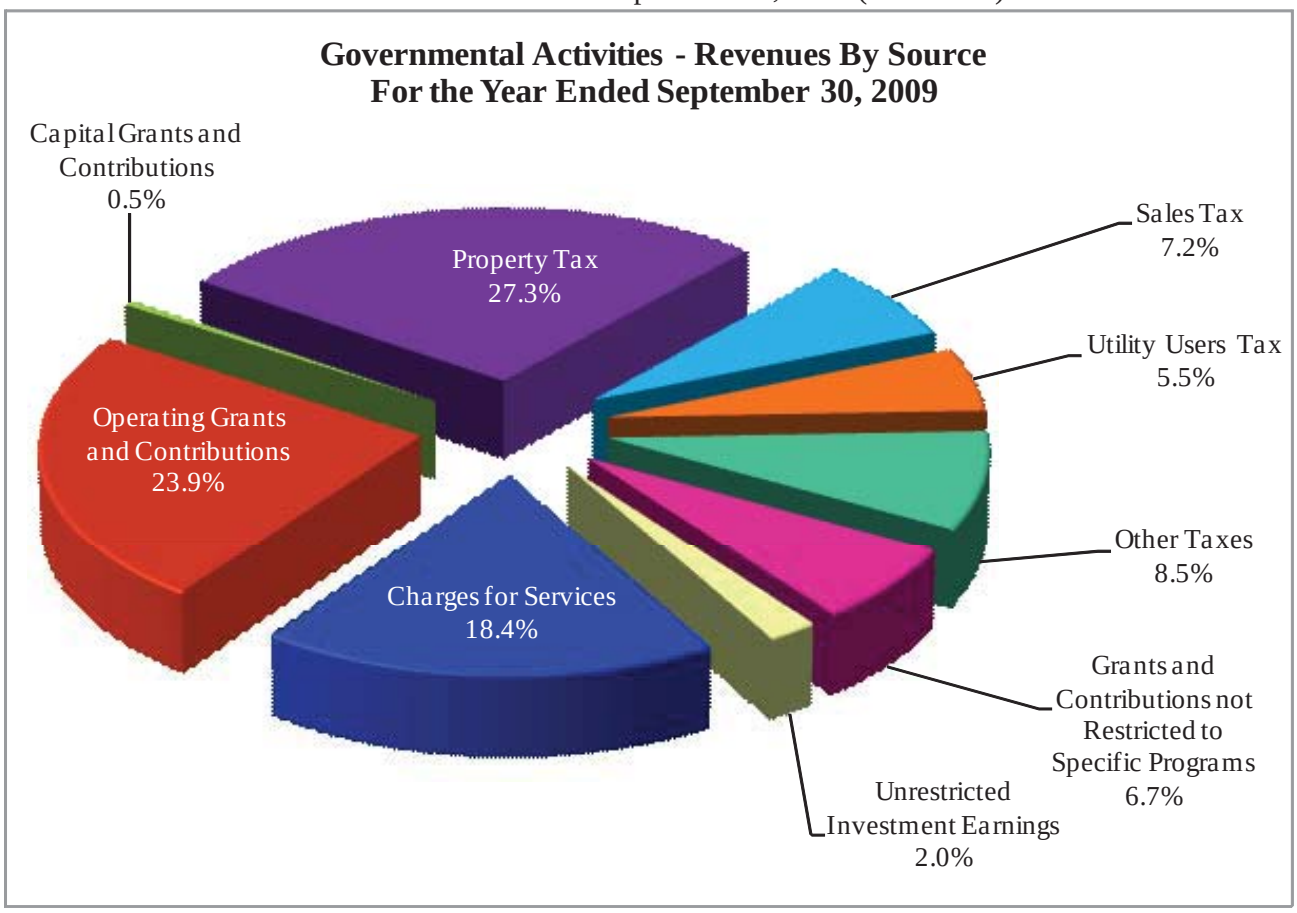
	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	$132,801	$146,208	$ 902,552	$1,324,832	$1,035,353	$1,471,040
Operating Grants and Contributions	172,281	172,478	1,213	1,241	173,494	173,719
Capital Grants and Contributions	3,595	7,424	25,210	14,984	28,805	22,408
General Revenues:						
Taxes:						
Property	196,402	173,184	-	-	196,402	173,184
Sales	51,585	55,261	-	-	51,585	55,261
Utility Users	39,901	41,028	-	-	39,901	41,028
Other	61,250	73,715	-	-	61,250	73,715
Grants and Contributions Not Restricted to Specific Programs	48,364	46,330	-	-	48,364	46,330
Unrestricted Investment Earnings	14,712	24,357	26,890	47,512	41,602	71,869
Loss on Sale of Capital Assets	(1,024)	(49)	-	-	(1,024)	(49)
Total Revenues	719,867	739,936	955,865	1,388,569	1,675,732	2,128,505
Expenses:						
Legislative and Legal	12,866	13,210	-	-	12,866	13,210
General Government	16,292	16,871	-	-	16,292	16,871
Public Safety	302,025	294,916	-	-	302,025	294,916
Public Health	47,134	48,330	-	-	47,134	48,330
Community & Cultural	227,772	227,274	-	-	227,772	227,274
Public Works	95,354	83,232	-	-	95,354	83,232
Oil Operations	8,004	8,630	-	-	8,004	8,630
Interest on Long-Term Debt	35,831	38,418	-	-	35,831	38,418
Gas	-	-	90,364	137,263	90,364	137,263
Water	-	-	76,895	70,571	76,895	70,571
Sewer	-	-	13,224	11,989	13,224	11,989
Airport	-	-	32,113	31,698	32,113	31,698
Solid Waste Management	-	-	83,245	82,590	83,245	82,590
Towing	-	-	7,883	9,863	7,883	9,863
Tidelands	-	-	124,711	123,258	124,711	123,258
Tideland Oil Revenue	-	-	178,636	486,759	178,636	486,759
Harbor	-	-	225,991	242,822	225,991	242,822
Total Expenses	745,278	730,881	833,062	1,196,813	1,578,340	1,927,694
Increase (Decrease) in Net Assets before Transfers	(25,411)	9,055	122,803	191,756	97,392	200,811
Capital Assets Transfers	(1,337)	(1,142)	1,337	1,142	-	-
Transfers	19,601	13,462	(19,601)	(13,462)	-	-
Total Change in Net Assets	(7,147)	21,375	104,539	179,436	97,392	200,811
Net Assets, Beginning of Year	685,810	664,435	3,199,608	3,020,172	3,885,418	3,684,607
Net Assets - October 1	$678,663	$685,810	$3,304,147	$3,199,608	$3,982,810	$3,885,418

Analysis of Changes in Net Assets: The City's total net assets increased by 2.5 percent, or $97.4 million, during fiscal year 2008-09 compared to the prior year's increase of 5.5 percent, or $200.8 million. The change is the result of a decrease in governmental activities net assets of $7.1 million and an increase in business-type net assets activities of $104.5 million (which includes an increase related to Harbor activities of $124.2 million). For the prior year, $21.4 million of the increase in net assets was from governmental activities and $179.4 million from business-type activities. The change in net assets consists of program revenues and general revenues of $1.2 billion and $438.1 million, respectively, reduced by program expenses of $1.6 billion. Specific factors related to the change in net assets for governmental and business-type activities are found on pages 10 through 16.

Governmental activities: The charts on this page as well as the following page illustrate program expenses and revenues by function and revenues by source. Public Safety is the largest function at 40.5 percent of total governmental expense, followed by Community and Cultural at 30.6 percent, Public Works at 12.8 percent, and Public Health at 6.3 percent. Property, sales and other taxes, representing 48.6 percent of total governmental activities revenues, are general revenues used to support overall government functions and are therefore are not shown as program revenues. Operating grants and contributions comprise 23.9 percent, and charges for services 18.4 of total governmental revenue.

Governmental activities decreased the City's net assets by $7.1 million, a decrease of $28.5 million from fiscal year 2008 net asset increase of $21.4 million. The City's net transfers increased by $5.9 million offset by greater governmental activities expense of $14.4 million and decreases in general revenues and program revenues of $2.6 million and $17.4 million, respectively.





- Property tax, including redevelopment property tax increment, increased by $23.2 million, or 13.4 percent, up from the fiscal year 2008 increase of $10.8 million, or 6.7 percent. The continued property tax growth was attributable to the early lien date (January 1, 2008), which preceded the start of the fiscal year by nine months. This gap, combined with the stabilizing effect of Proposition 13, enabled the City to continue to experience growth in this area. The current year percentage increase was 4.3 percent in the General Fund, and 19.8 percent in both the Redevelopment, and Housing Development Funds with increases of $3.3 million, $15.3 million, and $3.8 million, respectively. The City has budgeted decrease of 2.4 percent in fiscal year 2010 as result of a decline in the housing market.

- Sales tax revenue decreased by $3.7 million, or 6.7 percent, as business sales activity significantly declined due to the economic slowdown.

- Utility Users' tax declined by $1.1 million, or 2.7 percent. The decrease is primarily the result of a decline in customer usage of taxable services, primarily in gas and electric utility user taxes. This is the result of the effects of the sluggish economy shrinking service recipient's consumption.

- Other tax revenue decreased by $12.5 million, or 16.9 percent, and is primarily composed of decreases in transient occupancy taxes, pipeline franchise fees, oil production taxes, and real estate property transfer tax revenue. Transient occupancy taxes decreased by $3.7 million reflecting the down economy. Pipeline franchise fees decreased by $6.3 million due to the decline in the market price of natural gas and a reduction in the volumes consumed at the large power plants in the City. Oil production taxes decreased by $210 thousand and real estate property transfer tax decreased by $346 thousand due to the economic slowdown.

- Unrestricted Investment earnings declined $9.6 million, or 39.6 percent, due to the significantly lower investment pool rate of return resulting from the severe contraction of the economy.

- Overall charges for services decreased by $13.4 million, or 9.2 percent, reflecting the following:

  - Public safety charges for services decreased by $5.4 million, or 12.8 percent, primarily consisting of a $6.0 million decrease related to the consolidation of parking enforcement operations within the public works.

  - Public works charges for services increased by $6.4 million, or 33.1 percent, primarily as a result of the consolidation of parking enforcement operations from public safety to public works. This consolidation was to generate improved enforcement in underserved areas of the City.

  - Oil operations revenue in the City's Uplands oil extraction area decreased by $13.9 million, a 42.3 percentage decrease over the prior year due to the effects of the depressed economy on the price and demand for oil. The average price per barrel in fiscal year 2009 was $49.46. This represents a decrease in the average price per barrel of $47.46 as compared to the fiscal year 2008 per barrel average of $97.22.

- Operating grants and contributions decreased by $197 thousand, or less than one percent reflecting:

  - General government Operating grants and contributions increased by $916 thousand.

  - Public safety operating grants and contributions decreased by $4.5 million, or 25.9 percent. Federal funding for technology purchases related to Urban Areas Security Initiative Grants decreased by $4.2 million.

  - Public health decreased by $2.5 million, or 10.0 percent, primarily due to a $1.7 million reduction in claims for Homeless Supportive Housing Grant funds and a $496 thousand decrease in the federally funded Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) program payments due to the downsizing of MAA and TCM supported programs.

  - Community and cultural operating grants increased by $7.6 million, or 7.9 percent, primarily due to increased grant funding for the Workforce Investment Act grant of $3.4 million, an increase in Home Investment Partnership Act funding of $1.8 million, an increase in HUD Section 8 funding of $1.4 million and new grant funding of $1.4 million for the Neighborhood Stabilization Program.

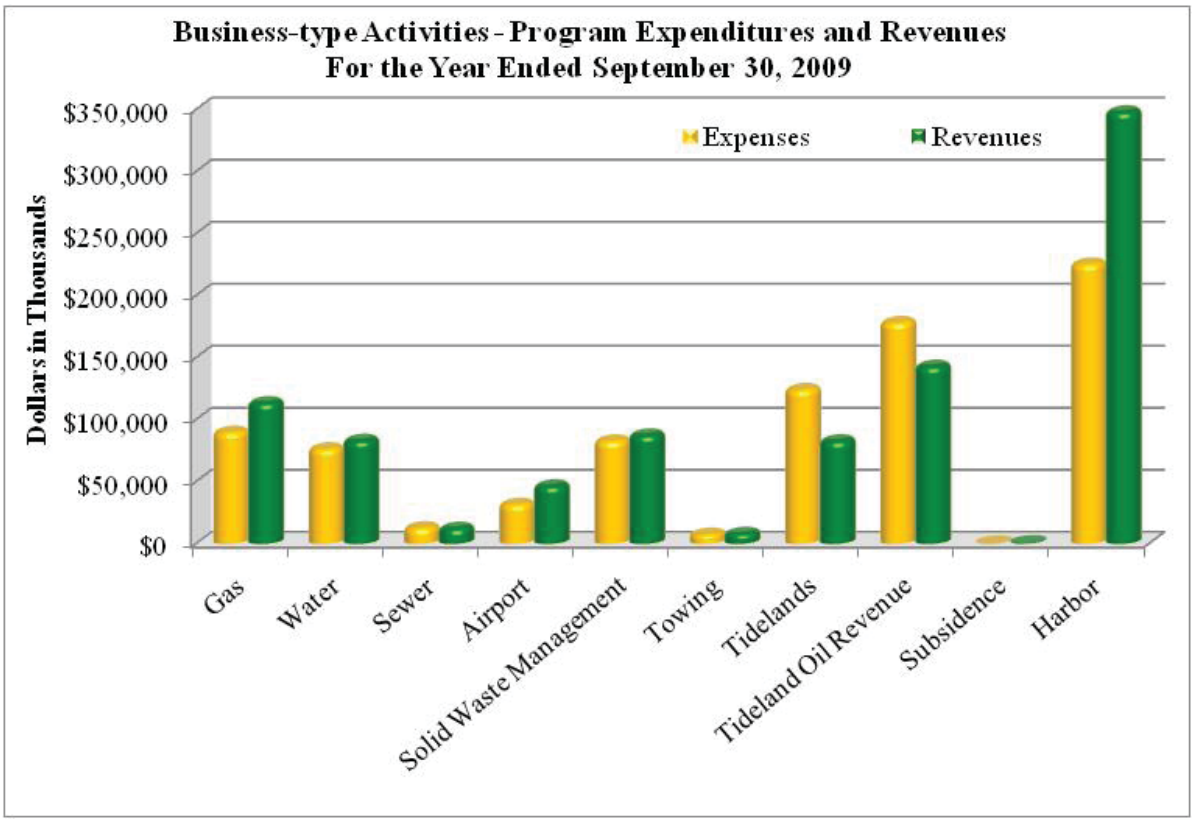
  - Public Works' operating grants and contributions decreased by $1.7 million, or 5.1 percent. The reduction primarily resulted from a decrease in Intermodal Surface Transportation Efficiency Act (ISTEA) funding of $1.3 million

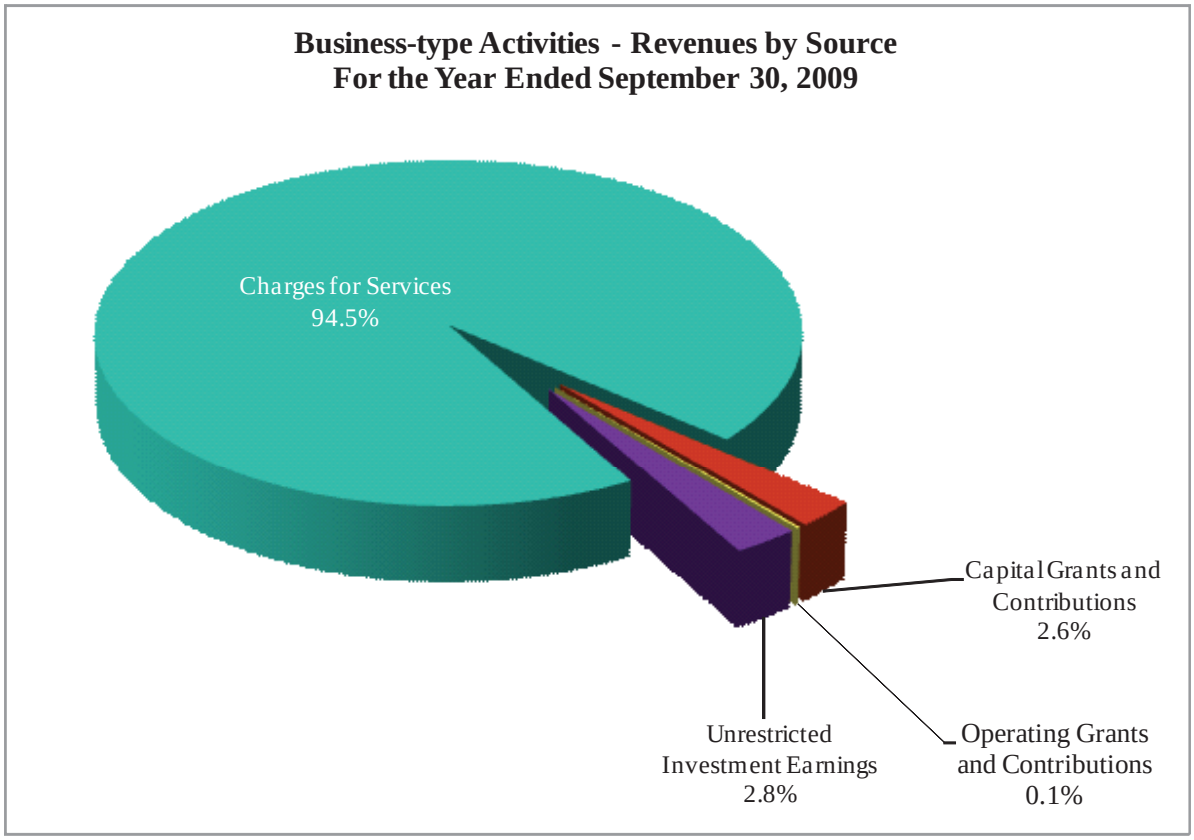
- Capital grants and contributions decreased by $3.8 million, or 51.6 percent, primarily due to the decrease in post acquisition development costs for various park projects. During the year, the State, due to its cash flow problems, notified the City that it would be delaying reimbursing the City for incurred costs until their cash situation improved. The City reduced its related activities to reflect this funding change.

Governmental activities expenses increased by $14.4 million, or 2.0 percent, in fiscal year 2009. Details include:

- General government expenses decreased by $579 thousand or 3.4 percent in fiscal year 2009 primarily reflecting the implementation of a furlough program for City employees during the year.
- Public safety expenses increased by $7.1 million, or 2.4 percent, as a result of a $4.3 million increases in police and fire salaries. These increases are further augmented by a $2.7 million increase in the allocation of internal service costs to include vehicle maintenance, liability insurance, and information technology support services.
- Public health expenses decreased by $1.2 million, or 2.5 percent, primarily due to the downsizing of various programs resulting from cuts in state funding.
- Community and cultural expenses were relatively flat increasing by $498 thousand or less than one percent over the prior fiscal year. However, reflected within this minor change was a $1.6 million, 6.2 percent, decrease in library related expenses reflecting a reduction in new furnishings and library collection purchases. This was offset by a $1.6 million increase in community development expenses related to increased funding for the Workforce Investment Act and Community Development Block Grant activities received as result of the American Recovery and Reinvestment Act.
- Public Works' expense increased by $12.1 million, or 14.6 percent, and is attributed to large repair and maintenance projects for streets and sidewalks to preserve the City's core infrastructure and assets coupled with greater depreciation expense for capitalized assets.
- Oil operations expense decreased by $626 thousand, or 7.3 percent, reflecting the decrease in activity as crude oil prices declined.
- The decrease of $2.6 million, or 6.7 percent, in interest on long-term debt is attributed to normal debt service payments.

Business-type activities. The business-type activities charts on the following page illustrate program expenses and revenues, and revenues by source. The Port is the largest business-type operation, followed by the tidelands and utilities. The utilities and the Port are mainly funded by fees for services provided, while the tidelands is funded by fees along with approved transfers from the Port's Harbor Fund, Tideland Oil Revenue Fund, and one-half of the transient occupancy tax generated in the Downtown Redevelopment Agency project area.


Business-type Activities - Program Expenditures and Revenues
For the Year Ended September 30, 2009
Dollars in Thousands
$350,000
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$0
Expenses
Revenues
Gas
Water
Sewer
Airport
Solid Waste Management
Towing
Tidelands
Tideland Oil Revenue
Subsidence
Harbor


Business-type Activities - Revenues by Source
For the Year Ended September 30, 2009
Charges for Services
94.5%
Capital Grants and
Contributions
2.6%
Unrestricted
Investment Earnings
2.8%
Operating Grants
and Contributions
0.1%

Business-type activities increased the City's overall net assets by $104.5 million, or 3.3 percent, accounting for the total growth in net assets. The fiscal year 2009 increase in business-type net assets is $74.9 million less than the 2008 fiscal year increase of $179.4 million. Key elements of the increase in fiscal year 2009 are:

- The Port's net assets, which are included in the City's Harbor Fund, increased by $124.2 million, or 5.4 percent. This increase was due to increases in operating income, capital grant revenue, and net non-operating revenue of $311.4 million, $11.4 million, and $3.8 million, respectively, offset by a transfer out of $18.1 million to the Tidelands Fund. The net non-operating revenue was mainly the result of $18.6 million of interest income, $13.3 in net income from the clean air action plan, $8.8 million from other non operating revenues, $3.0 million of income from a joint venture, and $923 thousand in income from oil operations offset by $40.8 million of interest expense. The Port's operating income decreased by $36.6 million, or 22.8 percent, from last year, and is attributed to a 13.4 percent decrease in operating revenue offset by a decrease in operating expense of 6.1 percent. Operating expenses decreased as result of $2.2 million, or 27.6 percent, decrease in cargo facility maintenance costs, a $23.3 million, or 51.1 percent, decrease in infrastructure maintenance and environmental control costs offset by increases of $4.7 million, or 13.6 percent, in general and administrative costs and $2.7, or 12.6 percent, increase in the cost of port security operations, primarily services provided by the Long Beach Police and Fire Departments.

- Solid Waste Management Fund net assets decreased by $3.1 million, or 12.9 percent, due to net operating and non-operating income of $5.9 million reduced by a $9.0 million operating transfer to the General Fund. $3.6 million was transferred as part of a Joint Powers Agreement between the City and the County Sanitation District Number 2 (District) that allows net remaining "retained earnings" over a required amount to be distributed equally between the District and the City. In addition, $5 million was transferred to the General Fund for current and retroactive support of street sweeping to compensate for the impact of refuse collection in residential areas and $400 thousand was transferred to capital projects fund to aid the city in capital improvement projects for streets along the refuse haulers routes.

- Tideland fund net assets decreased by $2.9 million, or 1.3 percent, due to net operating loss and non-operating expense of $36.2 million offset by $33.4 million in operating transfers to the fund primarily comprised of $18.1 million from the Harbor Fund and $14.7 million from the Tidelands Oil fund.

- Tideland Oil Revenue Fund net assets decreased by $49.8 million, or 95.6 percent, due primarily to additional payments to other entities related to oil production. The fund had a net operating and non-operating loss of $35.1 million that was further reduced by a $14.7 million operating transfer to the Tidelands Fund under a revenue sharing agreement for the optimized water flood program.

- Water Fund net assets increased by $8.1 million, or 3.4 percent, due to net operating income and capital grants and contributions of $6.9 million and $2.2 million, respectively, offset by $1.0 million in net non-operating expense. Operating revenue increased by $9.3 million from fiscal year 2008 and is attributed to a 15.8 percent rate increase. Operating expenses increased by $6.2 million, or 9.1 percent, and is attributed to a $1.5 million increase in the expense for water purchases, a $1.8 million increase in depreciation expense related to significant distribution system capital outlays, and a $2.3 million increase related to system and equipment maintenance, laboratory and chemical supplies, and increased taxes and fees paid to external agencies.

- Gas Utility Fund net assets increased by $14.4 million, or 35.8 percent, comprised of a $42.8 million net operating income decreased by $17.3 million in net non-operating expense and $11.1 million in operating transfers to the General Fund. Operating revenue decreased by $35.3 million from the prior year with a $26.4 million decrease in customers' sales due to lower prices and volume decreases from conservation, supplemented by $8.9 million decrease in revenue related to gas remediation sales. The reduction in operating revenues was offset by a $48.6 million decrease in the expense for purchased gas as the price for this commodity fell dramatically. The bulk of the non-operating expense is form interest of the gas prepay bonds offset by revenue from Gas Prepay Bonds tender offer executed in August 2009.

- The $19.6 million, or 15.8 percent, increase, in non-major business-type activities net assets includes the Airport and Subsidence Fund net assets increase of $15.6 million and $3.5 million, respectively. The Airport's increase in net assets is primarily due to federal administration grant reimbursement for runway enhancements and passenger facility fees included in other non-operating income. The Subsidence Fund net assets increase resulted from interest income. Other non-major enterprise funds reflected minimal changes in operations.

Government Funds Financial Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At September 30, 2009, the City's governmental funds reported a combined ending fund balance of $519.9 million, a net increase of $3.3 million over the prior year. This change is primarily the result of increases in the General Fund, Housing Development Fund and Redevelopment Capital Projects Fund offset by decreases in the fund balances of the General Capital Projects Fund, and other non-major governmental funds.

The assets of governmental funds increased by $172.6 million, or 19.2 percent, over the previous fiscal year. The increase was primarily attributable to a $159.6 million increase in property taxes receivable, a $18.8 million increase in noncurrent receivables, a $14.2 million increase in land held for resale, and a $3.7 million increase in advances to other funds offset by a 11.4 million decreases in amounts due from other governments, a $6.8 million decrease in amounts due from other funds, and a $7.3 million increase in the allowance for uncollectible receivables.

Governmental fund liabilities increased by $169.3 million, or 44.2 percent, over the prior fiscal year. The increase resulted from an increase of $177.8 million in deferred revenue, primarily related to the increase in property taxes receivable, a decrease of $7.0 million in amounts due to other funds, and a decrease of $4.2 million in accounts payable.

Of the total fund balance, the net unreserved fund balance is deficit $20.8 million, down approximately $32.2 million from the previous fiscal year's net unreserved fund balance of $11.5 million. With the exception of the Redevelopment Capital Projects Fund, all other governmental funds reported positive unreserved fund balance aggregating $116.5 million. The Redevelopment Capital Projects Fund reports a net unreserved fund balance deficit of $137.3 million. This deficit fund balance results from the required reserved fund balances of $312.3 million as compared to the total fund balance for the Redevelopment Capital Projects Fund of $175.0 million. The General Fund's unreserved ending fund balance at September 30, 2009 totaled a net $45.9 million representing Emergency Reserves of $37.1

million and a designation for subsequent years' appropriations of $6.3 million. Undesignated fund balance of $2.5 million represents a general-purpose reserve allowed under the City Charter.

The *reserved* fund balance classification indicates funds committed for: (a) non-current receivables including long-term advances to other funds ($170.4 million) that are not available to spend; (b) reserves for land held for resale ($195.0 million) that are not available to spend; (c) asset seizure funds restricted by law ($3.9 million); (d) commitments for contracts and purchase orders ($13.2 million); (e) City Charter requirements to maintain a $1.5 million cash balance reserve; (f) future capital projects and special programs ($71.3 million); (g) required bond reserves to pay debt service ($81.6 million); and (h) other restricted purposes including a reserve for estimated oil field abandonment ($3.5 million).

Long-term advances due from other funds are recorded as fund balance reserved for non-current receivables. The long-term advances due from other funds (e.g., loan to the Redevelopment Agency) have no specified repayment date; therefore, the General Fund reserved fund balance in the amount of $105.5 million is not available. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. The total unreserved fund balance of $45.9 million, including Emergency Reserves of $37.1 million, represents 12.0 percent of total General Fund expenditures of $384.0 million.

The General Fund's fund balance increased by $1.3 million during fiscal year 2009, $15.6 million less than 2008 fiscal year increase of $16.9 million. Revenue decreased of $14.2 million while total expenditures increased by $1.1 million, despite a decrease in non-debt related expenditures of $1.5 million. Other financing sources remained relatively flat as compared to the prior fiscal year.

General Fund Revenues and Other Financing Sources

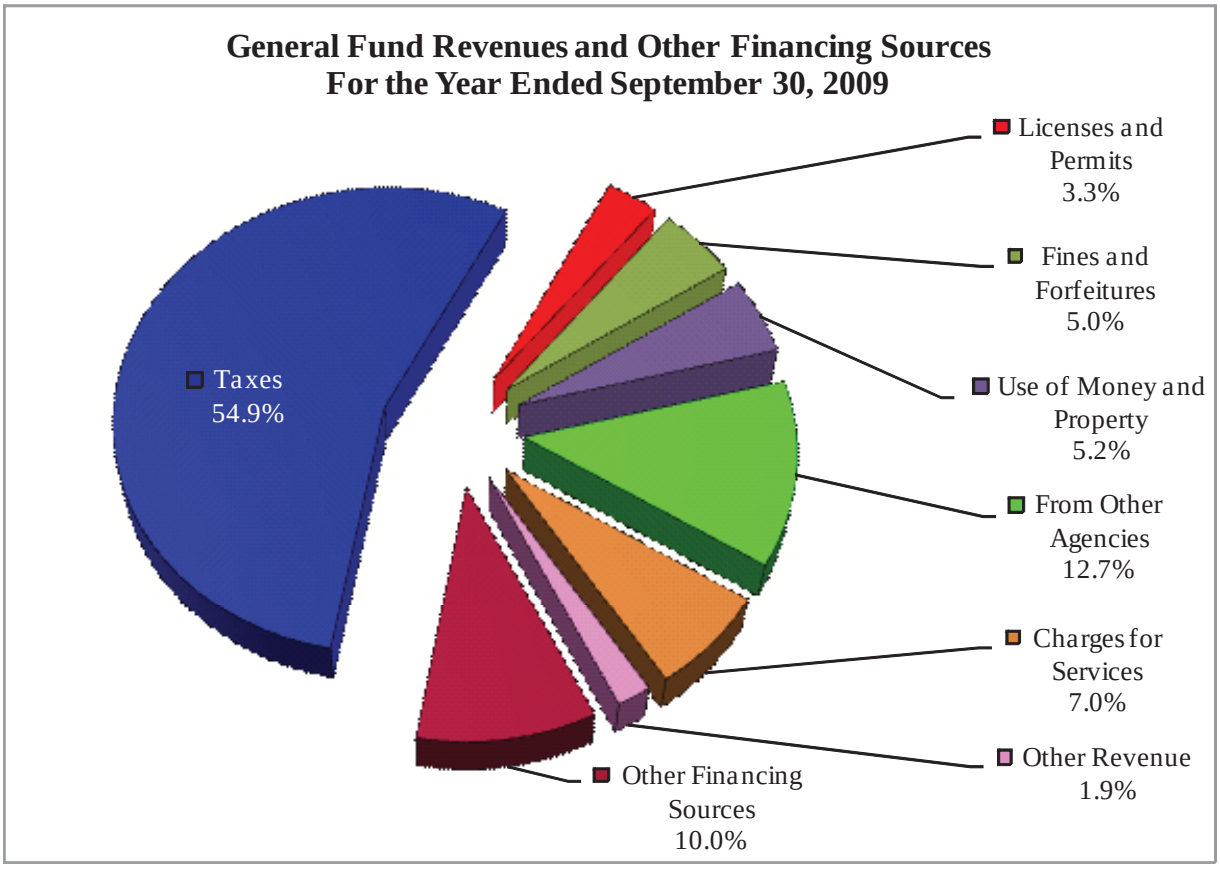
Revenues and other financing sources for the General Fund, including comparative amounts from the preceding year, are shown in the following table:

General Fund Revenues and Other Financing Sources
September 30, 2009 and 2008
(In Thousands)

Revenues and Other Financing Sources	Fiscal Year 2008-09	Percentage of Total	Fiscal Year 2007-08	Percentage of Total
Taxes	$ 213,021	54.8%	$ 224,430	55.7%
Licenses and Permits	12,910	3.3%	13,388	3.3%
Fines and Forfeitures	19,501	5.0%	18,509	4.6%
Use of Money and Property	20,258	5.2%	22,856	5.7%
From Other Agencies	49,464	12.7%	48,534	12.0%
Charges for services	27,052	7.0%	24,760	6.1%
Other Revenue	7,152	1.9%	11,070	2.7%
Other Financing Sources	39,025	10.0%	39,426	9.8%
	$ 388,383	100%	$ 402,973	100%

- Tax revenue decreased by $11.4 million. Property tax increased by $3.3 million, due to an increase in assessed values. This increase was offset by a decrease in sales tax, $3.4 million, and utility users tax, $1.1 million, both primarily resulting from the affects of the slow economy, as well as a decrease in other taxes of $10.1 million, primarily due to reduced pipeline franchise receipts.

- The use of money and property decrease of $2.6 million is attributed to dramatically lower interest earnings resulting from the decrease in interest rates associated with the down economy.
- Revenue from other agencies increased by a net $930 thousand primarily due to an increase in Property Tax in-lieu-of Vehicle License Fee revenue of $2.9 million offset by a reduction in reimbursements for State mandated program costs of $1.8 million.
- Charges for services increased by $2.3 million due to higher charges for special services to include engineering related fees of $2.4 million.
- Other revenue decreased by $3.9 million. In fiscal year 2008 the General Fund received a $6.0 million one-time lump sum settlement as a result of a class action suit. This reduction in revenue was offset by increased asset seizure revenue. Licenses and permits, included in other revenue, decreased by $478 thousand or 3.6 percent primarily due to a decrease in emergency ambulance fees of $856 thousand offset by increases in various safety related plan check and inspection fees.
- Other financing sources remained relatively flat with a minor decrease of $260 thousand.



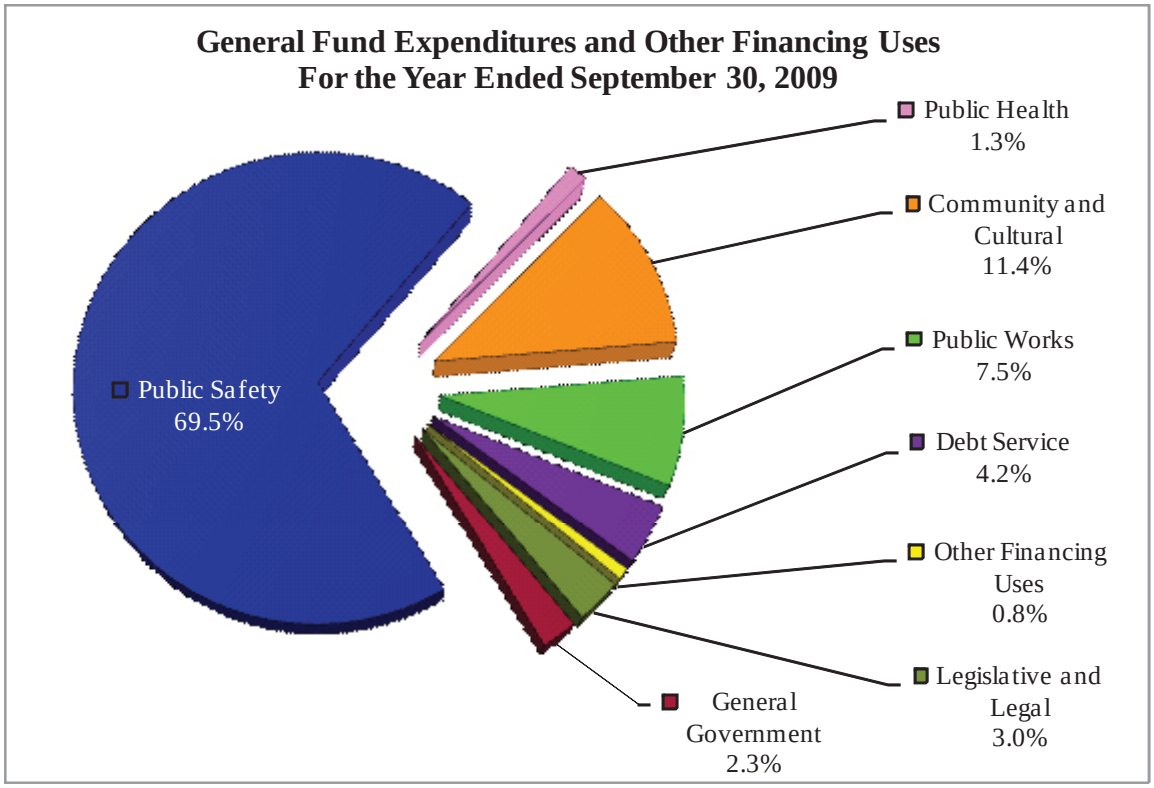
General Fund Expenditures

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

General Fund Expenditures and Other Financing Uses
September 30, 2009 and 2008
(In Thousands)

Expenditures and Other Financing Uses	Fiscal Year 2008-09	Percentage of Total	Fiscal Year 2007-08	Percentage of Total
Legislative and Legal	$ 11,649	3.0%	$ 12,481	3.2%
General Government	9,037	2.3%	11,221	2.9%
Public Safety	269,085	69.6%	263,216	68.2%
Public Health	4,962	1.3%	4,812	1.2%
Community and Cultural	44,172	11.4%	48,957	12.7%
Public Works	29,017	7.5%	28,758	7.4%
Debt Service	16,038	4.1%	13,386	3.5%
Other Financing Uses	3,085	0.8%	3,226	0.8%
	$ 387,045	100%	$ 386,057	100%

- Current expenditures increased by $1.0 million, or 0.3 percent, from the prior year with a $5.9 million, or 2.2 percent, increase in public safety, primarily as a result of negotiated salary changes. There were minor increases of $150 thousand and $259 thousand for public health and public works related functions. These increases were offset by a $4.8 million decrease in community and cultural functional expenditures, which includes libraries, parks and recreation,



and community services and resulted primarily from purchasing restrictions, staff reductions and employee furloughs. In addition, there was a $2.2 million decrease in general government functional expenditures, a 19.5 percent decrease, primarily resulting from employee furloughs, purchasing and travel restrictions and other cost cutting measures, as well as a $832 thousand decrease in legislative and legal functional expenditures.

Other Major Governmental Funds

Other notable changes in major governmental funds include the following:

- The Housing Development Fund's fund balance increased by $8.9 million. This represents a $6.9 million increase over the fiscal year 2008 net asset increase of $2.0 million, and primarily resulted from a $20.3 million reduction in community and cultural functional expenditures, inclusive of a $18.4 million decrease in the amount expended for second mortgage assistance loans to low-and-moderate-income first-time homebuyers offset by a $14.2 million decrease in transfers from other funds.
- The General Capital Projects Fund's fund balance decreased $7.0 million, a $10.6 million decrease as compared to the fiscal year 2008 net asset increase of $3.6 million, and is attributed to the non-repetition of a prior year $6.1 million one-time transfer from the Civic Center internal service fund along with a reduction in transfers to the redevelopment capital projects funds of 3.0 million as the prior fiscal year had a purchase of land related to park expansion.
- The Redevelopment Capital Project Fund balance increased $14.1 million, a $34.3 million increase over the fiscal year 2008 net asset decrease of $20.2 million, and primarily consists of increased incremental property tax revenue of $15.3 million, a decrease in debt and capital expenditures of $4.0 million, an $11.0 million increase in land conveyances, and a $8.9 million increase in net transfer activity. These were offset by a $4.9 million decrease in use of money or property revenues and an increase in community and cultural expenses of $1.6 million.

Proprietary Funds Financial Analysis

Enterprise Funds: The enterprise funds' total net assets at September 30, 2009 totaled $3.3 billion. Total unrestricted net assets amounted to $1.0 billion, before the internal service fund activities allocation. The total growth in net assets was $104.5 million after the internal service fund activities allocation to enterprise funds. Other factors affecting the finances of these funds are addressed in the discussion of the City's business-type activities.

The Tidelands, Tideland Oil Revenue, and Harbor Funds reported unrestricted net assets of $45.7 million, $2.3 million, and $870.8 million, respectively. The Water and Solid Waste Management Funds reported unrestricted net assets of $20.1 million and $62.0 million, respectively. The Gas Fund reported a deficit unrestricted net assets of $14.5 million. The Solid Waste Management Fund reported a deficit in Investment in Capital Assets net of Related Debt of $52.3 million due to the extension of the original repayment terms resulting from the refunding of the SERRF series 1995 lease revenue refunding bonds. Other business-type funds reported unrestricted net assets of $18.7 million.

Internal Service Funds: The internal service funds, which are used to finance and account for goods and services provided internally among City departments, had deficit net assets of $98.0 million and deficit unrestricted net assets of $171.0 million at September 30, 2009. The deficits result from deficit unrestricted net assets of $95.2 million in the Insurance Internal Service fund and $94.5 million in the Employee Benefit Internal Service Fund. It is the City's practice to bill City departments on a pay-as-you-go basis for functions performed by each fund. Therefore, the long-term portion of related liabilities associated with these funds are not fully funded. City management believes the cash position

of each fund is sufficient to cover the current costs related to health insurance, workers' compensation, and general liability claims.

Fiduciary Funds

The City maintains fiduciary funds for the assets of private purpose trust and agency funds including the Miller Trust Fund, the Mayor's Fund for the Homeless, and various agency funds held by the City as an agent for individuals, private organizations, and other governmental units. The private purpose trust funds are held in trust for the benefit of the Main Library Miller room staffing and books, and for homeless services expenditures, with net assets of $887 thousand and $151 thousand respectively, at September 30, 2009.

General Fund Budgetary Highlights

The City adopts an annual budget for the governmental funds that includes the General Fund, Capital Projects, 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 final budgets for revenues and expenditure appropriations reflected a net increase to budgeted fund balance of $3.7 millions from the original adopted budget consisting of additional appropriation for expenditures of $4.5 million offset by budget revision of revenue of $2.6 million and other financing sources of $5.6 million. In fiscal year 2008, the City undertook a furlough program for the majority of employees. The City's adopted 2009 budget included these savings. As a result of negotiations with labor unions, the furlough program was discontinued resulting in an increase in appropriation of $3.9 million in the General Fund. The Fire Department increased budgeted overtime, and material and supply appropriations by $1.1 million for wild fire mutual aid, television and movie special events related services and grant covered expenditures offset by a corresponding increase in budgeted revenue. The Police Department increased appropriations by $1.3 million for crime lab expenditures, overtime for special events and specialized task force operations offset by $1.3 million of asset forfeiture, parking citation and special event reimbursement revenues. In addition $762 thousand of appropriation was shifted from Community and Cultural to non-departmental for the purchase of equipment to automate the City Place parking structure in downtown Long Beach.

The General Fund reflects a net negative ending fund balance variance of $3.1 million on a budgetary basis, which consists of unfavorable variances in revenue and other financing sources of $15.8 million, and $3.7 million, respectively, offset by a favorable variance in expenditures of $16.5 million.

General Fund actual revenues were below budget for the most part across the board with unfavorable variances in sales tax, utility users tax, other taxes, and fines and forfeitures of $5.8 million, $2.6 million, $7.7 million and 1.9 million, respectively. Sales tax variance is due to a greater than expected decline in the economy. Utility users tax variance is primarily due to the conservation of gas and water coupled with a slight decrease in gas commodity prices. Other taxes unfavorable variance is composed of depressed revenue for transient occupancy tax, real property transfer tax, and electric and pipelines franchise tax in the amounts of $1.8 million, $750 thousand, $781 thousand and $2.4 million, respectively. The decline in transient occupancy tax is attributed lower rooms rates and lower occupancy and pipeline franchise fees are due to reduced gas prices.

General Fund expenditures were less than budgeted. Of the total appropriations of $400.8 million, inclusive of debt service and excluding transfers, approximately 4.1%, or $16.5 million, went unspent. Expenditure reductions were managed to mitigate the impact of revenue declines. There were no unusual variances.

Capital Assets and Debt Administration

Capital assets: The City's investment in capital assets for its governmental and business-type activities for the current fiscal year amounts to $3.9 billion, net of accumulated depreciation, representing relatively flat growth for both governmental and business activities with a decrease of $31,000 in governmental activities offset by an increase in business-type activities of $14,000.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

Capital Assets, Net of Depreciation
September 30, 2009 and 2008
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	$142,711	$138,952	$ 921,562	$ 920,542	$1,064,273	$1,059,494
Rights-of-way	81,334	81,334	209,689	209,689	291,023	291,023
Construction In Progress	17,325	55,222	252,838	237,616	270,163	292,838
Buildings	176,416	180,942	1,131,787	1,150,943	1,308,203	1,331,885
Improvements Other than Buildings	42,414	37,004	224,872	214,986	267,286	251,990
Infrastructure	185,280	181,338	408,574	407,644	593,854	588,982
Machinery and Equipment	15,255	14,996	14,521	7,963	29,776	22,959
Automotive	38,000	38,535	4,296	4,234	42,296	42,769
Other Assets	-	1,419	-	-	-	1,419
Patents	-	-	692	733	692	733
Total Net Capital Assets (net)	$698,735	$729,742	$3,168,831	$3,154,350	$3,867,566	$3,884,092

Major changes in capital projects in progress and capital assets during the year include the following:

- Governmental activities' net capital assets decreased by $31.0 millions consisting of decreases in construction in progress, buildings, automotive, and other intangible assets of $37.9 million, $4.5 million, $535 thousand, and $1.4 million, respectively, offset by increases in improvements other than buildings, infrastructure, and machinery and equipment of $5.4 million, $3.9 million and $259 thousand, respectively.
- Governmental activities' construction in progress decreased by $37.9 million as a result of a completed project being put into use and the expensing of large street and other infrastructure repair and maintenance projects.
- Governmental activities' buildings decreased by $4.5 million, due to depreciation expense of $8.0 million offset by building additions of $3.5 million, inclusive of the capitalization of a community center at Admiral Kid Park.
- Governmental Activities' land increased by $3.8 million and is attributed to a transfer of Redevelopment land held for resale to a land capital asset to be used for the expansion of Seaside Park, land purchases for a future park in northern Long Beach, and a future bike path along the southwest base of Signal Hill.
- Governmental Activities' improvements other than buildings increased by $5.4 million and is primarily attributed to $11.2 million of additions net of current year depreciation expense. The

City capitalized landscaping, playgrounds, basketball courts, irrigation systems, lighting, wall, fences, and a gazebo at Davenport Park, Daryle Black Park, and Rose Park. The City also improved street medians and the ballistic backdrop at the police firing range.

- The Gas Utility Fund's capital assets increased by $7.2 million due to the rehabilitation of gas pipelines.
- The Harbor Fund's capital assets increased by $6.1 million and consisted of an increase in construction in progress (CIP) of $16.1 million offset by a decrease in non-CIP assets of $10.1 million. Completed projects put into service during fiscal year 2009 include improvements to Piers E, G and T, a pump station on Pier C, and a security command and control center building.
- The Water Fund's capital assets increased by $168 thousand resulting from an increase in CIP for distribution and storage capabilities, including projects for reclaimed water system expansion, conjunctive use wells, and seawater desalination.
- The Tidelands Fund's capital assets increased by $6.7 million and is composed of an increase in capital assets of $10.4 million offset by depreciation expense. The Convention Center complex refurbishment and the Shoreline Marina rebuild projects, $4.7 million and $2.4 million respectively, were capitalized as buildings and improvements other than buildings.
- The Airport Fund's capital assets increased by $12.9 million predominately due to CIP for the ongoing rehabilitation of taxiways and runways and phase I of a new parking structure as well as other airport terminal development and modification projects. In addition, 18.8 million of completed project expenses, the majority of which were completed phases of taxiways and runways, were transferred out of construction in progress to improvements other than buildings.
- The Sewer Fund's capital assets decreased by $197 thousand as most major sewer pipeline rehabilitation and replacement projects were in planning stages during fiscal year 2009.

Additional information on the City's capital assets can be found in Note 7 to the basic financial statements.

Long-Term Indebtedness: At September 30, 2009, the City had total net long-term obligations outstanding of $3.1 billion. Of this amount, $2.4 billion relates to notes, bonds certificates of participation, and capital leases. The remaining balance relates to accrued oil field adornment cost, environmental remediation, self-insurance, employee benefit obligations, and payments to the State of California.

The table below provides summarized information (including comparative amounts from the preceding year) for the City's outstanding long-term debt obligations at September 30, 2009.

Outstanding Debt Obligations
September 30, 2009 and 2008
(In Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Notes Payable	$ 9,057	$ 8,888	$ 117,407	$ 132,188	$ 126,464	$ 141,076
Bonds Payable	537,122	557,538	1,744,010	2,027,671	2,281,132	2,585,209
Certificates of Participation	-	-	6,945	7,690	6,945	7,690
Capital Leases	27,227	32,992	565	1,237	27,792	34,229
Total Outstanding	$ 573,406	$ 599,418	$ 1,868,927	$ 2,168,786	$ 2,442,333	$ 2,768,204

Major changes in debt service obligations during the year include the following:

- Governmental activities capital leases decreased by $5.8 million. New capital leases of $1.3 million capital leases for the purchase of personal computers and laptops, $421 thousand in improvements to the Civic Center parking structure, and the $346 thousand to finance upgrades to the city's computer main-frame were offset by capital lease payments of $7.9 million.
- In August 2009, the City redeemed $48.3 million and $182.7 million, respectively, of Gas Prepay Bonds, Series A and B, for a total tender price of $174.4 million, inclusive of accrued interest of $2.8 million. The original maturity dates of the bonds tendered ranged for 2025 through 2037. Remaining Series A and B bonds are a liability of the Gas Utility Fund.
- The Water, Airport, and Sewer Funds issued additional commercial paper of $3.0 million, $8.3 million and 4.0 million, respectively to fund infrastructure projects and the Harbor Fund retired $28.7 million of it's funds' outstanding commercial paper
- Other changes in long-term debt were the result of scheduled debt service payments.

Additional information on the City's long-term debt can be found in Notes 9 through 12 of the basic financial statements.

Economic Factors and Next Year's Budget and Rates

At September 30, 2009, the unemployment rate, not seasonally adjusted, for the City of Long Beach was 12.2 percent and reflects a increase from a rate of 8.3 percent a year ago. This compares to the State of California and national unemployment rates of 12.1 percent and 9.8 percent, respectively.

Fiscal year 2010 represents the third year after the completion of the initial Financial Strategic Plan (Plan), which was used to eliminate the projected structural deficits in the City's General Fund in fiscal years 2004 through 2007. The structural deficit was the amount by which the City's spending exceeded it's revenues. The Plan has now evolved into an ongoing long-term fiscal planning tool with rolling three-year revenue and expense projections. Highlights of the fiscal year 2010 budget are as follows:

In compliance with City Council's Financial Policy to achieve and maintain a structurally balanced budget, the proposed fiscal year 2010 General Fund budget is without a structural deficit for the fourth year in a row. This accomplishment, which is dependent on departments operating within their approved spending limits, continues to be a challenge for the City. The fiscal year 2010 adopted General Fund revenue budget represents a decline of 1.7 percent or $6.5 from fiscal year pre audited 2009 actuals. Of the $385.3 million of budgeted revenue in fiscal year 2010, $29.3 million are operating transfer from other funds and $1.8 million are one-time in nature. Budgeted revenue together with 2010 appropriation of $384.3 million reflects a positive projected net fund balance change of $1.0 million as compared to $4.1 million from the final fiscal year 2009 budget. The largest structural revenue sources for fiscal year 2010 - property tax, sales and use tax, sales tax in-lieu, property tax in-lieu, transient occupancy tax and Upland Oil revenue - comprise 48.4 percent of total General Fund budgeted revenues. Below is a closer look at some of these key General Fund resources.

- Secured real property tax and unsecured personal property tax revenue of $74.2 million, a decrease of $1.7 million from the final fiscal year 2009 budget, reflects a decline property value countywide due to the impact of foreclosures, appeals and property value reassessments.
- Sales and use tax revenue is budgeted to account for $51.3 million, or 13.3 percent of General Fund revenue in fiscal year 2010. Although flat growth is expected in fiscal year 2010 receipts, overall a 4.4 percent growth is anticipated due to the relocation of a new sales tax generator in the City of Long Beach.

- Utility users' tax revenue (applied to electricity, gas, telephone and water bills) is projected at $41.8 million, or 10.9 percent of 2010 General Fund revenue, with a modest increase of $100 thousand from final 2009 budget.

In addition, the City continues to evaluate its fees for services to ensure, when possible, fees collected fully support the costs of providing the City services.

The fiscal year 2010 adopted General Fund operating budget of $384.3 million supports over 170 programs spanning several key areas of service delivery. The adopted budget required $2 million in new revenue sources; $18 million or approximately 6 percent of each departments' discretionary budgets, in service reduction or cost efficiencies and $18 million in cost saving solutions generated by employee unions through deferred compensation increases to balance the General Fund budget.

As part of the fiscal year 2010 budget development process, the financial strategic plan, which provides a three-year continuous outlook on revenue sources and commitments was updated. The plan highlighted a three-pronged approach for restoring structural balance.

- Potential New Revenue – The City must focus on further diversifying its revenue base by attracting new business by cultivating an environment that fosters development and expansion for new and current businesses and by aggressively pursuing cost recovery through user fees and charges.
- Reduction of Departmental Expenditures – The City must continue its efforts to reduce the size of government while preserving the quality and availability of core services. The City must put more "boots on the street" through the civilization of administrative and non-core safety functions.
- Employee Contributions - The City must work with its employees and unions to find ways to preserve the provision of core services. If the City and its employees cannot reach an understanding, the City must take the required cost saving steps while ensuring the quality and availability of core services to its citizens.

In addition, fiscal year 2010 marked the fifth consecutive year the City adopted a performance-based budget. The City's full-scale implementation of its Focus on Results (FOR) performance-based management system has aligned the City's financial resources and operations with the City Council and community's priorities, improving the efficiency of City operations and increasing accountability at all levels of the organization.

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 Department of Financial Management, 333 West Ocean Boulevard, 6th Floor, Long Beach, California 90802.

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BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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City of Long Beach

Statement of Net Assets

September 30, 2009

(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Long Beach Public Transportation Company
ASSETS				
Current Assets:				
Pooled Cash and Cash Equivalents	$ 27,089	$ 97,788	$ 124,877	$ -
Non-Pooled Cash and Cash Equivalents	55,322	10,203	65,525	40,657
Pooled Investments	231,860	836,978	1,068,838	
Non Performing Investments	797	3,138	3,935	
Non-Pooled Investments	-	3,165	3,165	-
Interest Receivable	206	432	638	-
Property Tax Receivable, Net	161,750	-	161,750	-
Accounts and Loans Receivables, Net	15,278	125,551	140,829	12,005
Due from Other Governments	46,741	5,663	52,404	-
Internal Balances	17,332	(17,332)	-	-
Inventory	1,593	4,536	6,129	929
Other Assets	4,847	67,828	72,675	229
Land Held for Resale	195,045	-	195,045	-
Noncurrent Restricted Assets:				
Non-Pooled Cash and Cash Equivalents		363	363	
Non-Pooled Investments	5,622	108,150	113,772	-
Pooled Investments	104,565	377,465	482,030	-
Non-Pooled Investments	41,673	-	41,673	-
Other Noncurrent Receivables	123,678	15,327	139,005	-
Derivative Instrument	-	105,517	105,517	-
Land and Other Capital Assets not being Depreciated	241,370	1,384,089	1,625,459	6,651
Capital Assets, net of Accumulated Depreciation	457,365	1,784,742	2,242,107	80,600
Other Assets	52,915	650,784	703,699	-
Total Assets	1,785,048	5,564,387	7,349,435	141,071
LIABILITIES				
Current Liabilities:				
Accounts Payable	38,256	92,190	130,446	2,204
Accrued Wages and Benefits Payable	54,319	11,266	65,585	3,187
Accrued Interest Payable	10,778	33,513	44,291	-
Deferred Revenue, Credits and Other Payables	187,349	32,875	220,224	18,841
Deferred Inflow - Derivative	-	105,517	105,517	-
Employee Benefits and Accrued Long-Term Obligations	24,789	19,624	44,413	6,890
Bonds, Loans, Capital Leases and Other Long-Term Obligations	26,788	166,055	192,843	-
Noncurrent Liabilities:				
Deferred Revenue, Credits and Other Payables	1,273	14,637	15,910	18,101
Employee Benefits and Accrued Long-Term Obligations	216,215	28,700	244,915	993
Bonds, Loans, Capital Leases and Other Long-Term Obligations	546,618	1,755,863	2,302,481	-
Total Liabilities	1,106,385	2,260,240	3,366,625	50,216
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	203,709	1,954,565	2,158,274	87,250
Restricted for:				
Asset Seizure Money	3,879	-	3,879	-
Debt Service	70,398	134,931	205,329	-
Capital Projects	60,477	59,007	119,484	102
Public Safety	150	-	150	-
Public Health	2,178	-	2,178	-
Community and Cultural	135,670	-	135,670	-
Health Care Insurance	11,386	-	11,386	-
Other Purposes	5,520	173,539	179,059	-
Unrestricted	185,296	982,105	1,167,401	3,503
Total Net Assets	$ 678,663	$ 3,304,147	$ 3,982,810	$ 90,855

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, 2009
(In Thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
Legislative and Legal	$ 12,866	$ 264	$ -	$ -
General Government	16,292	14,679	410	757
Public Safety	302,025	37,078	12,868	(60)
Public Health	47,134	9,644	22,825	-
Community and Cultural	227,772	26,322	104,606	732
Public Works	95,354	25,803	31,572	2,166
Oil Operations	8,004	19,011	-	-
Interest on Long-Term Debt	35,831	-	-	-
Total Governmental Activities	745,278	132,801	172,281	3,595
Business-Type Activities:				
Gas	90,364	113,910	-	-
Water	76,895	81,380	-	2,221
Sewer	13,224	12,707	-	-
Airport	32,113	35,004	353	11,549
Solid Waste Management	83,245	87,032	860	-
Towing	7,883	8,516	-	-
Tidelands	124,711	83,245	-	-
Tideland Oil Revenue	178,636	143,336	-	-
Subsidence	-	492	-	-
Harbor	225,991	336,930	-	11,440
Total Business-Type Activities	833,062	902,552	1,213	25,210
Total Primary Government	$ 1,578,340	$ 1,035,353	$ 173,494	$ 28,805
Component Unit:				
Long Beach Public Transportation Company	$ 82,139	$ 16,670	$ 50,720	$ 28,745

Taxes:
- Property
- Sales
- Utility Users
- Other

Grants and Contributions Not Restricted to Specific Programs
Unrestricted Investment Earnings
Loss on Sale of Capital Assets
Capital Asset Transfers
Transfers
Total General Revenues and Transfers
Change in Net Assets
Net Assets, Beginning of Year
Net Assets, End of Year

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Long Beach Public Transportation Company
$ (12,602)	$ -	$ (12,602)	$ -
(446)	-	(446)	-
(252,139)	-	(252,139)	-
(14,665)	-	(14,665)	-
(96,112)	-	(96,112)	-
(35,813)	-	(35,813)	-
11,007	-	11,007	-
(35,831)	-	(35,831)	-
(436,601)	-	(436,601)	-
-	23,546	23,546	-
-	6,706	6,706	-
-	(517)	(517)	-
-	14,793	14,793	-
-	4,647	4,647	-
-	633	633	-
-	(41,466)	(41,466)	-
-	(35,300)	(35,300)	-
-	492	492	-
-	122,379	122,379	-
-	95,913	95,913	-
(436,601)	95,913	(340,688)	-
-	-	-	13,996
196,402	-	196,402	-
51,585	-	51,585	-
39,901	-	39,901	-
61,250	-	61,250	-
48,364	-	48,364	-
14,712	26,890	41,602	740
(1,024)	-	(1,024)	-
(1,337)	1,337	-	-
19,601	(19,601)	-	-
429,454	8,626	438,080	740
(7,147)	104,539	97,392	14,736
685,810	3,199,608	3,885,418	76,119
$ 678,663	$ 3,304,147	$ 3,982,810	$ 90,855

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

City of Long Beach
Governmental Funds
Balance Sheet
September 30, 2009
(In Thousands)

	General	Housing Development	Community Development Grants	General Capital Projects
ASSETS				
Pooled Cash and Cash Equivalents	58,339	$ 47,887	$ -	$ 16,860
Non-Pooled Cash and Cash Equivalents	2,949	17	15	17,426
Non Performing Investments	178	85	-	51
Non-Pooled Investments	3,578	-	-	-
Receivables:				
Interest Receivable	23	-	-	-
Property Taxes	73,345	-	-	-
Accounts Receivable	30,014	56	43	-
Notes and Loans Receivable	2,112	-	-	-
Due from Other Governments	15,756	320	5,558	4,063
Due from Other Funds	10,892	-	-	673
Allowance for Receivables	(28,035)	-	-	-
Other Assets	34	255	100	-
Advances to Other Funds	105,480	21,229	6,719	10,766
Land Held for Resale	-	16,474	1,207	-
Other Noncurrent Receivables	-	79,050	38,336	-
Total Assets	274,665	165,373	51,978	49,839
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	6,282	2,561	2,314	1,091
Accrued Wages Payable	10,771	85	283	187
Accrued Interest Payable	95	-	-	-
Due to Other Funds	5,418	40	2,000	88
Deferred Revenues	78,289	79,605	38,556	839
Accrued Claims	1,700	-	-	-
Deposits and Collections Held in Trust	3,528	29	31	1
Advances from Other Funds	6,114	3,819	-	-
Total Liabilities	112,197	86,139	43,184	2,206
Fund Balances (Deficit):				
Reserved for:				
Other Noncurrent Receivables	105,480	21,229	6,719	10,766
Asset Seizure Money	3,879	-	-	-
Encumbrances	315	2	23	2,814
Future Advances to Other Funds	1,486	-	-	-
Future Capital Projects and Special Programs	-	-	-	20,304
Housing Development	-	313	-	-
Land Held for Resale	-	16,474	1,207	-
Estimated Oil Field Abandonment Costs	-	-	-	-
Debt Service	5,409	-	-	-
Unreserved, Designated for:				
Subsequent Years' Appropriations				
General Fund	6,312	-	-	-
Special Revenue Funds	-	41,216	845	
Capital Projects Funds	-	-	-	13,749
Emergency				
General Fund	37,087	-	-	-
Unreserved, Undesignated, Reported in:				
General Fund	2,500	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Total Fund Balance	162,468	79,234	8,794	47,633
Total Liabilities and Fund Balances	$ 274,665	$ 165,373	$ 51,978	$ 49,839

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

Redevelopment Capital Projects	Other Governmental Funds	Total September 30, 2009	
			ASSETS
$ 64,378	$ 66,245	$ 253,709	Pooled Cash and Cash Equivalents
33,916	137	54,460	Non-Pooled Cash and Cash Equivalents
111	129	554	Non Performing Investments
38,095	-	41,673	Non-Pooled Investments
			Receivables:
165	-	188	Interest Receivable
92,185	-	165,530	Property Taxes
1,077	4,333	35,523	Accounts Receivable
-	-	2,112	Notes and Loans Receivable
595	20,395	46,687	Due from Other Governments
-	-	11,565	Due from Other Funds
-	(887)	(28,922)	Allowance for Receivables
3,937	15	4,341	Other Assets
24,488	-	168,682	Advances to Other Funds
177,364	-	195,045	Land Held for Resale
1,586	1,927	120,899	Other Noncurrent Receivables
437,897	92,294	1,072,046	Total Assets
			LIABILITIES AND FUND BALANCES
			Liabilities:
6,623	14,315	33,186	Accounts Payable
166	1,401	12,893	Accrued Wages Payable
-	-	95	Accrued Interest Payable
78	9,002	16,626	Due to Other Funds
92,598	12,031	301,918	Deferred Revenues
750	-	2,450	Accrued Claims
459	3,610	7,658	Deposits and Collections Held in Trust
162,215	5,160	177,308	Advances from Other Funds
262,889	45,519	552,134	Total Liabilities
			Fund Balances (Deficit):
			Reserved for:
26,200	-	170,394	Other Noncurrent Receivables
-	-	3,879	Asset Seizure Money
4,913	5,088	13,155	Encumbrances
-	-	1,486	Future Advances to Other Funds
27,816	23,203	71,323	Future Capital Projects and Special Programs
-	-	313	Housing Development
177,364	-	195,045	Land Held for Resale
-	3,497	3,497	Estimated Oil Field Abandonment Costs
75,976	200	81,585	Debt Service
			Unreserved, Designated for:
			Subsequent Years' Appropriations
-	-	6,312	General Fund
	15,017	57,078	Special Revenue Funds
-	-	13,749	Capital Projects Funds
			Emergency
-	-	37,087	General Fund
			Unreserved, Undesignated, Reported in:
-	-	2,500	General Fund
-	(230)	(230)	Special Revenue Funds
(137,261)	-	(137,261)	Capital Projects Funds
175,008	46,775	519,912	Total Fund Balance
$ 437,897	$ 92,294	$ 1,072,046	Total Liabilities and Fund Balances

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

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City Of Long Beach

Reconciliation of Governmental Fund Balances to Net Assets
of Governmental Activities in the Statement of Net Assets
September 30, 2009
(in Thousands)

Total governmental fund balances	$	519,912
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in the governmental activities, which are not included in the internal service funds, are not financial resources and, therefore, are not reported in the funds.		578,103
Certain property taxes receivable are not available to pay current-period expenditures and, therefore, are deferred in the funds.		3,464
Because the focus of governmental funds is short-term financing, some assets will not be available to pay for current period expenditures. Those assets are offset by deferred revenue in the funds.		121,098
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.		(468,951)
Internal service funds are used by management to charge the cost of operations and financing related to the Civic Center complex; operations, maintenance, financing, and 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 assets.		(74,963)
Net assets of governmental activities	$	678,663

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, 2009

(In Thousands)

	General	Housing Development	Community Development Grants	General Capital Projects
Revenues:				
Taxes:				
Property	$ 79,175	$ 23,191	$ -	$ -
Sales	49,389	-	-	-
Utility Users	39,901	-	-	-
Other Taxes	44,556	-	-	-
Licenses and Permits	12,910	321	9	644
Fines and Forfeitures	19,501	-	-	-
Use of Money and Property	20,258	1,036	449	1,438
From Other Agencies	49,464	1,836	35,168	2,526
Charges for Services	27,052	-	-	-
Other	7,152	341	1,232	225
Total Revenues	349,358	26,725	36,858	4,833
Expenditures:				
Legislative and Legal	11,649	-	-	-
General Government	9,037	419	265	-
Public Safety	269,085	-	-	-
Public Health	4,962	-	-	-
Community and Cultural	44,172	22,073	25,716	-
Public Works	29,017	-	-	-
Oil Operations	-	-	-	-
Total Current Expenditures	367,922	22,492	25,981	-
Capital Improvements	-	-	-	15,140
Gain (Loss) on Disposition of Land Held for Resale	-	(25)	160	-
Debt Service:				
Principal	8,369	-	-	-
Interest	7,503	-	-	-
Debt Administration Fees	166	2	-	-
Total Expenditures	383,960	22,469	26,141	15,140
Excess of Revenues Over (Under) Expenditures	(34,602)	4,256	10,717	(10,307)
Other Financing Sources (Uses):				
Debt Issuance	-	-	-	-
Land Transfers	-	(1,003)	(1,172)	-
Transfers In	39,025	10,020	265	3,368
Transfers Out	(3,085)	(4,336)	(9,916)	(12)
Total Other Financing Sources (Uses)	35,940	4,681	(10,823)	3,356
Net Change in Fund Balances	1,338	8,937	(106)	(6,951)
Fund Balances - October 1	161,130	70,297	8,900	54,584
Fund Balances - September 30	$ 162,468	$ 79,234	$ 8,794	$ 47,633

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

Redevelopment Capital Projects	Other Governmental Funds	Total September 30, 2009	
			Revenues:
			Taxes:
$ 92,762	$ -	$ 195,128	Property
-	2,196	51,585	Sales
-	-	39,901	Utility Users
3,495	13,199	61,250	Other Taxes
33	18,322	32,239	Licenses and Permits
-	-	19,501	Fines and Forfeitures
3,870	20,790	47,841	Use of Money and Property
757	137,309	227,060	From Other Agencies
-	3,690	30,742	Charges for Services
1,434	1,283	11,667	Other
102,351	196,789	716,914	Total Revenues
			Expenditures:
-	-	11,649	Legislative and Legal
368	1,904	11,993	General Government
-	21,530	290,615	Public Safety
-	40,219	45,181	Public Health
55,047	91,082	238,090	Community and Cultural
-	24,341	53,358	Public Works
-	6,888	6,888	Oil Operations
55,415	185,964	657,774	Total Current Expenditures
-	12,581	27,721	Capital Improvements
1,391	-	1,526	Loss on Disposition of Land Held for Resale
			Debt Service:
8,672	415	17,456	Principal
20,683	114	28,300	Interest
86	5	259	Debt Administration Fees
86,247	199,079	733,036	Total Expenditures
16,104	(2,290)	(16,122)	Excess of Revenues Over (Under) Expenditures
			Other Financing Sources (Uses):
311	-	311	Debt Issuance
(1,502)	-	(3,677)	Land Transfers
5,314	2,171	60,163	Transfers In
(6,140)	(13,890)	(37,379)	Transfers Out
(2,017)	(11,719)	19,418	Total Other Financing Sources (Uses)
14,087	(14,009)	3,296	(Under) Expenditures and Other Uses
160,921	60,784	516,616	Fund Balances - October 1
$ 175,008	$ 46,775	$ 519,912	Fund Balances - September 30

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, 2009

(in Thousands)

Excess of revenue and other sources over expenditures and other uses - total governmental funds	$ 3,296
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 exceeds depreciation in the current period.	(21,445)
Net effect of miscellaneous transactions involving capital assets (for example, sales, trade-ins and donations) is a decrease to net assets.	(1,024)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	1,274
Governmental funds report expenditures pertaining to the establishment of certain long-term loans made. 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 assets and, therefore, the corresponding net expense is not reported on the statement of activities.	19,199
The issuance of long-term debt (for example, bonds and leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any affect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is reflected herein.	20,866
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.	(1,946)
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.	(27,367)
Change in net assets of governmental activities	$ (7,147)

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

City of Long Beach
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property Taxes	$ 76,534	$ 76,534	$ 79,175	$ 2,641
Sales Taxes	55,198	55,198	49,389	(5,809)
Utility Users Taxes	42,507	42,507	39,901	(2,606)
Other Taxes	52,276	52,276	44,556	(7,720)
Licenses and Permits	13,300	13,416	12,910	(506)
Fines and Forfeitures	21,362	21,362	19,501	(1,861)
Use of Money and Property	20,140	20,140	20,258	118
From Other Agencies	47,534	48,827	49,464	637
Charges for Services	26,451	26,968	27,052	84
Other	7,272	7,962	7,152	(810)
Total Revenues	362,574	365,190	349,358	(15,832)
Expenditures:				
Legislative and Legal				
Mayor and City Council	5,367	5,262	5,088	174
City Attorney	3,165	3,168	3,168	-
City Clerk	3,870	3,835	3,431	404
General Government				
City Auditor	2,488	2,453	2,385	68
City Manager	3,221	3,047	2,586	461
Civil Service	2,408	2,376	2,227	149
Financial Management	11,333	11,179	11,117	62
Human Resources	95	95	95	-
Planning and Building	978	484	147	337
Non Departmental	(5,939)	(5,312)	(9,440)	4,128
Public Safety				
Police	193,134	192,462	189,676	2,786
Fire	72,392	72,629	71,354	1,275
City Prosecutor	5,009	5,013	5,052	(39)
Planning and Building-Code Enforcement	2,906	2,875	2,587	288
Police and Fire Annuity	4,100	4,100	479	3,621
Public Health	5,262	5,017	4,965	52
Community and Cultural				
Community Development	3,051	3,214	2,977	237
Library	14,863	14,768	14,364	404
Planning and Building-Community Planning	1,028	1,028	1,666	(638)
Parks and Recreation	25,848	25,757	25,270	487
Public Works	29,989	30,008	29,043	965
Total Current Expenditures	384,568	383,458	368,237	15,221
Debt Service:				
Principal	8,923	8,923	8,369	554
Interest	8,277	8,277	7,503	774
Debt Administration Fees	104	104	166	(62)
Total Expenditures	401,872	400,762	384,275	16,487
Excess of Revenues Over (Under) Expenditures	(39,298)	(35,572)	(34,917)	655
Other Financing Sources (Uses):				
Transfers In	42,496	42,496	39,025	(3,471)
Transfers Out	(2,848)	(2,848)	(3,085)	(237)
Total Other Financing Sources	39,648	39,648	35,940	(3,708)
Net Change in Fund Balance	350	4,076	1,023	(3,053)
Fund Balances - October 1, Budgetary Basis	160,389	160,389	160,389	-
Encumbrances, Beginning of the Year	741	741	741	-
Fund Balances - September 30, Budgetary Basis	$ 161,480	$ 165,206	$ 162,153	$ (3,053)

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

City of Long Beach
Housing Development Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual On Budgetary Basis	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property Taxes	$ 20,381	$ 20,381	$ 23,191	$ 2,810
Licenses and Permits	169	245	321	76
Use of Money and Property	3,013	3,052	1,036	(2,016)
From Other Agencies	2,210	2,230	1,836	(394)
Other	660	834	341	(493)
Total Revenues	26,433	26,742	26,725	(17)
Expenditures:				
General Government				
Financial Management	337	336	419	(83)
Community and Cultural				
Community Development	95,568	92,791	22,075	70,716
Total Current Expenditures	95,905	93,127	22,494	70,633
Loss on Disposition of Land Held for Resale	-	-	(25)	25
Debt Service:				
Principal	629	629	-	629
Interest	-	43	-	43
Debt Administration Fees	14	16	2	14
Total Expenditures	96,548	93,815	22,471	71,344
Excess of Revenues Over (Under) Expenditures	(70,115)	(67,073)	4,254	71,327
Other Financing Sources (Uses):				
Debt Issuance	694	694	-	(694)
Land Transfers	-	-	(1,003)	(1,003)
Transfers In	73,374	73,063	10,020	(63,043)
Transfers Out	(3,763)	(6,466)	(4,336)	2,130
Total Other Financing Sources (Uses)	70,305	67,291	4,681	(62,610)
Net Change in Fund Balance	190	218	8,935	8,717
Fund Balances - October 1, Budgetary Basis	70,170	70,170	70,170	-
Encumbrances - Beginning of the Year	127	127	127	-
Fund Balances - September 30, Budgetary Basis	$ 70,487	$ 70,515	$ 79,232	$ 8,717

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

City of Long Beach
Community Development Grants Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual On Budgetary Basis	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Licenses and Permits	$ -	$ -	$ 9	$ 9
Use of Money and Property	249	249	449	200
From Other Agencies	63,151	76,370	35,168	(41,202)
Other	1,985	2,139	1,232	(907)
Total Revenues	65,385	78,758	36,858	(41,900)
Expenditures:				
General Government				
Financial Management	468	463	265	198
Community and Cultural				
Community Development	60,111	73,529	25,739	47,790
Total Current Expenditures	60,579	73,992	26,004	47,988
Loss on Disposition of Land Held for Resale	-	-	160	(160)
Total Expenditures	60,579	73,992	26,164	47,828
Excess of Revenues Over (Under) Expenditures	4,806	4,766	10,694	5,928
Other Financing Sources (Uses):				
Land Transfers	-	-	(1,172)	(1,172)
Transfers In	-	176	265	89
Transfers Out	(500)	(500)	(9,916)	(9,416)
Total Other Financing Sources (Uses)	(500)	(324)	(10,823)	(10,499)
Net Change in Fund Balance	4,306	4,442	(129)	(4,571)
Fund Balances - October 1, Budgetary Basis	7,566	7,566	7,566	-
Encumbrances - Beginning of the Year	2	2	2	-
Fund Balances - September 30, Budgetary Basis	$ 11,874	$ 12,010	$ 7,439	$ (4,571)

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

City of Long Beach
Proprietary Funds
Statement of Net Assets (Deficit)
September 30, 2009
(In Thousands)

	Business-type Activities - Enterprise Funds			
	Gas Utility	Water	Solid Waste Management	Tidelands
ASSETS				
Current Assets:				
Pooled Cash and Cash Equivalents	$ 19,188	$ 26,016	$ 60,498	$ 63,069
Non-Pooled Cash and Cash Equivalents	126	20	245	7,511
Non Performing Investments	104	25	61	288
Non-Pooled Investments	-	-	-	-
Receivables:				
Interest Receivable	19	-	72	131
Accounts Receivable	5,765	6,977	9,595	3,450
Due from Other Governments	-	-	360	216
Due from Other Funds	814	-	-	19,059
Other Receivables	-	-	-	-
Allowance for Receivables	(565)	(275)	(384)	(280)
Deposits				
Inventory	1,476	2,358	-	-
Prepaid Gas-Current	23,333	-	-	-
Other Assets-Current	42	432	-	515
Total Current Asset	50,302	35,553	70,447	93,959
Noncurrent Assets:				
Restricted Noncurrent assets				
Non-Pooled Cash and Cash Equivalents	-	-	-	-
Non-Pooled Investments	28,341	-	10,995	13,389
Noncurrent Receivables:				
Other Noncurrent Receivables (net)	-	-	4,134	-
Advances to Other Funds	2,631	-	-	-
Derivative Instrument	105,517	-	-	-
Capital Assets:				
Land and Other Capital Assets not being Depreciated	7,761	44,686	6,591	48,518
Capital Assets net of Accumulated Depreciation	81,502	215,979	30,802	303,174
Prepaid Gas-Long Term	587,853	-	-	-
Other Assets-Long-Term	-	369	-	-
Total Noncurrent Assets	813,605	261,034	52,522	365,081
Total Assets	863,907	296,587	122,969	459,040

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

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Tideland Oil Revenue	Harbor	Other Proprietary Funds	Total Proprietary Funds September 30, 2009	September 30, 2009
$ 38,554	$ 906,454	$ 198,452	$ 1,312,231	$ 109,805
3	35	2,263	10,203	862
-	2,229	431	3,138	243
-	-	3,165	3,165	-
-	200	10	432	18
49,770	49,049	4,262	128,868	3,011
-	4,875	212	5,663	54
-	41	500	20,414	8,782
-	-	71	71	-
-	(1,557)	(327)	(3,388)	(226)
				506
-	627	75	4,536	1,593
-	-	-	23,333	-
-	43,506	-	44,495	-
88,327	1,005,459	209,114	1,553,161	124,648
-	363	-	363	-
-	53,261	2,164	108,150	5,622
-	10,898	295	15,327	2,779
-	27,000	6,114	35,745	-
-	-	-	105,517	-
-	1,248,357	28,176	1,384,089	3,155
-	1,001,411	151,874	1,784,742	117,477
-	-	-	587,853	-
-	62,181	381	62,931	52,915
-	2,403,471	189,004	4,084,717	181,948
88,327	3,408,930	398,118	5,637,878	306,596

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

City of Long Beach
Proprietary Funds
Statement of Net Assets (Deficit)
September 30, 2009
(In Thousands)
(continued)

	Business-type Activities - Enterprise Funds			
	Gas Utility	Water	Solid Waste Management	Tidelands
LIABILITIES				
Current Liabilities Payable from Current Assets:				
Accounts Payable	768	8,612	4,368	4,419
Accrued Wages	521	500	358	705
Accrued Interest Payable	11,926	696	1,417	3,645
Due to Other Funds	287	410	168	1,953
Deferred Revenues	124	82	-	3,235
Collections Held in Trust	-	-	1,745	81
Customers Deposits	2,190	678	-	25
Advances from Developers	-	316	-	-
Employee Benefits	-	-	-	-
Accrued Self-Insurance Claims - Current	-	-	-	-
Environmental Remediation - Current	-	-	-	-
Site Restoration - Current	-	400	-	-
Due to State of California	-	-	-	-
Obligations Under Capital Leases-Current	-	-	-	24
Bonds Payable Due Within One Year	9,480	1,405	7,050	5,515
Other Long-Term Obligations-Current	11,755	-	-	1,395
Total Current Liabilities	37,051	13,099	15,106	20,997
Noncurrent Liabilities:				
Advances from Other Funds	-	-	-	27,119
Deferred Revenues	-	-	4,134	4,692
Deferred Inflow - Derivative	105,517	-	-	-
Employee Benefits	-	-	-	-
Accrued Self-Insurance Claims	-	-	-	-
Accrued Oil Field Abandonment Costs	-	-	-	-
Environmental Remediation	-	-	-	-
Site Restoration	-	1,000	-	-
Obligations Under Capital Leases	-	-	-	541
Other Long-Term Obligations	5,504	11,000	-	36,211
Unamortized Discount/Deferred cost	-	-	-	-
Bonds Payable	650,555	29,465	80,555	159,540
Unamortized Discount (Premium) Deferred cost	10,634	(2,874)	2,094	(12,336)
Total Noncurrent Liabilities	772,210	38,591	86,783	215,767
Total Liabilities	809,261	51,690	101,889	236,764
NET ASSETS (DEFICIT)				
Investment in Capital Assets, Net of Related Debt	68,335	220,574	(52,307)	150,714
Restricted for:				
Debt Service	732	4,240	11,309	15,382
Capital Projects	39	-	75	3,519
Health Care Insurance	-	-	-	-
Aquarium	-	-	-	6,964
Subsidence	-	-	-	-
Unrestricted	(14,460)	20,083	62,003	45,697
Total Net Assets (Deficit)	$ 54,646	$ 244,897	$ 21,080	$ 222,276
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				
Net Assets of Business - Type Activities				

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

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Tideland Oil Revenue	Harbor	Other Proprietary Funds	Totals Proprietary Funds September 30, 2009	September 30, 2009
28,234	43,771	2,018	92,190	5,070
135	8,552	495	11,266	41,426
-	15,704	125	33,513	3,700
3,080	17,073	364	23,335	800
-	14,912	7,472	25,825	5
1,593	-	349	3,768	1,151
-	-	-	2,893	-
-	-	73	389	-
-	-	-	-	6,250
-	-	-	-	18,219
-	19,074	150	19,224	274
-	-	-	400	-
52,991	-	-	52,991	-
-	-	-	24	3,673
-	40,120	-	63,570	9,710
-	31,400	4,920	49,470	-
86,033	190,606	15,966	378,858	90,278
-	-	-	27,119	-
-	-	5,811	14,637	-
-	-	-	105,517	-
-	-	-	-	91,496
-	-	-	-	96,951
-	26,700	-	26,700	-
-	1,000	-	1,000	-
-	-	-	1,000	-
-	-	-	541	9,131
-	-	22,892	75,607	-
-	-	(725)	(725)	-
-	745,085	-	1,665,200	124,165
-	17,722	-	15,240	(7,425)
-	790,507	27,978	1,931,836	314,318
86,033	981,113	43,944	2,310,694	404,596
-	1,410,740	156,509	1,954,565	54,473
-	101,973	1,295	134,931	5,938
-	44,278	11,096	59,007	1,205
-	-	-	-	11,386
-	-	-	6,964	-
-	-	166,575	166,575	-
2,294	870,826	18,699	1,005,142	(171,002)
$ 2,294	$ 2,427,817	$ 354,174	3,327,184	$ (98,000)
			(23,037)	
			$ 3,304,147	

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 Assets (Deficit)

For the Fiscal Year Ended September 30, 2009

(In Thousands)

	Business-type Activities - Enterprise Funds			
	Gas Utility	Water	Solid Waste Management	Tidelands
Operating Revenues:				
Licenses and Permits	$ -	$ -	$ -	$ 224
Fines and Forfeitures	-	-	-	314
Fees, Concessions and Rentals	-	-	-	35,407
From Other Agencies	-	-	-	1,143
Charges for Services	82,719	80,933	84,151	46,072
Other	5,017	-	-	85
Total Operating Revenues	87,736	80,933	84,151	83,245
Operating Expenses:				
Personal Services	14,349	15,654	12,526	35,483
Purchases of Gas and Water	15,567	19,509	-	-
Maintenance and Other Operations	11,014	26,318	61,066	58,760
Insurance Premiums	-	-	-	-
Self-Insured Losses	-	-	-	-
Compensated Absences	-	-	-	-
Employee Benefits	-	-	-	-
Payments to Other Entities	-	-	-	-
Bad Debt	302	156	384	-
Amortization	124	-	335	1,296
Depreciation	3,540	12,434	4,270	17,183
Total Operating Expenses	44,896	74,071	78,581	112,722
Operating Income (Loss)	42,840	6,862	5,570	(29,477)
Non-Operating Income (Expenses):				
Interest Income	1,063	456	1,252	1,985
Interest Expense	(44,307)	(1,891)	(3,847)	(10,181)
Gain on Disposition of Capital Assets	(254)	(42)	-	26
Capital Asset to/(from) Other Funds	-	-	(830)	2,167
Operating Grants	-	-	860	-
Other Income (Expenses)	26,174	447	2,881	(756)
Total Non-Operating Income (Expenses)	(17,324)	(1,030)	316	(6,759)
Income (Loss) Before Contributions and Transfers	25,516	5,832	5,886	(36,236)
Capital Grants and Contributions	-	2,221	-	-
Transfers:				
Transfers In	-	-	-	33,363
Transfers Out	(11,102)	-	(9,017)	-
Change in Net Assets	14,414	8,053	(3,131)	(2,873)
Net Assets (Deficit) - October 1	40,232	236,844	24,211	225,149
Net Assets (Deficit)- September 30	$ 54,646	$ 244,897	$ 21,080	$ 222,276
Change in Net Assets of Business - Enterprise Funds				
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				
Change in Net Assets of Business - Type Activities				

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
Tideland Oil Revenue	Harbor	Other Proprietary Funds	Totals Proprietary Funds September 30, 2009	September 30, 2009
$ -	$ -	$ -	$ 224	$ -
-	-	-	314	-
137,073	307,409	29,267	509,156	-
-	-	-	1,143	-
6,255	-	20,962	321,092	307,654
-	3,942	-	9,044	5,727
143,328	311,351	50,229	840,973	313,381
4,753	39,464	14,424	136,653	35,872
-	-	-	35,076	-
5,932	58,416	30,488	251,994	46,701
-	-	-	-	2,460
-	-	-	-	21,911
-	-	-	-	48,977
-	-	-	-	159,955
167,732	-	-	167,732	-
-	-	31	873	-
-	-	118	1,873	8,621
-	85,858	6,936	130,221	15,671
178,417	183,738	51,997	724,422	340,168
(35,089)	127,613	(1,768)	116,551	(26,787)
-	18,579	3,555	26,890	1,387
-	(40,830)	(573)	(101,629)	(7,636)
-	8	-	(262)	387
-	-	-	1,337	123
-	-	353	1,213	-
8	25,579	6,489	60,822	1,311
8	3,336	9,824	(11,629)	(4,428)
(35,081)	130,949	8,056	104,922	(31,215)
-	11,440	11,549	25,210	1,039
-	-	-	33,363	-
(14,693)	(18,152)	-	(52,964)	(3,183)
(49,774)	124,237	19,605	110,531	(33,359)
52,068	2,303,580	334,569	3,216,653	(64,641)
$ 2,294	$ 2,427,817	$ 354,174	$ 3,327,184	$ (98,000)
			110,531	
			(5,992)	
			$ 104,539	

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, 2009
(In Thousands)

	Business-Type Activities - Enterprise Funds			
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Gas Utility	Water	Solid Waste Management	Tidelands
Cash Flows from Operating Activities:				
Receipts from Customers	$ 83,311	$ 79,532	$ 82,336	$ 84,475
Receipts from Oil Companies	-	-	-	-
Receipts from Other Governments	-	-	-	1,198
Receipts from Other Funds	-	-	-	-
Payments for Employee Salaries	(14,096)	(15,605)	(12,485)	(35,443)
Payments for Goods and Services	(27,270)	(36,733)	(63,238)	(57,886)
Payments for Compensated Absences	-	-	-	-
Payments for Employee Benefits	-	-	-	-
Payments for Liability Claims	-	-	-	-
Payments to Other Entities	-	-	-	-
Payments in Lieu of Taxes	-	(5,393)	-	-
Other Income (Expense)	10,995	338	2,863	(756)
Net Cash Provided by (Used for) Operating Activities	52,940	22,139	9,476	(8,412)
Cash Flows from Non-Capital Financing Activities:				
Other Income	-	-	-	-
Operating Grants Received from Other Governments	-	-	831	-
Transfers In	-	-	-	36,017
Clean Air Action Plan	-	-	-	-
Harbor Cogenerartion Payment	-	-	-	-
Receipts from Prepayment of Gas Supply	273,000	-	-	-
Payments of Principal on Bonds Payable	(231,055)	-	-	-
Payments of Interest	(46,417)	-	-	-
Transfers Out	(11,102)	-	(9,017)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	(15,574)	-	(8,186)	36,017
Cash Flows from Capital and Related Financing Activities				
Receipt of Capital Grants	-	1,834	-	-
Proceeds from the Sale of Capital Assets	-	68	-	26
Proceeds from Issuance of Long-Term Obligations	-	3,000	-	-
Payment of Cost of Issuance	-	-	-	-
Receipts of Contributed Capital	-	-	-	-
Payments to Developers	-	55	-	-
Release of Excess Bond Reserve	-	-	-	-
Proceeds Received on Payment of Capital Leases	-	-	-	108
Proceeds from Capital Leases Receivable from Other Funds	769	-	-	-
Principal Received on Other Long term Receivable	-	-	-	-
Payments for Capital Acquisitions	(11,022)	(12,546)	(75)	(7,705)
Payments of Principal on Bonds Payable	(940)	(1,330)	(6,860)	(5,445)
Payments of Principal on Other Long-Term Obligations	-	-	-	(2,974)
Payments to Redeem Commercial Paper	-	-	-	-
Payments of Interest	(289)	(1,743)	(3,898)	(10,212)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(11,482)	(10,662)	(10,833)	(26,202)
Cash Flows from Investing Activities				
Proceeds from the Sale of Investments	-	3,599	1,045	-
Payments for Investments	(10,571)	-	242	(13,416)
Payments from Other Government Entities	-	-	-	-
Harbor Oil Operations Providing Cash	-	-	-	-
Receipts of Interest	1,063	456	1,180	2,175
Net Cash Provided by (Used for) Investing Activities	(9,508)	4,055	2,467	(11,241)
Net Increase (Decrease) in Cash and Cash Equivalents	16,376	15,532	(7,076)	(9,838)
Cash and Cash Equivalents - October 1	2,938	10,560	67,818	80,418
Cash and Cash Equivalents - September 30	$ 19,314	$ 26,092	$ 60,742	$ 70,580

Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Tideland Oil Revenue	Harbor	Other Proprietary Funds	Totals Proprietary Funds September 30, 2009	September 30, 2009
$ -	$ 309,308	$ 49,493	$ 688,455	$ 5,817
166,790	-	-	166,790	-
-	-	-	1,198	-
-	-	-	-	307,110
(4,771)	(37,481)	(14,374)	(134,255)	(35,719)
(16,801)	(122,464)	(19,009)	(343,401)	(45,355)
-	-	-	-	(59,935)
-	-	-	-	(140,452)
-	-	-	-	(4,129)
(155,510)	-	-	(155,510)	-
-	-	(12,490)	(17,883)	-
8	-	142	13,590	1,648
(10,284)	149,363	3,762	218,984	28,985
-	-	-	-	790
-	-	353	1,184	-
-	-	-	36,017	-
-	3,987	-	3,987	-
-	8,800	-	8,800	-
-	-	-	273,000	-
-	-	-	(231,055)	-
-	-	-	(46,417)	-
(14,693)	(16,275)	-	(51,087)	(3,183)
(14,693)	(3,488)	353	(5,571)	(2,393)
-	(9,992)	5,929	(2,229)	-
-	66	-	160	677
-	-	12,300	15,300	2,125
-	-	(408)	(408)	-
-	-	13,075	13,075	198
-	-	-	55	-
-	3,645	-	3,645	-
-	-	-	108	-
-	-	-	769	-
-	-	66	66	-
-	(111,270)	(19,626)	(162,244)	(4,688)
-	(38,145)	-	(52,720)	-
-	-	(870)	(3,844)	(13,111)
-	(28,750)	-	(28,750)	-
-	(45,161)	(537)	(61,840)	(7,880)
-	(229,607)	9,929	(278,857)	(22,679)
-	-	310	4,954	-
-	(20,912)	(3,165)	(47,822)	(5,622)
-	-	492	492	-
-	12,843	-	12,843	-
-	18,961	3,471	27,306	1,368
-	10,892	1,108	(2,227)	(4,254)
(24,977)	(72,840)	15,152	(67,671)	(341)
63,534	979,692	185,564	1,390,524	111,008
$ 38,557	$ 906,852	$ 200,716	$ 1,322,853	$ 110,667

City of Long Beach
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended September 30, 2009
(In Thousands)
(Continued)

RECONCILIATION OF OPERATING INCOME (LOSS)TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	Business-Type Activities - Enterprise Funds			
	Gas Utility	Water	Solid Waste Management	Tidelands
Operating Income (Loss)	$ 42,840	$ 6,862	$ 5,570	$ (29,477)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization Expense	3,664	12,434	4,605	18,479
Other Income (Expense)	3,704	375	2,882	(756)
(Increase) Decrease in Accounts Receivable, Net	3,950	(1,312)	50	(1,253)
Other Governments	-	-	(51)	55
(Increase) Decrease in Amounts Due from Other Funds	66	-	-	-
(Increase) Decrease in Inventory	60	(228)	-	110
(Increase) in Other Assets	1,172	706	1	(500)
Increase (Decrease) in Environmental Liabilities	-	-	-	-
Increase (Decrease) in Accounts Payable	(2,343)	3,101	(2,110)	1,475
Increase in Accrued Wages Payable	8	49	26	40
Increase (Decrease) in Amounts Due to Other Funds	50	85	14	1,071
Increase in Accrued Claims Payable	-	-	-	-
Increase (Decrease) in Deferred Revenues	(277)	82	(276)	2,351
Decrease in Deferred Credits	-	-	(80)	-
Increase (Decrease) in Collections Held in Trust	46	(15)	(1,155)	(7)
Total Adjustments	10,100	15,277	3,906	21,065
Net Cash Provided by (Used for) Operating Activities Operating Activities	$ 52,940	$ 22,139	$ 9,476	$ (8,412)

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

Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Tideland Oil Revenue	Harbor	Other Proprietary Funds	Totals Proprietary Funds September 30, 2009	September 30, 2009
$ (35,089)	$ 127,613	$ (1,768)	$ 116,551	$ (26,787)
-	85,858	7,054	132,094	24,292
8	272	(8)	6,477	795
23,039	(2,278)	(964)	21,232	3,742
12,222	-	-	12,226	(152)
-	-	-	66	(284)
-	116	(15)	43	185
-	-	-	1,379	52
-	(56,795)	150	(56,645)	274
(10,050)	(6,649)	(1,140)	(17,716)	309
(18)	-	51	156	21,312
(819)	-	141	542	9
-	-	-	-	4,841
-	1,226	253	3,359	-
-	-	-	(80)	-
423	-	8	(700)	397
24,805	21,750	5,530	102,433	55,772
$ (10,284)	$ 149,363	$ 3,762	$ 218,984	$ 28,985

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

City of Long Beach
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2009
(In Thousands)

	Private Purpose Trust	Agency Funds
ASSETS:		
Pooled Cash and Cash Equivalents	$ 1,036	$ 19,378
Non Performing Investments	2	25
Investments at Par-Nonpooled	-	6,448
Non-Pooled Cash and Cash Equivalents		3,125
Accounts Receivable	-	32
Land	-	11,000
Total Assets	$ 1,038	$ 40,008
LIABILITIES:		
Accounts Payable	-	116
Due to Special Assessment Bondholders	-	5,535
Collections Held in Trust	-	34,357
Total Liabilities	-	40,008
NET ASSETS:		
Held in Trust for Private Purpose Trust Funds	$ 1,038	$ -

City of Long Beach
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
September 30, 2009
(In Thousands)

	Private Purpose Trust
ADDITIONS:	
Interest Income	$ 18
Contributions from Citizens	27
Total Additions	45
DEDUCTIONS:	
Community and Cultural	37
Change in Net Assets	8
Net Assets, October 1	1,030
Net Assets, September 30	$ 1,038

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

BASIC FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 – REPORTING ENTITY

Organization

The City operates under a City Charter originally adopted in 1921 and last amended in 2006. The City Charter establishes the current Mayor-Council-City Manager form of government, sets forth the powers and duties of the Mayor and City Council and defines the roles, duties, and form of organization of the City's various boards, commissions, and other offices. The City is divided into nine council districts, with Council persons elected to serve within their respective districts. The citizens, as a whole, elect a Mayor, City Auditor, City Attorney, and City Prosecutor. The City Council appoints a City Manager who serves at the discretion of the Council.

Financial Reporting Entity

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

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

Blended Component Entities

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

Redevelopment Agency of the City of Long Beach (the Agency) was established by action of the City Council in 1961 under provisions of State law. The Agency is administered by five-member governing boards whose members are appointed by, and serve at the will of the City Council. The City Council approves the Agency's annual budget and changes thereto. Additionally, the City Council approves decisions that impact the Agency's fiscal operations, such as determination of redevelopment project areas, debt, and sales of property. Further, the City provides all staffing, treasury management and investment analysis, facilities, and administrative services to conduct the Agency's day-to-day operations. Accordingly, the financial activities of the Agency are blended

with those of the City in the accompanying basic financial statements and are reported as the Redevelopment Capital Projects Fund.

To accomplish its stated purpose, the Agency assists the City by acquiring land and making such sites suitable for resale to contracted commercial developers. Agency parcels are often sold below the cost of acquisition, with the expectation that the proposed development will meet the objectives of removing blight, increasing local revenues, and expanding the City's economic base and employment opportunities. Such acquisitions are recorded as investments in land at cost, and are adjusted for estimated declines in fair value, upon negotiation of a development disposition agreement.

Long Beach Housing Development Company (the Company) is a non-profit corporation formed by action of the City Council in 1987 to plan, direct, perform, and assist the City in meeting its statutorily mandated responsibility to provide adequate housing to low and moderate-income residents, senior citizens, and disabled persons. Under California law, the Redevelopment Agency of the City is required to set aside 20 percent of its incremental property tax revenues to meet these needs. It is the Company's responsibility to assist the City and the Redevelopment Agency in assessing and addressing such needs. 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. 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 of Long Beach and the Los Angeles County Sanitation District Number 2. SERRF was created to finance the construction of a waste-to-energy facility through the issuance of lease revenue bonds. Payments under the lease are intended to service bonded debt issued to finance construction of the project. For financial reporting purposes, the capital lease between SERRF and the City has been eliminated, and the financial activities of SERRF are included in the Solid Waste Management Enterprise Fund (see Note 21).

Non-profit Financing Corporations and Authorities

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

For the most part, these non-profit corporations enter into capitalizable leases with the City. However, for financial reporting purposes, such lease transactions are eliminated, and the related financing obligations and related capital assets are carried at cost in the accompanying basic financial statements.

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

Entity	Affected Fund Type	Affected Funds
Long Beach Financing Authority	Governmental	Redevelopment Funds
Long Beach Bond Finance Authority	Governmental and Business-Type	Internal Service Funds Enterprise funds Government Funds to include Redevelopment Funds and Housing Funds
Long Beach Capital Improvement Corporation	Business-Type	Enterprise Funds

Separately issued financial statements are required for the Agency and the Company due to financing and / or legal requirements. These separately issued financial statements may be obtained at 333 West Ocean Boulevard, 6th Floor, Long Beach, California 90802. There is no requirement to separately issue financial statements for the remaining component financial reporting units; consequently, none are issued.

Discretely Presented Component Unit

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary 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, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, operating grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and capital grants and contributions, including special assessments, that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items are not included among program revenues, as they are appropriately reported as general revenues.

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

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended September 30, 2008, from which the summarized information was derived.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The City's government-wide, proprietary, and private trust fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Agency funds have no measurement focus since only assets and liabilities are reported. Receivables and payables are recognized under the accrual basis of accounting.

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

- Revenue is recorded when it becomes both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, and except for reimbursement-basis government revenues, which are recognized when earned, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property

taxes and taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period.

- Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as an other financing source.

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

The City reports the following major governmental and enterprise funds:

Major Governmental Funds

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

The Housing Development Fund is used to account for the portion of property tax increment monies, which is required under California Redevelopment Law, Section 33334, to be set aside for the development of low and moderate-income housing. The operations of the Company are accounted for in the Housing Development Fund.

The Community Development Grants Fund accounts for federal grants providing job training and employment opportunities for economically disadvantaged, unemployed, and under-employed persons, and federal grants from the U.S. Department of Housing and Urban Development (HUD). HUD grants are for the development of viable urban communities providing housing, suitable living environments, and expanding economic opportunities for persons of low and moderate- income.

The General Capital Projects Fund was established to account for the acquisition, construction, and improvement of capital facilities financed by grants and operating transfers from the General Fund and certain special revenue funds.

The Redevelopment Capital Projects Fund is used to account for the acquisition, relocation, demolition, and sale of properties for the City's redevelopment areas. Redevelopment projects are mainly financed with property tax increment funds, operating transfers from the Community Development Grants Fund, and bond proceeds. This fund is also used to account for the accumulation of resources for, and the payment of principal and interest on the Agency's bonded debt and other long-term obligations.

Major Enterprise Funds

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

The Water Fund is used to account for the activities associated with the pumping, purchasing, treatment, transmission, and distribution of potable and reclaimed water by the City to its customers.

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

The Tidelands Fund is used to account for operations, maintenance, and development of the beaches, Convention Center, the Queen Mary, the Aquarium of the Pacific, as well as the City's marinas.

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

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

Other Fund Types:

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

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

The City applies all Governmental Accounting Standards Board (GASB) Statements and Interpretations. As permitted by GAAP, the City has not elected to apply those Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or after November 30, 1989 that may apply to the accounting and reporting practices of the City's enterprise and business-type activities, except those that may conflict with GASB pronouncements. The effect of interfund activity has been eliminated from the government-wide financial statements.

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

dedicated resources, include all taxes, are reported as general revenues rather than as program revenues.

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

Pooled Cash and Cash Equivalents

The City pools the cash resources of its various funds to facilitate the management of cash and for the purpose of increasing income through investment activities. The pool cash balances are readily identifiable by fund and are available to meet current operating requirements. The pool is used as a demand deposit account by the various funds.

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

The pool investments are based on three investment strategies designed to meet any demand for funding by using a combination of short-term on demand accounts and highly liquid investments. In addition, several individual funds maintain specific investments over and above any pooled cash balances.

Interest income arising from pooled cash and investments is apportioned to the participating funds based on the relationship of their respective daily cash balances to the total of pooled cash and investments. Investments are stated at fair value as of September 30, 2009.

Receivables and Payables

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

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

Inventories

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

Capital Assets

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

The City defines capital assets as assets with an initial, individual cost of more than five thousand dollars and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

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

Land parcels held for resale are recorded at cost, and are adjusted for estimated declines in fair value, upon negotiation of a development disposition agreement.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Initial-issue bond premiums and discounts, as well as issuance costs, as a policy, are amortized using the effective interest rate method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bonds payable are reported net of the unamortized portion of applicable premium, discount, or deferred amount on refunding. Bond issuance costs, including underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding are generally included in interest expense unless otherwise noted.

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

Net Assets and Fund Equity

In the government-wide financial statements and proprietary fund financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside of the City (such as investors, grantors, contributors, and laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. Nonexpendable portions of the private purpose trust funds are reported as held in trust. The City's other restricted net assets are restricted but ultimately expendable. All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not readily available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent City Council actions or policies that are subject to change.

Property Tax Calendar

Under the State Constitution, the property tax rate is limited to one percent of assessed value, but may be adjusted for specific voter-approved indebtedness. Property taxes are levied by the Los Angeles County (County) Tax Assessor and shared among all other local taxing authorities within the City. Accordingly, the County collects property taxes and distributes such taxes on the basis of the taxing authorities' tax rate percentages, allowing for such adjustments as may be authorized for voter-approved debt. Secured property taxes are levied during September of every year and become a lien on real property on January 1 of the calendar year for which taxes are levied. These tax payments can be made in two equal installments: the first is due November 1st and delinquent with penalties after December 10th; the second is due February 1st and delinquent with penalties after April 10th. The City recognizes property tax receivable when levied and defers portion that is neither intended nor available to finance current year expenditures.

Revenue Recognition for Utility Funds

Utility revenues are recorded as billed to customers on a cyclical monthly basis. Unbilled amounts at year-end are not considered material and are not recognized as revenue.

Employee Benefits and Compensated Absences

Benefits for City employees are paid from the City's Employee Benefits Internal Service Fund, except for the residual balance of a City-administered Police and Fire Annuity Benefit Program that was terminated in 1945. The Employee Benefits Internal Service Fund is reimbursed through payroll charges to other funds based on estimates of benefits earned. The City's policy is to pay all accumulated vacation and holiday pay when an employee retires or terminates. Beginning August 1, 2007, management employees, upon retirement, have 75 percent of his/her outstanding vacation leave converted to sick leave.

Accumulated sick leave becomes vested only when an employee meets the City's minimum requirements for retirement. At the time of retirement, employees have the option of using the cash value equivalent of accumulated sick leave to continue in the City's health insurance plan or to purchase additional pension benefits from the State of California Public Employees' Retirement System (CalPERS). Accumulated sick leave is forfeited upon termination for reasons other than retirement. Through fiscal year 2005, the City also contributed up to 32 hours of accumulated sick leave each year to deferred compensation plans for active safety employees who had accumulated in excess of 40 days of sick leave as of January 1 of each calendar year. These deferred compensation

contributions were funded and remitted to the City's deferred compensation third-party administrators.

The City makes annual contributions in varying amounts to deferred compensation plans for certain employee groups who serve in sensitive, confidential capacities. Effective January 1, 2005, this benefit ceased for safety employees. No other City employees received such benefit.

Through fiscal year 2005, the City had established an Integral Part Trust (Post Employment Medical Benefits) for police officers. This third-party administered trust provides reimbursements for post retirement medical expenses. For eligible employees, the value of 32 hours of accumulated sick leave and excess, unused vacation, using the employee's current wage rate, was deposited, pretax into a trust account maintained in the employee's name. This benefit to deposit the value of 32 hours of sick leave and excess leave was effective through fiscal year 2003. The excess vacation was effective through fiscal year 2005.

Vacation and holiday benefits are recognized when earned. Sick leave benefits are recognized on a pro-rata basis using an actuarially determined method.

Budgetary Principles

The City Council adopted the fiscal year 2009 budget prior to September 30, 2008 for all funds except for agency funds. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various governmental funds. The City Council may amend the budget by motion during the fiscal year. The City Manager may transfer appropriations within the departments or within a given fund, without City Council approval, provided that the total appropriations at the fund level and at the department level do not change. Transfers of appropriation between funds or departments require City Council approval. Appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

Budget information is presented in the accompanying basic financial statements for the General Fund, the Housing Development Fund, and the Community Development Grants Fund on a non-GAAP budgetary basis, since appropriations represent budgeted amounts to be expended or encumbered during the year.

Budgeted revenue and expenditure amounts represent the originally budgeted amounts as well as budgeted amounts as modified by adjustments authorized during the year. Total expenditures of each fund may not exceed fund appropriations, and total expenditures for each department may not exceed departmental appropriations.

Accounting for Encumbrances

Encumbrances outstanding at year-end are not reported as expenditures, but are reported as a reservation of fund balance available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. 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 as required by GAAP. Adjustments necessary to convert actual expenditures from the modified accrual basis to the budgetary basis are reflected in Note 18.

Implementation of New Accounting Pronouncements

The following summarizes implemented GASB pronouncements and their impact, if any, on the financial statements:

In November 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations. The statement focuses on the current or potential detrimental effects of existing pollution through the participating in pollution remediation activities such as site assessments and cleanups. The scope of the statement excludes pollution prevention or control obligations with respect to current operations and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and postclosure care and nuclear power plant decommissioning. The requirements of this statement are effective for financial statements periods beginning after December 15, 2007 and include measurement of pollution remedial liabilities at the beginning of the fiscal period as to restate beginning net assets. Governments with sufficient objective verifiable information to apply expected cash flow techniques to determine prior period liabilities are required to do for all periods presented. The application of this statement was effective for the City's fiscal year ended September 30, 2009 and the implementation did not result in a material change to beginning net assets. The additional disclosure required by the implementation of GASB Statement No. 49 is available in Note 23.

In November of 2007, GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments.* The statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. This statement more appropriately reports the resources available in endowments and more closely aligns financial reporting with the objectives of endowments. It results in property held for similar purposes by comparable entities being reported in the same manner. Reporting land and other real estate held as investments at fair value enhances users' ability to meaningfully evaluate an entity's investment decisions and performance. Application of this statement was effective for the City's fiscal year ended September 30, 2009 and did not materially impact the City.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.* The statement specifically requires governments to measure and report most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The requirement of reporting the derivative instruments at fair value on the face of financial statements gives the users of financial statements a clearer look into the risks their governments are sometimes exposed to when they enter into these transactions and how those risks are managed. The statement also addresses hedge accounting requirements and improves disclosures, providing a summary of the government's derivative instrument activity, its objectives for entering into derivative instruments, and their significant terms and risks. The City has chosen to implement the statement a year early making it effective for the City's fiscal year ended September 30, 2009. The additional disclosure required by the implementation of GASB 53 is available in Note 13.

In March 2009, GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* The statement incorporates the hierarchy of GAAP for state and local governments into the GASB's authoritative literature. Implementation of this statement did not result in any changes in current practice. Application of this statement was effective for the City's fiscal year ended September 30, 2009 and did not materially impact the City.

In March 2009, GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.* The statement incorporates into the GASB's authoritative literature certain accounting and financial reporting

guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This statement addresses three issues not included in the authoritative literature that establishes accounting principles—related-party transactions, going-concern considerations, and subsequent events. Application of this statement was effective for the City's fiscal year ended September 30, 2009 and did not materially impact the City.

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

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets.* The statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. Application of this statement is effective for the City's fiscal year ending September 30, 2010.

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement is intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. Application of this statement is effective for the City's fiscal year ending September 30, 2011.

Estimates

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

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

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

	Total Governmental Funds (Page 31)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations and Conversions	Total Statement of Net Assets (Page 27)
ASSETS					
Current Assets:					
Pooled Cash and Cash Equivalents	$ 253,709	$ -	$ 109,805	$ (336,425)	$ 27,089
Non-Pooled Cash and Cash Equivalents	54,460	-	862	-	55,322
Pooled Investments	-	-	-	231,860	231,860
Non Performing Investments	554	-	243	-	797
Interest Receivable	188	-	18	-	206
Property Taxes Receivable, Net	165,530	-	-	(3,780)	161,750
Accounts Receivable	35,523	-	3,011	(38,534)	-
Notes and Loans Receivable	2,112	-	-	(2,112)	-
Due from Other Governments	46,687	-	54	-	46,741
Due from Other Funds	11,565	-	8,782	(20,347)	-
Allowance for Receivables	(28,922)	-	(226)	29,148	-
Accounts and Loans Receivables, Net	-	-	-	15,278	15,278
Internal Balances	-	-	-	17,332	17,332
Deposits	-	-	506	(506)	-
Inventory	-	-	1,593	-	1,593
Other Assets	4,341	-	-	506	4,847
Advances to Other Funds	168,682	-	-	(168,682)	-
Land Held for Resale	195,045	-	-	-	195,045
Noncurrent Restricted Assets:					
Non-Pooled Investments	-	-	5,622	-	5,622
Other Noncurrent Assets:					
Noncurrent Pooled Investments	-	-	-	104,565	104,565
Noncurrent Non-Pooled Investments	41,673	-	-	-	41,673
Other Noncurrent Receivables	120,899	-	2,779	-	123,678
Capital Assets:					
Nondepreciable	-	238,215	3,155	-	241,370
Depreciable, Net	-	339,888	117,477	-	457,365
Other Noncurrent Assets	-	-	52,915	-	52,915
Total Assets	$ 1,072,046	$ 578,103	$ 306,596	$ (171,697)	$ 1,785,048

(continued)

The City of Long Beach
The Notes to the Basic Financial Statements
September 30, 2009

	Total Governmental Funds (Page 31)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations and Conversions	Total Statement of Net Assets (Page 27)
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 33,186	$ -	$ 5,070	$ -	$ 38,256
Accrued Wages and Benefits Payable	12,893	-	41,426	-	54,319
Accrued Interest Payable	95	6,983	3,700	-	10,778
Due to Other Funds	16,626	-	800	(17,426)	-
Deferred Revenue	301,918	-	5	(114,574)	187,349
Accrued Claims	2,450	-	-	(2,450)	-
Deposits and Collections Held in Trust	7,658	-	1,151	(8,809)	-
Advances from Other Funds	177,308	-	-	(177,308)	-
Long-term Liabilities Due Within One Year					
Bonds Payable	-	10,915	9,710	(20,625)	-
Certificates of Participation Payable	-	-	-	-	-
Notes Payable	-	1,192	-	(1,192)	-
Capital Leases Payable	-	1,298	3,673	(4,971)	-
Enviromental Remediation	-	46	274	(320)	-
Accrued Self Insurance Claims Payable	-	-	18,219	(18,219)	-
Employee Benefits Payable	-	-	6,250	(6,250)	-
Total Employee Benefits and Accrued LT Obligations	-	-	-	24,789	24,789
Total LT Debt and Other LT Obligations	-	-	-	26,788	26,788
Long-term Liabilities Due Beyond One Year					
Deferred Revenue, Credits & Other Payables	-	-	-	1,273	1,273
Bonds Payable	-	399,758	116,740	(516,498)	-
Notes Payable	-	7,865	-	(7,865)	-
Capital Leases Payable	-	13,124	9,131	(22,255)	-
Police and Fire Annuities Payable	-	21,494	-	(21,494)	-
Estimated Oil Field Abandonment Costs Payable	-	6,210	-	(6,210)	-
Enviromental Remediation	-	64	-	(64)	-
Accrued Self Insurance Claims Payable	-	-	96,951	(96,951)	-
Employee Benefits Payable	-	-	91,496	(91,496)	-
Total Employee Benefits and Accrued LT Obligations	-	-	-	216,215	216,215
Total LT Debt and Other LT Obligations	-	-	-	546,618	546,618
Total Liabilities	552,134	468,949	404,596	(319,294)	1,106,385
Fund Balance / Net Assets					
Total Fund Balance / Net Assets	519,912	109,154	(98,000)	147,597	678,663
Total Liabilities and Fund Balance / Net Assets	$ 1,072,046	$ 578,103	$ 306,596	$ (171,697)	$ 1,785,048

Amounts reported for governmental activities in the statement of activities are different from those reported for governmental funds in the statement of revenues, expenditures and changes in fund balances. The following provides a reconciliation of those differences (in thousands):

	Total Governmental Funds (Page 34-35)	Debt and Capital Related Transactions	Internal Service Funds	Reclass	Eliminations	Statement of Activities (Page 28-29)
Revenues:						
Taxes:	$ 347,864	$ -	$ -	$ 1,274	$ -	$349,138
Licenses and Permits	32,239	-	-	(32,239)	-	-
Fines and Forfeitures	19,501	-	-	(19,501)	-	-
Use of Money and Property /						-
Unrestricted Investment Earnings	47,841	-	1,386	(34,515)	-	14,712
From Other Agencies	227,060	-	-	(227,060)	-	-
Charges for Services	30,742	-	-	(30,742)	-	-
Other	11,667	-	-	(11,667)	-	-
Program Revenue						
Charges for Services	-	-	5,727	127,436	(362)	132,801
Operating Grants and Contributions	-	-	-	175,567	(3,286)	172,281
Capital Grants and Contributions	-	-	-	3,595	-	3,595
Other Financing Sources :						
Issuance of Long-term Debt	311	(311)	-	-	-	-
General Revenues						
Grants and Contributions Not						
Restricted to Specific Programs	-	-	-	48,364	-	48,364
Gain (Loss) on Sale of Capital Assets	-	(1,024)	-	-	-	(1,024)
Capital Asset Transfers, Net	(3,677)	2,217	123	-	-	(1,337)
Transfers, Net	22,784	-	(3,183)	-	-	19,601
Total Revenues	736,332	882	4,053	512	(3,648)	738,131
Expenditures / Expenses:						
Current:						
Legislative and Legal	11,649	217	1,000	-	-	12,866
General Government	11,993	365	4,296	-	(362)	16,292
Public Safety	290,615	(586)	11,996	-	-	302,025
Public Health	45,181	500	1,453	-	-	47,134
Community and Cultural	238,090	8,532	2,870	(18,438)	(3,282)	227,772
Public Works	53,358	39,826	2,170	-	-	95,354
Oil Operations	6,888	1,116	-	-	-	8,004
Capital Improvements						
Capital Improvements	27,721	(27,721)	-	-	-	-
Loss on Disposition						
of Land Held for Resale	1,526	-	-	(1,526)	-	-
Debt Service:						
Principal	17,456	(17,456)	-	-	-	-
Interest on Long-Term Debt	28,300	(104)	7,635	-	-	35,831
Debt Administration Fees	259	(259)	-	-	-	-
Total Expenditures / Expenses	733,036	4,430	31,420	(19,964)	(3,644)	745,278
Net Change in Fund Balances	$ 3,296	$ (3,548)	$ (27,367)	$ 20,476	$ (4)	$ (7,147)

NOTE 4 – CASH AND INVESTMENTS

Cash and Investments as of September 30, 2009 are classified in the accompanying financial statements as follows (in thousands):

Cash and investments in City pool	$ 1,696,159
Non-performing short-term investment	3,962
Cash and investments held by bond trustee	234,071
Total cash and investments	$ 1,934,192

Cash and Investments as of September 30, 2009 consist of the following:

Cash and deposits	$ 80,099
Outstanding Checks	(13,698)
Investments	1,867,791
Total cash and investments	$ 1,934,192

A reconciliation of the cash, cash equivalents, and investments between the basic financial statements and the fair value of the investment portfolio at September 30, 2009 is as follows (in thousands):

	Primary Government				Component Unit
	Governmental Activities	Business-type Activities	Fiduciary Funds	Total	
Pooled Cash and Cash Equivalents	$ 27,089	$ 97,788	$ 20,414	$ 145,291	$ -
Non-Pooled Cash and Cash Equivalents	55,322	10,203	3,125	68,650	-
Pooled Investments	231,860	836,978	-	1,068,838	43,762
Non Performing Investments	797	3,138	27	3,962	-
Non-Pooled Investments	-	3,165	-	3,165	-
Noncurrent Pooled Investments	104,565	377,465	-	482,030	-
Noncurrent Non-Pooled Investments	41,673	-	6,448	48,121	-
Restricted Assets:					
Non-Pooled Cash and Cash Equivalents	-	363	-	363	-
Non-Pooled Investment	5,622	108,150	-	113,772	-
Total Deposits and Investments	$ 466,928	$ 1,437,250	$ 30,014	$ 1,934,192	$ 43,762

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

The table below identifies the investment types that are authorized by the City's investment policy. 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 address debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provision of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bonds issued by the City	5 years *	30%	None
U.S. Treasury notes, bonds, or bills	5 years *	None	None
Registered state warrants or treasury notes or bonds of the State of California	5 years *	30%	None
Local Agency Bonds	5 years *	30%	None
Federal agency securities	5 years *	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years *	30%	10%
Time Certificates of Deposit	5 years *	100%	10%
Repurchase Agreements	90 days	100%	None
Reverse Repurchase Agreements	92 days	20%	None
Securities Lending Program	92 days	20%	None
Medium-Term Notes	5 years *	30%	10%
Money Market Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	$40 million
Asset-backed Securities	5 years	20%	None
Mortgage-backed Securities	5 years	20%	None

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

Investments Authorized by Debt Agreements

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

Disclosures Relating to Interest Rate Risk

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

The following schedule indicates the interest rate risk of the City's investments as of September 30, 2009 (in thousands):

Investment Type	Fair Value	Weighted Average Maturity (in years)
Cash and Investments in City Pool		
Inter-Department Loan (Health Savrs)	$ 2,654	9.604
U.S. Treasury Notes	930,125	0.505
Federal agency securities	592,312	0.500
Government Managed Rate Account	104,667	0.003
Subtotal City Pool	1,629,758	
Cash and Deposits	80,099	
Outstanding Checks	(13,698)	
Total City Pool	$ 1,696,159	
Non Performing Investment - Short Term	$ 3,962	-
Cash and Investments Held by bond Trustee		
Guaranteed Investment Contracts	$ 44,249	26.146
Money Market Funds	69,009	-
U.S. Treasury Notes	58,144	1.658
Federal agency securities	47,340	2.395
Time Certificates of Deposit	10,000	1.000
Short-term Commercial Paper	3,165	0.750
City Bonds	2,164	9.675
Total held by Bond Trustees	$ 234,071	

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, 2009. Highly sensitive investments are investments whose sensitivity to market interest rate fluctuations are not fully addressed by use of one of the five methods for reporting interest rate risk.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The minimum rating requirements for commercial paper, asset-backed securities, and medium term notes is an A rating. Mortgage-backed security issuers must have a minimum AAA rating. State warrants, state treasury notes, or bonds of the State are to be rated at a minimum of A1 / Sp-1 for short-term investments and Aa/AA for long-term investments.

Presented on following page is the minimum rating required by the California Government Code, the City's investment policy, and the actual rating as of September 30, 2009 for each investment type (in thousands):

Investment Type	Legal Rating	Total	Rating as of Year End: Not Required To Be Rated	A-1	AAA	Unrated
Cash and Investments in City Pool						
Inter-Department Loan (Health Savrs)	N/A	$ 2,654	$ 2,654	$ -	$ -	$ -
U.S. Treasury Notes	N/A	930,125	930,125	-	-	-
Federal agency securities	N/A	592,312	-	-	592,312	-
Government Managed Rate account	N/A	104,667	104,667	-	-	-
Subtotal City Pool		1,629,758	1,037,446	-	592,312	-
Cash and Deposits		80,099	-	-	-	80,099
Outstanding Checks		(13,698)	-	-	-	(13,698)
Total City Pool		$ 1,696,159	$ 1,037,446	$ -	$ 592,312	$ 66,401
Non Performing Investment - Short Term	N/A	$ 3,962	$ -	$ -	$ -	$ 3,962
Cash and Investments Held by bond Trustee						
Guaranteed Investment Contracts	N/A	$ 44,249	$ 44,249	$ -	$ -	$ -
Money Market Funds	N/A	69,009	69,009	-	-	-
U.S. Treasury Notes	N/A	58,144	-	-	58,144	-
Federal agency securities	N/A	47,340	-	-	47,340	-
Time Certificates of Deposit	N/A	10,000	-	-	-	10,000
Short-term Commercial Paper	N/A	3,165	-	3,165	-	-
City Bonds	N/A	2,164	-	-	-	2,164
Total held by Bond Trustees		$ 234,071	$ 113,258	$ 3,165	$ 105,484	$ 12,164

Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Federal Agency Securities	$ 20,823
Federal Home Loan Bank	Federal Agency Securities	102,848
Federal Home Loan Mortgage Association	Federal Agency Securities	91,865
Federal National Mortgage Association	Federal Agency Securities	376,776
U.S. Treasuries	U.S. Treasury Notes & bonds	930,125

Custodial Credit Risk

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

California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 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, 2009, the City reported deposits of $80,099,000 less $13,698,000 for checks outstanding.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are mortgage-backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured basis. During the fiscal year, the City had funds invested in the pool; however, at September 30, 2009, the City had withdrawn all funds from LAIF.

Securities Lending

The City did not engage in any securities lending programs for the fiscal year ended September 30, 2009. However, from time to time, the City engages in limited securities-lending activities. These activities are governed by formal agreements with the City's contract bank. These agreements limit the nature and amount of the transactions and provide for full collateralization of each transaction.

Component Unit

The Long Beach Transportation Company (LBT) is authorized to participate in the investments listed below, at June 30, 2009. During fiscal year ended June 30, 2008, LBT elected to have all but five thousand dollars of its investments with LAIF. The remaining five thousand dollars was invested in an overnight repurchase agreement. In June 2009, LBT diversified its investment in LAIF to other similarly structured investments vehicles managed by an independent manager. In addition, the overnight sweep account was closed and monies were moved to a money market account.

	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Percentage in One Issuer
Local Agency Investment Fund (LAIF)	N/A	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Commercial Paper	270 days	10%	10%
Money Market Mutual Funds	N/A	None	None
Bankers Acceptances	180 days	40%	10%
Repurchase Agreements	90 days	None	None
Reverse Repurchase Agreements	92 days	20%	None
Mutual Funds	N/A	15%	10%
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Medium-Term Notes	5 years	30%	None
Mortgage Pass-through Securities	5 years	20%	None
Local Agency Bonds	5 years	10%	None

Component Unit 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. LBT manages its exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to no more than two years.

Information about the sensitivity of fair values of the LBT's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment at June 30, 2009 (in thousands):

Investment Type	Fair Value	Weighted Average Maturity (in years)
Cash Equivalents		
Local Agency Investment Fund (LAIF)	$ 17,845	0.64
Bank of America Money market	2,415	N/A
Fidelity Municipal Money market	5,028	N/A
Russell Money Market	748	N/A
Total Cash Equivalents	$ 26,036	
Investments		
iShares Barclays 1-3 year Treasury Bond	$ 3,004	1.81
PIMCO 1-3 year US Treasury Index	3,002	1.84
iShares Barclays MBS Bond	1,508	1.46
iShares Barclays Short-Term Treasury Bond	2,993	0.32
iShares Barclays TIPS Bond	1,519	5.61
Russell Investment Grade Bond	756	3.90
PIMCO Short-Term	750	0.63
Russell Short duration bond	753	1.80
Total Investments	$ 14,285	

LBT also has cash on hand and deposits with financial institutions totaling $336 thousand which do not have interest rate risk.

Component Unit 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. LAIF does not have a rating provided by a nationally recognized statistical rating organization. Rating on the investments, excluding LAIF and money market accounts are as follows at June 30, 2009:

Investment Type	Rating
iShares Barclays 1-3 year Treasury Bond	AAA/Aaa
PIMCO 1-3 year US Treasury Index	AAA/Aaa
iShares Barclays MBS Bond	AAA/Aaa
iShares Barclays Short-Term Treasury Bond	AAA/Aaa
iShares Barclays TIPS Bond	AAA/Aaa
Russell Investment Grade Bond	AA
PIMCO Short-Term	AA+
Russell Short duration bond	A

Component Unit Concentration of Credit Risk

The investment policy of LBT contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represents five percent or more of total LBT investments.

Component Unit Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the 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 California Government code and LBT's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, 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. 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 government deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial Credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools, such as LAIF.

NOTE 5 – RECEIVABLES

Receivables at September 30, 2009 for the City's individual major funds, and nonmajor and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows (in thousands). All receivables are expected to be collected within one year, except for delinquent property taxes.

	General	Housing Development	Community Development Grants	General Capital Projects	Redevelopment Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	Total
Governmental Activities:								
Receivables:								
Interest	$ 23	$ -	$ -	$ -	$ 165	$ -	$ 18	$ 206
Taxes	73,345	-	-	-	92,185	-	-	165,530
Accounts, Unrestricted	30,014	56	43	-	1,077	4,333	3,011	38,534
Notes and Loans	2,112	-	-	-	-	-	-	2,112
Due from Other Governments	15,756	320	5,558	4,063	595	20,395	54	46,741
Total Receivables	121,250	376	5,601	4,063	94,022	24,728	3,083	253,123
Less Allowance for Receivables	(28,035)	-	-	-	-	(887)	(226)	(29,148)
Net Receivables	$ 93,215	$ 376	$ 5,601	$ 4,063	$ 94,022	$ 23,841	$ 2,857	$ 223,975

	Gas Utility	Water	Solid Waste Management	Tidelands	Tideland Oil Revenue	Harbor	Nonmajor Proprietary Funds	Total
Business-Type Activities:								
Receivables:								
Interest, Unrestricted	$ 19	$ -	$ 72	$ 131	$ -	$ 200	$ 10	$ 432
Accounts, Unrestricted	5,765	6,978	9,595	3,450	49,770	49,049	4,262	128,869
Other Receivables	-	-	-	-	-	-	71	71
Due from Other Governments	-	-	360	216	-	4,875	212	5,663
Total Receivables	5,784	6,978	10,027	3,797	49,770	54,124	4,555	135,035
Less Allowance for Receivables	(565)	(275)	(384)	(280)	-	(1,557)	(327)	(3,388)
Net Receivables	$ 5,219	$ 6,703	$ 9,643	$ 3,517	$ 49,770	$ 52,567	$ 4,228	$ 131,647

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2009 is as follows (in thousands):

	Payable Fund	Amount
Due to / from Other Funds:		
General	Community Development Grants	$ 1,495
	Nonmajor Governmental Funds	8,042
	Gas	42
	Water	85
	Tidelands	808
	Nonmajor Business-type Funds	128
	Internal Service Funds	292
Subtotal General Fund		10,892
General Capital Projects	Community Development Grants	372
	Nonmajor Governmental Funds	301
Subtotal - General Capital Projects		673
Gas Utility	Tidelands	814
Tidelands	Tideland Oil Revenue	2,975
	Harbor	16,084
Subtotal Tidelands		19,059
Harbor	Tideland Oil Revenue	41
Nonmajor Business-type Funds	General	500
Internal Service Funds	General	4,918
	Housing Development	40
	Community Development Grants	133
	General Capital Projects	88
	Redevelopment Capital Projects	78
	Nonmajor Governmental Funds	659
	Gas	245
	Water	325
	Solid Waste Management	168
	Tidelands	331
	Tideland Oil Revenue	64
	Harbor	989
	Nonmajor Business-type Funds	236
	Internal Service Funds	508
Subtotal Internal Service Funds		8,782
Total Due to / from Other Funds		40,761
Advances from / to Other Funds:		
General	Redevelopment Capital Projects	103,220
	Nonmajor Governmental Funds	2,260
Subtotal - General Fund		105,480
Housing Development	Redevelopment Capital Projects	21,229
Community Development Grants	Housing Development	3,819
	Nonmajor Governmental Funds	2,900
Subtotal - Community Development Grants		6,719
General Capital Projects	Redevelopment Capital Projects	10,766
Redevelopment Capital Projects	Tidelands	24,488
Gas Utility	Tidelands	2,631
Harbor	Redevelopment Capital Projects	27,000
Nonmajor Business-type Funds	General Fund	6,114
Total Advances from / to Other Funds		204,427
Total Interfund Balances Entity-Wide		245,188
Less Amounts Eliminated in the Entity-Wide Basis Financial Statements		(262,520)
Entity-Wide Basis Financial Statement Internal Balances		$ (17,332)

Due To / Due From Other Funds

The General Fund has advanced $1,495,000 to the Community Development Grants Fund to cover operating expenses prior to receipt of grant funds from the Home Investment Partnership Act, Community Development Block Grant and Workforce Investment Act. In addition, the General Fund advanced the General Grants Fund and Health Fund, non-major governmental funds, $4,583,000 and $3,459,000, respectively, providing temporary cash flow to cover expenses for the Urban Area Security Initiative Grant and various health grants including the Homeless Supportive Housing Grant.

In fiscal year 2009, the General Fund accrued a liability for a consent judgment for civil penalties of $1,500,000 and legal fees reimbursement of $200,000 payable to State Water Resources Control Board for non-compliance with State Laws and regulation related to underground storage tanks. The allocation of these expenses to the Gas fund, Water Fund, Tidelands Fund, and Airport Fund (included as non-major business-type funds) in the amounts of $42,000, 85,000, $808,000, and $128,000, respectively, are listed as due to the General Fund as of September 2009.

Under the 1992 Optimized Waterflood Program Agreement, the Tidelands Fund receives 8.5 percent of the incremental oil revenue generated by the injection of water into the oil fields in the Tidelands area. As of September 30, 2009, $2,975,000 is payable from the Tidelands Oil Revenue Fund to the Tidelands Fund.

The City, under authority of the City Charter Chapter XII, Section 1209(c)(4), and with the approval of the Board of Harbor Commissioners, adopted a resolution to transfer 10 percent, or $16,084,000, of the Harbor Fund net income for fiscal year 2008 to the City's Tidelands Fund. This amount is recorded as a due to the Tidelands Fund and due from the Harbor Fund and will be paid quarterly in fiscal year 2010.

Employee Benefits overhead costs, such as funding for health benefits and paid time off, relating to the wages and salaries accrued at September 30, 2009 are payable from various funds to the Employee Benefits Internal Service Fund in the amount of $8,782,000 at September 30, 2009.

Advances from Other Funds

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

From 1974 to 2009, the City transferred funds to the Agency that included federal grants monies and Open Space Bonds proceeds for use on redevelopment projects including acquisition and design cost of park sites in downtown and north Long Beach. At September 30, 2009, outstanding balances in the General Fund, Housing Development Fund, and General Capital Projects Fund totaled $103,220,000, $4,867,000 and $9,647,000, respectively. The Agency makes discretionary payments to the City annually, which in fiscal year 2009 amounted to approximately $2,784,000. Interest on the advances are equal to the City Investment pool or are set at 0.05 percent above the City interest rate payments on the City's Tax Anticipation Note. It is the intent of the City and the Agency that the Agency repays these transfers as future property tax increment revenues permit. Due to the long-term nature of repayment, the City has reserved these interfund receivables in the General Fund, Housing Development Fund, and General Capital Projects Fund as fund balance reserved for noncurrent receivables.

Community redevelopment law in the State requires that 20 percent of annual net property tax increment revenues be set aside for low- and moderate-income housing. The law allowed a deferral of such set aside under certain circumstances. In December 1995, the Agency adopted a Downtown Project Area Housing Fund Deficit Reduction Plan that called for an analysis of available tax

increment and existing obligations beginning in 2010 and every two years thereafter until reduction of the deferred debt is found feasible. The resulting advance receivable and offsetting non-current receivable reserved fund balance aggregating $16,362,000 have been recorded as advances to/from other funds in the Housing Development Fund and the Redevelopment Capital Projects Fund, respectively, for the Downtown Project Area. For the fiscal year 2009, all seven of the Agency's redevelopment project areas paid their full allocation of the year's required 20 percent housing set aside.

In December 1993, the City agreed to convey to the Agency real property for the Central Long Beach Project equal to the fair market value less any costs of demolition and remediation of the property or $1,877,000. Pursuant to the loan agreement, the Agency is required to make a loan repayment equal to at least one percent of the net tax increment received by the Agency for the Central Long Beach Project Area. The funds paid to the City are required to be utilized for gang prevention and other youth-related activities. In fiscal year 2009, the Agency made a loan repayment of $184,000 to the City. The balance of this advance on September 30, 2009 in the general Capital Projects Fund was $1,119,000.

In 1990, the Agency received a $30,000,000 advance from the Long Beach Harbor Department (Port) for the expansion of the Long Beach Convention and Entertainment Center. The resulting note, payable solely from the Downtown Project Area's transient occupancy taxes, was scheduled to be repaid commencing on October 1, 1997. In August 1995, the agreement was amended to defer payment until a certificate of occupancy was issued for the Aquarium of the Pacific Project, which was completed in fiscal year 1998. In 2002, a subsequent amendment deferred further the scheduled quarterly payments of $441,000 over 16 years. In 2009, the agreement was further amended. Under the terms of the amendment, the pledge of transient occupancy taxes was relieved, $435,000 of the original outstanding advance was forgiven, and the Agency agreed to reimburse the Harbor up to a maximum of $27,000,000, using a pledge of future tax increment revenues, for costs of new project area improvements submitted by the Port pursuant to the West Long Beach Industrial Redevelopment Project Area Public Improvement Reimbursement Agreement between the Agency and the Port dated September 1, 2009. Further, the amendment stipulated that at July 1, 2015, if the Port has not submitted requests for reimbursement equivalent to the maximum amount allowable, the amount of the advance equal to the remaining unused balance of the agreement shall be forgiven. At September 30, 2009, the total aggregate balance outstanding was $27,000,000.

In accordance with the Owner Participation Agreement by and among the Redevelopment Agency of the City of Long Beach, Long Beach Bond Finance Authority and the Aquarium of the Pacific, all Redevelopment Agency Fund transient occupancy taxes are pledged to fund the debt service payments of the Lease Revenue Refunding Bonds (Aquarium of the Pacific Project) Series 2001 if needed. The Agency will be reimbursed for any such advances together with accrued interest, at an interest rate equal to the rate earned on the City Treasurer's Investment Pool, as monies are available. At September 30, 2009, the Agency had advanced $24,488,000 to the Tideland fund for the bond payment, including accrued interest of $439,000.

In fiscal year 2001, the Company (accounted for in the Housing Development Fund) entered into a $4,000,000 zero interest loan agreement with the City for the acquisition of 26 parcels of land, each containing a four-plex apartment building for affordable rental housing for low and very low-income residents. The Company is required to make the principal payments to the City using 25 percent of the proceeds from repayments of promissory notes from the developer. Any remaining balance of the promissory note owed on April 1, 2034 shall be immediately due and payable. As of September 30, 2009, the Community Development Grants Fund advanced the Company $3,819,000, which has been recorded as advances to/from other funds.

In November 1993, the City issued $13,490,000 in Gas Utility Bonds (1993 Bonds) with interest rates ranging from 2.6 percent to 5.125 percent to construct an energy plant adjacent to the Long Beach Convention and Entertainment Center. This debt was refunded by the Long Beach Bond Finance Authority 2006 Revenue Bonds with interest rates ranging from 2.0 percent to 3.125 percent. This debt is funded by an annual payment from the Tidelands Fund in an amount necessary to cover the debt service requirements with respect to the Gas Utility Bonds. The long-term amount due to the Gas Fund at September 30, 2009 is $2,631,000. The current amount due to the Gas Fund at September 30, 2009 is $814,000.

In July 2004, the Community Development Grants Fund entered into a loan agreement with the Housing Assistance Special Revenue Fund in the amount of $2,900,000 to cover additional housing assistance payments, which exceeded HUD funding. This has been recorded as advances to/from the respective funds.

The General Fund advanced the Health Special Revenue Fund, a non-major governmental fund, $2,000,000 to cover initial costs associated with the Health Special Revenue Fund's inception. This debt has no anticipated repayment date.

The Subsidence non-major business-type fund advanced interest earning on reserves to the General fund in the amount of $4,054,000 and $4,060,000 in fiscal year 2005 and 2006, respectively. This was allowed under State law passed in fiscal year 2004 to retain interest earned on that reserve for subsidence contingencies for the previous calendar year. In fiscal year 2007, the General Fund started repayment of $500,000 per year at zero percent interest. The balance outstanding as of September 30, 2009 is $6,614,000, of which $500,000 is current.

Interfund Transfers

The City regularly transfers current financial resources from one fund to another. At September 30, 2009, interfund transfers are as follows (in thousands):

	Transfers To:					
	General	Housing Development	Community Development Grants	General Capital Projects	Redevelop-ment Capital Projects	Total Major Governmental Funds
Transfers Out of:						
General	$ -	$ -	$ 167	$ 1,831	$ -	$ 1,998
Housing Development	-	-	90	-	4,246	4,336
Community Development Grants	600	8,020	-	1,137	-	9,757
General Capital Projects	-	-	-	-	-	-
Redevelopment Capital Projects	2,709	2,000	-	-	-	4,709
Nonmajor Governmental	12,814	-	8	-	1,068	13,890
Gas	11,102	-	-	-	-	11,102
Solid Waste Management	8,617	-	-	400	-	9,017
Tideland Oil Revenue	-	-	-	-	-	-
Harbor	-	-	-	-	-	-
Internal Service Funds	3,183	-	-	-	-	3,183
Total Transfers In	$ 39,025	$ 10,020	$ 265	$ 3,368	$ 5,314	$ 57,992

Continued

	Transfers To:			
	Nonmajor Governmental Funds	Tidelands	Total Nonmajor Governmental Funds and Tidelands	Total Transfers Out
Transfers Out of:				
General	$ 1,087	$ -	$ 1,087	$ 3,085
Housing Development	-	-	-	4,336
Community Development Grants	159	-	159	9,916
General Capital Projects	12	-	12	12
Redevelopment Capital Projects	913	518	1,431	6,140
Nonmajor Governmental	-	-	-	13,890
Gas	-	-	-	11,102
Solid Waste Management	-	-	-	9,017
Tideland Oil Revenue	-	14,693	14,693	14,693
Harbor	-	18,152	18,152	18,152
Internal Service Funds	-	-	-	3,183
	$ 2,171	$ 33,363	$ 35,534	$ 93,526

The significant transfers include the following:

The General Fund transferred $167,000 to the Community Development Grants Fund to provide a City-match to the Workforce Investment Act Grant.

The General Fund transferred $1,831,000 to the General Capital Projects Fund for ongoing projects such as City street and sidewalk construction, and City building improvements, maintenance, and repairs.

The General Fund transferred $251,000 to the General Grants Fund, a non-major governmental fund, as a City match for various federal and county grants.

The General Fund transferred $500,000, $325,000, and $11,000 to the Development Services Fund, Health Fund, and the Certified Unified Program Agency Fund, respectively, included as non-major governmental funds, to assist coverage of indirect cost allocation charges.

The Housing Development Fund transferred a total of $4,246,000 to the Redevelopment Capital Projects Fund, $920,000 to support property acquisitions at the request of housing development Company, and $3,326,000 for payment of bond principal and interest payments related to Redevelopment Agency Housing Bonds.

The Community Development Grants Fund transferred $600,000 to the General Fund for a portion of interest payments due on the 2006 Open Space Bonds.

The Community Development Grants Fund transferred $8,020,000 to the Housing Development Fund pursuant to an agreement between the City and the Long Beach Housing Development Company (LBHDC). Under the agreement, HUD has designated the City as a participating jurisdiction to receive allocations of funds to facilitate the development of affordable rental housing and homeownership affordability. Funds were used to finance The Family Commons at Villages at Cabrillo project and the Second Mortgage Assistance Program (SMAP).

The Community Development Grants Fund transferred $1,137,000 to the General Capital Projects Fund to assist funding sidewalk, street lighting, storm drain, and alley projects.

The Community Development Grants Fund transferred $159,000 to the Business Assistance Fund, a non-major governmental fund, for utilization in the Economic Development Revolving Loan program.

The Redevelopment Capital Projects Fund transferred $828,000 to the General Fund to assist in debt service for the Plaza Place 01 bonds. Bonds funded various capital improvement projects including the City Place parking garage in the Agency's downtown project area. In addition, the agency transferred $1,881,000 of transient occupancy tax, bringing total fiscal year transfers to the General Fund to $2,709,000.

In 2005, the Agency sold tax allocation bonds secured by the Agency's 20 percent set-aside for low- and moderate-income housing. As the Company expends funds on 2005 bond-eligible projects, the Agency draws down the proceeds from the fiscal agent and transfers those funds to Long Beach Housing Development Fund. In 2009, the transfer of bond proceeds from the Agency to LBHDC totaled $2,000,000.

The Redevelopment Capital Projects Fund transfers to non-major governmental funds consisted of $700,000 to the Business Assistance Fund and $213,000 to the development services Fund. The transfer to Business Assistance Fund was for ongoing support of administrative and operating expenses of the funds' loans programs, and the transfer to Development Services was in support of the fund's general plan to guide communities on appropriate growth strategies.

The Redevelopment Capital Projects Fund transferred $518,000 to the Tidelands Fund to partially fund the Convention Center energy plant.

The Upland Oil Properties Fund, included as a non-major governmental fund, transferred $12,571,000 to the General Fund for royalties due the City.

The Parks and Public Safety Facility Development, included as a non-major governmental fund, transferred $243,000 of park impact fees to partially fund debt service payments on the 2006 Open Space bonds.

The Redevelopment Agency participates in business loan programs in the Business Assistance Fund, a non-major governmental fund, to the extent loans benefit redevelopment project areas. Per agreement, these funds were kept in a separate interest-bearing account on behalf of the Agency. In fiscal year 2009, the Business Assistance Fund returned $1,068,000 of unused funds to the Agency.

The Gas Utility Fund transferred $11,102,000 to the General Fund as allowed by City charter.

The Solid Waste Management Fund transferred $3,617,000 to the General Fund based on a Joint Powers Agreement between the City and the Los Angeles County Sanitation District Number 2 (District). Under the agreement, net remaining retained earnings over the required amount as stipulated in the agreement can be distributed equally between the District and the City. In addition, $5,000,000 was transferred in fiscal year 2009 for current and retroactive support of street sweeping operations in accordance with a study conducted to determine the impact of refuse haulers on sweeper routes within residential areas.

The Solid Waste Management Fund transferred $400,000 to the capital projects fund to aid the City in capital improvement projects for streets along the refuse haulers routes.

Internal Service Fund transfers reflect cable franchise fee revenue from the General Services Internal Service Fund to the General Fund in the amount of $3,148,000. An additional $35,000 was also transferred to cover debt service payments for the ambulance billing system capital lease.

The Tidelands Oil Revenue Fund shares revenue from the tidelands oil operation under an optimized water flood program. In fiscal year 2009, $14,693,000 was transferred to the Tidelands Fund under this program.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009 is as follows (in thousands):

Governmental Activities:	Balance at October 1, 2008	Increase	Decrease	Balance at September 30, 2009
Capital Assets not being Depreciated:				
Land	$ 138,952	$ 5,119	$ (1,360)	$ 142,711
Rights-of-way	81,334	-	-	81,334
Construction In Progress	55,222	13,197	(51,094)	17,325
Total Capital Assets not being Depreciated	275,508	18,316	(52,454)	241,370
Capital Assets being Depreciated:				
Buildings	269,635	3,555	(116)	273,074
Improvements Other than Buildings	64,312	11,181	(462)	75,031
Infrastructure	391,686	16,505	(991)	407,200
Machinery and Equipment	67,663	6,451	(1,111)	73,003
Automotive	89,516	10,781	(7,718)	92,579
Other Assets	30,719	-	-	30,719
Total Capital Assets being Depreciated	913,531	48,473	(10,398)	951,606
Less Accumulated Depreciation for:				
Buildings	(88,693)	(7,979)	14	(96,658)
Improvements Other than Buildings	(27,308)	(5,351)	42	(32,617)
Infrastructure	(210,348)	(12,563)	991	(221,920)
Machinery and Equipment	(52,667)	(6,186)	1,105	(57,748)
Automotive	(50,981)	(9,721)	6,123	(54,579)
Other Assets	(29,300)	(1,419)	-	(30,719)
Total Accumulated Depreciation	(459,297)	(43,219)	8,275	(494,241)
Total Capital Assets being Depreciated, Net	454,234	5,254	(2,123)	457,365
Governmental Activities Capital Assets, Net	$ 729,742	$ 23,570	$ (54,577)	$ 698,735

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

Legislative and Legal	$ 236
General Government	319
Public Safety	4,364
Public Health	596
Community and Cultural	8,073
Public Works	13,960
Capital Assets held by City's internal services funds allocated to various functions on a prorated basis based on their usage of the assets	15,671
Total governmental activities depreciation	$ 43,219

Capital asset activity for business-type activities for the year ended September 30, 2009 is as follows (in thousands):

Business-type Activities:	Balance at October 1, 2008	Increase	Decrease	Balance at September 30, 2009
Capital Assets not being Depreciated:				
Land	920,542	1,020	-	921,562
Rights-of-way	209,689	-	-	209,689
Construction In Progress	237,616	140,981	(125,759)	252,838
Total Capital Assets not being Depreciated	1,367,847	142,001	(125,759)	1,384,089
Capital Assets being Depreciated:				
Buildings	2,120,741	67,197	-	2,187,938
Improvements Other than Buildings	379,434	23,541	(111)	402,864
Infrastructure	994,646	25,193	(1,077)	1,018,762
Machinery and Equipment	26,243	11,831	(655)	37,419
Automotive	26,261	1,181	(1,178)	26,264
Patents	815	-	-	815
Total Capital Assets being Depreciated	3,548,140	128,943	(3,021)	3,674,062
Less Accumulated Depreciation for:				
Buildings	(969,798)	(86,353)	-	(1,056,151)
Improvements Other than Buildings	(164,448)	(13,544)	-	(177,992)
Infrastructure	(587,002)	(23,970)	784	(610,188)
Machinery and Equipment	(18,280)	(5,194)	576	(22,898)
Automotive	(22,027)	(1,119)	1,178	(21,968)
Patents	(82)	(41)	-	(123)
Total Accumulated Depreciation	(1,761,637)	(130,221)	2,538	(1,889,320)
Total Capital Assets being Depreciated, Net	1,786,503	(1,278)	(483)	1,784,742
Business-type Activities Capital Assets, Net	3,154,350	140,723	(126,242)	3,168,831

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

Gas	$ 3,540
Water	12,434
Solid Waste Management	4,270
Tidelands	17,183
Harbor	85,858
Non-major business-type funds	
Sewer	1,200
Airport	5,727
Towing	9
Total business-type activities depreciation	$ 130,221

Capitalized Interest

There was no capitalized interest in fiscal years 2009 and 2008.

Component Unit

Capital asset activity of the LBT for the year ended June 30, 2009 was as follows (in thousands):

	Balance at July 1, 2008	Increases	Decreases	Balance at June 30, 2009
Capital Assets not being Depreciated:				
Land	$ 5,525	$ -	$ -	$ 5,525
Construction in Progress	2,659	1,059	(2,592)	1,126
Total Capital Assets not being Depreciated	8,184	1,059	(2,592)	6,651
Capital Assets being Depreciated:				
Buildings and Improvements	34,847	4,140	-	38,987
Fleet	100,603	20,128	(3,319)	117,412
Communications Systems	6,585	280	-	6,865
Fare Collection System	5,353	2,084	-	7,437
Office, Shop and Garage Equipment	14,716	1,714	(784)	15,646
Passenger Facilities	5,303	1,931	(3,106)	4,128
Total Capital Assets being Depreciated:	167,407	30,277	(7,209)	190,475
Less Accumulated Depreciation for:				
Buildings and Improvements	(21,023)	(2,002)	-	(23,025)
Fleet	(56,653)	(9,615)	3,319	(62,949)
Communications Systems	(6,285)	(287)	-	(6,572)
Fare Collection System	(2,038)	(589)	-	(2,627)
Office, Shop and Garage Equipment	(12,762)	(1,023)	784	(13,001)
Passenger Facilities	(4,315)	(492)	3,106	(1,701)
Total Accumulated Depreciation	(103,076)	(14,008)	7,209	(109,875)
Total Capital Assets being Depreciated, Net	64,331	16,269	-	80,600
Total LBT Capital Assets, Net	$ 72,515	$ 17,328	$ (2,592)	$ 87,251

NOTE 8 – SHORT-TERM NOTE PAYABLE

In October of 2008, the City issued Tax Revenue Anticipation Notes for $49,000,000. The short-term notes carried a 4 percent coupon rate. The notes are a general obligation of the City payable from taxes, income, revenue, and other moneys attributable to its 2008-2009 fiscal year. Note proceeds may be used for General Fund expenditures, including current and capital expenditures. The entire balance and interest were due and paid in September 2009.

NOTE 9 – CHANGE IN LONG -TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2009 was as follows (in thousands):

	Balance at October 1 2008	Additions	Reductions	Balance at September 30, 2009	Due Within One Year
Governmental Activities:					
Bonds Payable					
Revenue Bonds	$ 236,535	$ -	$ (13,765)	$ 222,770	$ 11,495
Tax Allocation Bonds	332,562	-	(8,672)	323,890	9,130
Plus (less) deferred amounts:					
Premium	9,439	-	(476)	8,963	-
Discount	(2,442)	-	130	(2,312)	-
Refunding	(7,742)	-	1,787	(5,955)	-
Issuance costs	(10,814)	-	580	(10,234)	-
Total Bonds Payable	557,538	-	(20,416)	537,122	20,625
Notes Payable	8,888	409	(240)	9,057	1,192
Capital Leases	32,992	2,125	(7,890)	27,227	4,971
Police and Fire Annuities	24,775	440	(3,721)	21,494	-
Estimated Oil Field Abandonment Costs	5,100	1,110	-	6,210	-
Enviromental Remediation	-	384	-	384	320
Accrued Self-Insured Claims	110,329	21,911	(17,070)	115,170	18,219
Employee Benefits	78,000	26,996	(7,250)	97,746	6,250
Governmental Activities Long-Term Liabilities	$ 817,622	$ 53,375	$ (56,587)	$ 814,410	$ 51,577
Business-Type Activities:					
Bonds Payable					
Revenue Bonds	$ 2,012,545	$ -	$ (283,775)	$ 1,728,770	$ 63,570
Plus (less) deferred amounts:					
Premium	58,897	-	(4,670)	54,227	-
Discount	(1,186)	-	96	(1,090)	-
Refunding	(26,929)	-	2,379	(24,550)	-
Issuance Cost	(15,656)	-	2,309	(13,347)	-
Total Bonds Payable	2,027,671	-	(283,661)	1,744,010	63,570
Certificates of Participation	8,350	-	(870)	7,480	920
Discount	(128)	-	25	(103)	-
Refunding	(404)	-	76	(328)	-
Issuance costs	(128)	-	24	(104)	-
Total Certificates of Participation	7,690	-	(745)	6,945	920
Notes Payable	132,395	15,300	(30,098)	117,597	48,550
Issuance costs	(207)	-	17	(190)	-
Total Notes Payable	132,188	15,300	(30,081)	117,407	48,550
Capital Leases	1,237	-	(672)	565	24
Due to State of California	40,768	179,955	(167,732)	52,991	52,991
Estimated Oil Field Abandonment Costs	19,900	6,800	-	26,700	-
Enviromental Remediation	76,870	15,393	(72,039)	20,224	19,224
Site Restoration	1,400	-	-	1,400	400
Business-Type Activities Long-Term Liabilities	$ 2,307,724	$ 217,448	$ (554,930)	$ 1,970,242	$ 185,679

NOTE 10 – BONDS PAYABLE

At September 30, 2009, bonded indebtedness consisted of the following (in thousands):

Description	Date Issued	Final Maturity	Range of Interest Rates	Authorized and Issued	Outstanding September 30, 2009
GOVERNMENTAL ACTIVITIES					
GENERAL CITY BONDS:					
Belmont Shore Parking Meter	06/30/93	06/01/12	5.75%	$ 1,680	$ 530
Skylinks Golf	05/01/03	05/01/29	1.57% - 6.3%	6,890	5,895
Parking Plaza Bonds	06/14/01	11/01/27	4.4% - 5.375%	11,500	9,865
Public Safety Facility	03/01/02	11/01/31	3.0% - 5.25%	40,915	37,525
Towne Center Site Refinancing	11/01/04	11/01/30	Variable	11,595	10,760
Parks and Open Spaces	11/07/06	05/01/31	4.0% - 5.0%	24,320	24,320
Total General City Bonds				96,900	88,895
REDEVELOPMENT BONDS:					
Tax Allocation Bonds:					
1992 Multiple Series -					
Downtown Project Refunding	12/01/92	11/01/17	2.9% - 6.0%	81,020	29,590
West Long Beach Industrial	12/01/92	11/01/17	2.9% - 6.0%	36,470	13,325
2005A & B Central	03/02/05	08/01/40	3.52% - 5.34%	56,930	54,115
2005A Los Altos	03/02/05	08/01/20	2.2% - 4.0%	4,685	3,620
2005A & B North Long Beach	03/02/05	08/01/35	3.52% - 5.16%	64,080	59,725
2005A Poly High	03/02/05	08/01/24	3.79% - 4.9%	2,558	2,558
2005A West Beach	03/02/05	08/01/20	4.59% - 4.66%	840	840
2005B Housing	03/02/05	08/01/40	3.52% - 5.44%	55,665	52,935
2002B West Long Beach Industrial Project	12/05/02	11/01/24	2.0% - 5.5%	21,860	19,295
2002B Downtown	12/05/02	11/01/22	2.25% - 5.5%	25,920	22,615
2002A West Beach	06/25/02	08/01/18	5.15%	8,895	5,880
2002A Downtown Project	06/25/02	08/01/24	5.25% - 7.1%	26,820	14,921
2002A North Long Beach	06/25/02	08/01/31	6.10%	40,290	8,988
2002A Poly High	06/25/02	08/01/12	4.81%	1,710	599
2005C Downtown Project	02/01/06	08/01/24	3.25% - 5.50%	7,900	7,740
2005C North Long Beach Project	02/01/06	08/01/31	3.70% - 5.50%	27,145	27,144
Total Redevelopment Bonds				462,788	323,890
INTERNAL SERVICE BONDS:					
Civic Center Fund:					
1997 Civic Center Project Series A	12/01/97	10/01/27	4.0% - 5.0%	43,655	33,200
Fleet Services:					
1998 Temple and Willow Facility Series B	05/01/98	10/01/27	4.0% - 5.5%	29,565	23,170
2005 Temple and Willow Facility Series A	05/01/05	05/01/28	2.75% - 4.5%	8,145	7,165
Total Fleet Services				37,710	30,335
Employee Benefits Fund:					
2002 Pension Obligation Refunding Bonds	09/01/02	09/01/21	4.73% - 5.18%	87,950	62,545
1995 Pension Obligation Bonds Series	10/01/95	09/01/11	5.9% - 7.24%	108,635	7,795
Total Employee Benefits				196,585	70,340
Total Internal Service Funds				277,950	133,875
Total Governmental Activities Bonds Payable				837,638	546,660

(Continued)

Description	Date Issued	Final Maturity	Range of Interest Rates*	Authorized and Issued	Outstanding September 30, 2009
BUSINESS-TYPE ACTIVITIES:					
ENTERPRISE BONDS:					
Gas Utility Fund:					
2005 Gas Utility	08/01/05	08/01/13	2.0% - 3.125%	$ 7,675	$ 3,730
2007A Natural Gas Purchase	10/18/07	11/15/37	4.25% - 5.5%	635,665	587,300
2007B Natural Gas Purchase	10/18/07	11/15/33	4.9% - 5.07%	251,695	69,005
Total Gas Utility Fund				895,035	660,035
Water Fund:					
1997A Water	10/01/97	05/01/24	4.0% - 5.75%	46,945	30,870
Solid Waste Management Fund:					
2003 SERRF	12/01/03	12/01/18	2.0% - 5.375%	120,235	87,605
Tidelands Fund:					
Aquarium of the Pacific	05/03/01	11/01/30	3.875% - 5.5%	129,520	120,900
2006 Rainbow Harbor Refinancing	04/04/06	05/01/24	3.375% - 5.0%	50,785	44,155
Total Tidelands Fund				180,305	165,055
Harbor Fund:					
1998 Harbor	02/01/98	05/15/19	5.0% - 6.0%	206,330	129,485
2000 Harbor	05/15/01	05/15/25	5.0% - 5.75%	275,000	223,780
2002B Harbor	06/19/02	05/15/27	3.0% - 5.5%	150,000	125,220
2004 Harbor	05/15/04	05/15/18	2.5% - 5.0%	113,410	80,985
2005 Harbor	05/15/05	05/15/25	3.5% - 5.0%	257,975	225,735
Total Harbor Fund				1,002,715	785,205
Total Business-Type Activities Bonds Payable				2,245,235	1,728,770
Total Primary Government Bonded Indebtedness				$ 3,082,873	$2,275,430

* Interest on all bonded indebtedness is payable semi-annually except for the 2002 Harbor Bonds and Towne Center Site Refinancing Bonds, which are paid monthly.

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

	Principal Payments - Governmental Activities					
Year-End	Belmont Shore Parking Revenue	Skylinks Golf	Parking Plaza	Public Safety Facility	Towne Center Refinance	Parks Open Space
2010	$ 185	$ 165	$ 320	$ 910	$ 205	$ -
2011	195	175	335	945	220	-
2012	150	180	350	980	240	-
2013	-	190	365	1,030	255	-
2014	-	200	385	1,080	275	-
2015 - 2019	-	1,205	2,255	6,320	1,710	2,650
2020 - 2024	-	1,605	2,910	8,165	2,475	7,635
2025 - 2029	-	2,175	2,945	10,475	3,550	9,565
2030 - 2034	-	-	-	7,620	1,830	4,470
Totals	$ 530	$ 5,895	$ 9,865	$37,525	$ 10,760	$ 24,320

continued

	Principal Payments - Governmental Activities				Total Annual Debt Service Requirements		
Year-End	Redevelopment Capital Projects	Civic Center	Fleet	Employee Benefits	Principal	Interest	Total
2010	$ 9,130	$ 1,165	$ 980	$ 7,565	$ 20,625	$ 27,647	$ 48,272
2011	9,593	1,225	1,025	8,255	21,968	26,423	48,391
2012	10,110	1,290	1,075	4,315	18,690	25,215	43,905
2013	10,842	1,355	1,125	4,530	19,692	24,353	44,045
2014	11,375	1,425	1,175	4,760	20,675	23,373	44,048
2015 - 2019	65,626	8,295	6,890	27,715	122,666	100,509	223,175
2020 - 2024	78,364	10,655	8,760	13,200	133,769	67,893	201,662
2025 - 2029	44,602	7,790	9,305	-	90,407	37,723	128,130
2030 - 2034	44,848	-	-	-	58,768	18,027	76,795
2035 - 2039	32,715	-	-	-	32,715	6,595	39,310
2040 - 2044	6,685	-	-	-	6,685	350	7,035
Totals	$ 323,890	$ 33,200	$ 30,335	$ 70,340	$ 546,660	$ 358,108	$ 904,768

In May 2003, the City issued $6,890,000 in Long Beach Bond Finance Authority Lease Revenue bonds, Skylinks Golf Course Project, Series 2003. The bonds were issued to finance improvements to the Skylinks Golf Course, a municipal golf course owned by the City, to fund a reserve account and to pay certain costs of issuance on the Series 2003 bonds. Interest rates range from 1.57 percent to 6.30 percent.

In November 2004, the City issued $11,595,000 in Long Beach Towne Center Site Refinancing Project Taxable Variable Rate Demand Revenue Bonds, 2004 Series A. The bonds were issued to prepay a note issued by the U.S. Department of the Navy, the proceeds of which were used to acquire a parcel of real property located in the City, which, with two adjacent parcels, was developed by the City into a retail/entertainment complex known as the Long Beach Towne Center, and to pay certain costs of issuance of the bonds. Interest rates for fiscal year 2009 ranged from 1.97 percent to 6.27 percent. For the purpose of illustration, a fixed rate of 1.97 percent has been used in the table above.

In November 2006, the City issued $24,320,000 in Long Beach Bond Finance Authority Leases Revenue Bonds. The bonds were issued to finance the acquisition and development costs of new parks and open spaces focusing on densely populated and underserved areas in Long Beach. The bonds bear interest rates ranging from 4.00 percent to 5.00 with maturing dates of May 1, 2018 through May 1, 2031. Annual debt service payments range from $1,086,000 to $2,488,000.

In March 2005, the City issued $192,433,000 in Long Beach Bond Finance Authority Bonds 2005 Series A Revenue Bonds and Series B Taxable Revenue Bonds. $184,758,000 of the bonds were issued to provide funds to finance certain redevelopment projects of the Agency, to finance certain housing projects of the Authority, refinance certain indebtedness of the Agency, and to fund reserve accounts and pay costs of issuance of the Series 2005 Bonds. The interest rates range from 2.20 percent to 5.44 percent. Refunding and defeasement of the refunded 1993 Gas Utility Bonds was included in this issue. The Series 2005 bonds for the Gas Utility Refunding in the amount of $7,675,000 are payable through August 1, 2013 with a total debt service of $8,678,000 with interest rates ranging from 2.00 percent to 3.13 percent. The refunding issue resulted in an accounting gain of approximately $50,000, which will be recognized over the life of the bonds. Aggregate debt service decreased by $908,000, thereby resulting in an economic gain of approximately $474,000.

Annual principal payment requirements to maturity for business-type activities revenue bonds and the funds from which payments will be made are as follows (in thousands):

	Principal Payments by Fund -- Business-Type Activities					Total Annual Debt Service Requirements		
Year-End	Gas Utility	Water	Solid Waste Management	Tidelands	Harbor	Principal	Interest	Total
2010	$ 9,480	$ 1,405	$ 7,050	$ 5,515	$ 40,120	$ 63,570	$ 86,932	$ 150,502
2011	10,400	1,480	7,305	5,740	42,225	67,150	83,672	150,822
2012	10,035	1,550	7,635	5,970	44,515	69,705	80,099	149,804
2013	9,040	1,630	8,005	6,215	46,940	71,830	76,343	148,173
2014	7,305	1,720	8,410	6,525	49,495	73,455	72,400	145,855
2015 - 2019	41,325	10,135	49,200	36,685	279,625	416,970	296,799	713,769
2020 - 2024	82,235	12,950	-	44,860	212,770	352,815	199,832	552,647
2025 - 2029	120,195	-	-	36,275	69,515	225,985	123,487	349,472
2030 - 2034	86,545	-	-	17,270	-	103,815	81,410	185,225
2035 - 2039	283,475	-	-	-	-	283,475	31,480	314,955
Totals	$ 660,035	$ 30,870	$ 87,605	$ 165,055	$ 785,205	$ 1,728,770	$ 1,132,454	$ 2,861,224

In fiscal year 2004, the Harbor 2002 Series B Bonds were remarketed from a variable interest rates to fixed with coupon rates of 3.00 percent to 5.50 percent.

In October 2007, the Long Beach Bond Finance Authority (Issuer) issued fixed and variable rate debt of $635,665,000 and $251,695,000, respectively (the Bonds). The proceeds were used to prepay the costs of the acquisition of a specified supply of natural gas to be delivered over approximately 30 years under a Prepaid Natural Gas Purchase and Sale Agreement, between Merrill Lynch Commodities, Inc. (the Seller) and the Issuer. The daily quantity of gas to be purchased by the City during this period varies month to month, but not year to year. The City projected that the daily contract quantity to be delivered in any month represents between 80 and 90 percent of the City's projected natural gas requirements. For each British Thermal Unit (MMBtu) of contract gas delivered to the City, the City shall pay an applicable Index Price for the month the delivery occurs, less $0.83 per MMBtu (the Contract Price).

In August 2009, the Long Beach Financing Authority redeemed $48,255,000 and $182,690,000 of series A and B, respectively. The redemption resulted in a decrease in the gas supply of 60,257,198 MMBtu's or 25 percent of the original volume purchased over the term of the agreement. The bonds are special obligations of the Issuer payable solely from, and secured as to the payment of the principal and redemption price thereof, and interest thereon, in accordance with their terms and the provisions of the Bonds, solely by the trust estate. The payment of the principal or redemption price of, or interest on, the Bonds does not constitute a debt, liability or obligation of the Issuer, the City, the State or any other public agency (other than the special obligation of the Issuer as provided in the Bonds).

The 2007 Series A bonds have fixed interest rates ranging from 4.25 percent to 5.50 percent with an average of 4.70 percent. Series B are indexed at 67 percent of the three-month London Interbank Offered Rate (LIBOR), plus a spread between 1.41 percent to 1.55 percent.

Advance Refundings

In August 2002, the City issued $87,950,000 of Taxable Pension Obligation Series A and Series B to provide payment and defeasement of a portion of the Pension Obligation Bonds Series 1995

(Prior Bonds). In December 2005, with $78,950,000 outstanding, the City remarketed these variable-rate bonds. The Series 2002A Bonds in the aggregate principal amount of $38,300,000 and the Series 2002B Bonds in the aggregate principal amount of $38,250,000 were remarketed on December 30, 2006 in connection with the conversion of such Series 2002A Bonds and Series 2002B Bonds from bearing interest at auction rates to bearing interest at fixed interest rates to maturity. Additionally, on December 30, 2006, $1,200,000 aggregate principal amount of the Series 2002A Bonds and $1,200,000 aggregate principal amount of the Series 2002B Bonds (which were not being remarketed) were redeemed by the City. The interest rates range from 4.73 percent to 5.18 percent.

In December 2002, the Agency issued $47,780,000 in Long Beach Bond Finance Authority Downtown and West Long Beach Industrial Redevelopment Project Areas 2002 Series B Tax Allocation Revenue Bonds (Series B bonds). These 2002 Series B bonds were issued to refund $25,670,000 of the outstanding Series 1992A Downtown and West Long Beach Industrial Bonds with interest rates ranging from 2.90 percent to 6.00 percent, to repay certain amounts owed by the Agency to the Port, to make a deposit to the reserve account and to pay certain issuance costs for the 2002 Series B bonds. The 2002 Series B interest rates range from 2.00 percent to 5.50 percent for the West Long Beach Industrial Project and 2.25 percent to 5.50 percent for Downtown Project.

In February 2006, the Agency issued $35,045,000 in Long Beach Bond Finance Authority Tax Allocation Revenue Bonds Downtown and North Long Beach Redevelopment Project Areas 2005 Series C bonds (Series C bonds). These 2005 Series C bonds were issued to purchase a portion of the outstanding Redevelopment Agency of the City of Long Beach 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project) and the outstanding Redevelopment Agency of the City of Long Beach 2002 Tax Allocation bonds (North Long Beach Redevelopment Project) in order to advance refund a portion of the outstanding Long Beach Bond Finance Authority Tax Allocation Revenue Bonds (Downtown, North Long Beach, Poly High, and West Beach Redevelopment Project Areas) 2002 Series A and to finance certain redevelopment projects within or of benefit to the Downtown Project Area. The interest rates for the Series C bonds range from 3.25 percent to 5.50 percent.

In May 2005, the Long Beach Financing Authority issued $8,145,000 in Lease Revenue Bonds 2005 Series A (Temple and Willow Facility Refinancing Project) to refinance the cost of a new fleet services, towing and lien sales operations and integrated resource operations facility, purchase a reserve surety bond, and pay costs of issuance on the bonds. The 2005 Series A bonds are payable through May 1, 2028 with a total debt service in the amount of $12,959,000. The interest rates range from 2.75 percent to 4.50 percent. The refunding resulted in an accounting loss of $598,000, which will be recognized over the life of the bonds. Aggregate debt service decreased by $316,000, thereby resulting in an economic gain of $333,000.

Southeast Resource Recovery Facility Authority Bond Issue

The Southeast Resource Recovery Facility Authority (SERFF) issued $120,235,000 in lease revenue bonds Series A and Series B in December 2003 (Series 2003) to refund the SERFF's Lease Revenue Refunding Bonds, Series 1995A and Series 1995B (Series 1995), finance certain public improvement projects in the City, fund a reserve fund for the Series 2003 Bonds, and pay certain costs of issuance. The Series 2003 bonds are payable through December 1, 2018 with a total debt service in the amount of $170,000,000. The 2003 Bonds have interest rates ranging from 2.00 percent through 5.38 percent. The refunding issue resulted in an accounting loss of approximately $2,109,000, which will be recognized over the life of the bonds. Aggregate debt service increased by approximately $4,900,000 over the next 15 years to level overall debt service requirements, thereby resulting in an economic loss of approximately $6,400,000.

Tidelands Rainbow Harbor Refunding Bonds

In April 2006, the Long Beach Bond Finance Authority issued $50,785,000 in Lease Revenue Bonds 2006 Series A (Rainbow Harbor Refinancing Project) (2006 Series A) to refinance costs of improvements in the Rainbow Harbor area of the City including the refunding of the Long Beach Bond Finance Authority Lease Revenue Bonds (Rainbow Harbor Refinancing Project) 1999 Series A, to refinance the costs of a portion of the 1,471 parking garage at 200 Shoreline Drive including the refunding of the 1997 Certificates of Participation (Queensway Bay Parking Facility), and to fund a reserve fund and pay costs of issuance for the bonds. The 2006 Series A bonds are payable through May 1, 2024 with total debt service in the amount of $73,235,000. The interest rates range from 3.38 percent to 5.00 percent. The refunding resulted in an accounting loss of $3,514,000, which will be recognized over the life of the bonds. Aggregate debt service decreased by $2,184,000, thereby resulting in an economic gain of $1,497,000.

Harbor Revenue Refunding Bonds

In May 2004, the City issued the City of Long Beach Harbor Revenue Refunding Bonds 2004 Series A and Series B bonds amounting to $113,410,000 to refund and defease all of the City's Harbor Revenue Bonds Series 1993, pay a bond insurance premium, fund a reserve fund, and to pay certain costs of issuance. The refunding resulted in a difference between the reacquisition price and net carrying amount on the old debt of $1,446,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is amortized using the straight-line method over the life of the bonds. Aggregate debt service decreased by approximately $13,900,000, thereby resulting in an economic gain of approximately $9.700,000.

In May 2005, the City issued the City of Long Beach Harbor Revenue Refunding Bonds Series 2005A & B (the 2006 Bonds), amounting to $257,975,000 to current refund and to defease all of the City's Harbor Revenue Bonds Series 1995, to pay the premium for the Bond Insurance Policies, to fund a reserve for the Series 2005 Bonds, and to finance the costs of issuance of the Series 2005 Bonds. The refunding resulted in a difference between the reacquisition price and net carrying amount on the old debt of $4,214,000, which will be recognized over the life of the bonds. The aggregate debt service decreased by $84,664,000 thereby resulting in an economic gain of approximately $24,178,000.

Additional Advance Refunding Bonds

In addition to the above advance refunding issue, the City previously advance refunded several other outstanding bond issues. Each of the refunding transactions resulted in an overall economic gain to the City by providing for a substantial savings in cash flow requirements to service the outstanding debts. However, for financial reporting purposes, such refunding transactions generally result in accounting losses. In accordance with GAAP in effect at the time of each transaction, such accounting losses were recognized by the City in the year of refunding and the corresponding economic gains are recognized by the City as they occur.

The proceeds from the City's refunding issues have been placed in irrevocable escrow accounts overseen by independent bank fiscal agents. Such proceeds have been generally invested in U.S. Treasury Securities, which together with interest earned thereon are intended to provide amounts sufficient for future payment of interest, principal, and redemption premium on the refunded bonds.

The refunded bonds have not been included as City outstanding long-term debt since the City's obligation thereon was satisfied by establishing the irrevocable trusts.

Pledged Revenue

The City has pledged a portion of future parking meter revenues to repay the 1993 Belmont Shore Parking Meter Revenue Bonds. The bonds were issued to finance the widening of sidewalks on 2nd street in Belmont Shores. Parking meter revenues from the Belmont Shore area are projected to produce 266 percent of the debt service requirements over the life of the bonds. As of September 30, 2009, the total principal and interest requirement for the bonds was $589,000 (principal $530,000, interest $59,000), payable semiannually through June 1, 2012. For the current fiscal year, principal and interest paid and parking meter revenues received were $216,000 and $530,000, respectively.

The City has pledged a portion of future oil revenues from the Upland Oil Fund to repay the 2004 Towne Centre Site Refinancing Project Bonds, variable-rate bonds. The bonds were issued to repay a note originally issued to finance the acquisition of land and construction of the Long Beach Towne Centre, a retail and entertainment complex. Upland Oil Fund oil revenues are projected to produce 579 percent of the debt service requirements over the life of the bonds. As of September 30, 2009, the total principal and interest requirement for the bonds was $13,624,000 (principal $10,760,000, estimated interest of $2,864,000 at 1.97%), payable semiannually through November 1, 2030. For the current year, principal and interest paid was $489,000 secured by oil revenues of $3,584,000.

The Agency has pledged a portion of future tax increment revenues to repay tax allocation bonds issued in between 1992 and 2006. 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. The bonds are payable solely from tax increment revenues. Tax increment revenues are projected to produce 392 percent of the debt service requirements over the life of the bonds. As of September 30, 2009, total principal and interest requirement for the bonds is $565,691,000 ($323,890,000 for principal and $241,801,000 for interest), payable semiannually through 2040. For the current year, principal and interest paid and tax increment revenues received were $25,680,000 and $92,762,000, respectively.

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.

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

At September 30, 2009, aggregate special assessment debt issued through the City consisted of seven issues and is summarized as follows:

- Dates Issued: 10/01/93 – 7/10/07
- Final Maturities: 10/01/13 – 9/1/37
- Range of Interest Rates: 2.625% – 6.875%
- Amounts Authorized and Issued: $4,279,234 – $43,000,000
- Range of Amounts Outstanding: $2,930,000 – $40,005,000
- Aggregate Outstanding at September 30, 2009: $84,289,234

Pike Public Improvements

In June 2002, the City of Long Beach Community Facilities District No. 6 2002 Special Tax Bonds (Pike Public Improvement Bonds) were issued in the amount of $43,000,000 under the provisions of the Mello-Roos Community Facilities Act of 1982. The Pike Public Improvement Bonds were issued to finance a portion of the costs of the acquisition, construction, installation, and equipping of various public capital improvements in the Pike Development Project adjacent to downtown Long Beach. A substantial portion of the proceeds were applied to finance the cost of a parking structure. The bonds do not constitute a debt of the City; therefore, no liability has been recorded in the City's books. The debt is payable from special tax revenues levied on the property within the district, except as described in Note 26.

Earthquake Assessment

In 1990, the City, acting on behalf of certain property owners, formed the Earthquake Repair Assessment District 90-3 (District). In June 1991, the District issued $17,440,000 of City of Long Beach Earthquake Repair Assessment District No. 90-3 Limited Obligation Improvement Bonds (LOI Bonds) for the construction and installation of seismic resistance improvements to eligible commercial and residential properties within the City. The principal and interest was to be paid from the annual collection of special assessments on property within the District. As of September 30, 1996, $10,130,000 in LOI Bonds were outstanding. In September 1996, the LOI Bond's Fiscal Agent determined that there were insufficient funds to make full payment of principal and interest due to significant delinquencies in payment of assessments. Under the provisions of the LOI Bond covenants, the City is required to commence judicial foreclosure proceedings upon delinquent assessments and to diligently pursue such foreclosure proceedings to completion. To date, the City has fulfilled its responsibility and will continue such action to ultimate resolution.

To structure a remedy for the default, the City formed the Long Beach Bond Financing Authority (LBBFA). The LBBFA divided District properties into performing and delinquent pools. The assessment revenue from each pool was then used as collateral for new LBBFA bonds sold in July 1997. Series A bonds (Series A) and Series B bonds (Series B) represent the performing pool and the delinquent pool, respectively. A breakdown of these pools is as follows:

Bond	Maturity	Rate	Par Amount
Series A	September 2, 2015	8.874% - 9.375%	$ 5,900,000
Series B	September 2, 2015	11.300%	$ 6,717,000

Series A was sold on the open market to private investors. The City purchased Series B. The proceeds from both series were used by LBBFA to purchase the original bonds as an investment. Assessment revenues from these investments were used to repay the new debt. As foreclosure proceedings were completed and the properties become performing, the Series B Bonds will be converted to Series A Bonds and sold to private investors.

In July 2005, the District sold $2,100,000 in Series 2005A Bonds and $1,249,000 Series B Bonds. Series A was sold on the open market to private investors, the City purchased Series B bonds. The proceeds from the sale were used to fund an escrow to defease the 1997 Bonds.

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 a pier and wharf 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, rehabilitations and construction of apartment complexes. 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, 2009, the City's Conduit Debt outstanding consisted of the following (in thousands):

Description	Final Maturity	Amount Authorized	Outstanding at September 30, 2009
Carnival Bonds	2022	$ 32,100	$ 26,590
Grisham Housing Bonds Series A	2035	2,340	1,897
Jamboree West Gate Home Mortgage Revenue Bonds	2037	13,000	1,047
Total Conduit Debt		$ 47,440	$ 29,534

NOTE 11 – NOTES, CERTIFICATES OF PARTICIPATION, COMMERCIAL PAPER NOTES AND OTHER LONG-TERM OBLIGATIONS

At September 30, 2009, the City had notes and installments payable, certificates of participation, commercial paper, and other long-term obligations, which consisted of the following (in thousands):

Description	Date Issued	Final Maturity	Range of Interest Rates	Authorized and Issued	Outstanding September 30, 2009
GOVERNMENTAL ACTIVITIES					
NOTES PAYABLE:					
Health Fund					
Health Facility	04/22/05	04/22/19	Variable	$ 3,586	$ 2,647
Housing Development Fund:					
State of California	01/23/92	01/23/22	3%	1,016	1,016
California Housing Finance Agency	10/06/99	10/06/09	3%	1,189	511
California Housing Finance Agency	04/17/00	04/17/10	3%	789	422
California Housing Finance Agency	02/05/02	02/05/12	3%	600	310
California Housing Finance Agency	03/13/03	03/13/13	3%	1,300	867
Total Housing Development Fund				4,894	3,126
Redevelopment Capital Projects Fund:					
Los Angeles County	01/21/92	12/10/31	3.75%	3,284	3,284
ANNUITY OBLIGATION:					
General Fund:					
Police and Fire Annuity	N/A	N/A	N/A	37,600	21,494
Governmental Activities Notes and Annuity Obligation				$ 49,364	$ 30,551
BUSINESS-TYPE ACTIVITIES					
NOTES PAYABLE:					
Gas Utility Fund					
Commercial Paper Notes	07/01/05	N/A	0.2-4.6%	$ 17,259	$ 17,259
Water Fund:					
Commercial Paper Notes	01/08/03	N/A	0.3-3.7%	11,000	11,000
Tidelands Fund:					
State of Calif DBAW/Seawalls	09/12/94	08/01/24	4.5%	1,151	856
State of Calif DBAW/Downtown Marina	08/09/81	08/01/11	4.5%	3,900	571
State of Calif DBAW/Downtown Marina	03/29/82	08/01/12	4.5%	3,500	826
State of Calif DBAW/Downtown Marina	11/08/82	08/01/12	4.5%	600	138
State of Calif DBAW/Shoreline Marina	10/22/80	08/01/10	4.5%	1,300	85
State of Calif DBAW/Shoreline Marina	04/17/02	08/01/37	4.5%	31,718	29,205
State of Calif DBAW/Basin 8	02/20/98	08/01/28	4.5%	2,650	2,229
State of Calif DBAW/Basin 4	12/17/07	08/01/37	4.5%	3,289	3,126
State of Calif DBAW - Lighthouse	06/23/00	08/01/30	4.5%	700	570
Total Tidelands Fund				48,808	37,606
Harbor Fund:					
Commercial Paper Notes	03/01/94	N/A	1.1-3.7%	383,500	31,400
Sewer Fund:					
Commercial Paper Notes	06/11/09	N/A	0.2-0.3%	4,000	4,000
Airport Fund:					
Commercial Paper Notes	07/01/05	N/A	1.40-3.92%	16,332	16,332
CERTIFICATES OF PARTICIPATION:					
Airport Fund:					
1993 Airport Refunding	07/01/93	06/01/16	0.2-4.3%	16,815	7,480
Business-type Activities Notes and Certificates of Participation				$ 497,714	$ 125,077

Housing Development Fund Loan

The Housing Development Fund has authorization to borrow $3,900,000 from the California Housing Finance Agency at 3.00 percent interest rate. The Housing Development Fund received $3,878,000 from the California Housing Finance Agency. As of September 30, 2008, $1,978,000 has been utilized for a revolving loan program for the acquisition and rehabilitation of multiple residential buildings for revitalization. The remaining amount of $1,900,000 has been utilized for the acquisition and/or rehabilitation of multi-family rental units. As of September 30, 2009, the outstanding balance of the loans was $2,110,000.

In fiscal year 1992, the Housing Development Fund entered into a loan agreement totaling $1,016,000 with the State of California Department of Housing and Community Development for construction and rehabilitation. The project, Lois Apartments, was completed in fiscal year 1993. Interest on the loan accrues from the date the funds were disbursed at an annual simple interest rate of 3.00 percent. As of September 30, 2009, the outstanding balance of the loans was $1,016,000

Tax Increment Obligation

The Agency has an agreement to pay Los Angeles County 49.44 percent of tax increment generated by the Los Altos Area, payable commencing in 2020 at a simple interest rate of 3.75 percent. The tax increment, including interest, due to the County at September 30, 2009 totaled $3,284,000.

Debt service requirements for governmental activities notes payable and the funds from which payments will be made are as follows (in thousands):

	Principal Payments By Fund			Annual Debt Service Requirements		
	Governmental Activities					
Year-end	Health Fund	Housing Development Fund	Redevelopment Capital Projects Fund	Principal	Interest	Total
2010	$ 259	$ 933	$ -	$ 1,192	$ 88	$ 1,280
2011	263	-	-	263	39	302
2012	268	311	-	579	63	642
2013	272	867	-	1,139	181	1,320
2014	277	-	-	277	25	302
2015 - 2019	1,308	-	-	1,308	52	1,360
2020 - 2023	-	1,015	-	1,015	880	1,895
Indeterminant	-	-	3,284	3,284	-	3,284
Totals	$ 2,647	$ 3,126	$ 3,284	$ 9,057	$ 1,328	$10,385

No payment dates have been established for the Redevelopment Capital Projects Fund notes payable of $3,284,000; therefore, no interest has been listed in the above table.

Police and Fire Annuity Obligation Program

The City administers a Police and Fire Annuity Program (Program) under the City Charter Section 187. Enrollment in the program was termination in 1945. The terminated Program covers a diminishing number of public safety retirees or their surviving spouses. At September 30, 2009, there were 67 participants in this program.

Total expenditures to this closed group of individuals amounted to $3,721,000 for the fiscal year ended September 30, 2009. The City's accrued Program liability was $21,494,000 at September 30, 2009. Program benefits are funded when required to be paid. Accordingly, there are no assets of the Program.

The current year change in the accrued liability is comprised of the following (in thousands):

Accrued Program Liability at October 1, 2008	$ 24,775
Increase (Decrease) During the Year Attributable to:	
Benefits Paid	(3,721)
Estimated Change in Annualized Value of Benefits	440
Accrued Program Liability at September 30, 2009	$ 21,494

The number of Program participants diminishes each year. Since 1997, the number of program participants has been reduced by 138 individuals. The following table presents additional information for the Program (dollars in thousands):

Year-end	Number of Participants	Annuity Benefits Paid	Accrued Program Liability
1997	205	$7,783	$61,207
1998	191	7,162	56,596
1999	181	7,093	57,500
2000	167	6,913	53,668
2001	157	6,641	51,222
2002	144	6,437	47,543
2003	131	5,865	40,948
2004	128	5,507	37,600
2005	109	4,966	32,962
2006	106	4,589	29,896
2007	81	4,277	27,432
2008	75	3,930	24,775
2009	67	3,721	21,494

Business-Type Activities

Future debt service payments under various notes payable for the City's business-type activities are as follows (in thousands):

	Principal Payments By Fund						Annual Debt Service Requirements		
	Business-Type Activities								
Year-end	Gas Utility	Water	Tidelands	Harbor	Sewer	Airport	Principal	Interest	Total
2010	$ 11,755	$ -	$ 1,395	$31,400	$ -	$ 4,000	$ 48,550	$ 1,726	$ 50,276
2011	-	-	1,370	-	-	-	1,370	1,662	3,032
2012	-	-	1,124	-	-	-	1,124	1,604	2,728
2013	-	-	829	-	-	-	829	1,549	2,378
2014	-	-	867	-	-	-	867	1,511	2,378
2015 - 2019	-	-	4,964	-	-	-	4,964	6,923	11,887
2020 - 2024	-	-	6,208	-	-	-	6,208	5,679	11,887
2025 - 2029	-	-	7,159	-	-	-	7,159	4,152	11,311
2030 - 2034	-	-	7,988	-	-	-	7,988	2,445	10,433
2035 - 2039	-	-	5,702	-	-	-	5,702	533	6,235
Indeterminant	5,504	11,000	-	-	4,000	12,332	32,836	-	32,836
Totals	$ 17,259	$11,000	$ 37,606	$31,400	$ 4,000	$16,332	$ 117,597	$ 27,784	$ 145,381

Gas Commercial Paper

In July 2005, the City authorized the Gas Department's issuance and sales, from time to time, of City's subordinate Gas Utility Revenue Commercial Paper Notes, Series A and Series B (taxable), in an aggregate principal amount not to exceed $35,000,000. Commercial paper is used for pipeline integrity projects. The program termination date is July 1, 2020 unless earlier terminated or extended in accordance with program terms. In fiscal years 2006, 2007, and 2008, commercial paper issuances were $7,755,000, $7,500,000, and $2,004,000 respectively, for a balance outstanding of $17,259,000 as of September 30, 2009. Interest rates have ranged from 0.20 percent to 4.60 percent over the period of issuance. The Commercial Paper Notes shall not have maturities exceeding 270 days and shall not bear interest rate in excess of the lesser of (a) 12.00 percent per annum and (b) the maximum rate of interest permitted by law. The Gas Department has the ability to refinance on a long-term basis by renewal of Commercial Paper Notes and the future issuance of revenue bonds; accordingly, the $5,504,000 of the outstanding amount has been classified as a long-term obligation. A portion of the outstanding commercial paper has been classified as current since management intends to repay $11,775,000 during fiscal year 2010.

Water Commercial Paper

On October 17, 2002, the Board of Water Commissioners approved Resolution WD-1170, which authorized the issuance and sale of up to $15,000,000 of City of Long Beach, California Subordinate Water Revenue Commercial Paper Notes (notes), Series A (tax-exempt) and Series B (taxable). The City's Water Enterprise subordinate net revenues (gross revenues less operation and maintenance costs) secure the notes. The City Council approved the issuance and sale on October 29, 2002. Proceeds from the variable debt will be used for interim financing needs to assist with completing reclaimed system expansion projects that are partially funded by federal and state grants and for seawater desalination research and development, which is partially funded by a federal grant.

On January 8, 2003, Series A notes in the amount of $6,000,000 were issued. The notes are issued in denominations of $100,000 and integral multiples of $1,000 in excess of $100,000 and will mature not more than 270 days after date of issuance. On March 19, 2008, Series A notes in the amount of $2,000,000 were issued. On April 6, 2009, additional Series A notes in amount of $3,000,000 were issued. Interest rates have ranged from 0.28% to 3.72%. The water utility has the ability and intends to continue to extend the notes for periods greater than a year; accordingly, the outstanding amount has been classified as a long-term obligation.

Tidelands Loans

The Tidelands Fund entered into various loan agreements between August 1981 and December 2007 for construction and improvements to the Shoreline Marina, Downtown Marina, seawalls and a lighthouse with a harbormaster's office, with an aggregate authorized and issued amount of $48,808,000 as of September 30, 2009. The amount outstanding at September 30, 2009 is $37,606,000. Principal payments in the amount of $1,348,000 were paid in fiscal year 2009 at an interest rate of 4.50 percent.

Harbor Commercial Paper

The Harbor Department authorized the issuance of up to $383,500,000 in Commercial Paper notes. In 1994, the Harbor Department issued $148,000,000 of Series A Commercial Paper Notes to pay for acquisition costs of property, facilities, and oil rights in the North Harbor District. The Harbor Department redeemed $12,850,000 of notes in 1997, $75,000,000 in 2002 and $28,750,000 in 2009. Management may consider paying the obligation in full in fiscal year 2010. The amount outstanding at September 30, 2009 is $31,400,000 and is classified as a current liability.

Sewer Commercial Paper

On May 7, 2009 the Board of Water Commissioners approved Resolution WD-1255, which authorized the issuance and sale of up to $20,000,000 of City of Long Beach, California Senior Sewer Revenue Commercial Paper Notes (notes), Series A (tax-exempt) and Series B (taxable). The City's Sewer Enterprise net revenues (gross revenues less operation and maintenance costs) secure the notes. The notes are further supported by credit enhancement in the form of an Irrevocable Letter of Credit, issued initially by Union Bank, N.A. pursuant to a reimbursement agreement. The City Council approved the issuance and sale on June 2, 2009. Proceeds from the variable debt will be used for interim financing of sewer system improvements and sewer pipe rehabilitation and replacement programs.

On June 11, 2009, Series A notes in the amount of $4,000,000 were issued. The notes are issued in denominations of $100,000 and integral multiples of $1,000 in excess of $100,000 and will mature not more than 270 days after date of issuance. Interest rates have ranged from 0.20 percent to 0.25 percent. The Department has the ability and intends to continue to extend the notes to periods greater than a year; accordingly, the outstanding amount has been classified as a long-term obligation.

Airport Commercial Paper

On October 19, 2004, the City Council authorized the Airport to issue, on an as needed basis, up to $15,000,000 of variable-rate, Airport Projects Commercial Paper Notes for short-term financing of qualified Airport Capital Projects. On May 20, 2008, the City Council authorized the program to be expanded to up to $25,000,000.00. When issued, the net proceeds from the sale of the notes will be used to pay for projects that will be funded by Passenger Facility Charges (PFC) and FAA entitlement grants. Commercial paper issuances for fiscal years 2007, 2008, and 2009, were $1,020,000, $7,012,000, and $8,300,000, respectively, and have been issued with interest rates

ranging from 0.20 percent to 4.30 percent. As of September 30, 2009, the balance outstanding is $16,332,000. The Airport has the ability to and intends to keep on extending the notes to periods longer than a year; accordingly, $12,332,000 of the outstanding amount has been classified as a long-term obligation. A portion of Airport commercial paper has been classified as a current obligation since management intends to repay $4,000,000 of the commercial paper during fiscal year 2010.

Airport Certificates of Participation

The remaining debt service requirements for Certificates of Participation payable from the Airport Fund are as follows (in thousands):

	Annual Debt Service Requirements		
Year-end	Principal	Interest	Total
2010	$ 920	$ 374	$ 1,294
2011	965	328	1,293
2012	1,010	280	1,290
2013	1,065	229	1,294
2014	1,115	176	1,291
2015 - 2019	2,405	182	2,587
Totals	$ 7,480	$ 1,569	$ 9,049

NOTE 12 – LEASING ARRANGEMENTS

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

Description	Date Issued	Final Maturity	Range of Interest Rates	Authorized and Issued	Outstanding at September 30, 2009
GOVERNMENTAL ACTIVITIES:					
General Fund:					
Helicopter (a)	02/03/03	02/03/10	2.91%	$ 2,785	$ 146
City Light and Power (b)	05/01/96	10/03/19	8.73%	18,500	13,565
Parking Citation Device (c)	01/22/07	12/22/10	3.99%	200	66
Voting Equipment (d)	03/15/07	03/15/12	3.93%	900	442
Ambulance Bill (e)	09/05/07	09/05/12	3.93%	158	98
Pitney Bowes Mailer (f)	09/05/07	09/05/12	3.82%	170	106
Total General Fund				22,713	14,423
Internal Service Funds:					
Civic Center Fund:					
Parking System (g)	10/24/08	10/24/13	4.99%	421	351
Fleet Services Fund:					
Fire Equipment Lease (h)	10/01/05	09/30/15	3.50%	5,279	3,386
Ambulance & Boats (i)	10/27/06	10/27/13	3.76%	2,191	1,114
Sweepers (j)	09/05/07	09/05/11	3.91%	4,336	2,162
Total Fleet Services Fund				11,806	6,662
General Services Fund:					
Personal Computers (k)	08/15/06	08/15/10	3.99%	2,137	385
Software (l)	03/15/07	03/15/14	3.93%	4,400	2,965
Computer equipment (m)	03/07/08	03/07/12	2.68%	1,300	802
IBM Mainline upgrade (n)	10/01/08	09/01/13	3.64%-4.24%	346	281
Personal Computers and laptops (o)	08/21/09	08/21/13	3.09%	1,358	1,358
Total General Services Fund				9,541	5,791
Total Governmental Activities Leases				$44,481	$ 27,227
BUSINESS-TYPE ACTIVITIES:					
Tidelands Fund:					
Convention Center (p)	10/01/05	10/01/26	4.99%	$ 649	$ 565

(a) The City entered into a capital lease agreement to purchase a helicopter for use by the Police Department for safety enforcement. The lease is payable monthly in the amount of $37,000 at 2.91 percent interest, or $440,000 per year, through February 2010.

(b) The City entered into a capital lease agreement in May 1996 to improve and replace the street lighting infrastructure in the City. The lease is payable monthly; the amount varies by year, with the initial year at $57,000 per month and the maximum amount for the sixth through 25 years at $169,000 per month.

(c) The City entered into a capital lease agreement in January of 2007 to purchase hand held parking citation devices. The lease is payable in monthly installments of $5,000 through December 2010.

(d) The City financed voting equipment, hardware, and software in March 2007. The lease is payable in monthly installments of $17,000 through March 2012.

(e) The City entered into a capital lease agreement to finance an ambulance billing system. The lease is payable in monthly installments of $3,000 through September 2012.

(f) The City financed the acquisition of a mailing machine though a capital lease agreement in September 2007. The lease is payable in monthly installments of $3,000 though fiscal year 2012.

(g) The City entered into capital lease in October 2008 to finance the purchases and installation of parking equipment in the Civic Center parking structure. Monthly installments of $8,000 are due through October 2013.

(h) The City entered into a capital lease agreement to finance the acquisition of equipment for the Fire Department including two ladder trucks, ten pumper trucks, and a life saving boat in October 2005. The lease is payable in monthly installments of $52,000 through September 2015.

(i) The City entered into a capital lease agreement in October 2006 for the purchase of paramedic vehicles and fire rescue boats. Monthly installments of $30,000 are payable through October 2013.

(j) The City entered into a capital lease agreement in September 2007 for the procurement of street sweepers. The lease is payable in monthly installments of $98,000 through September 2011.

(k) The City entered into several capital lease agreements to finance the acquisition of personal computers. The lease is payable in monthly installments through 2010, and the aggregate monthly payments are $70,000.

(l) The City entered into a capital lease agreement to finance the development of a billing and collection system in March 2007. The lease is payable in monthly installments of $60,000 through March 2014.

(m) The City entered into a capital lease agreement in March 2008 to finance the purchases of personal computers. The lease is payable in monthly installments of $29,000 through March 2012.

(n) The city entered into a capital lease agreement in October 2008 to upgrade the city's computer mainframe. Equipment of $272,000 were financed at an interest rate of 3.64 percent and software of $73,000 were financed at 4.24 percent. Total monthly installment of $6,000 are payable through September 2013.

(o) The city entered into a capital agreement for the purchase of personal computers and laptops in September 2009. The lease is payable in monthly installments of $30,000 through August 2013.

(p) The City entered into a capital lease to finance the installation of a surface membrane to the Convention Center roof. The lease is payable in annual installments of $52,000 through October 2026.

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

	Principal Payments By Fund - Governmental Activities				Annual Debt Service Requirements		
Year-end	General	Civic Center	Fleet Services	General Services	Principal	Interest	Total
2010	$ 1,298	$ 80	$ 1,850	$ 1,743	$ 4,971	$ 1,570	$ 6,541
2011	1,192	84	2,015	1,377	4,668	1,352	6,020
2012	1,078	88	899	1,224	3,289	1,159	4,448
2013	1,045	91	689	1,092	2,917	992	3,909
2014	1,193	8	594	355	2,150	838	2,988
2015 - 2019	7,934	-	615	-	8,549	2,137	10,686
2020 - 2024	683	-	-	-	683	5	688
Totals	$ 14,423	351	$ 6,662	$ 5,791	$ 27,227	$ 8,053	$ 35,280

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

	Tidelands Fund		
Year-end	Principal	Interest	Total
2010	$ 24	$ 28	$ 52
2011	25	27	52
2012	26	26	52
2013	28	24	52
2014	29	23	52
2015 - 2019	168	93	261
2020 - 2024	215	45	260
2025 - 2029	50	3	53
Totals	$ 565	$ 269	$ 834

Future Rental Income Under Operating Leases

Aggregate minimum future rental income under non-cancelable operating leases having an initial term in excess of one year is as follows (in thousands):

Year-end	Total
2010	$ 242,330
2011	259,785
2012	249,816
2013	247,622
2014	245,938
2015-2019	1,175,516
2020-2024	985,477
2025-2029	410,260
2030-2034	46,528
2035-2039	38,492
2040-2044	35,689
2045-2049	35,007
2050-2054	22,751
2055-2059	11,176
2060-2064	10,225
2065-2069	8,023
2070-2074	3,658
2075-2079	3,410
2080-2084	3,273
2085-2089	48
Total	$ 4,035,024

NOTE 13 – DERIVATIVE INSTRUMENTS

At September 30, 2009, the City had the following hedging derivative instruments outstanding within business-type activities:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms
Pay Fixed Interest Rate Swap	To reduce the risks associated with the change in interest rates related to the 2007 Series B Variable Rate Bonds.	$69.0 Million	11/18/2007	11/15/2033	Receive 67% LIBOR plus 1.424%, pay fixed at 4.931%
Commodity Forward Contract	To hedge against a reduction in revenues resulting from changes in monthly commodity prices.	164.2 Million MMBtu[1]	11/18/2007	9/30/2037	Pay variable receive fixed for scheduled notional quantities.

[1] MMBtu is one million British Thermal Units.

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

Maturity Date	Notional Amounts (in thousands)	Synthetic Fixed Rate	Variable Rate	Spread
11/15/2025	$ 19,195	4.903%	1.705%	1.410%
11/15/2026	25,175	4.930%	1.725%	1.410%
11/15/2027	24,630	4.955%	1.745%	1.450%
2/15/2033	5	5.067%	1.845%	1.430%
Total	$ 69,005	4.931% [2]	1.726% [3]	1.424% [2]

[2] Percentages are weighted average.
[3] The weighted average floating rate is based on the present value of 67% of the forward three-month LIBOR rate curve at 9/30/09, 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 4.93 percent (pay-fixed interest rate swap). The Prepay Bonds and the related swap agreements mature on the dates specified above and the swap's notional amount of $69.0 million matches the $69.0 million variable-rate Prepay Bonds. The swap was effective at the same time the Prepay Bonds were issued on October 18, 2007.

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

Commodity Swap Objective and Terms: The City entered into a natural gas commodity price sale agreement with Royal Bank of Canada Capital Markets (RBC) to hedge against a reduction in its gas sale revenues resulting from changes in monthly market index prices. Under the swap agreement, the City pays a floating natural gas price over a 30-year period and receives specified fixed natural gas prices for notional quantities of natural gas as determined in the Prepaid Gas Agreement. In consideration for the agreement, the City remitted $892.6 million to the seller. Settlement provisions of the contract permit the City to take delivery of the gas or to pay a settlement price equal to the applicable Index Price (NGI So Cal Border Index) for the month in which the gas delivery occurs, less $0.83 per one million MMBtu. The swap was effective at the same time the Prepay Bonds were issued on October 18, 2007 and continues through November 1, 2037.

Tender Offer: In July of 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 MLCS, had a negative fair value of approximately $15.5 million at October 1, 2008. As result of a tender offer for a portion of the outstanding Prepay Bonds, the fair value at October 1, 2008 was adjusted to a negative fair value of $3.8 million. During the current period, the fair value decreased $5.3 million to a negative fair value of $9.1 million as of September 30, 2009.

The commodity swap, with the market price quoted by the RBC, had a negative fair value of $54.4 million at October 1, 2008. As result of a tender offer for a portion of the underlying outstanding Prepay Bonds, the fair value at October 1, 2008 was adjusted to a negative fair value of $40.8 million. During the current period, fair value increased $155.4 million to a fair value of $114.6 million as of September 30, 2009.

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

Maturity Date	Fair Value, October 1, 2008	Adjustment for Tender Offer	Revised Fair Value, October 1, 2008	Change in Fair Value	Fair Value, September 30, 2009
11/15/2025	$ (1,551)	$ 519	$ (1,032)	$ (1,422)	$ (2,454)
11/15/2026	(1,839)	437	(1,402)	(1,925)	(3,327)
11/15/2027	(1,810)	398	(1,412)	(1,940)	(3,352)
2/15/2033	(10,304)	10,304	-	(1)	(1)
	(15,504)	11,658	(3,846)	(5,288)	(9,134)
Commodity Swap					
11/1/2037	(54,398)	13,634	(40,764)	155,415	114,651
Total	$ (69,902)	$ 25,292	$ (44,610)	$ 150,127	$ 105,517

The increase in fair value of the commodity swap is netted against the decrease in fair value of the interest rate swap and is reported as a deferred inflow on the statement of net assets.

Credit Risks: As of September 30, 2009, the interest rate swap counterparty was rated A2 by Moody's and rated A by Standard & Poor's, and the commodity swap counterparty was rated AA- by Standard & Poor's.

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

Interest Rate Swap Payment and Associated Debt: Using rates as of September 30, 2009, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rate remain the same for their term, were as follows (in thousands):

Fiscal Year Ending September 30	Variable-Rate Bonds Principal	Variable-Rate Bonds Interest	Net Swap Payments	Total Interest
2010	$ -	$ 3,403	$ 2,175	$ 5,578
2011	-	3,403	1,575	4,978
2012	-	3,403	1,016	4,419
2013	-	3,403	715	4,118
2014	-	3,403	521	3,924
2015 - 2019	-	17,015	1,591	18,606
2020 - 2024	-	17,015	1,021	18,036
2025 - 2029	69,000	4,533	520	5,053
2030 - 2034	5	1	-	1
Total	$ 69,005	$ 55,579	$ 9,134	$ 64,713

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

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

NOTE 14 – RETIREMENT PROGRAMS

Plan Description – Public Employees' Retirement System (CalPERS)

The City contributes to CalPERS, an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State. Benefit provisions and all other requirements are established by state statute and city ordinance. A copy of CalPERS' annual financial report may be obtained from its executive office at 400 P. Street, Sacramento, California 95814. Since CalPERS is on a fiscal year ending June 30th, all actuarial calculations for the City's retirement plan are made on a fiscal year ending June 30th, which differs from the City's September 30th fiscal year-end.

Under the terms of the contract between CalPERS and the City, all full-time employees are eligible to participate in CalPERS and become vested in the system after five years of service. The City has a multiple tier retirement plan with benefits varying by plan.

Safety*:* Vested first and second tier safety employees who retire at age 50 are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to three percent of the employee's highest paid year of employment for each year of credited service. Retirees under the first tier are eligible to receive a maximum annual five percent cost-of-living increase while those under the second tier are eligible to receive a maximum annual two percent cost-of-living increase.

Miscellaneous: Vested first and second tier non-safety employees who retire at age 55 are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to 2.7 percent of their highest paid year of employment for each year of credited service. The City created tier three for non-safety employees hired after October 1, 2006. Vested tier three non-safety employees who retire at age 55 are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of their highest paid year of employment for each year of credited service. Retirees under the first tier are eligible to receive a maximum annual five percent cost-of-living increase while those under the second and third tier are eligible to receive a maximum annual two percent cost-of-living increase. Audited annual financial statements and ten-year trend information are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Funding Policy

For the fiscal year ended September 30, 2009, Safety and Miscellaneous plan participants were required to contribute nine percent and eight percent of their annual covered salary, respectively. For miscellaneous employees, the City pays six percent of the participant contributions and the employee pays two percent. For safety employees, the City pays seven percent of the participant contributions and the employee pays two percent. In addition, the City is required to contribute at an actuarially determined rate applied to annual covered payroll; the current rates are 12.198 percent for miscellaneous employees and 15.850 percent for safety employees. For fiscal Year 2010, the contribution rates will be 11.830 percent for miscellaneous employees and 16.007 percent for safety employees. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2009, the City's annual pension cost (APC) of $72,015,000 for CalPERS was equal to the City's required contributions (ARC) of $79,642,000 less employees contributions of $7,627,000. The required contribution was determined as a part of the June 30, 2006 actuarial valuations.

During fiscal year 2009, the City implemented a furlough program for most non-safety departments. Since the underlying benefit did not change, the City determined that it was appropriate to continue to pay the full annual required contribution (ARC) for all effected employees. For the fiscal year ended September 30, 2009, additional payments in the amount of $846,000 (included in APC and ARC above) were remitted to CalPERS to ensure full payment of the ARC.

The City's annual pension cost, the percentage of annual pension cost contributed to the plans, and the net pension obligation for the miscellaneous and safety plans for the fiscal years ended September 30, 2007, 2008, and 2009 are as follows (dollars in thousands):

Fiscal Year	Miscellaneous Annual Pension Cost	Safety Annual Pension Cost	Annual Pension Costs (APC)	Percentage Contribution	Net Pension Obligation
2007	$ N/A	$ N/A	$ 64,437	100%	$ -
2008	N/A	N/A	67,800	100%	-
2009	40,503	31,512	72,015	100%	-

Actuarial Methods and Assumptions

A summary of principal assumptions and methods used to determine the annual required contribution rate for fiscal year 2009 for miscellaneous and safety employees is shown below:

	Assumptions
Valuation Date	June 30, 2006
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Amortization Period	Closed
Average Remaining Period	32 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.25% to 14.45% depending on age, service, and type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for pension benefits.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the funding status for the miscellaneous and safety plans were as follows (dollars in thousands):

Plan	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (Excess of Assets over AAL) (b-a)	Funded Ratio Actuarial Value Basis (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Miscelaneous	$ 1,576,159	$ 1,667,773	$ 91,614	94.5%	$ 215,224	42.6%
Safety	1,602,457	1,592,667	(9,790)	100.6%	132,156	-7.4%

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information, which shows whether the actuarial value of plan assets is increasing or decreasing over

time relative to the actuarial accrued liability for benefits. The initial unfunded actuarial accrued liability (or excess assets) associated with these retirement plans are being amortized as a level percentage of projected payroll on a closed basis.

Plan Description - Public Agency Retirement System – Defined Benefit Plan

In November 1994, the City established Public Agency Retirement System (PARS) Defined Benefit Plans for Special Status Contractors and Seasonal and Temporary Employees (The Plans). During fiscal year 2003, the Plans were reported under a combined plan (The Plan). The Plan is a defined benefit, single-employer retirement plan. The Plan, which took effect on January 1, 1995, is administered for the City through a third-party administrator. The Plan provides for retirement as well as death and disability benefits to eligible individuals and their beneficiaries.

The Plan benefit is a lifetime monthly annuity equal to 1.50 percent times the final average of the participant's highest 36 consecutive month's salary times the years of service. The Plan requires employee contributions of 6.20 percent of earnings (Contractors Special Status) and three percent of earnings (Seasonal and Temporary Employees). All employees enter the Plan upon hire and all benefits are vested after five years of service (Contractors Special Status) or immediately (Seasonal and Temporary Employees) and employees are always vested in their employee contributions. It is assumed that upon termination, employees will choose to receive an actuarially equivalent lump sum (based on the actuarial assumptions described below). Audited annual financial statements are available from PARS Public Agency Retirement Services, 4350 Von Karman Avenue, Ste. 100, Newport Beach, CA 92660

Funding Policy and Annual Pension Cost

The City's funding policy is to make the contribution as determined by the Plan's actuary as of September 30, 2007 valuation date. The following information describes the calculation methodology:

- The Plan's APC for the fiscal year ended September 30, 2009 is based on the period from October 1, 2006 to September 30, 2007. The APC for fiscal year ending 2009 is $16,352, the same amount contributed for this period.
- The actuarial liabilities and assets are valued as of September 30, 2008.
- The actuarial funding method used is the projected-unit-credit-method. Under this method the contribution rate is the sum of the normal cost rate plus the unfunded actuarial liability rate. The normal cost is defined as the actuarial present value of benefits allocated to the valuation year and the actuarial accrued liability is the present value of benefits allocated to all periods prior to the valuation year. The normal cost rate is determined by dividing the normal cost by expected covered payroll.

In determining the Plan's actuarial accrued liability, the projected benefit of each participant must be allocated between past years and future years. This allocation is made by multiplying the projected benefit by a fraction, the numerator of which is the participant's total credited years of service on the valuation date, and the denominator is the participant's total credited years of service at anticipated benefit commencement.

The unfunded actuarial liability is the difference between the actuarial accrued liability and Plan assets. This difference is amortized as a level dollar amount (over an average nine-year period in the 2008 actuarial valuation used to determine fiscal year 2010 Annual Pension Cost) to determine the unfunded actuarial liability rate. The actuarial value of Plan assets is based on a five-year smoothing of gains and losses.

The net pension obligation information below is based on periods from October 1 through September 30:

Fiscal Year	Annual Pension Costs	Actual Contribution	Percentage Contribution	Net Pension Obligation
2007	$ 92,546	$ 92,546	100%	$ -
2008	20,546	20,546	100%	-
2009	16,352	16,352	100%	-

Funded Status and Funding Progress

As of the most recent actuarial valuation date, September 30, 2008, the Plan's funding status was (dollars in thousands):

Plan	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (Excess of Assets over AAL) (b-a)	Funded Ratio Actuarial Value Basis (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PARS	$ 1,102	$ 1,047	$ (55)	105.3%	$ 9,178	-0.6%

Actuarial Methods and Assumptions

The following is a summary of September 30, 2008 actuarial assumptions:

Interest Rate: 5.25% (5.75% used in September 30, 2007 valuation)

Mortality: 1983 Group Annuity Mortality Table

Turnover: Sample rates are:

Age	Turnover	Age	Turnover
25	15%	45	10%
30	15%	50	10%
35	15%	55	5%
40	15%	60	5%

Seasonal and Temporary Employees' first five years of service assume the following rates:

Years of Service	Turnover
0	50%
1	35%
2	30%
3	25%
4	20%

Salary Scale: 5.0%

Retirement Age: Age 65 or attained age, if older.

Form of Benefit: Participants are assumed to receive a lump sum upon termination.

The interest rate was changed for the 2008 valuation from 5.75 percent to 5.25 percent. The net impact of this assumption change increased the actuarial accrued liability by approximately $33,000.

NOTE 15 – POST RETIREMENT HEALTH CARE BENEFITS

Plan Description

The City's Retired Employees Health Insurance Program is a single-employer defined benefit healthcare plan.

Under the provisions of the City's Personnel Ordinance, upon retirement, the City allows retirees, their spouses, and eligible dependents to use the cash value at retirement of the retiring employee's accumulated unused sick leave to pay for health, dental, and long-term care insurance premiums. Full-time City employees are entitled to receive up to 96 hours of sick leave per year. Unused sick leave may be accumulated until termination or retirement. No sick leave benefits are vested. The City has provided two one-time early retirement incentive programs. The first had a maximum value of $25,000 for employees, based on age, who retired during calendar year 1996, and the second incentive offered a 16-hour increase in sick leave per year of service to management employees who retired by June 30, 2004. In all cases, once the cash value of the retired employee's unused sick leave is exhausted, the retiree can terminate coverage or elect to continue paying the premiums at the retiree's expense.

At September 30, 2009, there were 580 participants in the City's Retired Employees Health Insurance Program, and the non-interest-bearing cash value equivalent of the remaining unused sick leave for the current retirees totaled $17,517,000. Total premiums and actual claims paid by the City under the Retired Employees Health Insurance Program for the fiscal year ended September 30, 2009 were $7,250,000, and are included in the expenses of the Employee Benefits Internal Service Fund.

Termination Benefits

As of September, 30, 2009, the City has recorded a liability in the Employee Benefits Internal Service Fund of $87,342,000 based on an actuarial study of current and future retiree accumulated sick leave in accordance with GASB Statement No. 16, *Accounting for Compensated Absences* (GASB 16). The liability takes into account an estimate of future usage, additional leave accumulation, and wage increases for both current retirees and active employees, and an additional amount relating to the sick leave incentive for employees who retired during calendar year 1996. The actuarial study assumes an investment return of 5.0 percent; wage increases of 3.5 percent per year for miscellaneous and 4.5 percent per year for safety employees, and insurance premium increases of 4.5 percent. The estimated current portion of such obligation of $6,250,000 has been fully funded and the long-term portion of the liability of $81,092,000 is being funded, over time, through burden rates charged to the various City funds, applied as a percent of current productive salaries.

Other Postemployment Benefits

As of September, 30, 2009, the City has also recorded a liability in the Employee Benefits Internal Service Fund of $10,404,000 based on an actuarial study of the "implicit subsidy" as defined by GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, (GASB 45). While the City does not directly contribute any funding towards the cost of premiums for retirees, the ability to obtain coverage at an active employees rate constitutes an economic benefit to the retirees. The inclusion of the retirees in the City's health care benefit plans increases the overall health plan rates. The economic benefit is defined as an "implicit subsidy" under GASB 45.

The ability to participate in the City's plan by self-paying the premiums extends for the lifetime of the retiree. However, upon attaining the age of Medicare eligibility, the retiree may enter a plan coordinated by Medicare. Standard actuarial practice assumes that Medicare supplemental plans do not generally give rise to an implicit subsidy, and while the City has included Medicare eligible retirees in this valuation, their liability under GASB 45 and their implicit subsidy are both zero.

This plan does not issue a separate financial report.

Funding Policy

The contribution requirement of plan members and the City are established and may be amended by the City. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City Council. As of September 30, 2009, the City has not prefunded the plan.

Annual OPEB Cost and Net OPEB Obligation

The City's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated based on the ARC, an amount that is actuarially determined in accordance with the requirements of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (in thousands):

Annual required contribution	$ 8,418
Interest on net OPEB obligation	262
Adjustment to annual required contribution	(219)
Annual OPEB cost	8,461
Contribution made	(3,306)
Increase in net OPEB obligation	5,155
Net OPEB obligation – beginning of year	5,249
Net OPEB obligation – end of year	$ 10,404

The ARC was determined as part of the September 2008 actuarial valuation. For the year ended September 30, 2009, the City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows (in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2008	$ 8,102	35.2%	$ 5,249
9/30/2009	$ 8,461	39.1%	$10,404

Funded Status and Funding Progress

The funded status of the plan as of September 30, 2009 was as follows (in thousands):

Actuarial accrued liability (AAL)	$ 110,324
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 110,324
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll	$ 295,450
UAAL as a percentage of covered payroll	37.3%
ARC as a percentage of covered payroll	2.8%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumption

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The September 30, 2008 actuarial valuation used the entry age normal cost method. The actuarial assumptions included a 5.00 percent investment rate of return (net of administrative expenses), an annual healthcare trend rate that begins at 12.00 percent for HMO plans and 9.00 percent for PPO plans that grades down to 4.50 percent for all plans by September 30, 2021, and an inflation assumption of 3.00 percent. The Entry Age Normal (EAN) cost method spreads plan costs for each participant from entry date to the expected retirement date. Under the EAN cost method, the plan's normal cost is developed as a level amount over the participants' working lifetime. The actuarial value of plan assets was zero. The plan's unfunded actuarial accrued liability is being amortized using the level percentage of payroll method on an open basis over 30 years.

NOTE 16 – SELF-INSURANCE PROGRAMS

The City has adopted separate self-insurance programs for workers' compensation and general liability claims. At September 30, 2009, the City accrued non-discounted estimates totaling $115,170,000 for workers' compensation and general liability claims. This represents estimates of amounts to be paid for actual, and incurred-but-not-reported claims based upon past experience, modified for current trends and developments. The City has no outstanding annuities payable. The City has recorded a current liability of $18,219,000 and a long-term liability of $96,951,000 in the Insurance Internal Service Fund.

The ultimate amount of losses incurred through September 30, 2009 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 year ended September 30, 2009 and 2008 is as follows (in thousands):

	Workers' Compensation Claims	General Liability Claims	Total
Balance at October 1, 2007	$ 92,350	$ 8,400	$ 100,750
Additions	12,652	12,335	24,987
Payments	(12,962)	(2,446)	(15,408)
Balance at September 30, 2008	92,040	18,289	110,329
Additions	12,753	9,158	21,911
Payments	(12,942)	(4,128)	(17,070)
Balance at September 30, 2009	$ 91,851	$ 23,319	$ 115,170

Component Unit

Under its insurance program, the LBT retains the risk for each occurrence of workers' compensation and public liability and property damage claimed up to $1,500,000 and $1,000,000, respectively. Claims in excess of $1,500,000 for workers' compensation and $1,000,000 for public liability and property damage are covered under policies in force with an independent insurer up to $25,000,000 for workers' compensation and $10,000,000 for public liability and property damage. Individual claim settlements for both workers' compensation and public liability and property damage did not exceed the insurance coverage limits in fiscal year 2009 and 2008.

The level of risk retention is dictated by the insurance market and the rates available to the LBT. LBT weights the increased premium costs against the risk level attempting to minimize overall program expenses. Risk retention levels for public liability and property damage did not change during fiscal year 2009. In 2008, the risk retention limit for workers' compensation declined to $1,500,000 for claims incurred in 2008 from the $3,000,000 retention limit maintained during fiscal year 2007.

The LBT's policy is to estimate and recognize losses on the accrual basis, including estimates of claims incurred but not reported, based on the report of the LBT's independent claims manager, and to maintain designated cash and investments to fund the estimated liabilities.

The changes in estimated liabilities for reported claims are as follows for the LBT (in thousands):

	Workers' Compensation	Public Liability and Property Damage	Total
Balance at July 1, 2007	$ 2,540	$ 1,126	$ 3,666
Reserves:			
New claims	515	1,310	1,825
Adjustments to existing claims	3,596	1,020	4,616
Payments	(1,625)	(1,691)	(3,316)
Balance at June 30, 2008	5,026	1,765	6,791
Reserves:			
New claims	457	558	1,015
Adjustments to existing claims	1,909	1,091	3,000
Payments	(2,048)	(1,868)	(3,916)
Balance at June 30, 2009	$ 5,344	$ 1,546	$ 6,890

During 2008, LBT began using an annual actuarial and claim review for open workers' compensation cases to ensure adequate reserves are maintained. Reserve levels were significantly increased in 2008 to meet projected future medical costs of older claims. In 2009, lower interest rates contributed to the rise in reserves.

NOTE 17 – GOVERNMENTAL ACTIVITIES FUND BALANCE

The composition of the reserved portion of the governmental activities fund balance at September 30, 2009 is as follows (in thousands):

	General Fund	Major Governmental Funds Other than General Fund	Nonmajor Governmental Funds	Totals
Reserved for:				
Other Noncurrent Receivables (a)	$ 105,480	$ 64,914	$ -	$ 170,394
Asset Seizure Money (b)	3,879	-	-	3,879
Encumbrances	315	7,752	5,088	13,155
Future Advances to Other Funds - Restricted by City Charter	1,486	-	-	1,486
Transportation Projects (c)	-	-	5,308	5,308
Housing Development - Restricted by State law	-	313	-	313
Future Projects	-	48,120	17,895	66,015
Land Held For Resale	-	195,045	-	195,045
Estimated Oil Field Abandonment Costs	-	-	3,497	3,497
Debt Service Covenants	5,409	75,976	200	81,585
Totals	$ 116,569	$ 392,120	$ 31,988	$ 540,677

(a) The reserve for non-current receivables represents long-term loan receivables and long-term advances to other funds not available to finance current expenditures because receipt is not anticipated in the near future since there is no specified repayment dates for these advances. The General Fund reserve for non-current receivables funds mainly consists of $103,220,000 due from the Redevelopment Capital Projects Fund, based on a cooperative agreement in which the City agreed to advance funds to use on redevelopment projects. Debt service payments to the General Fund are expected as future property tax increment funds become available. At this time, there is no repayment schedule. In addition, $2,000,000 and $260,000 is due from the Health Fund and Development Services Fund, respectively, for advances to cover cash flow. There is no repayment date for these advances.

Other major governmental fund advances to other funds consist of $21,229,000 due to the Housing Development Special Revenue Fund from the Redevelopment Capital Projects Fund, $3,819,000 due to the Community Development Grants Fund from the Housing Development Special Revenue Fund and $10,766,000 due to the General Capital Projects Fund from the Redevelopment Capital Projects Fund. Repayments depend on available future tax revenue increments. The Housing Assistance non-major governmental fund advance from the Community Development Grants Fund in the amount of $2,900,000 resulted from a loan needed to meet current obligations of the Authority under the HUD Section 8 Program. Repayment is dependent on HUD funding and no annual payments are required by the Authority to repay the loan.

The balance of $26,200,000 mainly represents long-term notes receivable for the Redevelopment Agency that do not provide current available resources.

(b) The reserve for asset seizure money comes from the sale of assets seized under probable cause in a criminal investigation. The resulting funds must be used to enhance criminal investigations, detection and prosecution, and shall not supplant the existing Police Department budget.

(c) The reserve for transportation projects represents the fund balance of the Transportation Fund Special Revenue Fund, which is restricted for use to specified transportation projects requiring advance approval of the Los Angeles County Transportation Commission.

Fund Deficits

The Internal Service Funds include accumulated deficits in the Insurance and Employee Benefits Internal Service Funds, which aggregate $95,233,000 and $83,012,000, respectively. The City's management believes the cash position is sufficient to cover the current costs related to retired health insurance, workers' compensation, general liability claims and current operating costs in the Insurance and Employee Benefits Internal Service funds. The City's management intends to adjust billings to City departments as needed to ensure that adequate cash positions are maintained.

NOTE 18 – RECONCILIATION OF ACTUAL REVENUES AND EXPENDITURES TO THE NON-GAAP BUDGETARY BASIS

The following reconciles actual revenues and expenditures for General Fund and major special revenue funds to the non-GAAP budgetary basis for the fiscal year ended September 30, 2009 (in thousands):

	General Fund	Housing Development Fund	Community Development Fund
Beginning Fund Balance- Actual (GAAP Basis)	$ 161,130	$ 70,297	$ 8,900
Cumulative Effect of Capitalization of Land Held for Resale at October 1, 2008	-	-	(1,332)
Beginning Fund Balance - Budgetary Basis	161,130	70,297	7,568
Revenues on the Budgetary Basis	349,358	26,725	36,858
Actual (GAAP-Basis) Expenditures	383,960	22,469	26,141
Basis Adjustments:			
Encumbrances Outstanding at September 30, 2009	315	2	23
Expenditures - Budgetary Basis	384,275	22,471	26,164
Excess of Revenues over (under) Expenditures - Budgetary Basis	(34,917)	4,254	10,694
Other Financing Sources (Uses) (GAAP-Basis)	35,940	4,681	(10,823)
Excess of Revenues and Other Sources over (under) Expendituresand Other Uses - Budgetary Basis	1,023	8,935	(129)
Ending Fund Balance - Budgetary Basis	$ 162,153	$ 79,232	$ 7,439

The City's budget in any given fiscal year is incremented by the amount of encumbrances outstanding at the end of the prior fiscal year in accordance with City Council adopted ordinance.

NOTE 19 – SEGMENT INFORMATION FOR BUSINESS-TYPE ACTIVITIES FUNDS

The City's nonmajor enterprise funds include the Sewer Fund, used to account for the maintenance and replacement of the City's sewer pipelines and facilities, the Airport Fund, which accounts for the operations of the Long Beach Municipal Airport, the Towing Fund, used to record transactions related to the removal of abandoned or illegally parked vehicles, and the Subsidence Fund, which is used to account for the accumulation of resources needed to remediate land sinkage that may result from oil operations. Segment information for the nonmajor business-type activities funds at September 30, 2009, and for the fiscal year then ended, are as follows (in thousands):

City of Long Beach
Nonmajor Proprietary Funds
Condensed Combining Statement of Net Assets
September 30, 2009
(In Thousands)

	Sewer	Airport	Towing	Subsidence	Total Nonmajor Activities
Current Assets	$ 7,569	$ 35,455	$ 1,179	$ 164,911	$ 209,114
Noncurrent Assets:					
Restricted Non-Pooled Investments	-	-	-	2,164	2,164
Other Noncurrent Receivables	-	295	-	-	295
Advances to Other Funds	-	-	-	6,114	6,114
Capital Assets	48,345	131,585	120	-	180,050
Other Assets-Long-Term	381	-	-	-	381
Total Noncurrent Assets	48,726	131,880	120	8,278	189,004
Total Assets	56,295	167,335	1,299	173,189	398,118
Current Liabilities:					
Other Current Labilites	582	8,291	115	6,614	15,602
Due to Other Funds	73	252	39	-	364
Total Current Liabilities	655	8,543	154	6,614	15,966
Noncurrent Liabilities:					
Deferred Revenues	-	5,811	-	-	5,811
Other Long-Term Obligations	4,000	18,167	-	-	22,167
Total Noncurrent Liabilities	4,000	23,978	-	-	27,978
Total Liabilities	4,655	32,521	154	6,614	43,944
Net Assets					
Investment in Capital Assets, Net of Related Debt	47,891	108,498	120	-	156,509
Restricted for:					
Debt Service	-	1,295	-	-	1,295
Capital Projects	-	11,096	-	-	11,096
Subsidence	-	-	-	166,575	166,575
Unrestricted	3,749	13,925	1,025	-	18,699
Total Net Assets	$51,640	$ 134,814	$ 1,145	$ 166,575	$ 354,174

City of Long Beach
Nonmajor Proprietary Funds
Condensed Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
September 30, 2009
(In Thousands)

	Sewer	Airport	Towing	Subsidence	Total Nonmajor Activities
Operating Revenues:					
Licenses and Permits	$ -	$ 29,267	$ -	$ -	$ 29,267
Fees, Concessions, and Rentals	12,487	-	8,475	-	20,962
Total Operating Revenues	12,487	29,267	8,475	-	50,229
Operating Expenses:					
Operating Expense	11,835	25,383	7,725	-	44,943
Amortization	-	118	-	-	118
Depreciation	1,200	5,727	9	-	6,936
Total Operating Expenses	13,035	31,228	7,734	-	51,997
Operating Income (Loss)	(548)	(1,961)	741	-	(1,768)
Non-Operating Income (Expenses):					
Interest Income	70	465	9	3,011	3,555
Interest Expense	(31)	(542)	-	-	(573)
Operating Grants	-	353	-	-	353
Other Income	219	5,737	41	492	6,489
Total Non-Operating Income	258	6,013	50	3,503	9,824
Income (Loss) Before Contributions	(290)	4,052	791	3,503	8,056
Capital Grants and Contributions	-	11,549	-	-	11,549
Change in Net Assets	(290)	15,601	791	3,503	19,605
Net Assets - October 1	51,930	119,213	354	163,072	334,569
Net Assets - September 30	$51,640	$ 134,814	$ 1,145	$ 166,575	$ 354,174

City of Long Beach
Nonmajor Proprietary Funds
Condensed Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2009
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Sewer	Airport	Towing	Subsidence	Total Nonmajor Activities
Net Cash Provided by Operating Activities	$ 1,010	$ 1,983	$ 769	$ -	$ 3,762
Net Cash Provided by Non-Capital Financing Activities	-	353	-	-	353
Net Cash Provided by Capital and Related Financing Activities	2,602	7,327	-	-	9,929
Net Cash Provided by (Used for) Investing Activities	(3,095)	465	9	3,729	1,108
Net Increase in Cash and Cash Equivalents	517	10,128	778	3,729	15,152
Cash and Cash Equivalents - October 1	3,215	21,856	194	160,299	185,564
Cash and Cash Equivalents - September 30	$ 3,732	$ 31,984	$ 972	$ 164,028	$ 200,716

NOTE 20 – GAS UTILITY FUND

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

City of Long Beach
Gas Utility Fund
Consolidated Schedule of Net Assets
September 30, 2009
(In Thousands)

	Gas Operating Function	LBBFA Gas Prepay Function	Total Before Elimination	Elimination Debit (Credit)	Gas Utility Fund
ASSETS					
Current Assets:					
Pooled Cash and Cash Equivalents	$ 1,547	$ 17,641	$ 19,188	$ -	$ 19,188
Non-Pooled Cash and Cash Equivalents	6	120	126	-	126
Non Performing Investments	104	-	104	-	104
Receivables:					
Interest Receivable	-	19	19	-	19
Accounts Receivable	4,878	4,170	9,048	(3,283)	5,765
Due from Other Funds	1,687	-	1,687	(873)	814
Allowance for Receivables	(565)	-	(565)	-	(565)
Inventory	1,476	-	1,476	-	1,476
Prepaid Gas-Current	-	23,333	23,333	-	23,333
Other Assets	42	-	42	-	42
Total Current Assets	9,175	45,283	54,458	(4,156)	50,302
Noncurrent Assets:					
Restricted Noncurrent assets					
Non-Pooled Investments	650	27,691	28,341	-	28,341
Noncurrent Receivables:					
Advances to Other Funds	2,631	-	2,631	-	2,631
Derivative - Fair Value	-	105,517	105,517	-	105,517
Capital Assets:					
Land and Other Assets not Being Depreciated	7,761	-	7,761	-	7,761
Property, Plant and Equipment net of Accumulated Depreciation	81,502	-	81,502	-	81,502
Prepaid Gas - Long-Term	-	587,853	587,853	-	587,853
Total Noncurrent Assets	92,544	721,061	813,605	-	813,605
Total Assets	101,719	766,344	868,063	(4,156)	863,907
LIABILITIES					
Current Liabilities payable from Current Assets:					
Accounts Payable	1,841	2,210	4,051	3,283	768
Accrued Wages	521	-	521	-	521
Accrued Interest Payable	18	11,908	11,926	-	11,926
Due to Other Funds	287	873	1,160	873	287
Deferred Revenues	124	-	124	-	124
Customers Deposits	2,190	-	2,190	-	2,190
Bonds Payable Due Within One Year	970	8,510	9,480	-	9,480
Other Long-Term Obligation-Current	11,755	-	11,755	-	11,755
Total Current Liabilities	17,706	23,501	41,207	4,156	37,051
Noncurrent Liabilities:					
Deferred Inflow - Derivative	-	105,517	105,517	-	105,517
Other Long-Term Obligations	5,504	-	5,504	-	5,504
Bonds Payable	2,760	647,795	650,555	-	650,555
Unamortized Discount/Deferred cost	(60)	10,694	10,634	-	10,634
Total Noncurrent Liabilities	8,204	764,006	772,210	-	772,210
Total Liabilities	25,910	787,507	813,417	4,156	809,261
NET ASSETS					
Investment in Capital Assets, Net of Related Debt	68,335	-	68,335	-	68,335
Restricted for:					
Debt Service	732	-	732	-	732
Capital Projects	39	-	39	-	39
Unrestricted	6,703	(21,163)	(14,460)	-	(14,460)
Total Net Assets	$ 75,809	$ (21,163)	$ 54,646	$ -	$ 54,646

City of Long Beach
Gas Utility Fund
Consolidated Schedule of Revenues, Expenses and Changes in Fund Net Assets
September 30, 2009
(In Thousands)

	Gas Operating Function	LBBFA Gas Prepay Function	Total Before Elimination	Elimination Debit (credit)	Gas Utility Fund
Operating Revenues:					
Charges for Services	$ 82,719	$ 25,913	$ 108,632	$ 25,913	$ 82,719
Other	5,017	-	5,017	-	5,017
Total Revenues	87,736	25,913	113,649	25,913	87,736
Operating Expenses:					
Personal Services	14,349	-	14,349	-	14,349
Purchases of Gas	40,313	1,167	41,480	(25,913)	15,567
Maintenance and Other Operations	10,644	370	11,014	-	11,014
Bad Debt	302	-	302	-	302
Amortization	11	113	124	-	124
Depreciation	3,540	-	3,540	-	3,540
Total Operating Expenses	69,159	1,650	70,809	(25,913)	44,896
Operating Income	18,577	24,263	42,840	-	42,840
Non-Operating Income (Expense):					
Interest Income	245	818	1,063	-	1,063
Interest Expense	(290)	(44,017)	(44,307)	-	(44,307)
Gain on Dispostion of Fixed Assets	(254)	-	(254)	-	(254)
Other Income	1,456	24,718	26,174	-	26,174
Total Non-Operating Income (Expense)	1,157	(18,481)	(17,324)	-	(17,324)
Income Before Contributions and Transfers	19,734	5,782	25,516	-	25,516
Operating Transfers:					
Operating Transfers Out	(11,102)	-	(11,102)	-	(11,102)
Change in Net Assets	8,632	5,782	14,414	-	14,414
Net Assets, October 1	67,177	(26,945)	40,232	-	40,232
Net Assets, September 30	$ 75,809	$(21,163)	$ 54,646	$ -	$ 54,646

City of Long Beach
Gas Utility Fund
Consolidated Schedule of Cash Flows
For the Fiscal Year Ended September 30, 2009
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Gas Operating Function	LBBFA Gas Prepay Function	Eliminations Increase (decrease)	Gas Utility Fund
Cash Flows from Operating Activities:				
Receipts from Customers	$ 83,311	$ 28,187	$ (28,187)	$ 83,311
Payments for Employee Salaries	(14,096)	-	-	(14,096)
Payments for Goods and Services	(54,550)	(907)	28,187	(27,270)
Other Income	6,407	4,588	-	10,995
Net Cash Provided by Operating Activities	21,072	31,868	-	52,940
Cash Flows from Non-Capital Financing Activities:				
Receipts from Prepayment of Gas Supply	-	273,000	-	273,000
Payments of Principal on Bonds Payable	-	(231,055)	-	(231,055)
Payments of Interest	-	(46,417)	-	(46,417)
Transfers Out	(11,102)	-	-	(11,102)
Net Cash Used for Non-Capital Financing Activities	(11,102)	(4,472)	-	(15,574)
Cash Flows from Capital and Related Financing Activities:				
Principal Received on Capital Leases from other funds	769	-	-	769
Payments for Capital Acquisitions	(11,022)	-	-	(11,022)
Payments of Principal on Bonds Payable	(940)	-	-	(940)
Payments of Interest	(289)	-	-	(289)
Net Cash Used for Capital and Related Financing Activities	(11,482)	-	-	(11,482)
Cash Flows from Investing Activities:				
Payments for Investments	-	(10,571)	-	(10,571)
Receipts of Interest	245	818	-	1,063
Net Cash Provided by (Used For) Investing Activities	245	(9,753)	-	(9,508)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,267)	17,643		16,376
Cash and Cash Equivalents - October 1	2,820	118		2,938
Cash and Cash Equivalents - September 30	$ 1,553	$ 17,761		$ 19,314

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	Gas Operating Function	LBBFA Gas Prepay Function	Eliminations Increase (decrease)	Gas Utility Fund
Operating Income	$ 18,577	$ 24,263	$ -	$ 42,840
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization Expense	3,551	113	-	3,664
Other Income	1,391	2,313	-	3,704
Decrease in Accounts Receivable, Net	1,123	1,752	1,075	3,950
Decrease in Amounts Due from Other Funds	-	66	-	66
Decrease in Inventory	60	-	-	60
Decrease in Other Operating Assets/Gas Prepay	6	1,166	-	1,172
Increase (Decrease) in Accounts Payable	(3,463)	2,195	(1,075)	(2,343)
Increase in Accrued Wages Payable	8	-	-	8
Increase in Amounts Due to Other Funds	50	-	-	50
(Decrease) in Deferred Revenues	(277)	-	-	(277)
Increase in Collections Held in Trust	46	-	-	46
Total Adjustments	2,495	7,605	-	10,100
Net Cash Provided by Operating Activities	$ 21,072	$ 31,868		$ 52,940

NOTE 21 – SOLID WASTE MANAGEMENT FUND

The Solid Waste Management Fund is used to account for the City's refuse collection and resource recovery operations and includes the City's Solid Waste Management Function and the SERRF Function. SERRF was formed as a joint powers authority between the City of Long Beach and Los Angeles County Sanitation District Number 2 in December 1984. Subsequent to SERRF's formation, lease revenue bonds were issued to construct a waste-to-energy facility, and contracts for the design, construction, and demonstration of a plant were executed and completed. Subsequent complex contractor litigation ensued and was settled in 1994.

A final settlement to the contractor litigation provided that the City would receive $6 million in cash and approximately $10 million over a 20-year period in monthly installments which began in 1999. Additionally, a $6 million payment from the present operator for future improvements has been accounted for as contributed capital. The long-term portion of future payments receivable from the former contractor of approximately $10 million has been accounted for as receivable and deferred revenue. The long-term receivable at September 30, 2009 is $4,134,000 with the current portion recognized as revenue during the fiscal year aggregating $501,000.

In October 1995, the lease was revised as SERRF refunded the 1985, 1985-1, and 1986 bond issues with the SERRF 1995 Revenue Bond issue. The lease payment was equal to debt service payments with a maximum annual payment of $25,000,000.

In October 2003, the lease was again revised since the SERRF refunded the 1995 Bonds with the 2003 Southeast Resource Recovery Facility Authority Bonds in the amount of $120,235,000. Base rental payments are calculated to be sufficient to pay the principal and interest of the Series 2003 Bonds when due.

City of Long Beach
Solid Waste Management Fund
Consolidating Schedule of Net Assets (Deficit)
September 30, 2009
(In Thousands)

	Solid Waste Management					
	Refuse Function	SERRF Function	Sub-Total	SERRF Authority	Eliminations Debit (Credit)	Solid Waste Management Fund
ASSETS						
Current Assets:						
Pooled Cash and Cash Equivalents	$ 24,641	$ 35,758	$ 60,399	$ 99	$ -	$ 60,498
Non-Pooled Cash and Cash Equivalents	3	-	3	242	-	245
Non Performing Investments	61	-	61	-	-	61
Receivables:						
Interest Receivable	-	-	-	72	-	72
Accounts Receivable	2,605	6,990	9,595	1,411	(1,411)	9,595
Due from Other Governments	40	320	360	-	-	360
Capital Leases Receivable-Current	-	-	-	7,050	(7,050)	-
Allowance for Receivables	(381)	(3)	(384)	-	-	(384)
Total Current Assets	26,969	43,065	70,034	8,874	(8,461)	70,447
Noncurrent Assets:						
Restricted Noncurrent assets						
Non-Pooled Investments	-	-	-	10,995	-	10,995
Noncurrent Receivables:						
Capital Lease Receivable	-	-	-	80,555	(80,555)	-
Other Noncurrent Receivables	-	4,134	4,134	-	-	4,134
Capital Assets:						
Land and Other Capital Assets not being Depreciated	-	6,591	6,591	-	-	6,591
Capital Assets net of Accumulated Depreciation	31	30,771	30,802	-	-	30,802
Other Assets-Long-Term	-	-	-	733	(733)	-
Total Noncurrent Assets	31	41,496	41,527	92,283	(81,288)	52,522
Total Assets	27,000	84,561	111,561	101,157	(89,749)	122,969
LIABILITIES						
Current Liabilities Payable from Current Assets:						
Accounts Payable	712	5,067	5,779	-	1,411	4,368
Accrued Wages	344	14	358	-	-	358
Accrued Interest Payable	7	-	7	1,410	-	1,417
Due to Other Funds	161	7	168	-	-	168
Collections Held in Trust	524	1,221	1,745	-	-	1,745
Bonds Payable Due Within One Year	-	-	-	7,050	-	7,050
Other Long-Term Obligations-Current	-	7,050	7,050	-	7,050	-
Total Current Liabilities	1,748	13,359	15,107	8,460	8,461	15,106
Noncurrent Liabilities:						
Deferred Revenues	-	4,134	4,134	-	-	4,134
Deferred Credits and Other Deferred Liabilities	-	733	733	-	733	-
Obligations Under Capital Leases	-	80,555	80,555	-	80,555	-
Bonds Payable	-	-	-	80,555	-	80,555
Unamortized Discount/Deferred cost	-	-	-	2,094	-	2,094
Total Noncurrent Liabilities	-	85,422	85,422	82,649	81,288	86,783
Total Liabilities	1,748	98,781	100,529	91,109	89,749	101,889
NET ASSETS (DEFICIT)						
Investment in Capital Assets, Net of Related Debt	31	(50,977)	(50,946)	-	1,361	(52,307)
Restricted for:						
Debt Service	-	-	-	11,309	-	11,309
Capital Projects	-	-	-	75	-	75
Unrestricted	25,221	36,757	61,978	(1,336)	(1,361)	62,003
Total Net Assets (Deficit)	$ 25,252	$ (14,220)	$ 11,032	$ 10,048	$ -	$ 21,080

City of Long Beach
Solid Waste Management Fund
Consolidating Schedule of Revenues, Expenses and
Changes in Fund Net Assets (Deficit)
For the Fiscal Year Ended September 30, 2009
(In Thousands)

	Solid Waste Management					
	Refuse Function	SERRF Function	Sub-Total	SERRF Authority	Eliminations Debit (Credit)	Solid Waste Management Fund
Operating Revenues:						
Fees, Concessions and Rentals	$ -	$ -	$ -	$ 3,381	$ 3,381	$ -
Charges for Services	38,093	46,058	84,151	-	-	84,151
Other	-	-	-	-	-	-
Total Operating Revenues	38,093	46,058	84,151	3,381	3,381	84,151
Operating Expenses:						
Personal Services	12,021	505	12,526	-	-	12,526
Maintenance and Other Operations	25,735	35,331	61,066	-	-	61,066
Rental Expense	-	3,381	3,381	-	(3,381)	-
Bad Debt	384	-	384	-	-	384
Amortization	-	-	-	335	-	335
Depreciation	7	4,263	4,270	-	-	4,270
Total Operating Expenses	38,147	43,480	81,627	335	(3,381)	78,581
Operating Income (Loss)	(54)	2,578	2,524	3,046	-	5,570
Non-Operating Income (Expenses):						
Interest Income	518	564	1,082	170	-	1,252
Interest Expense	-	-	-	(3,847)	-	(3,847)
Capital Assets to/(from) Other Funds	(830)	-	(830)	-	-	(830)
Operating Grants	860	-	860	-	-	860
Other Income (Expenses)	2,503	502	3,005	(124)	-	2,881
Total Non-Operating Income (Expenses)	3,051	1,066	4,117	(3,801)	-	316
Income Before Contributions and Transfers	2,997	3,644	6,641	(755)	-	5,886
Transfers:						
Transfers Out	(5,400)	(3,617)	(9,017)	-	-	(9,017)
Change in Net Assets	(2,403)	27	(2,376)	(755)	-	(3,131)
Net Assets (Deficit) - October 1	27,655	(14,247)	13,408	10,803	-	24,211
Net Assets (Deficit) - September 30	$25,252	$(14,220)	$11,032	$10,048	$ -	$ 21,080

City of Long Beach
Solid Waste Management Fund
Consolidating Schedule of Cash Flows
For the Fiscal Year Ended September 30, 2009
(In Thousands)

	Solid Waste Management					
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Refuse Function	SERRF Function	Sub-Total	SERRF Authority	Eliminations Increase (Decrease)	Solid Waste Management Fund
Cash Flows from Operating Activities:						
Receipts from Customers	$ 37,568	$ 44,768	$ 82,336	$ -	$ -	$ 82,336
Receipts from Capital Lease	-	-	-	2,761	(2,761)	-
Payments for Employee Salaries	(11,980)	(505)	(12,485)	-	-	(12,485)
Payments for Goods and Services	(25,666)	(40,333)	(65,999)	-	2,761	(63,238)
Other Income (Expense)	2,504	502	3,006	(143)	-	2,863
Net Cash Provided by Operating Activities	2,426	4,432	6,858	2,618	-	9,476
Cash Flows from Non-Capital Financing Activities:						
Operating Grants Received from Other Governments	831	-	831	-	-	831
Transfers Out	(5,400)	(3,617)	(9,017)	-	-	(9,017)
Net Cash Used for Non-Capital Financing Activities	(4,569)	(3,617)	(8,186)	-	-	(8,186)
Cash Flows from Capital and Related Financing Activities:						
Payment of Contributed Capital	-	-	-	-	-	-
Payments for Capital Acquisitions	(75)	-	(75)	-	-	(75)
Payments of Principal on Bonds Payable	-	-	-	(6,860)	-	(6,860)
Payments of Principal on Other Long-Term Obligations	-	(6,860)	(6,860)	-	6,860	-
Payments of Interest	-	-	-	(3,898)	-	(3,898)
Net Cash Used for Capital and Related Financing Activities	(75)	(6,860)	(6,935)	(10,758)	6,860	(10,833)
Cash Flows from Investing Activities:						
Proceeds from the Sale of Investments	-	-	-	1,045	-	1,045
Principal Received under Capital Lease	-	-	-	6,860	(6,860)	-
Payment for Investment	-	-	-	242	-	242
Receipts of Interest	518	564	1,082	98	-	1,180
Net Cash Provided by Investing Activities	518	564	1,082	8,245	(6,860)	2,467
Net Increase (Decrease) in Cash and Cash Equivalents	(1,700)	(5,481)	(7,181)	105	-	(7,076)
Cash and Cash Equivalents - October 1	26,343	41,239	67,582	236	-	67,818
Cash and Cash Equivalents - September 30	$ 24,643	$ 35,758	$ 60,401	$ 341	$ -	$ 60,742

City of Long Beach
Solid Waste Management Fund
Consolidating Schedulet of Cash Flows
For the Fiscal Year Ended September 30, 2009
(In Thousands)
(Continued)

RECONCILIATION OF OPERATING INCOME (LOSS)TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	Solid Waste Management					
	Refuse Function	SERRF Function	Sub-Total	SERRF Authority	Eliminations Increase (Decrease)	Solid Waste Management Fund
Operating Income (Loss)	$ (54)	$ 2,578	$ 2,524	$ 3,046	$ -	$ 5,570
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation and Amortization Expense	7	4,263	4,270	335	-	4,605
Other Income (Expense)	2,504	502	3,006	(124)	-	2,882
(Increase) Decrease in Accounts Receivable, Net	110	(60)	50	52	(52)	50
Increase in Amounts Due from Other Governments	-	(51)	(51)	-	-	(51)
Decrease (Increase) in Deferred Charges	-	672	672	-	(671)	1
Increase (Decrease) in Accounts Payable	71	(2,213)	(2,142)	(20)	52	(2,110)
Increase in Accrued Wages Payable	26	-	26	-	-	26
Increase in Amounts Due to Other Funds	14	-	14	-	-	14
Decrease in Deferred Revenues	(276)	-	(276)	-	-	(276)
Increase (Decrease) in Deferred Credits	-	(80)	(80)	(671)	671	(80)
Increase (Decrease) in Collections Held in Trust	24	(1,179)	(1,155)	-	-	(1,155)
Total Adjustments	2,480	1,854	4,334	(428)	-	3,906
Net Cash Provided by Operating Activities	$ 2,426	$ 4,432	$ 6,858	$ 2,618	$ -	$ 9,476

NOTE 22 – OIL ABANDONMENT LIABILITY

As mentioned in Note 1, the City is required to administer certain tideland properties in trust for the State. Significant enterprise operations are conducted in the Tidelands Trust area of the City. Revenues received from the City's tidelands area business-type operations are restricted by State law to tidelands-related purposes. The trust agreement provides for the establishment of separate operating funds to account for the various activities conducted in the City's tideland areas, as described on the following pages.

Tideland Oil Revenues

The City, acting as trustee for the State, utilizes contractors to oversee oil production on the tidelands portion of the Wilmington Oil Field. Oil revenues (net of administrative and operating expenses, a $1,000,000 fixed annual retention by the City, and the City's participation in the Optimized Waterflood Program Agreement as authorized by Chapter 941 of the State of California special legislative session of 1991) are remitted to the State. Law restricts funds retained by the City to tidelands-related purposes. Eligible purposes include expenses of the City's marinas, beaches, waterways, and its convention center.

Annually, the City estimates the State's share in the costs of future abandonment and site clearance of the oil properties. At September 30, 2009, the State's total estimated abandonment cost liability is $344,700,000 decreasing $7,300,000 from fiscal year 2008. 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. Of the $344,700,000 estimated liability, the State has put aside and deposited $200,100,000 into the State's Oil Trust Fund - Abandonment Reserve as of September 30, 2009 as provided for in Assembly Bill (AB) 137.

The City's proprietary ownership interests in the Wilmington Oil Field bear a proportionate share of oil field abandonment costs. Such share is presently estimated at $6,210,000 of which $3,497,000 has been funded as of September 30, 2009 in the Upland Oil Properties Special Revenue Fund.

Subsidence

In accordance with State legislation, the City established a Reserve for Subsidence Contingencies to indemnify the City, State, and contractors for claims or costs arising from subsidence alleged to have resulted from oil operations. A maximum of $40,000,000, plus accrued interest, was originally set-aside for this purpose. Under provisions of State law that allowed the State's contractors to substantially increase oil production, and for a period of eight years that ended December 31, 1999, the City's Tidelands Fund received 50 percent of the interest earnings on the Reserve for Subsidence Contingences while the other 50 percent accrued to the Subsidence Fund. For a period of four years beginning January 1, 2000, 50 percent of the interest earnings were paid to the State of California while the other 50 percent accrued to the Subsidence Fund. After the expiration of the above provisions, 100 percent of the interest accrues to the Reserve for Subsidence. As of September 30, 2009, the reserve balance within the Subsidence Fund is $166,575,000. As part of the adoption of the State's 2005 fiscal year budget, 100 percent of this fund's interest earnings for calendar years 2004 and 2005 were eligible to be loaned to the City's General Fund, with repayment commencing in fiscal year 2008, without interest, in equal annual installments of $500,000 for up to 20 years. This action was taken to assist the City in making $5 million contributions to the State in fiscal years 2005 and 2006. At September 30, 2009, total loan to the City's General Fund amounts to $6,614,000.

Harbor Operations

The City operates the Port of Long Beach. Leasing activities comprise a significant portion of the Port's revenues. A provision for the long-term costs related to the abandonment and site clearance of oil properties purchased in March 1994 in the amount of $26,700,000 has been recorded as of September 30, 2009. Estimates of abandonment costs are reviewed annually, and adjusted to reflect modifications in abandonment practices, number and life of productive wells, varying abandonment expenses, general changes in the life of the oil field, and changes in oil price levels.

NOTE 23 – POLUTION REMEDIATION OBLIGATIONS

BKK Sites

Between 1947 and 1949, the City disposed of municipal waste in a landfill owned by BKK Corp located in Carson, California. It has been determined that the site is the source of groundwater contamination. The State Department of Toxic Substances Control has identified the City as a potentially responsible party (PRP) under the Resources Conservation and Recovery Act and has threatened enforcement action. The County of Los Angeles has threatened a cross claim against the City for contribution. As of September 30, 2009, there was insufficient information to develop an estimate of potential remediation costs attributable to the City. The City has an Environmental Pollution Insurance Policy that covers the period in question that should mitigate any potential costs.

From the mid 60s through 1987, the City disposed of municipal waste in a landfill owned by BKK Corp located in West Covina, California. It has been determined that the site is the source of groundwater contamination. The State department of Toxic Substances Control has a cleanup order to PRPs under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The primary PRPs have entered into a consent decree. Those parties in turn have threatened to compel the City to contribute part of the clean-up costs. As of September 30, 2009, there was insufficient information to develop an estimate of potential remediation costs attributable to the City. The City has an Environmental Pollution Insurance Policy that covers the period in question that should mitigate any potential costs and therefore the cost of any potential remediation effort is considered immaterial.

Nation Resources Defense Council

The County of Los Angeles has filed a claim with the City for contribution / indemnification in the judgment that has not yet been rendered against them in Nation Resources Defense Council (NRDC) vs. County for violations of the federal Clean Water Act and their NPDES Permit. The site is located in Long Beach. The City has denied the claim. As of September 30, 2009, the affect of any potential remediation activity on the City was not estimable.

West Covina Site

Chevron (USA), Exxon Mobile Corporation, Conocophillips Company, Long Beach Oil Development Company (LBOD), and American Energy Operations, Inc. have been named in cleanup actions (Imminent and Substantial Endangerment Determination and Order and a Remedial action Order form the California Department of Toxic Substance Control). The site is located in West Covina. In response, the parties have filed claims against the City seeking unspecified damages. In 2005 and 2006, the parties entered into tolling agreements with the City. To date, no costs have been incurred in this matter. As of September 30, 2009, there was insufficient information to develop an estimate of potential remediation costs attributable to the City. The City has an Environmental Pollution Insurance Policy that covers the period in question that should mitigate any potential costs and therefore the cost of any potential remediation effort is considered immaterial.

Long Beach Oil Development Company

In 2003, LBOD, a contractor for the City responsible for managing oil operations, was named in a lawsuit. During the period from 1939 to February 1989, LBOD deposited oil operations materials at three approved disposal sites. LBOD was named in cleanup actions (Imminent and Substantial Endangerment Determination and Order and a Remedial action Order form the California Department of Toxic Substance Control) for these sites and has sued the City seeking reimbursement for costs expended. As of September 30, 2009, there was insufficient information to develop an

estimate of potential remediation costs attributable to the City. The City acts as a trustee for the State for the impacted lands and the funds for defense and settlement shall come from State of California Oil Revenue.

Housing Development Company

In 2006 the Agency purchased property at 2085 Atlantic Boulevard at a reduced price with the knowledge that remediation activities for soil and groundwater contamination would have to be undertaken. In August of 2007 the property was conveyed to the Company. The remediation activities, as directed by the Los Angeles Regional Water Quality Control Board (Regional Board), have been completed; however, continued monitoring of the site has been ordered. The estimated remaining liability for the monitoring, based on a cost estimate from the monitoring service provider, is $50,000. There is a remote possibility that the cost of monitoring may increase if the mandated monitoring period is extended. There is no reasonable expectation of any recovery associated with these remediation efforts.

Paramount Landfill

The City of Long Beach operated the Paramount Landfill from 1945 to 1948. After closure, the landfill was partitioned and all but one parcel has been sold. The remaining parcel was developed into Davenport Park. In May of 2009, the Regional Board notified the City that additional groundwater monitoring is required for this site. The estimated remaining liability associated with the groundwater monitoring, based on a cost estimate from the monitoring service provider, is $60,000. There is a remote possibility that the cost of monitoring may increase if the mandated monitoring period is extended. There is no reasonable expectation of any recovery associated with these remediation efforts.

Metropolitan Transportation Authority (MTA) Bus Parking Lot

The Regional Board has notified the City that additional ground water monitoring for the former MTA bus parking lot may be required. MTA had received closure for the site prior to it being sold to the City. When the property was acquired by the City, MTA pledged $300,000 to pay for any future monitoring costs. Management has not recorded a liability because it is believed that the costs associated with any future monitoring would be less than the pledge of the MTA. The site is still being evaluated and the City is waiting for final determination from the Regional Board as to the extent of, if any, additional monitoring activities may be required.

Union Pacific Railroad (UPRR) Site

The Regional Board has directed the City to perform ground water monitoring at the former UPRR site. The City performed the monitoring as directed. All monitoring wells have been closed and monitoring activities have ceased. At September 30, 2009, final determination for site closure was still pending and no liability related to activities at this site has been recorded within the financial statements.

Leaking Underground Storage Tanks (LUST)

The City is has been named a responsible party for a number of LUST by the Regional Board. The remediation activities, as directed by the Regional Board, have been completed; however, continued monitoring of the sites has been ordered. As of September 30, 2009, the estimated related liability for the future monitoring costs was set at $274,000. There is a possibility that the cost of monitoring may increase. There is no reasonable expectation of any recovery associated with these remediation efforts.

Harbor District

The Harbor purchased 725 acres of property in the Harbor District in 1994 with the knowledge that remediation activities for soil contamination would have to be undertaken. The remediation activities were undertaken per a remedial administrative order from the Regional Board. To the extent that such remediation was necessary, the Harbor Department's liability was mitigated by provisions within the purchase agreement that made Union Pacific Resource Company (UPRC), the seller, responsible for a portion of the remediation costs. UPRC was acquired by Anadarko Petroleum Co. (Anadarko) and Anadarko has assumed this liability in accordance with the original purchase agreement. Anadarko's responsibility was limited to a period not to exceed 15 years and a maximum amount of $112,500,000. The remediation activities required by the administrative order have been completed and the Harbor Department is waiting for final determination on rescinding the administrative order from the Regional Board. The Harbor Department has no current requirements for significant additional work related to this site.

Installation Restoration Site 7

The Harbor is required to clean up the sediments of an area known as Installation Restoration Site 7 (IR Site 7). The remediation activities were undertaken per a remedial action order from the California Department of Toxic Substance Control. The Harbor has recognized a liability associated with IR Site 7 for fiscal year 2009 in the amount of $20,074,000, including long-term and short-term obligations. The Harbor Department has no knowledge of any additional future liabilities related to this site.

Long Beach Airport Site

In September 2009, the Regional Board identified the Airport as a potentially responsible party for groundwater and soil contaminants found in and around the Airport. The Airport was directed to prepare a technical work plan to characterize the groundwater and free product contaminants at the Airport. The estimated liability for the initial evaluation stage is $150,000. There will be additional costs for determining the source of the contaminant, for monitoring for any mandated monitoring period, and potentially for clean up activities; however, at September 30, 2009, there was insufficient information to further estimate any liability associated with this site.

NOTE 24 – INVESTMENT IN JOINT VENTURES

Intermodal Container Transfer Facility Joint Powers Authority (ICTF)

The City's Harbor Department and the Port of Los Angeles (the Venturers) have entered into a joint venture agreement to form the Intermodal Container Transfer Facility Joint Powers Authority (ICTF) for the purposes of finance and constructing an intermodal container transfer facility (Facility) to transfer cargo containers between trucks and railroad cars. The Facility has been leased to Southern Pacific Transportation Company, now merged with Union Pacific Railroad (the tenant). The Facility was developed by the tenant who has assumed operational responsibility for the Facility. The Venturers' share net income and equity distributions from ICTF equally. Audited balance sheets and statement of income and Venturers' equity (in condensed format) for the years ended June 30, 2009 and 2008 were as follows:

ICTF
Condensed Balance Sheet
June 30, 2009 and 2008
(In Thousands)

	2009	2008
Current Assets	$ 19,361	$ 21,117
Property and Equipment	2,951	3,059
Total Assets	$ 22,312	$ 24,176
Current Liabilities	$ 172	$ 24
Venturers' Equity:		
Port of Long Beach Harbor Department	10,891	11,897
Port of Los Angeles	11,249	12,255
Total Venturer's Equity	22,140	24,152
Total Liabilities and Venturers' Equity	$ 22,312	$ 24,176

ICTF
Condensed Statement of Income and Venturers' Equity
for the Years Ended June 30, 2009 and 2008
(In Thousands)

	2009	2008
Operating Revenues	$ 5,901	$ 8,340
Operating Expenses	(161)	(108)
Operating Income	5,740	8,232
Interest Income	248	650
Net Income	5,988	8,882
Venturers' Equity, July 1	24,152	15,270
Cash Disbursement to Venturers	(8,000)	-
Venturers' Equity, June 30	$ 22,140	$ 24,152

On September 19, 2009, ICTF authorized the cash distribution of $8,000,000 to be shared equally by the Venturers.

Pursuant to an Indenture of Trust dated November 1, 1984, ICTF issued $53,900,000 of 1984 Series A bonds on behalf of the tenant to construct the facility. On May 1, 1989, ICTF issued $52,300,000 of 1989 Series A Refunding Revenue Bonds on behalf of the tenant to advance refund the 1984 Series A bonds.

Pursuant to an Indenture of Trust, dated as of October 1, 1999, ICTF issued its Intermodal Container Transfer Refunding Revenue Bonds, 1999 Series A (the 1999 Bonds). In connection with the issuance of the 1999 Bonds, Union Pacific Railroad Company and ICTF entered into a Second Amended and Restated Installment Sale and Security Agreement, dated as of October 1, 1999. The proceeds of the 1999 Bonds, together with certain other funds, were used by ICTF to redeem all of the Intermodal Container Transfer Facility Refunding Revenue Bonds, 1989 Series A then outstanding. The bonds are payable solely from payments by the Tenant under a long-term lease agreement for the use of the facility.

NOTE 25 – DEFERRED COMPENSATION

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

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

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

NOTE 26 – COMMITMENTS AND CONTINGENCIES

Commitments

At September 30, 2009, business-type fund commitments for construction projects and for purchases of goods and services are as follows (in thousands):

Gas Utility	$ 195
Water	3,399
Solid Waste Management	34
Tidelands	4,623
Tidelands Oil Revenue	30
Harbor	118,090
Non-major business-type funds	
Sewer	1,338
Airport	3,615
Towing	2
Total	$ 131,326

At September 30, 2009, the City's commitments for Internal Service Funds activity construction projects and for the purchase of goods and services aggregated $6,935,000.

The component unit, LBT has $6,721,000 in commitments at June 30, 2009, mainly for the purchase of new buses.

Health Insurance

The City contracts with an insurance company to provide group health insurance to City employees. In an effort to maintain rates at acceptable levels, the City deposited with a trustee certain securities valued at approximately $5,000,000 to cover terminal liability claims. The securities are included in the City's pooled cash and investments and all interest earned on the securities accrues to the City. In the event the City terminates its contract with the insurance company, any funds in excess of the actual terminal claims liability will be returned to the City.

Self Insurance

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

As stated in Note 16, the City is self-insured for its workers' compensation and liability claims. As claims are made against the City, they are routinely evaluated and appropriate accrued liabilities are recorded. Certain of these claims may ultimately reach the trial level and could result in judgments against the City. While the ultimate adverse effect, if any, of claims and judgments against the City cannot be estimated with certainty, it is the opinion of management, based upon consultation with the City Attorney and outside legal counsel as applicable, that such judgments against the City will not have a material adverse effect on the City's financial position beyond that already accrued for in the basic financial statements.

Environmental Remediation

The City's Harbor Department purchased 725 acres of property in the Harbor District in 1994. The property contains soil requiring remediation of environmentally hazardous materials. The remediation is required only on the portion of the land that the Harbor Department chooses to develop. To the extent that such remediation is necessary, the Harbor Department's liability is mitigated by provisions in the purchase agreement that make Union Pacific Resource Company (UPRC), the seller, responsible for a portion of the remediation costs. Anadarko who assumed this liability in accordance with the original purchase agreement acquired UPRC. Anadarko's responsibility is limited to a period not to exceed 15 years and a maximum amount of $112,500,000 according to the following table:

Site Remediation Cost		Allocation: APC	Allocation: Harbor
First	$ 50 million	$ 50,000,000	$ -
Second	$ 50 million	25,000,000	25,000,000
Third	$ 50 million	12,500,000	37,500,000
Fourth	$ 50 million	25,000,000	25,000,000
All Additional Costs		-	100%
Maximum Liability		$112,500,000	

Currently, the Harbor Department has developed 131 acres and plans to develop 160 additional acres.

Additionally, for fiscal year 2009 and as noted in footnote 23, the Harbor Department has recognized a liability in the amount of $20,074,000 to clean up the sediments of an area known as Installation Restoration Site 7.

Alameda Corridor Development Project

In December 1994, the City's Harbor Department and the Harbor Department of the City of Los Angeles (collectively the Ports) executed the purchase of the rights-of-way needed for the development of the Alameda Corridor Project (the Project), which is a comprehensive transportation corridor between the Ports and the central Los Angeles area. The Ports purchased these rights, sharing the cost on a 50/50 basis, from the three railroad companies then serving the Ports: Union Pacific Railroad Company, Southern Pacific Railroad Company, and Atchison, Topeka and Santa Fe Railroad Companies. After the purchase, Southern Pacific merged into Union Pacific and Atchison, Topeka, and Santa Fe merged with Burlington Northern to form the Burlington Northern Santa Fe.

The total purchase is comprised of the right-of-way property from the three former railroad companies and a drill track from Southern Pacific to provide an additional right-of-way to access local businesses along the Project. As of September 30, 2009 and 2008, total costs to the City's Harbor Department related to the rights-of-way purchase amounted to $207,823,000.

Construction of the Project began in 1997 and it was completed in April 2002. Funding for the Project came from federal, state, and local sources, and from the issuance of debt. Some of the benefits derived from the Project are the consolidation of the railroad services onto a single set of rail lines, the improvement of the rail transportation condition around the Ports, the securing of efficient

and competitive service to and from the Ports, and the increase in public safety along the route on which Port-related traffic occurs. These benefits will extend to other governmental entities by allowing them to also utilize the right-of-way.

Repayment to the Ports for their investments in the right-of-way and for any advances provided to the Project will occur after the Project has generated revenues sufficient to retire all debt and to fund a maintenance reserve.

Potential Obligations related to the Alameda Corridor Transportation Authority

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

To the extent that the revenues from use and container charges are not sufficient to meet ACTA's obligations, the City's Harbor Department and the Port of Los Angeles have agreed to advance the funds necessary to make up the difference. This obligation began after completion of the Corridor project and is limited to a total of 40 percent of the total annual required amount, with the Harbor Department and the Port of Los Angeles are each responsible for one-half, or 20 percent of the required amount.

ACTA's latest Notice of Estimated Shortfall Advances and Reserve Accounting Funding (Notice) was transmitted to the City's Harbor Department on August 6, 2009; estimates included in the Notice are dependent upon the accuracy of the assumptions used in their formulation. It is anticipated that there will be differences between estimates and actual results; the differences may be material. The projected shortfall for fiscal year 2010, based on the Notice submitted by ACTA is zero. Any shortfall advance made by the Harbor Department and the Port of Los Angeles is reimbursable, with interest, by ACTA. Reimbursement could begin as soon as 2018. The Harbor Department is funding a cash reserve to satisfy claims to the shortfall advance potential obligation. The balance of the reserve, as of September 30, 2009 and 2008, is $46,045,000 and $36,883,000, respectively.

Environmental Mitigation Costs

The City's Harbor Department disbursed $39,375,000 in fiscal year 1997 to secure environmental mitigation credits that would allow the Port to complete projects within its complex. These credits are redeemed based on the number of acres of landfill complete by the Port.

An agreement between the City's Harbor Department, the Harbor Department of the City of Los Angeles, and several federal and state regulatory agencies provided for the City's Harbor Department's purchase of land located within the wetlands restoration project at the Bolsa Chica Wetlands in Orange County, California. The land was transferred to the State in return for environmental mitigation credits to allow for the construction of up to 267 acres of landfill in the outer harbor area. During fiscal year 2007, the Harbor Department acquired an additional $11,400,000 of available environmental mitigation credits. No acquisitions or utilization of credits occurred during 2009.

The cost incurred in the acquisition of the land has been classified as a non-current asset. As of September 30, 2009, the City's Harbor Department has completed landfills that required the

utilization of $6,493,000 of the available credits. The balance of environmental mitigation costs will be adjusted in the future as landfill credits are used for port development. The balance of the environmental mitigation credits is $44,278,000 at September 30, 2009.

Desalination Prototype Site Restoration Cost

In fiscal year 2008, the Water Department completed construction and began fully operating a demonstration scale prototype of a subsurface seawater intake and discharge facility located at Cherry Beach along the coast of the City. This facility is intended to determine the feasibility of utilizing a subsurface intake and discharge system for seawater desalination as an alternative to open ocean intakes and provide data for full-scale design. Facility construction costs totaling $4,614,315 have been capitalized and will be depreciated over a period of two years. A Coastal Development Permit granted by the California Coastal Commission in September of 2007, required the Department to restore the project site to its pre-existing condition no later than May 21, 2010. Estimated site restoration costs of $1,000,000 have been accrued as a long-term liability and recorded to non-operating expenses. Operating costs of the facility are expensed as incurred.

In fiscal year 2007, the Water Department completed construction and began fully operating a 300,000 gallon-per-day prototype desalination research and development facility. The facility is located on land leased from the Los Angeles Department of Water and Power. Facility construction costs totaling $7,871,476 have been capitalized and will be depreciated over the remaining term of the land lease, which terminates in the year 2010. The terms of the lease require the facility site to be restored to its original condition at the commencement of the lease agreement. Consequently in fiscal year 2007, estimated site restoration costs of $400,000 have been accrued as a long-term liability and recorded to non-operating expense. The operating and other associated costs of the facility are expensed as incurred.

New Gerald Desmond Bridge Matching Contribution

The City's Harbor Department is actively pursuing the replacement of the Gerald Desmond Bridge. The total cost to replace the bridge is estimated at $1,100,000,000. The City's Harbor Department anticipates that funding of this project will come primarily from federal and state sources. To receive this funding, the Harbor Department is required to provide a matching amount.

In anticipation of the matching requirements, the Harbor Department has set aside funds to provide the expected 10 percent local match. As of September 30, 2009 and 2008, the funds that have been earmarked for this project amounted to $51,979,000.

Green Port Infrastructure Commitment

In January 2006, the City's Harbor Department adopted a wide-ranging Green Port Policy that greatly expanded its commitment to sustain the environment by establishing new guidelines for port's current operations and future development. Key provisions include protection of the community from the harmful impacts of port operations and employment of state-of-the-art technology to minimize environmental impacts. Air emissions from ships at berth account for over one-third of all vessel air emissions. Providing electrification reduces emissions significantly. With electrification, or "cold ironing", vessels can shut down their auxiliary engines, while at berth, and plug into dockside electric substations.

Clean Air Action Plan (CAAP)

In November 2006, the governing boards of the ports of Long Beach and Los Angeles approved the landmark San Pedro Bay Ports CAAP. This plan commits the ports to an aggressive plan to reduce pollution by at least 45 percent in the next five years. The $2,000,000,000 plan addresses all

port-related emission sources, ships, trains, trucks, terminal equipment, and harbor craft ,to significantly reduce health risks posed by air pollution.

The Clean Trucks Program (CTP) is a key element of CAAP. Beginning October 1, 2008, CTP banned pre-1989 trucks from entering port's shipping terminals. By January 1, 2010, only trucks built after 1993 will be allowed into the port's shipping terminals, and by January 1, 2012, all trucks must meet 2007 federal Environmental Protections Agency emission standards that make new trucks more than 80 percent less polluting than older trucks. In order to assist with the replacement of trucks, the port offers three options: lease to own; grants for an engine retrofit; and loan subsidy for the purchase of clean trucks. While the port does not own or operate the more than 16,000 drayage trucks that serve port terminals, CTP will greatly accelerate the reduction of air pollution and public health risks posed by dirty diesel trucks that would otherwise remain on the roadway for many years if not decades.

Projects funded from this reserve must improve air quality, foster the use of ship-to-shore electricity at the ports, and enhance use pollution-based impact fees to improve air quality and public health.

Pike Public Improvements

In fiscal year 2002, the City issued special assessment debt under the authority of the Mello-Roos Community Facilities Act for public improvements, mainly a parking facility, in the Pike Development Project area. Although the debt does not constitute an indebtedness of the City, in order to facilitate such financing, the parking facility was subleased to the City for the purposes of issuing the Mello-Roos Bonds pursuant to a City sublease. According to the sublease, the City is subject to an annual calculated lease payment up to $1,169,000 through October 2032, plus net revenues from certain other Pike area parking operations, in the event the Pike garage does not generate sufficient net revenue to make bond payments.

NOTE 27 – SUBSEQUENT EVENTS

City of Long Beach Senior Airport Revenue Bonds, Series 2009

In December 2009, the City issued $61,440,000 of Senior Airport Revenue Bonds. The proceeds of the Series 2009A and 2009B refunded $4,000,000 of the Airport's outstanding commercial paper and prepaid all of 1993 Certificates of Participation. Series 2009C are federally taxable Build America Bonds. Series 2009C proceeds and a portion of 2009A proceeds are funding the design and construction of phase one of a new parking structure at the Airport. Debt service on the Series 2009 bonds will be paid through revenues generated by the Airport.

Consent Judgment

On January 21, 2010, the City has entered into a Consent Judgment (Judgment) with the State Water Resources Control Board to mitigate penalties associated with the City's non-compliance with State law governing the construction, operation, and maintenance of underground storage tanks. Under the terms of the Judgment, the City is liable for up to $6.0 million in civil penalties and $200 thousand of additional administrative costs. Of this amount, the City is required to pay $1.7 million dollars (accrued in fiscal year 2009 in the General Fund) within 30 days, $2.0 million can be credited for actions the City has taken before the Judgment, and will take in the next three years. $2.5 million shall be suspended on condition that (1) the City complies with the terms of the Judgment, (2) the City provides an instrument of financial assurance within 30 days for the suspended amount, and (3) the City places a full-page advertisement in the Long Beach Telegram within 20 days of the Judgment.

City of Long Beach Harbor Revenue Bonds, Series 2010

In March 2010, the City issued $200,835,000 of Harbor Revenue Bonds. Proceeds of Series 2010A bonds are to be used to finance capital improvements at the Port to include projects related to the expansion and modernization of Piers D, E, F, and G. Debt service on the Series 2010 bonds will be paid through revenues generated by the Port. Payment on this debt begins in November of 2010 and continues through May of 2025.

Redevelopment Agency Bonds, 2010 Series A and B

In April 2010, the Agency issued $32,9805,000 of Taxable Bonds. The proceeds of the $22,235,000 federally taxable Series 2010A Recovery Zone Economic Development Bonds, and the $10,745,000 federally taxable Series B Build America Bonds, are to be used to finance capital improvements within or of benefit to the North Long Beach Redevelopment Project. $8,000,000 of the proceeds are to be used for the construction of a new fire station and other site related improvements. Debt service on the Series 2010 bonds will be paid through tax increment revenues generated within the project area. Payment on this debt begins in April of 2010 and continues through August of 2040.

Supplemental Educational Revenue Augmentation Fund (SERAF) Lawsuit

As part of the State budget trailer passed in July 2009 as part of the 2009-10 state budget (AB 4X- 26), the State enacted a bill which amended sections of the community redevelopment law which will require payments by redevelopment agencies to a County Supplemental Educational Revenue Augmentation Fund during the 2010 and 2011 fiscal years. The bill became effective in October 26, 2009.

On behalf of redevelopment agencies statewide, the California Redevelopment Association (CRA) filed a lawsuit challenging the constitutionality of the aforementioned action and sought to prevent the State from taking redevelopment funds for non-redevelopment purposes in the form mandated payments to the SERAF. The State Superior Court found, however, that the State take away of redevelopment funds did not violate the State Constitution and the Agency made a $29.5 million payment in May 2010 to comply with the new law. An appeal has been filed contesting the Superior Court's decision.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Long Beach
Required Supplementary Information
CalPERS Analysis of Funding Progress
(Unaudited)
(In thousands)

June 30 Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Normal Accrued Liability (b)	Excess Funded (Deficit/ Unfunded) Assets (a) – (b)	Funded Status (AVA) (a) / (b)	Funded Status Market Value	Annual Covered Payroll (c)	Excess Funded (Deficit/ Unfunded) Assets as a % of Covered Payroll [(a) - (b)] / (c)
			Miscellaneous Employees				
2006	$1,394,797	$1,467,665	($72,868)	95.0%	100.9%	$193,944	(37.6)%
2007	1,489,681	1,558,205	(68,524)	95.6%	111.2%	204,765	(33.5)%
2008	1,576,158	1,667,773	(91,615)	94.5%	96.7%	215,224	(42.6)%
			Safety Employees				
2006	$1,424,542	$1,388,324	$36,218	102.6%	108.9%	$110,146	32.9%
2007	1,514,813	1,479,271	35,542	102.4%	119.1%	119,753	29.7%
2008	1,602,457	1,592,667	9,790	100.6%	103.1%	132,156	7.4%

See accompanying independent auditor's report

City of Long Beach
Required Supplementary Information
Public Agency Retirement System
Analysis of Funding Progress
(Unaudited)

Actuarial Valuation Date (1)	Actuarial Value of Assets	Actuarial Accrued Liabilities	Funded (Excess assets)	Funded Ratio	Annual Covered Payroll	Rate of Funded Liability to Annual Covered Payroll
1998	$ 628,037	$ 493,178	$ 134,859	127%	$14,636,213	0.92 %
1999	844,349	644,922	199,427	131%	16,239,480	1.23 %
2000	1,071,241	575,446	495,795	186%	15,124,582	3.28 %
2001	1,317,055	410,609	906,446	321%	10,697,767	8.47 %
2002	1,526,586	475,029	1,051,557	321%	8,472,945	12.41 %
2003	1,703,852	517,234	1,186,618	329%	8,504,901	13.95 %
2004	1,536,647	545,083	991,564	282%	8,265,983	12.00 %
2005	1,388,268	675,055	713,213	206%	7,697,497	9.27 %
2006	1,307,680	789,799	517,881	166%	7,927,910	6.53 %
2007	1,421,066	860,013	561,053	165%	8,460,717	6.63 %
2008	1,101,797	1,047,157	54,640	105%	9,178,269	0.60 %

Postemployment Health Care Benefits
Analysis of Funding Progress
(Unaudited)

Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (a) – (b)	Funded Ratio (b) / (a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a) – (b)] / (c)
1/1/2006	$ 86,868	$ -	$ 86,868	0%	$284,484	30.5%
9/30/2008	110,324	-	110,324	0%	328,205	33.6%

See accompanying independent auditor's report

ADDITIONAL FINANCIAL SECTION

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CAPITAL PROJECTS FUNDS

Budgetary information for major Capital Projects funds is provided in this section.

General Capital Projects Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis)

Redevelopment Capital Projects Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis)

City of Long Beach
General Capital Projects
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis)
Fiscal Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Licenses and Permits	$ 1,000	$ 1,000	$ 644	$ (356)
Use of Money and Property	1,834	1,834	1,438	(396)
From Other Agencies	31,857	28,962	2,526	(26,436)
Other	210	210	225	15
Total Revenues	34,901	32,006	4,833	(27,173)
Expenditures:				
Capital Improvements	85,841	84,837	17,954	66,883
Total Expenditures	85,841	84,837	17,954	66,883
Excess of Revenues Over (Under) Expenditures	(50,940)	(52,831)	(13,121)	39,710
Other Financing Sources (Uses):				
Transfers In	3,418	2,943	3,368	425
Transfers Out	(210)	(210)	(12)	198
Total Other Financing Sources	3,208	2,733	3,356	623
Net Change in Fund Balance	(47,732)	(50,098)	(9,765)	40,333
Fund Balances - October 1, Budgetary Basis	50,342	50,342	50,342	-
Encumbrances - Beginning of the Year	4,242	4,242	4,242	-
Fund Balances - September 30, Budgetary Basis	$ 6,852	$ 4,486	$44,819	$ 40,333

See accompanying independent auditor's report

City of Long Beach
Redevelopment Capital Projects
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis)
Fiscal Year Ended September 30, 2009
(In Thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property Taxes	$ 74,680	$ 74,680	$ 92,762	$ 18,082
Other Taxes	4,480	4,480	3,495	(985)
Licenses and Permits	(789)	(789)	33	822
Use of Money and Property	3,747	3,747	3,870	123
From Other Agencies	5,187	5,187	757	(4,430)
Other - Land Sales and Contributions	120,483	117,981	(18,322)	(136,303)
Other	(1,250)	(1,250)	999	2,249
Total Revenues	206,538	204,036	83,594	(120,442)
Expenditures:				
General Government				
Financial Management	399	395	368	27
Community and Cultural				
Community Development	277,402	278,799	59,960	218,839
Total Current Expenditures	277,801	279,194	60,328	218,866
Debt Service:				
Principal	9,527	9,527	8,672	855
Interest	17,931	17,931	20,235	(2,304)
Fiscal Agent Fees	225	225	86	139
Total Expenditures	305,484	306,877	89,321	217,556
Excess of Revenues Over (Under) Expenditures	(98,946)	(102,841)	(5,727)	97,114
Other Financing Sources (Uses):				
Debt Issuance	3,655	3,655	311	(3,344)
Discount on Debt Issuance				
Payments to Refunded Bond Escrow Agent	-	-	1,304	1,304
Transfers In	(79,997)	(77,139)	5,314	82,453
Transfers Out	(9,978)	(9,378)	(6,140)	3,238
Total Other Financing Sources (Uses)	(86,320)	(82,862)	789	83,651
Net Change in Fund Balance	(185,266)	(185,703)	(4,938)	180,765
Fund Balances - October 1, Budgetary Basis	158,758	158,758	158,758	-
Encumbrances - Beginning of the Year	1,125	1,125	1,125	-
Fund Balances - September 30, Budgetary Basis	$(25,383)	$(25,820)	$ 154,945	$ 180,765

See accompanying independent auditor's report

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable and nonexpendable trusts) that are restricted by law to expenditure for specified purposes.

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 impact fee assessed on oil producers barrel production in the City and associated police officers and firefighters expenditures that the revenue supports. The fee was established under Proposition H, amending the Long Beach Municipal Code in fiscal year 2007.

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 Certified Unified Program Agency Fund was established by the City to account for services relating to hazardous waste material.

The Parking and Business Area Improvement Fund is used to account for special revenue received from businesses and property owners located within business improvement districts. Business Improvement Districts are self-assessment districts created with the approval of affected businesses by City ordinance as allowed by State law. City business improvement districts are located in Belmont Shore, Bixby Knolls, designated hotel properties, Magnolia Industrial Area, and Downtown. Self-assessment revenues are used to provide safety, security, parking, and marketing services in the areas.

The Special Advertising and Promotion Fund is required by the City's Municipal Code Section 3.64.100 to account for a portion of the transient occupancy tax revenue. The revenues are restricted for use to advertising, promotional, and public relations projects calling attention to the City.

The Upland Oil Properties Fund was established to account for all costs and revenues for the City's proprietary oil interests and for accumulating reserves to pay for the City's portion of well abandonment and site-clearance liabilities.

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

The Business Assistance Fund is used to account for the Redevelopment Agency of the City of Long Beach monies used to fund commercial rehabilitation loans and rebates, business outreach, and commercial and retail services, including business attraction, retention, and expansion.

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

The Park and Public Safety Facility Development Fund was established by City Ordinance C-6567 to account for developer fees to be used solely and exclusively for the purpose of funding parkland acquisition and recreation improvements. In 2007, Council established an additional impact fee for new development to help finance, defray, or reimburse the City for appropriate portion of the cost of public safety facilities, which serve the development.

The Gasoline Tax Fund is a Special Revenue Fund established to account for the City's share of the State of California's Highway User Tax collected by the State to finance any street-related purpose of the City's system of streets, including the maintenance thereof. The fund also accounts for City's share of the State of California's Traffic Congestion, and Relief Program to finance the cost of repairs to street surfaces and bridges, and for Non Harbor, U.S. Department of Transportation, and Federal Highway Administration Grants to finance certain transportation projects.

The Transportation Fund is a Special Revenue Fund established to account for the City's share of a 1.5 percent sales tax collected by the County to finance certain transportation projects under Proposition A (approved November 1980), Proposition C (approved November 1990), and for the City's share of the State of California's Proposition 1B Transportation Bond to finance repairs to the City's local streets, and for the City's share of the South Coast Air Quality Management District vehicle registration fee to finance programs that reduce the impact of air pollution from motor vehicles on the community.

City of Long Beach
Nonmajor Governmental Special Revenue Funds
Combining Balance Sheet
September 30, 2009
(In Thousands)

	General Grants	Police and Fire Public Safety Oil Production Act	Health	Certified Unified Program Agency	Parking and Business Area Improvement	Special Advertising and Promotion	Upland Oil Properties
ASSETS							
Pooled Cash and Cash Equivalents	$ 2,721	$ 198	$ -	$ 235	$ 1,017	$ 632	$ 6,352
Non-Pooled Cash and Cash Equivalents	-	-	8	-	-	-	-
Non Performing Investments	-	3	-	1	1	5	-
Receivables:							
Accounts Receivable	16	47	951	107	659	401	1,874
Due from Other Governments	7,888	-	9,406	52	-	-	-
Allowance for Receivables	-	-	(425)	(112)	(76)	(177)	-
Other Assets-Current	-	-	-	-	-	-	-
Other Noncurrent Receivables	-	-	-	-	-	-	-
Total Assets	$ 10,625	$ 248	$ 9,940	$ 283	$ 1,601	$ 861	$ 8,226
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	$ 912	$ -	$ 2,302	$ 14	$ 1,021	$ 64	$ 503
Accrued Wages	82	67	759	33	-	26	-
Due to Other Funds	4,622	31	4,116	16	-	12	-
Deferred Revenues	4,334	-	539	12	-	-	-
Deposits and Collections Held in Trust	451	-	175	79	-	13	-
Advances from Other Funds	-	-	2,000	-	-	-	-
Total Liabilities	10,401	98	9,891	154	1,021	115	503
Fund Balances:							
Reserved for:							
Encumbrances	-	-	22	-	-	12	-
Future Capital Projects/Transportation	-	-	-	-	-	-	-
Estimated Oil Field Abandonment Costs	-	-	-	-	-	-	3,497
Debt Service	-	-	-	-	-	-	-
Unreserved, Designated for:							
Subsequent Years' Appropriations							
Special Revenue Funds	224	150	27	129	580	734	4,226
Unreserved, Undesignated							
Special Revenue Funds	-	-	-	-	-	-	-
Total Fund Balances	224	150	49	129	580	746	7,723
Total Liabilities and Fund Balances	$ 10,625	$ 248	$ 9,940	$ 283	$ 1,601	$ 861	$ 8,226

See accompanying independent auditor’s report

Belmont Shore Parking Meter Revenue	Development Services	Business Assistance	Housing Assistance	Park and Public Safety Facility Development	Gasoline Tax	Transportation	Totals September 30, 2009
$ 765	$ 3,906	$ 389	$ 11,172	$ 70	$ 5,117	$ 33,671	$ 66,245
45	-	-	84	-	-	-	137
2	9	3	-	-	14	91	129
-	108	-	167	-	-	3	4,333
-	-	-	480	-	2,424	145	20,395
-	(22)	-	(75)	-	-	-	(887)
-	-	3	-	-	-	12	15
-	-	1,927	-	-	-	-	1,927
$ 812	$ 4,001	$ 2,322	$ 11,828	$ 70	$ 7,555	$ 33,922	$ 92,294
$ 66	$ 552	$ 1	$ 76	$ -	$ 664	$ 8,140	$ 14,315
-	263	17	128	-	-	26	1,401
-	124	9	60	-	-	12	9,002
-	764	1,927	-	-	1,104	3,351	12,031
-	2,262	-	630	-	-	-	3,610
-	260	-	2,900	-	-	-	5,160
66	4,225	1,954	3,794	-	1,768	11,529	45,519
19	6	-	52	-	479	4,498	5,088
-	-	-	-	-	5,308	17,895	23,203
-	-	-	-	-	-	-	3,497
200	-	-	-	-	-	-	200
527	-	368	7,982	70	-	-	15,017
-	(230)	-	-	-	-	-	(230)
746	(224)	368	8,034	70	5,787	22,393	46,775
$ 812	$ 4,001	$ 2,322	$ 11,828	$ 70	$ 7,555	$ 33,922	$ 92,294

City of Long Beach
Nonmajor Governmental Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances (Deficit)
For the Fiscal Year Ended September 30, 2009
(In Thousands)

	Special Revenue						
	General Grants	Police and Fire Public safety Oil Production Act	Health	Certified Unified Program Agency	Parking and Business Area Improvement	Special Advertising and Promotion	Upland Oil Properties
Revenues:							
Taxes:							
Sales	$ -	$ -	$ 2,196	$ -	$ -	$ -	$ -
Other Taxes	-	3,543	-	-	5,884	3,772	-
Licenses and Permits	-	-	5,759	1,268	-	1,292	-
Use of Money and Property	41	21	20	13	10	23	19,011
From Other Agencies	13,573	-	28,507	44	-	-	-
Charges for Services	56	-	2,207	-	-	29	-
Other	304	-	33	-	-	47	-
Total Revenues	13,974	3,564	38,722	1,325	5,894	5,163	19,011
Expenditures:							
General Government	-	-	-	-	-	-	-
Public Safety	10,009	4,594	-	-	-	-	-
Public Health	348	-	38,540	1,331	-	-	-
Community and Cultural	3,733	-	-	-	5,886	7,008	-
Public Works	42	-	-	-	-	-	-
Oil Operations	-	-	-	-	-	-	6,888
Total Current Expenditures	14,132	4,594	38,540	1,331	5,886	7,008	6,888
Capital Improvements	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	240	-	-	-	-
Interest	-	-	73	-	-	-	-
Debt Administration Fees	-	-	-	-	-	-	5
Total Expenditures	14,132	4,594	38,853	1,331	5,886	7,008	6,893
Excess of Revenues Over (Under) Expenditures	(158)	(1,030)	(131)	(6)	8	(1,845)	12,118
Other Financing Sources (Uses):							
Transfers In	251	-	338	11	-	-	-
Transfers Out	-	-	-	-	-	-	(12,571)
Total Other Financing Sources (Uses)	251	-	338	11	-	-	(12,571)
Net Change in Fund Balances	93	(1,030)	207	5	8	(1,845)	(453)
Fund Balances (Deficit) - October 1	131	1,180	(158)	124	572	2,591	8,176
Fund Balances (Deficit) - September 30	$ 224	$ 150	$ 49	$ 129	$ 580	$ 746	$ 7,723

See accompanying independent auditor's report

Special Revenue							
Belmont Shore Parking Meter Revenue	Development Services	Business Assistance	Housing Assistance	Park and Public Safety Facility Development	Gasoline Tax	Transportation	Totals September 30, 2009
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,196
-	-	-	-	-	-	-	13,199
-	9,787	4	-	212	-	-	18,322
550	60	91	193	3	104	650	20,790
-	-	-	64,009	-	11,837	19,339	137,309
5	1,393	-	-	-	-	-	3,690
-	162	259	478	-	-	-	1,283
555	11,402	354	64,680	215	11,941	19,989	196,789
-	1,896	-	-	8	-	-	1,904
-	6,927	-	-	-	-	-	21,530
-	-	-	-	-	-	-	40,219
270	4,269	806	69,058	52	-	-	91,082
-	-	-	-	-	-	24,299	24,341
-	-	-	-	-	-	-	6,888
270	13,092	806	69,058	60	-	24,299	185,964
-	-	-	-	-	12,581	-	12,581
175	-	-	-	-	-	-	415
41	-	-	-	-	-	-	114
-	-	-	-	-	-	-	5
486	13,092	806	69,058	60	12,581	24,299	199,079
69	(1,690)	(452)	(4,378)	155	(640)	(4,310)	(2,290)
-	713	858	-	-	-	-	2,171
-	-	(1,076)	-	(243)	-	-	(13,890)
-	713	(218)	-	(243)	-	-	(11,719)
69	(977)	(670)	(4,378)	(88)	(640)	(4,310)	(14,009)
677	753	1,038	12,412	158	6,427	26,703	60,784
$ 746	$ (224)	$ 368	$ 8,034	$ 70	$ 5,787	$ 22,393	$ 46,775

City of Long Beach

Nonmajor Governmental Special Revenue Funds
Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2009
(In Thousands)

	General Grants				Police and Fire Public Safety Oil Production Act			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final			Original	Final		
Revenues:								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Tax	-	-	-	-	3,808	3,808	3,543	(265)
Licenses and Permits	-	-	-	-	-	-	-	-
Use of Money and Property	1	1	41	40	24	24	21	(3)
From Other Agencies	23,828	29,711	13,573	(16,138)	-	-	-	-
Charges for Services	61	61	56	(5)	-	-	-	-
Other	-	337	304	(33)	-	-	-	-
Total Revenues	23,890	30,110	13,974	(16,136)	3,832	3,832	3,564	(268)
Expenditures:								
General Government								
City Manager	400	-	-	-	-	-	-	-
Planning and Building-General Government	-	-	-	-	-	-	-	-
Non Departmental	-	-	-	-	-	-	-	-
Public Safety								
Police	10,393	13,819	6,671	7,148	1,800	1,800	1,792	8
Fire	4,276	6,497	3,311	3,186	2,956	2,935	2,802	133
City Prosecutor	116	116	27	89	-	-	-	-
Public Health	2,291	2,289	348	1,941	-	-	-	-
Community and Cultural								
Community Development	-	400	139	261	-	-	-	-
Library	399	1,166	1,027	139	-	-	-	-
Planning and Building-Community Planning	(19)	(19)	-	(19)	-	-	-	-
Development Services	145	145	46	99	-	-	-	-
Parks and Recreation	5,664	5,658	2,521	3,137	-	-	-	-
Public Works	427	752	42	710	-	-	-	-
Oil Operations	-	-	-	-	-	-	-	-
Total Current Expenditures	24,092	30,823	14,132	16,691	4,756	4,735	4,594	141
Capital Improvements	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Debt Administration Fees	-	-	-	-	-	-	-	-
Total Expenditures	24,092	30,823	14,132	16,691	4,756	4,735	4,594	141
Excess of Revenue Over (Under) Expenditures	(202)	(713)	(158)	555	(924)	(903)	(1,030)	(127)
Other Financing Sources (Uses):								
Transfers In	100	616	251	(365)	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	100	616	251	(365)	-	-	-	-
Net Change in Fund Balances	(102)	(97)	93	190	(924)	(903)	(1,030)	(127)
Fund Balances - October 1, Budgetary Basis	131	131	131	-	1,180	1,180	1,180	-
Encumbrances - Beginning of the Year	-	-	-	-	-	-	-	-
Fund Balances - September 30, Budgetary Basis	$ 29	$ 34	$ 224	$ 190	$ 256	$ 277	$ 150	$ (127)

See accompanying independent auditor's report

Health				Certified Unified Program Agency Fund				Parking and Business Area Improvement			
Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
Original	Final			Original	Final			Original	Final		
$ 2,518	$ 2,518	$ 2,196	$ (322)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	6,629	6,629	5,884	(745)
5,774	5,774	5,759	(15)	1,375	1,375	1,268	(107)	-	-	-	-
1	1	20	19	21	21	13	(8)	9	9	10	1
69,656	74,334	28,507	(45,827)	-	44	44	-	-	-	-	-
1,910	1,910	2,207	297	-	-	-	-	-	-	-	-
58	58	33	(25)	-	-	-	-	-	-	-	-
79,917	84,595	38,722	(45,873)	1,396	1,440	1,325	(115)	6,638	6,638	5,894	(744)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
81,648	86,098	38,562	47,536	1,295	1,336	1,331	5	-	-	-	-
-	-	-	-	-	-	-	-	7,032	7,032	5,886	1,146
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
81,648	86,098	38,562	47,536	1,295	1,336	1,331	5	7,032	7,032	5,886	1,146
-	-	-	-	-	-	-	-	-	-	-	-
206	206	240	(34)	-	-	-	-	-	-	-	-
143	143	73	70	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
81,997	86,447	38,875	47,572	1,295	1,336	1,331	5	7,032	7,032	5,886	1,146
(2,080)	(1,852)	(153)	1,699	101	104	(6)	(110)	(394)	(394)	8	402
536	536	338	(198)	-	11	11	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
536	536	338	(198)	-	11	11	-	-	-	-	-
(1,544)	(1,316)	185	1,501	101	115	5	(110)	(394)	(394)	8	402
(168)	(168)	(168)	-	124	124	124	-	572	572	572	-
10	10	10	-	-	-	-	-	-	-	-	-
$ (1,702)	$ (1,474)	$ 27	$ 1,501	$ 225	$ 239	$ 129	$ (110)	$ 178	$ 178	$ 580	$ 402

City of Long Beach
Nonmajor Governmental Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2009
(In Thousands)

(continued)

	Special Advertising and Promotion				Upland Oil Properties			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final			Original	Final		
Revenues:								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Tax	5,920	5,920	3,772	(2,148)	-	-	-	-
Licenses and Permits	697	697	1,292	595	-	-	-	-
Use of Money and Property	50	50	23	(27)	28,831	28,831	19,011	(9,820)
From Other Agencies	-	-	-	-	-	-	-	-
Charges for Services	-	-	29	29	-	-	-	-
Other	208	577	47	(530)	-	-	-	-
Total Revenues	6,875	7,244	5,163	(2,081)	28,831	28,831	19,011	(9,820)
Expenditures:								
General Government								
City Manager	-	-	-	-	-	-	-	-
Planning and Building-General Government	-	-	-	-	-	-	-	-
Non Departmental	-	-	-	-	-	-	-	-
Public Safety								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
City Prosecutor	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-
Community and Cultural								
Community Development	6,997	7,683	7,020	663	-	-	-	-
Library	-	-	-	-	-	-	-	-
Planning and Building-Community Planning	-	-	-	-	-	-	-	-
Development Services	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Oil Operations	-	-	-	-	9,793	9,793	6,888	2,905
Total Current Expenditures	6,997	7,683	7,020	663	9,793	9,793	6,888	2,905
Capital Improvements	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Debt Administration Fees	-	-	-	-	-	-	5	(5)
Total Expenditures	6,997	7,683	7,020	663	9,793	9,793	6,893	2,900
Excess of Revenue Over (Under) Expenditures	(122)	(439)	(1,857)	(1,418)	19,038	19,038	12,118	(6,920)
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	100	100	-	(100)	(18,857)	(18,857)	(12,571)	6,286
Total Other Financing Sources (Uses)	100	100	-	(100)	(18,857)	(18,857)	(12,571)	6,286
Net Change in Fund Balances	(22)	(339)	(1,857)	(1,518)	181	181	(453)	(634)
Fund Balances - October 1, Budgetary Basis	2,532	2,532	2,532	-	8,176	8,176	8,176	-
Encumbrances - Beginning of the Year	59	59	59	-	-	-	-	-
Fund Balances - September 30, Budgetary Basis	$ 2,569	$ 2,252	$ 734	$ (1,518)	$ 8,357	$ 8,357	$ 7,723	$ (634)

See accompanying independent auditor's report

Belmont Shore Parking Meter Revenue				Development Services				Business Assistance			
Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favornle (unfavornle)	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
Original	Final			Original	Final			Original	Final		
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	13,919	13,919	9,787	(4,132)	100	100	4	(96)
527	527	550	23	-	-	60	60	17	17	91	74
-	-	-	-	-	-	-	-	(107)	(94)	-	94
-	-	5	5	617	617	1,393	776	-	-	-	-
-	-	-	-	174	174	162	(12)	65	886	259	(627)
527	527	555	28	14,710	14,710	11,402	(3,308)	75	909	354	(555)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	1,866	1,867	1,896	(29)	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	8,450	8,369	6,929	1,440	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
457	457	289	168	3,933	3,926	4,272	(346)	925	1,749	806	943
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
.	-	-	-	.	.	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
457	457	289	168	14,249	14,162	13,097	1,065	925	1,749	806	943
-	-	-	-	-	-	-	-	-	-	-	-
145	-	175	(175)	-	-	-	-	-	-	-	-
67	145	41	104	-	-	-	-	-	-	-	-
-	67	-	67	-	-	-	-	-	-	-	-
669	669	505	164	14,249	14,162	13,097	1,065	925	1,749	806	943
(142)	(142)	50	192	461	548	(1,695)	(2,243)	(850)	(840)	(452)	388
-	-	-	-	500	500	713	213	850	850	858	8
-	-	-	-	409	409	-	(409)	-	(1,068)	(1,076)	(8)
-	-	-	-	909	909	713	(196)	850	(218)	(218)	-
(142)	(142)	50	192	1,370	1,457	(982)	(2,439)	-	(1,058)	(670)	388
677	677	677	-	721	721	721	-	1,038	1,038	1,038	-
-	-	-	-	32	32	32	-	-	-	-	-
$ 535	$ 535	$ 727	$ 192	$ 2,123	$ 2,210	$ (229)	$ (2,439)	$ 1,038	$ (20)	$ 368	$ 388

City of Long Beach
Nonmajor Governmental Funds-Special Revenue Funds
Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended September 30, 2009
(In Thousands)
(continued)

	Housing Assistance				Park & Public Safety Facility Development			
	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
	Original	Final			Original	Final		
Revenues:								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Tax	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	1,023	1,023	212	(811)
Use of Money and Property	90	90	193	103	20	20	3	(17)
From Other Agencies	66,609	69,109	64,009	(5,100)	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Other	6	6	478	472	-	-	-	-
Total Revenues	66,705	69,205	64,680	(4,525)	1,043	1,043	215	(828)
Expenditures:								
General Government								
City Manager	-	-	-	-	-	-	8	(8)
Planning and Building-General Government	-	-	-	-	-	-	-	-
Public Safety								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
City Prosecutor	-	-	-	-	-	-	-	-
Public Health	-	-	-	-	-	-	-	-
Community and Cultural								
Community Development	68,236	70,680	69,110	1,570	-	-	-	-
Library	-	-	-	-	-	-	-	-
Planning and Building-Community Planning	-	-	-	-	-	-	-	-
Development Services	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	58	57	52	5
Public Works	-	-	-	-	-	-	-	-
Oil Operations	-	-	-	-	-	-	-	-
Total Current Expenditures	68,236	70,680	69,110	1,570	58	57	60	(3)
Capital Improvements	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Debt Administration Fees	-	-	-	-	-	-	-	-
Total Expenditures	68,236	70,680	69,110	1,570	58	57	60	(3)
Excess of Revenue Over (Under) Expenditures	(1,531)	(1,475)	(4,430)	(2,955)	985	986	155	(831)
Other Financing Sources (Uses):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(1,000)	(1,000)	(243)	757
Total Other Financing Sources (Uses)	-	-	-	-	(1,000)	(1,000)	(243)	757
Net Change in Fund Balances	(1,531)	(1,475)	(4,430)	(2,955)	(15)	(14)	(88)	(74)
Fund Balances - October 1, Budgetary Basis	12,408	12,408	12,408	-	158	158	158	-
Encumbrances - Beginning of the Year	4	4	4	-	-	-	-	-
Fund Balances - September 30, Budgetary Basis	$ 10,881	$ 10,937	$ 7,982	$ (2,955)	$ 143	$ 144	$ 70	$ (74)

See accompanying independent auditor's report

Gasoline Tax				Transportation				Total			
Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget - Favorable (unfavorable)
Original	Final			Original	Final			Original	Final		
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	2,518	2,518	$ 2,196	$ (322)
-	-	-	-	-	-	-	-	16,357	16,357	13,199	(3,158)
-	-	-	-	-	-	-	-	22,888	22,888	18,322	(4,566)
325	325	104	(221)	1,519	1,519	650	(869)	31,435	31,435	20,790	(10,645)
25,044	27,055	11,837	(15,218)	12,868	28,151	19,339	(8,812)	197,898	228,310	137,309	(91,001)
-	-	-	-	-	-	-	-	2,588	2,588	3,690	1,102
-	-	-	-	1	1	-	(1)	512	2,039	1,283	(756)
25,369	27,380	11,941	(15,439)	14,388	29,671	19,989	(9,682)	274,196	306,135	196,789	(109,346)
-	-	-	-	-	-	-	-	400	-	8	(8)
-	-	-	-	-	-	-	-	1,866	1,867	1,904	(37)
-	-	-	-	-	-	-	-	20,643	23,988	15,392	8,596
-	-	-	-	-	-	-	-	7,232	9,432	6,113	3,319
-	-	-	-	-	-	-	-	116	116	27	89
-	-	-	-	-	-	-	-	85,234	89,723	40,241	49,482
-	-	-	-	-	-	-	-	87,580	91,927	87,522	4,405
-	-	-	-	-	-	-	-	399	1,166	1,027	139
-	-	-	-	-	-	-	-	(19)	(19)	-	(19)
-	-	-	-	-	-	-	-	145	145	46	99
-	-	-	-	-	-	-	-	5,722	5,715	2,573	3,142
-	-	-	-	36,920	52,126	28,797	23,329	37,347	52,878	28,839	24,039
-	-	-	-	-	-	-	-	9,793	9,793	6,888	2,905
-	-	-	-	36,920	52,126	28,797	23,329	256,458	286,731	190,580	96,151
33,265	35,276	13,060	22,216	-	-	-	-	33,265	35,276	13,060	22,216
-	-	-	-	-	-	-	-	351	206	415	(209)
-	-	-	-	-	-	-	-	210	288	114	174
-	-	-	-	-	-	-	-	-	67	5	62
33,265	35,276	13,060	22,216	36,920	52,126	28,797	23,329	290,284	322,568	204,174	118,394
(7,896)	(7,896)	(1,119)	6,777	(22,532)	(22,455)	(8,808)	13,647	(16,088)	(16,433)	(7,385)	9,048
-	-	-	-	-	-	-	-	1,986	2,513	2,171	(342)
-	-	-	-	-	-	-	-	(19,348)	(20,416)	(13,890)	6,526
-	-	-	-	-	-	-	-	(17,362)	(17,903)	(11,719)	6,184
(7,896)	(7,896)	(1,119)	6,777	(22,532)	(22,455)	(8,808)	13,647	(33,450)	(34,336)	(19,104)	15,232
5,821	5,821	5,821	-	21,304	21,304	21,304	-	54,674	54,674	54,674	-
606	606	606	-	5,399	5,399	5,399	-	6,110	6,110	6,110	-
$ (1,469)	$ (1,469)	$ 5,308	$ 6,777	$ 4,171	$ 4,248	$ 17,895	$ 13,647	$ 27,334	$ 26,448	$ 41,680	$ 15,232

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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 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 operation and maintenance of the Long Beach Municipal Airport and leaseholds.

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.

City of Long Beach
Nonmajor Proprietary Funds
Combining Statement of Net Assets
September 30, 2009
(In Thousands)

	Sewer	Airport	Towing	Subsidence	Totals September 30, 2009
ASSETS					
Current Assets:					
Pooled Cash and Cash Equivalents	$ 3,731	$ 29,725	$ 968	$ 164,028	$ 198,452
Non-Pooled Cash and Cash Equivalents	-	2,259	4	-	2,263
Non Performing Investments	7	51	-	373	431
Non-Pooled Investments	3,165	-	-	-	3,165
Receivables:					
Interest Receivable	-	-	-	10	10
Accounts Receivable	634	3,163	465	-	4,262
Due from Other Governments	-	212	-	-	212
Due from Other Funds	-	-	-	500	500
Other Receivables	-	71	-	-	71
Allowance for Receivables	(43)	(26)	(258)	-	(327)
Inventory	75	-	-	-	75
Total Current Assets	7,569	35,455	1,179	164,911	209,114
Noncurrent Assets:					
Restricted Noncurrent assets					
Non-Pooled Investments	-	-	-	2,164	2,164
Noncurrent Receivables					
Other Noncurrent Receivables	-	295	-	-	295
Advances to Other Funds	-	-	-	6,114	6,114
Capital Assets:					
Land and Other Capital Assets Not Being Depreciated	10,393	17,783	-	-	28,176
Capital Assets Net of Accumulated Depreciation	37,952	113,802	120	-	151,874
Other Assets-Long-Term	381	-	-	-	381
Total Noncurrent Assets	48,726	131,880	120	8,278	189,004
Total Assets	56,295	167,335	1,299	173,189	398,118
LIABILITIES					
Current Liabilities Payable from Current Assets:					
Accounts Payable	361	1,624	33	-	2,018
Accrued Wages	148	265	82	-	495
Accrued Interest Payable	-	125	-	-	125
Due to Other Funds	73	252	39	-	364
Deferred Revenues	-	858	-	6,614	7,472
Collections Held in Trust	-	349	-	-	349
Advances from Developers	73	-	-	-	73
Environmental Remediation	-	150	-	-	150
Other Long-Term Obligations-Current	-	4,920	-	-	4,920
Total Current Liabilities	655	8,543	154	6,614	15,966
Noncurrent Liabilities:					
Deferred Revenues	-	5,811	-	-	5,811
Other Long-Term Obligations	4,000	18,892	-	-	22,892
Unamortized Discount / Deferred Cost	-	(725)	-	-	(725)
Total Noncurrent Liabilities	4,000	23,978	-	-	27,978
Total Liabilities	4,655	32,521	154	6,614	43,944
NET ASSETS					
Investment in Capital Assets, Net of Related Debt	47,891	108,498	120	-	156,509
Restricted for:					
Debt Service	-	1,295	-	-	1,295
Capital Projects	-	11,096	-	-	11,096
Subsidence	-	-	-	166,575	166,575
Unrestricted	3,749	13,925	1,025	-	18,699
Total Net Assets	$ 51,640	$ 134,814	$ 1,145	$ 166,575	$ 354,174

See accompanying independent auditor's report

City of Long Beach

Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Fiscal Year Ended September 30, 2009

(In Thousands)

	Sewer	Airport	Towing	Subsidence	Totals September 30, 2009
Operating Revenues:					
Fees, Concessions and Rentals	$ -	$ 29,267	$ -	$ -	$ 29,267
Charges for Services	12,487	-	8,475	-	20,962
Total Operating Revenues	12,487	29,267	8,475	-	50,229
Operating Expenses:					
Personal Services	3,441	8,215	2,768	-	14,424
Maintenance and Other Operations	8,363	17,168	4,957	-	30,488
Bad Debt	31	-	-	-	31
Amortization	-	118	-	-	118
Depreciation	1,200	5,727	9	-	6,936
Total Operating Expenses	13,035	31,228	7,734	-	51,997
Operating Income (Loss)	(548)	(1,961)	741	-	(1,768)
Non-Operating Income (Expenses):					
Interest Income	70	465	9	3,011	3,555
Interest Expense	(31)	(542)	-	-	(573)
Operating Grants	-	353	-	-	353
Other Income	219	5,737	41	492	6,489
Total Non-Operating Income	258	6,013	50	3,503	9,824
Income (Loss) Before Contributions	(290)	4,052	791	3,503	8,056
Capital Grants and Contributions	-	11,549	-	-	11,549
Change in Net Assets	(290)	15,601	791	3,503	19,605
Net Assets - October 1	51,930	119,213	354	163,072	334,569
Net Assets - September 30	$ 51,640	$ 134,814	$ 1,145	$ 166,575	$ 354,174

See accompanying independent auditor's report

City of Long Beach
Nonmajor Proprietary Funds
Combining Statement of Cash Flows
Fiscal Year Ended September 30, 2009
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Sewer	Airport	Towing	Subsidence	Totals September 30, 2009
Cash Flows from Operating Activities:					
Receipts from Customers	$ 12,357	$ 28,662	$ 8,474	$ -	$ 49,493
Payments for Employee Salaries	(3,415)	(8,184)	(2,775)	-	(14,374)
Payments for Goods and Services	(3,999)	(11,398)	(3,612)	-	(19,009)
Payments in Lieu of Taxes	(4,152)	(6,979)	(1,359)	-	(12,490)
Other Income	219	(118)	41	-	142
Net Cash Provided by Operating Activities	1,010	1,983	769	-	3,762
Cash Flows from Non-Capital Financing Activities:					
Operating Grants Received from Other Governments	-	353	-	-	353
Net Cash Provided by Non-Capital Financing Activities	-	353	-	-	353
Cash Flows from Capital and Related Financing Activities:					
Receipt of Capital Grants	-	5,929	-	-	5,929
Proceeds from Issuance Of Long-Term Obligations	4,000	8,300	-	-	12,300
Payment of Cost of Issuance	(408)	-	-	-	(408)
Receipts of Contributed Capital	-	13,075	-	-	13,075
Principal Received on Other Long-term Receivable	-	66	-	-	66
Payments for Capital Acquisitions	(986)	(18,640)	-	-	(19,626)
Term Obligations	-	(870)	-	-	(870)
Payments of Interest	(4)	(533)	-	-	(537)
Net Cash Used for Capital and Related Financing Activities	2,602	7,327	-	-	9,929
Cash Flows from Investing Activities:					
Proceeds from the Sale of Investments	-	-	-	310	310
Payments for Investments	(3,165)	-	-	-	(3,165)
Proceeds from Other Government Entities	-	-	-	492	492
Receipts of Interest	70	465	9	2,927	3,471
Net Cash Provided by (Used for) Investing Activities	(3,095)	465	9	3,729	1,108
Net Increase in Cash and Cash Equivalents	517	10,128	778	3,729	15,152
Cash and Cash Equivalents - October 1	3,215	21,856	194	160,299	185,564
Cash and Cash Equivalents - September 30	$ 3,732	$ 31,984	$ 972	$ 164,028	$ 200,716
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating Income (Loss)	$ (548)	$ (1,961)	$ 741	$ -	$ (1,768)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization Expense	1,200	5,845	9	-	7,054
Other Income	219	(268)	41	-	(8)
(Increase) Decrease in Accounts Receivable, Net	(98)	(866)	-	-	(964)
Increase in Inventory	(15)	-	-	-	(15)
Increase in Environmental Liabilities	-	150	-	-	150
Increase (Decrease) in Accounts Payable	227	(1,352)	(15)	-	(1,140)
Increase (Decrease) in Accrued Wages Payable	25	31	(5)	-	51
Increase (Decrease) in Amounts Due to Other Funds	-	143	(2)	-	141
Increase (Decrease) in Deferred Revenues	-	253	-	-	253
Increase in Collections Held in Trust	-	8	-	-	8
Total Adjustments	1,558	3,944	28	-	5,530
Net Cash Provided by Operating Activities	$ 1,010	$ 1,983	$ 769	$ -	$ 3,762

See accompanying independent auditor's report

INTERNAL SERVICE FUNDS

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

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

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

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

The Insurance Fund is used to finance and account for the City's risk management and self-insurance programs.

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

City of Long Beach

Internal Service Funds

Combining Statement of Net Assets (Deficit)

Fiscal Year Ended September 30, 2009

(In Thousands)

	Civic Center	General Services	Fleet Services	Insurance	Employee Benefits	Totals 2009
ASSETS						
Current Assets:						
Pooled Cash and Cash Equivalents	$ 6,856	$ 7,905	$ 11,359	$ 18,507	$ 65,178	$ 109,805
Non-Pooled Cash and Cash Equivalents	781	5	76	-	-	862
Non Performing Investments	18	12	21	39	153	243
Receivables:						
Interest Receivable	-	-	18	-	-	18
Accounts Receivable	-	1,018	493	1,500	-	3,011
Due from Other Governments	-	51	3	-	-	54
Due from Other Funds	-	-	-	-	8,782	8,782
Allowance for Receivables	-	-	(226)	-	-	(226)
Deposits	-	-	-	-	506	506
Inventory	-	156	1,437	-	-	1,593
Total Current Assets	7,655	9,147	13,181	20,046	74,619	124,648
Noncurrent Assets:						
Restricted Noncurrent assets						
Non-Pooled Investments	2,799	-	2,823	-	-	5,622
Noncurrent Receivables:						
Other Noncurrent Receivables	421	1,358	-	1,000	-	2,779
Capital Assets:						
Land and Other Capital Assets Not Being Depreciated	3,020	-	135	-	-	3,155
Capital Assets Net of Accumulated Depreciation	52,620	8,427	56,366	64	-	117,477
Other Assets-Long-Term	-	-	-	-	52,915	52,915
Total Noncurrent Assets	58,860	9,785	59,324	1,064	52,915	181,948
Total Assets	66,515	18,932	72,505	21,110	127,534	306,596
LIABILITIES						
Current Liabilities Payable from Current Assets:						
Accounts Payable	283	551	1,775	738	1,723	5,070
Accrued Wages and Benefits	77	486	222	296	40,345	41,426
Accrued Interest Payable	85	11	157	-	3,447	3,700
Due to Other Funds	36	520	105	139	-	800
Deferred Revenue	-	5	-	-	-	5
Collections Held in Trust	-	-	-	-	1,151	1,151
Employee Benefits-Current	-	-	-	-	6,250	6,250
Accrued Claims-Current	-	-	-	18,219	-	18,219
Environmental Remediation - Current	-	-	274	-	-	274
Obligations Under Capital Leases-Current	80	1,743	1,850	-	-	3,673
Bonds Payable Due Within One Year	1,165	-	980	-	7,565	9,710
Total Current Liabilities	1,726	3,316	5,363	19,392	60,481	90,278
Noncurrent Liabilities:						
Employee Benefits	-	-	-	-	91,496	91,496
Accrued Self-Insurance Claims	-	-	-	96,951	-	96,951
Obligations Under Capital Lease	271	4,048	4,812	-	-	9,131
Bonds Payable	32,035	-	29,355	-	62,775	124,165
Unamortized Discount/Deferred cost	(1,405)	-	(1,814)	-	(4,206)	(7,425)
Total Noncurrent Liabilities	30,901	4,048	32,353	96,951	150,065	314,318
Total Liabilities	32,627	7,364	37,716	116,343	210,546	404,596
NET ASSETS (DEFICIT)						
Investment in Capital Assets, Net of Related Debt	24,105	3,999	26,369	-	-	54,473
Restricted for:						
Debt Service	2,969	-	2,910	-	59	5,938
Capital Projects	-	1,205	-	-	-	1,205
Health Care Insurance	-	-	-	-	11,386	11,386
Unrestricted	6,814	6,364	5,510	(95,233)	(94,457)	(171,002)

See accompanying independent auditor's report

City of Long Beach

Internal Service Funds

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

Fiscal Year Ended September 30, 2009

(In Thousands)

	Civic Center	General Services	Fleet Services	Insurance	Employee Benefits	Totals September 30, 2009
Operating Revenues:						
Billing to Other Departments	$ 9,596	$ 31,155	$ 29,043	$ 35,547	$ 202,313	$ 307,654
Other	385	3,444	1,898	-	-	5,727
Total Operating Revenues	9,981	34,599	30,941	35,547	202,313	313,381
Operating Expenses:						
Personal Services	1,779	15,199	7,295	8,224	3,375	35,872
Maintenance and Other Operations	8,278	17,229	13,066	5,034	3,094	46,701
Insurance Premiums	-	-	-	2,460	-	2,460
Self-Insured Losses	-	-	-	21,911	-	21,911
Compensated Absences	-	-	-	2,329	46,648	48,977
Employee Benefits	-	-	-	-	159,955	159,955
Amortization	28	-	130	-	8,463	8,621
Depreciation	2,656	2,583	10,313	119	-	15,671
Total Operating Expenses	12,741	35,011	30,804	40,077	221,535	340,168
Operating Income (Loss)	(2,760)	(412)	137	(4,530)	(19,222)	(26,787)
Non-Operating Income (Expenses):						
Interest Income	188	209	237	316	437	1,387
Interest Expense	(1,780)	(203)	(1,834)	-	(3,819)	(7,636)
Gain on Disposition of Capital Assets	-	30	357	-	-	387
Capital Assets to (from) Other Funds	(707)	-	830	-	-	123
Other Income	14	33	476	735	53	1,311
Total Non-Operating Income (Expenses)	(2,285)	69	66	1,051	(3,329)	(4,428)
Income (Loss) Before Contributions and Transfers	(5,045)	(343)	203	(3,479)	(22,551)	(31,215)
Capital Grants and Contributions	198	841	-	-	-	1,039
Transfers:						
Transfers Out	-	(3,183)	-	-	-	(3,183)
Change in Net Assets	(4,847)	(2,685)	203	(3,479)	(22,551)	(33,359)
Net Assets (Deficit) - October 1	38,735	14,253	34,586	(91,754)	(60,461)	(64,641)
Net Assets (Deficit) - September 30	$ 33,888	$ 11,568	$ 34,789	$(95,233)	$ (83,012)	$ (98,000)

See accompanying independent auditor's report

City of Long Beach
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended September 30, 2009
(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Civic Center	General Services	Fleet Services	Insurance	Employee Benefits	Totals September 30, 2009
Cash Flows from Operating Activities:						
Receipts from Customers	$ 385	$ 3,443	$ 1,989	$ -	$ -	$ 5,817
Receipts from Other Funds	9,596	31,190	29,043	35,547	201,734	307,110
Payments for Employee Salaries	(1,750)	(15,186)	(7,281)	(8,296)	(3,206)	(35,719)
Payments for Goods and Services	(8,354)	(13,819)	(12,731)	(7,131)	(3,320)	(45,355)
Payments for Compensated Absences	-	-	-	(15,271)	(44,664)	(59,935)
Payments for Employee Benefits	-	-	-	-	(140,452)	(140,452)
Payments for Liability Claims	-	-	-	(4,129)	-	(4,129)
Other Income	14	34	750	795	55	1,648
Net Cash Provided by (Used for) Operating Activities	(109)	5,662	11,770	1,515	10,147	28,985
Cash Flows from Non-Capital Financing Activities:						
Other Income	-	790		-	-	790
Transfers Out	-	(3,183)	-	-	-	(3,183)
Net Cash (Used for) Non-Capital Financing Activities	-	(2,393)	-	-	-	(2,393)
Cash Flows from Capital and Related Financing Activities:						
Proceeds from the Sale of Capital Assets	-	31	646	-	-	677
Proceeds from Issuance Of Long-Term Obligations	421	1,704	-	-	-	2,125
Receipts of Contributed Capital	198	-	-	-	-	198
Proceeds from (payments of) Capital Acquisitions	1,263	(386)	(5,565)	-	-	(4,688)
Term Obligations	(1,180)	(1,954)	(3,042)	-	(6,935)	(13,111)
Payments of Interest	(1,728)	(199)	(1,785)	-	(4,168)	(7,880)
Net Cash Used for Capital and Related Financing Activities	(1,026)	(804)	(9,746)	-	(11,103)	(22,679)
Cash Flows from Investing Activities:						
Payment for Investments	(2,799)		(2,823)			(5,622)
Receipts of Interest	188	209	218	316	437	1,368
Net Cash Provided by Investing Activities	(2,611)	209	(2,605)	316	437	(4,254)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,746)	2,674	(581)	1,831	(519)	(341)
Cash and Cash Equivalents - October 1	11,383	5,236	12,016	16,676	65,697	111,008
Cash and Cash Equivalents - September 30	$ 7,637	$ 7,910	$ 11,435	$ 18,507	$ 65,178	$ 110,667
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income (Loss)	$ (2,760)	$ (412)	$ 137	$ (4,530)	$ (19,222)	$ (26,787)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation and Amortization Expense	2,684	2,583	10,443	119	8,463	24,292
Other Income (Expense)	14	(18)	-	795	4	795
Decrease in Accounts Receivable, Net	-	3,266	476	-	-	3,742
(Increase) Decrease in Amounts Due from Other Governments	-	51	(203)	-	-	(152)
Increase (Decrease) in Amounts Due from Other Funds	-	-	295	-	(579)	(284)
(Increase) Decrease in Inventory	-	-	185	-	-	185
Increase in Other Operating Assets	-	-	52	-	-	52
Increase in Environmental Liabilities	-	-	274	-	-	274
Increase (Decrease) in Accounts Payable	(90)	171	90	363	(225)	309
Increase (Decrease) in Accrued Wages Payable	29	12	13	(51)	21,309	21,312
Increase (Decrease) in Amounts Due to Other Funds	14	9	8	(22)	-	9
Increase in Accrued Claims Payable	-	-	-	4,841	-	4,841
Increase in Collections Held in Trust	-	-	-	-	397	397
Total Adjustments	2,651	6,074	11,633	6,045	29,369	55,772
Net Cash Provided by Operating Activities	$ (109)	$ 5,662	$ 11,770	$ 1,515	$ 10,147	$ 28,985

See accompanying independent auditor's report

FIDUCIARY FUNDS

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

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

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

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

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

City of Long Beach
Fiduciary Funds
Private Purpose Trust Funds
Combining Statement of Net Assets
September 30, 2009
(In Thousands)

	Miller Library	Mayor's Fund for the Homeless	Total September 30, 2009
ASSETS			
Pooled Cash and Cash Equivalents	$ 885	$ 151	$ 1,036
Non Performing Investments	2	-	2
Total Assets	$ 887	$ 151	$ 1,038
NET ASSETS			
Held in Trust for Private Purpose Trust Funds	$ 887	$ 151	$ 1,038

City of Long Beach
Fiduciary Funds
Private Purpose Trust Funds
Combining Statement of Changes in Net Assets
Fiscal Year Ended September 30, 2009
(In Thousands)

	Miller Library	Mayor's Fund for the Homeless	Total September 30, 2009
Additions:			
Use of Money and Property	$ 15	$ 3	$ 18
Contributions from Citizens	-	27	27
Total Additions	15	30	45
Deductions:			
Community and Cultural	24	13	37
Change in Net Assets	(9)	17	8
Net Assets, October 1	896	134	1,030
Net Assets, September 30	$ 887	$ 151	$ 1,038

See accompanying independent auditor’s report

City of Long Beach
Fiduciary Funds - Agency Funds
Combining Statement of Changes in Assets and Liabilities
Fiscal Year Ended September 30, 2009
(In Thousands)

	Balance October 1, 2008	Additions	Deletions	Balance September 30, 2009
BELMONT SHORE PARKING DISTRICT FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 89	$ -	$ -	$ 89
LIABILITIES				
Accounts Payable	$ 89	$ -	$ -	$ 89
TAXES - OIL RIGHTS FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 1,589	$ 29	$ -	$ 1,618
Non Performing Investments	4	-	-	4
	$ 1,593	$ 29	$ -	$ 1,622
LIABILITIES				
Collections Held in Trust	$ 1,593	$ 29	$ -	$ 1,622
SPECIAL ASSESSMENT DISTRICT FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 3,213	$ 7,884	$ 8,517	$ 2,580
Non Performing Investments	7	-	-	7
Investments at Par-Nonpooled	-	6,448	-	6,448
Interest Receivable	-	32	-	32
Non-Pooled Cash and Cash Equivalents	17,259	3,684	17,884	3,059
Total Assets	$ 20,479	$ 18,048	$ 26,401	$ 12,126
LIABILITIES				
Due to Special Assessment Bondholders	$ 12,123	$ 5,363	$ 13,483	$ 4,003
Collections Held in Trust	8,356	2,747	2,980	8,123
Total Liabilities	$ 20,479	$ 8,110	$ 16,463	$ 12,126
INTERMODAL CONTAINER TRANSFER FACILITY JOINT POWER AUTHORITY FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 4,402	$ 7,757	$ 150	$ 12,009
Non Performing Investments	10	-	-	10
Total Assets	$ 4,412	$ 7,757	$ 150	$ 12,019
LIABILITIES				
Collections Held in Trust	$ 4,412	$ 7,757	$ 150	$ 12,019
EARTHQUAKE ASSESSMENT DISTRICT FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 1,597	$ 594	$ 360	$ 1,831
Non Performing Investments	4	-	-	4
Total Assets	$ 1,601	$ 594	$ 360	$ 1,835
LIABILITIES				
Due to Special Assessment Bondholders	$ 1,300	$ 593	$ 361	$ 1,532
Collections Held in Trust	301	2	-	303
Total Liabilities	$ 1,601	$ 595	$ 361	$ 1,835

See accompanying independent auditor's report

City of Long Beach
Fiduciary Funds - Agency Funds
Combining Statement of Changes in Assets and Liabilities
Fiscal Year Ended September 30, 2009
(In Thousands)

	Balance October 1, 2008	Additions	Deletions	Balance September 30, 2009
LOS CERRITOS WETLANDS AUTHORITY				
ASSETS				
Pooled Cash and Cash Equivalents	$ -	$ 25	$ 25	$ -
Non-Pooled Cash and Cash Equivalents	17	70	23	64
Accounts Receivable	25	-	25	-
Land	11,000	-	-	11,000
Total Assets	$ 11,042	$ 95	$ 73	$ 11,064
LIABILITIES				
Collections Held in Trust	$ 11,042	$ 45	$ 23	$ 11,064
OTHER AGENCY FUNDS				
ASSETS				
Pooled Cash and Cash Equivalents	$ 1,680	$ 1,465	$ 1,894	$ 1,251
Non-Pooled Cash and Cash Equivalents	2	-	-	2
Accounts Receivable	-	17	17	-
Total Assets	$ 1,682	$ 1,482	$ 1,911	$ 1,253
LIABILITIES				
Accounts Payable	$ 62	$ 1,376	$ 1,411	$ 27
Collections Held in Trust	1,620	1,449	1,843	1,226
Total Liabilities	$ 1,682	$ 2,825	$ 3,254	$ 1,253
TOTAL AGENCY FUND				
ASSETS				
Pooled Cash and Cash Equivalents	$ 12,570	$ 17,754	$ 10,946	$ 19,378
Non Performing Investments	25	-	-	25
Investments at Par-Nonpooled	-	6,448	-	6,448
Non-Pooled Cash and Cash Equivalents	17,278	3,754	17,907	3,125
Accounts Receivable	25	17	42	-
Interest receivable	-	32	-	32
Land	11,000	-	-	11,000
Total Assets	$ 40,898	$ 28,005	$ 28,895	$ 40,008
LIABILITIES				
Accounts Payable	$ 151	$ 1,376	$ 1,411	$ 116
Due to Special Assessment Bondholders	13,423	5,956	13,844	5,535
Collections Held in Trust	27,324	12,029	4,996	34,357
Total Liabilities	$ 40,898	$ 19,361	$ 20,251	$ 40,008

See accompanying independent auditor’s report

OTHER SUPPLEMENTARY INFORMATION

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CAPITAL ASSETS
USED IN THE OPERATION OF
GOVERNMENTAL FUNDS

This section of the CAFR provides additional information regarding the infrastructure and capital assets used in the City's governmental fund operations. These assets are reported only in the governmental activities column of the government-wide Statement of Net Assets. In addition to the information about such assets provided in the Notes to the Basic Financial Statements, this section provides information on the source of funding for the assets, the function and activity to which the assets are charged, and changes in such assets by function and activity.

City of Long Beach

Capital Assets Used in the Operations of Governmental Funds

Schedule by Source [1]

September 30, 2009

(In Thousands)

Governmental Funds Capital Assets:		
Land	$	139,556
Right-of-way		81,334
Construction in progress		17,325
Building		148,938
Improvements other than buildings		69,157
Infrastructure		404,050
Machinery and equipment		37,397
Automotive		7,984
Other assets		30,719
Less accumulated depreciation		(358,357)
Governmental Funds Capital Assets, Net of Accumulated Depreciation	$	578,103

Investments in Governmental Funds Capital Assets by Source:		
General fund	$	244,504
Special revenue funds		212,589
Capital projects funds		121,010
	$	578,103

[1] This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

See accompanying independent auditor's report

City of Long Beach

Capital Assets Used in the Operations of Governmental Funds

Schedule by Function [1]

September 30, 2009

(In Thousands)

	Capital Assets Not Being Depreciated			Capital Assets, Net of Depreciation						
	Land	Right-of-way	Construction In Progress	Building	Improvements other than Buildings	Infrastructure	Machinery and Equipment	Auto-motive	Other Assets	Total
Legislative and Legal	$ -	$ -	$ -	$ -	$ -	$ -	$ 483	$ -	$ -	$ 483
General Government	58	-	-	-	96	-	1,307	-	-	1,461
Public Safety	2,765	-	-	40,217	1,157	-	4,642	290	-	49,071
Public Health	4,651	-	-	6,465	2,656	-	326	-	-	14,098
Community and Cultural	126,803	-	-	43,407	27,862	3,045	818	2	-	201,937
Public Works	5,279	81,334	17,325	16,089	7,072	181,000	76	2,878	-	311,053
	$ 139,556	$ 81,334	$ 17,325	$ 106,178	$ 38,843	$ 184,045	$ 7,652	$ 3,170	$ -	$ 578,103

[1] This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Long Beach

Capital Assets Used in the Operations of Governmental Funds

Schedule of Changes by Function [1]

September 30, 2009

(In Thousands)

	Balance at October 1, 2008	Increase (Decrease), net of Depreciation Expense	Decrease, net of Accumulated Depreciation	Balance at September 30, 2009
Legislative and Legal	$ 700	$ (217)	$ -	$ 483
General Government	1,621	(160)	-	1,461
Public Safety	51,450	(2,245)	(134)	49,071
Public Health	14,272	(174)	-	14,098
Community & Cultural	193,973	9,331	(1,367)	201,937
Public Works	338,557	15,365	(42,869)	311,053
	$ 600,573	$ 21,900	$ (44,370)	$ 578,103

[1] This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

See accompanying independent auditor's report

TIDELANDS FUND

The City has issued revenue bonds to finance the purchase of the Aquarium of the Pacific and the Rainbow Harbor Area infrastructure improvements. Each of the revenue bonds is accounted for in the City's Tidelands Fund. Investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment.

The Aquarium of the Pacific 2001 Revenue Bonds, issued in the amount of $129,520,000, are accounted for in the Tideland Operating segment. The Tideland Operating segment is used to account for the business-type operations of the Long Beach Convention and Entertainment Center, as well as beach maintenance and beach/water safety programs directly related to the tidelands area, including lifeguards and patrol boats. Beginning with the 1997 fiscal year, leases for areas adjacent to the Queen Mary were also included in the Tideland Operating segment. The Tideland Operating segment had purchase of goods and services and construction project commitments of $730,000.

The 1999 Rainbow Harbor Financing Project Revenue Bonds, issued in the amount of $47,970,000, were accounted for in the Rainbow Harbor Area segment. In March 2006, the Long Beach Bond Finance Authority issued $50,785,000 in Lease Revenue Bonds 2006 Series A (Rainbow Harbor Refinancing Project) (2006 Series A), which included debt in the amount of $46,635,000 to refund the Long Beach Bond Finance Authority Lease Revenue Bonds (Rainbow Harbor Refinancing Project) 1999 Series A. The Rainbow Harbor Area segment is used to account for the Rainbow Harbor Area administration, the Rainbow Harbor financing, and the Aquarium of the Pacific Parking Structure operations. The Rainbow Harbor Area segment had commitments of $197,000 for the purchase of goods, services, and construction.

The Marina segment is used to account for the operations and development of the City's marinas in the Tidelands area. The Marina segment had commitments of $3,417,000 for the purchase of goods, services, and construction.

The Queen Mary segment is used to account for the operations related to the Queen Mary. The Queen Mary segment had commitments of $279,000 for the purchase of goods, services, and construction.

Summary financial information for the consolidated Tidelands Business-type Enterprise Fund is presented on following pages (in thousands) as of September 30, 2009:

City of Long Beach

Tideland Operating, Marina, Queen Mary and Rainbow Harbor Project

Consolidated Statement of Net Assets

September 30, 2009

(In Thousands)

	Tideland Operating	Marina	Queen Mary	Rainbow Harbor Area	Total Before Elimination	Eliminations Debit / (credit)	Consolidated Tidelands Total
ASSETS							
Current Assets:							
Pooled Cash and Cash Equivalents	$ 46,877	$ 10,322	$ 2,455	$ 3,415	$ 63,069	$ -	$ 63,069
Non-Pooled Cash and Cash Equivalents	7,164	16	-	331	7,511	-	7,511
Non Performing Investments	265	16	-	7	288	-	288
Receivables:							
Interest Receivable	60	-	44	27	131	-	131
Accounts Receivable	3,089	226	-	135	3,450	-	3,450
Due from Other Governments	212	4	-	-	216	-	216
Due from Other Funds	20,341	-	-	-	20,341	(1,282)	19,059
Allowance for Receivables	(9)	(269)	-	(2)	(280)	-	(280)
Other Assets	501	14	-	-	515	-	515
Total Current Assets	78,500	10,329	2,499	3,913	95,241	(1,282)	93,959
Noncurrent Assets:							
Restricted Noncurrent assets							
Non-Pooled Investments	9,182	-	-	4,207	13,389	-	13,389
Capital Assets:							
Land and Other Assets not Being Depreciated	29,902	5,651	1,774	11,191	48,518	-	48,518
Property, Plant and Equipment net of Accumulated Depreciation	173,252	52,862	9,466	67,594	303,174	-	303,174
Total Noncurrent Assets	212,336	58,513	11,240	82,992	365,081	-	365,081
Total Assets	290,836	68,842	13,739	86,905	460,322	(1,282)	459,040
LIABILITIES							
Current Liabilities payable from Current Assets:							
Accounts Payable	2,235	918	566	700	4,419	-	4,419
Accrued Wages	410	261	-	34	705	-	705
Accrued Interest Payable	2,595	277	-	773	3,645	-	3,645
Due to Other Funds	1,049	888	-	1,298	3,235	1,282	1,953
Deferred Revenues	775	2,435	-	25	3,235	-	3,235
Collections Held in Trust	28	52	-	1	81	-	81
Customers Deposits	-	-	25	-	25	-	25
Obligations Under Capital Leases	24	-	-	-	24	-	24
Bonds Payable Due Within One Year	3,105	-	-	2,410	5,515	-	5,515
Other Long Term Obligation-Current	41	1,337	-	17	1,395	-	1,395
Total Current Liabilities	10,262	6,168	591	5,258	22,279	1,282	20,997
Noncurrent Liabilities:							
Advances from Other Funds	27,119	-	-	-	27,119	-	27,119
Deferred Revenues	4,692	-	-	-	4,692	-	4,692
Obligations Under Capital Leases-Current	541	-	-	-	541	-	541
Other Long Term Obligations	815	34,843	-	553	36,211	-	36,211
Bonds Payable	117,795	-	-	41,745	159,540	-	159,540
Unamortized Discount/Deferred cost	(10,188)	-	-	(2,148)	(12,336)	-	(12,336)
Total Noncurrent Liabilities	140,774	34,843	-	40,150	215,767	-	215,767
Total Liabilities	151,036	41,011	591	45,408	238,046	1,282	236,764
NET ASSETS							
Investment in Capital Assets, Net of Related Debt	82,080	22,332	11,240	35,062	150,714	-	150,714
Restricted for:							
Debt Service	11,103	-	-	4,279	15,382	-	15,382
Capital Projects	1,015	-	1,908	596	3,519	-	3,519
General Purpose	6,964	-	-	-	6,964	-	6,964
Unrestricted	38,638	5,499	-	1,560	45,697	-	45,697
Total Net Assets	$ 139,800	$ 27,831	$ 13,148	$ 41,497	$ 222,276	$ -	$ 222,276

City of Long Beach

Tideland Operating, Marina, Queen Mary and Rainbow Harbor Project

Consolidated Statement of Revenues, Expenses and Changes in Fund Net Assets

September 30, 2009

(In Thousands)

	Tideland Operating	Marina	Queen Mary	Rainbow Harbor Area	Total Before Elimination	Eliminations Debit / (credit)	Consolidated Tidelands Total
Operating Revenues:							
Licenses and Permits	$ 202	$ 16	$ -	$ 6	$ 224	$ -	$ 224
Fines and Forfeitures	314	-	-	-	314	-	314
Fees, Concessions and Rentals	8,498	21,237	190	6,764	36,689	1,282	35,407
From Other Agencies	787	356	-	-	1,143	-	1,143
Charges for Services	45,883	164	-	25	46,072	-	46,072
Other	-	-	-	85	85	-	85
Total Revenues	55,684	21,773	190	6,880	84,527	1,282	83,245
Operating Expenses:							
Personal Services	25,906	8,487	2	1,088	35,483	-	35,483
Maintenance and Other Operations	46,260	5,199	173	8,410	60,042	(1,282)	58,760
Amortization	714	-	-	582	1,296	-	1,296
Depreciation	9,503	3,765	296	3,619	17,183	-	17,183
Total Operating Expenses	82,383	17,451	471	13,699	114,004	(1,282)	112,722
Operating Income	(26,699)	4,322	(281)	(6,819)	(29,477)	-	(29,477)
Non-Operating Income (Expense):							
Interest Income	1,723	154	-	108	1,985	-	1,985
Interest Expense	(6,563)	(1,700)	-	(1,918)	(10,181)	-	(10,181)
Gain on Dispostion of Fixed Assets	-	26	-	-	26	-	26
Capital Assets to/(from) Other Funds	(75)	75	-	2,167	2,167	-	2,167
Other Income	(26)	(730)	-	-	(756)	-	(756)
Total Non-Operating Income (Expense)	(4,941)	(2,175)	-	357	(6,759)	-	(6,759)
Income (Loss) Before Contributions and Transfers	(31,640)	2,147	(281)	(6,462)	(36,236)	-	(36,236)
Operating Transfers:							
Operating Transfers In	33,363	-	-	6,800	40,163	6,800	33,363
Operating Transfers Out	(6,800)	-	-	-	(6,800)	(6,800)	-
Change in Net Assets	(5,077)	2,147	(281)	338	(2,873)	-	(2,873)
Net Assets, October 1	144,877	25,684	13,429	41,159	225,149	-	225,149
Net Assets, September 30	$139,800	$ 27,831	$ 13,148	$ 41,497	$222,276	$ -	$ 222,276

City of Long Beach

Tideland Operating, Marina, Queen Mary and Rainbow Harbor Area

Statement of Cash Flows

For the Fiscal Year Ended September 30, 2009

(In Thousands)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	Tideland Operating	Marina	Queen Mary	Rainbow Harbor Area	Eliminations Increase (Decrease)	Consolidated Tidelands Total
Cash Flows from Operating Activities:						
Receipts from Customers	$ 56,150	$ 21,336	$ 190	$ 6,799	$ -	$ 84,475
Receipts from Other Governments	846	352	-	-	-	1,198
Payments for Employee Salaries	(25,894)	(8,460)	(2)	(1,087)	-	(35,443)
Payments for Goods and Services	(46,232)	(3,495)	(173)	(7,986)	-	(57,886)
Other Expense	(26)	(730)	-	-	-	(756)
Net Cash Provided by (Used for) Operating Activities	(15,156)	9,003	15	(2,274)	-	(8,412)
Cash Flows from Non-Capital Financing Activities:						
Transfers In	36,017	-	-	6,800	(6,800)	36,017
Transfers Out	(6,800)	-	-	-	6,800	-
Net Cash Provided by Non-Capital Financing Activities	29,217	-	-	6,800	-	36,017
Cash Flows from Capital and Related Financing Activities:						
Proceeds from the Sale of Capital Assets	-	26	-	-	-	26
Principal Received on Capital Leases	108	-	-	-	-	108
Payments for Capital Acquisitions	(3,708)	(2,710)	(1,206)	(81)	-	(7,705)
Payments of Principal on Bonds Payable	(2,985)	(135)	-	(2,325)	-	(5,445)
Payments of Principal on Other Long-Term Obligations	(1,665)	(1,293)	-	(16)	-	(2,974)
Payments of Interest	(6,536)	(1,714)	-	(1,962)	-	(10,212)
Net Cash Used for Capital and Related Financing Activities	(14,786)	(5,826)	(1,206)	(4,384)	-	(26,202)
Cash Flows from Investing Activities:						
Payments for Investments	(9,182)	-	-	(4,234)	-	(13,416)
Receipts of Interest	1,913	154	-	108	-	2,175
Net Cash Provided by (Used for) Investing Activities	(7,269)	154	-	(4,126)	-	(11,241)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,994)	3,331	(1,191)	(3,984)		(9,838)
Cash and Cash Equivalents - October 1	62,035	7,007	3,646	7,730		80,418
Cash and Cash Equivalents - September 30	$ 54,041	$ 10,338	$ 2,455	$ 3,746		$ 70,580

City of Long Beach

Tideland Operating, Marina, Queen Mary and Rainbow Harbor Project

Statement of Cash Flows

For the Fiscal Year Ended September 30, 2009

(In Thousands)

(Continued)

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	Tideland Operating	Marina	Queen Mary	Rainbow Harbor Area	Eliminations Increase (Decrease)	Total
Operating Income (Loss)	$ (26,699)	$ 4,322	$ (281)	$ (6,819)	$ -	$ (29,477)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation and Amortization Expense	10,217	3,765	296	4,201	-	18,479
Other Expense	(26)	(730)	-	-	-	(756)
(Increase) Decrease in Accounts Receivable, Net	(1,249)	77	-	(81)	-	(1,253)
(Increase) Decrease in Amounts Due from Other Governments	59	(4)	-	-	-	55
Decrease in Inventory	-	110	-	-	-	110
Increase in Other Operating Assets	(500)	-	-	-	-	(500)
Increasein Accounts Payable	529	814	-	132	-	1,475
Increase in Accrued Wages Payable	12	27	-	1	-	40
Increase in Amounts Due to Other Funds	-	779	-	292	-	1,071
Increase (Decrease) in Deferred Revenues	2,508	(157)	-	-	-	2,351
Decrease in Collections Held in Trust	(7)	-	-	-	-	(7)
Total Adjustments	11,543	4,681	296	4,545	-	21,065
Net Cash Provided by (Used for) Operating Activities	$ (15,156)	$ 9,003	$ 15	$ (2,274)		$ (8,412)

STATISTICAL SECTION

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STATISTICAL SECTION

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

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These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.

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

City of Long Beach
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)
(In Thousands)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activites:								
Invested in capital assets, net of related debt	$ 197,111	$ 233,912	$ 261,014	$ 99,122	$ 209,230	$ 215,097	$ 217,866	$ 203,709
Restricted	313,119	313,047	286,745	474,313	496,094	291,468	285,937	289,658
Unrestricted	(56,298)	(85,689)	(78,179)	(118,328)	(106,380)	157,870	182,007	185,296
Total governmental activities net assets	453,932	461,270	469,580	455,107	598,944	664,435	685,810	678,663
Business-type activities:								
Invested in capital assets, net of related debt	1,399,761	1,484,399	1,534,595	1,564,750	1,572,117	1,684,580	1,875,911	1,954,565
Restricted	539,903	453,919	498,341	505,875	523,769	366,018	359,364	367,477
Unrestricted	321,924	396,157	446,833	586,327	733,495	969,574	964,333	982,105
Total business-type activities net assets	2,261,588	2,334,475	2,479,769	2,656,952	2,829,381	3,020,172	3,199,608	3,304,147
Primary government:								
Invested in capital assets, net of related debt	1,596,872	1,718,311	1,795,609	1,663,872	1,781,347	1,899,677	2,093,777	2,158,274
Restricted	853,022	766,966	785,086	980,188	1,019,863	657,486	645,301	657,135
Unrestricted	265,626	310,468	368,654	467,999	627,115	1,127,444	1,146,340	1,167,401
Total primary government net assets	$ 2,715,520	$ 2,795,745	$ 2,949,349	$ 3,112,059	$ 3,428,325	$ 3,684,607	$ 3,885,418	$ 3,982,810

The City of Long Beach implemented GASB Statement No. 34 for the fiscal year ended September 30, 2002.
Information prior to the implementation of GASB Statement No. 34 is not available.

See accompanying independent auditor's report

City of Long Beach
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
(In Thousands)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses:								
Governmental Activities:								
Legislative and Legal	$ 10,471	$ 9,457	$ 9,721	$ 10,313	$ 12,003	$ 12,911	$ 13,210	$ 12,866
General Government	28,564	24,635	23,179	25,808	13,988	13,376	16,871	16,292
Public Safety	228,214	231,514	227,601	280,415	255,188	276,391	294,916	302,025
Public Health	37,872	39,515	42,184	43,874	44,024	47,189	48,330	47,134
Community and Cultural	145,376	159,765	164,982	177,210	186,528	207,566	227,274	227,772
Public Works	54,352	56,545	67,425	58,783	55,009	67,794	83,232	95,354
Oil Operations	4,672	5,516	6,215	6,367	7,192	8,175	8,630	8,004
Interest on Long-Term Debt	23,660	24,761	22,652	30,831	34,554	36,187	38,418	35,831
Total Governmental Activities Expenses	533,181	551,708	563,959	633,601	608,486	669,589	730,881	745,278
Business-type Activities:								
Gas	55,334	68,728	76,408	89,463	99,656	89,021	137,263	90,364
Water	58,814	55,756	57,849	62,075	62,480	68,704	70,571	76,895
Sewer	7,858	8,748	7,787	7,337	7,612	11,486	11,989	13,224
Airport	18,666	18,747	19,476	22,465	24,816	27,994	31,698	32,113
Solid Waste Management	71,202	71,027	70,658	70,493	73,679	78,305	82,590	83,245
Towing	5,845	5,427	6,762	6,858	8,520	8,838	9,863	7,883
Tidelands	81,261	80,880	83,501	94,033	105,671	111,156	123,258	124,711
Tideland Oil Revenue	36,451	70,376	102,098	188,250	264,355	199,542	486,759	178,636
Subsidence	3,187	2,401	441	4,054	4,061	-	-	-
Harbor	131,500	175,821	198,084	207,689	214,349	247,860	242,822	225,991
Total Business-Type Activities Expenses	470,118	557,911	623,064	752,717	865,199	842,906	1,196,813	833,062
Total Primary Government Expenses	1,003,299	1,109,619	1,187,023	1,386,318	1,473,685	1,512,495	1,927,694	1,578,340
Program Revenues:								
Governmental Activities:								
Charges for services:								
Legislative and Legal	524	400	415	98	1,256	119	801	264
General Government	23,572	24,893	26,952	27,289	20,174	13,406	14,049	14,679
Public Safety	32,742	34,120	36,678	39,768	36,694	40,326	42,516	37,078
Public Health	6,859	7,041	7,397	7,557	6,565	7,099	7,599	9,644
Community and Cultural	17,636	17,921	18,292	23,649	23,291	26,131	28,905	26,322
Public Works	17,035	14,966	15,179	16,878	17,840	17,722	19,382	25,803
Oil Operations	8,646	11,587	13,274	17,253	21,481	22,612	32,956	19,011
Operating Grants and Contributions	138,254	135,837	143,818	142,011	166,426	169,190	172,478	172,281
Capital Grants and Contributions	10,191	14,456	13,285	11,489	13,726	16,908	7,424	3,595
Total Governmental Activities Program Revenues	$ 255,459	$ 261,221	$ 275,290	$ 285,992	$ 307,453	$ 313,513	$ 326,110	$ 308,677

(continued)

See accompanying independent auditor's report

City of Long Beach
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
(In Thousands)

(continued)	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Business-Type activities:								
Charges for Services:								
Gas	$ 62,642	$ 75,610	$ 88,717	$ 104,450	$ 113,053	$ 100,421	$ 123,580	$ 113,910
Water	60,453	60,197	64,984	65,813	67,198	70,258	72,527	81,380
Sewer	8,050	9,056	9,283	9,729	9,245	10,812	11,785	12,707
Airport	13,357	23,540	27,905	29,121	29,086	30,985	35,080	35,004
Solid Waste Management	69,500	69,441	71,198	70,128	80,015	83,865	85,958	87,032
Towing	5,448	5,640	6,770	7,622	7,846	8,126	8,816	8,516
Tidelands	46,860	50,870	53,887	55,436	73,013	83,085	81,511	83,245
Tideland Oil Revenue	44,521	85,839	131,035	208,488	266,992	214,157	522,956	143,336
Subsidence	-	-	-	-	-	500	500	492
Harbor	226,459	249,542	280,782	338,167	354,125	370,832	382,119	336,930
Operating Grants and Contributions	3,597	886	1,066	2,520	1,184	2,116	1,241	1,213
Capital Grants and Contributions	36,691	9,625	23,500	25,787	8,947	24,580	14,984	25,210
Total Business-Type Activities Program Revenues	577,578	640,246	759,127	917,261	1,010,704	999,737	1,341,057	928,975
Total Primary Government Program Revenues	833,037	901,467	1,034,417	1,203,253	1,318,157	1,313,250	1,667,167	1,237,652
Net Revenues (expenses):								
Governmental Activites	(277,722)	(290,487)	(288,669)	(347,609)	(301,033)	(356,076)	(404,771)	(436,601)
Business-Type Activities	107,460	82,335	136,063	164,544	145,505	156,831	144,244	95,913
Total Net Revenues (expenses)	(170,262)	(208,152)	(152,606)	(183,065)	(155,528)	(199,245)	(260,527)	(340,688)
General Revenues and Other Changes in Net Assets:								
Governmental Activities:								
Taxes:								
Property	79,814	87,285	107,796	123,924	141,335	162,342	173,184	196,402
Sales	41,246	44,863	42,383	48,216	51,557	55,848	55,261	51,585
Utility Users	55,838	50,883	45,339	39,216	40,637	41,694	41,028	39,901
Other	38,262	42,841	46,616	51,238	58,291	65,206	73,715	61,250
Grants and Contributions not Restricted to Specific Programs	35,621	27,917	28,693	39,205	115,668	44,086	46,330	48,364
Unrestricted Investment Earnings	17,175	13,369	12,325	16,213	23,520	23,374	24,357	14,712
Gain (Loss) on Sales of Capital Assets	(42)	977	317	810	806	649	(49)	(1,024)
Capital Asset Transfers	7,780	21,790	926	-	-	(257)	(1,142)	(1,337)
Transfers	5,317	-	12,584	14,314	13,056	28,625	13,462	19,601
Total Governmental Activities	281,011	289,925	296,979	333,136	444,870	421,567	426,146	429,454
Business-type Activities:								
Unrestricted Investment Earnings	32,279	24,378	25,280	27,599	42,021	62,329	47,512	26,890
Loss on Sales of Capital Assets	(11,393)	(12,036)	(2,539)	(665)	(2,041)	-	-	-
Capital Asset Transfers	-	(21,790)	(926)	19	-	257	1,142	1,337
Transfers	(5,317)	-	(12,584)	(14,314)	(13,056)	(28,625)	(13,462)	(19,601)
Total Business-type Activities	15,569	(9,448)	9,231	12,639	26,924	33,961	35,192	8,626
Total Primary Government	296,580	280,477	306,210	345,775	471,794	455,528	461,338	438,080
Change in Net Assets								
Government activities	3,289	(562)	8,310	(14,473)	143,837	65,491	21,375	(7,147)
Business-type Activities	123,029	72,887	145,294	177,183	172,429	190,792	179,436	104,539
Total Primary Government	$ 126,318	$ 72,325	$ 153,604	$ 162,710	$ 316,266	$ 256,283	$ 200,811	$ 97,392

The City of Long Beach implemented GASB Statement No. 34 for the fiscal year ended September 30, 2002.
Information prior to the implementation of GASB Statement No. 34 is not available.

See accompanying independent auditor's report

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:								
Reserved	$123,104	$115,644	$114,006	$111,825	$111,959	$114,254	$115,088	$116,569
Unreserved	43,562	45,592	47,516	38,404	35,478	29,960	46,042	45,899
Total General Fund	166,666	161,236	161,522	150,229	147,437	144,214	161,130	162,468
Other Governmental Funds:								
Reserved	222,687	227,051	196,602	377,560	358,094	389,518	390,061	424,108
Unreserved, Reported in:								
Special Revenue Funds	20,446	20,154	18,227	30,346	40,843	57,974	56,166	56,848
Capital Project Funds	(127,645)	(119,856)	(109,292)	(109,326)	(85,187)	(74,598)	(90,741)	(123,512)
Total Other Governmental Funds	115,488	127,349	105,537	298,580	313,750	372,894	355,486	357,444
Total All Governmental Funds	$282,154	$288,585	$267,059	$448,809	$461,187	$517,108	$516,616	$519,912

The City of Long Beach has elected to show only eight years of data for this schedule due to a fund balance restatement for long-term advancements that occurred in 2002. This was necessary to produce financial statements in compliance with GASB Statement No. 34.

See accompanying independent auditor's report

City of Long Beach

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(In Thousands)

	Fiscal Years									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Taxes:										
Property	$ 72,737	$ 66,635	$ 80,621	$ 87,264	$107,825	$124,463	$141,081	$162,449	$172,741	$195,128
Sales	43,415	37,362	41,246	44,863	42,383	48,216	51,557	55,848	55,261	51,585
Utility Users	57,151	57,396	55,838	50,883	45,339	39,216	40,637	41,694	41,028	39,901
Other Taxes	49,984	37,578	38,263	42,842	46,616	51,237	58,292	65,205	73,715	61,250
Licenses and Permits	19,343	15,703	23,401	23,103	22,878	26,269	30,008	32,240	33,899	32,239
Fines and Forteitures	11,091	9,867	11,448	11,017	13,581	14,744	16,387	17,644	18,509	19,501
Use of Money and Property	39,669	36,428	36,859	40,135	36,856	48,849	57,964	59,516	71,586	47,841
From Other Agencies	164,192	145,467	181,874	178,275	186,426	192,722	219,946	230,838	228,427	227,060
Charges for Services	39,292	45,409	41,277	44,282	45,948	46,633	29,071	26,168	27,609	30,742
Other Land Proceeds	7,890	28,891	3,448	-	-	-	716	-	-	-
Other	-	-	9,687	13,922	13,106	15,987	13,892	13,711	17,587	11,667
Total Revenues	504,764	480,736	523,962	536,586	560,958	608,336	659,551	705,313	740,362	716,914
Expenditures:										
Legislative and Legal	9,313	9,059	10,985	9,588	10,359	10,037	12,464	13,602	12,481	11,649
General Government	25,140	26,998	30,444	24,655	23,407	25,209	15,123	15,765	16,081	11,993
Public Safety	202,512	206,409	230,112	236,341	227,176	257,869	266,057	279,382	285,366	290,615
Public Health	32,648	29,649	37,516	38,146	41,927	41,651	44,734	47,409	47,383	45,181
Community and Cultural	134,759	124,280	151,593	158,190	177,114	179,859	199,777	209,946	253,432	238,090
Public Works	35,569	41,069	43,565	42,751	43,589	42,885	42,647	42,586	50,221	53,358
Oil Operations	5,795	4,062	4,672	5,517	5,512	6,164	7,089	8,171	8,625	6,888
Capital Improvements	30,877	27,104	46,605	39,148	55,565	30,106	39,062	40,790	25,328	27,721
Loss on Disposition of Land Held for Resale	3,212	2,815	198	3,134	12	4,090	-	9,184	4,459	1,526
Debt Service:										
Principal	4,646	6,896	13,253	9,169	11,001	11,942	14,822	15,451	15,819	17,456
Interest	11,796	10,364	12,556	17,327	16,282	20,806	25,289	27,349	30,477	28,300
Debt Aministration Fees	82	62	76	152	247	320	147	81	397	259
Total Expenditures	496,349	488,767	581,575	584,118	612,191	630,938	667,211	709,716	750,069	733,036
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,415	(8,031)	(57,613)	(47,532)	(51,233)	(22,602)	(7,660)	(4,403)	(9,707)	(16,122)
Other Financing Sources (Uses):										
Other Deferred Payments	1,527	239	513	159	229	221	220	291	-	-
Proceeds from other Long-Term Obligations	17,726	4,705	138,501	-	-	-	-	-	-	-
Debt Issuance	-	-		58,756	17,360	188,344	40,402	25,748	280	311
Discount on Debt Issuance	-	-	-	-	-	-	-	(122)	-	-
Payment to Refunded Bond Escrow Agent	(4,711)	-	(23,223)	(38,295)	(10,729)	(3,526)	(36,135)	-	-	-
Reconveyance of Land	-	-	1,733	-	-	-	-	-	(13,296)	(3,677)
Advances-Capitalized Interest	-	-	426	512	13	491	-	-	-	-
Transfers In	47,414	44,610	49,106	74,534	73,563	52,782	55,900	91,967	84,353	60,163
Transfers Out	(38,039)	(34,643)	(36,513)	(41,703)	(50,729)	(33,960)	(40,349)	(57,560)	(62,122)	(37,379)
Total Other Financing Sources (Uses)	23,917	14,911	130,543	53,963	29,707	204,352	20,038	60,324	9,215	19,418
Net Change in Fund Balances	$ 32,332	$ 6,880	$ 72,930	$ 6,431	$ (21,526)	$181,750	$ 12,378	$ 55,921	$ (492)	$ 3,296
Debt Service as a Percentage of Noncapital Expenditures	3.6%	3.8%	4.8%	4.9%	5.0%	5.5%	6.4%	6.4%	6.4%	6.5%

See accompanying independent auditor's report

City of Long Beach

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

(In Thousands)

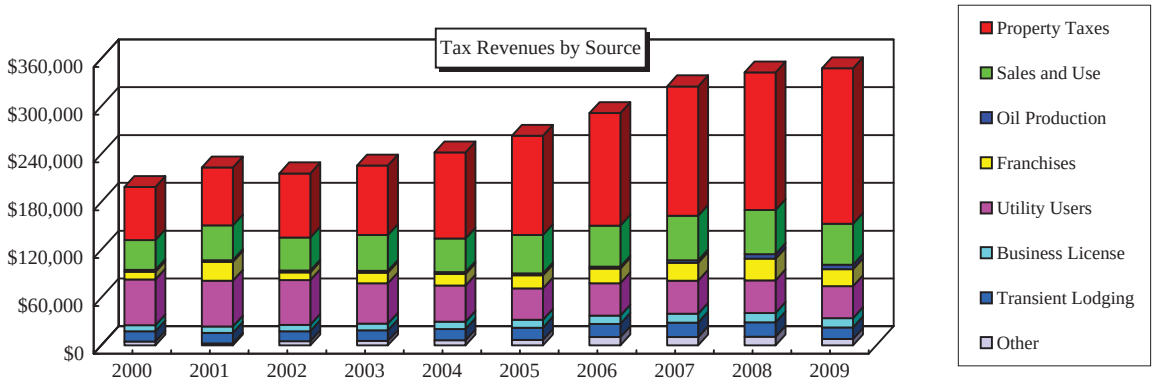
Fiscal Year-end (1)	Property Taxes	Sales and Use Taxes	Oil Production Taxes	Franchises Taxes	Utility Users Taxes	Business License Taxes	Transient Lodging Taxes	Other (2) Taxes	Totals
2000	$ 66,635	$ 37,362	$ 2,479	$ 9,695	$ 57,396	$ 7,752	$ 12,788	$ 4,864	$ 198,971
2001	72,737	43,415	2,365	23,706	57,151	8,052	13,336	2,525	223,287
2002	80,621	41,246	2,257	9,976	55,838	8,067	12,447	5,516	215,968
2003	87,264	44,863	2,245	13,363	50,883	8,430	13,134	5,670	225,852
2004	107,825	42,383	2,306	14,460	45,339	9,284	14,089	6,478	242,164
2005	124,463	48,216	2,335	16,670	39,216	9,879	15,527	6,826	263,132
2006	141,081	51,557	2,245	18,501	40,637	10,345	16,548	10,653	291,567
2007	162,449	55,848	3,123	22,340	41,694	10,909	18,309	10,524	325,196
2008	172,741	55,261	5,767	27,147	41,028	11,681	18,324	10,796	342,745
2009	195,128	51,585	5,557	21,274	39,901	11,647	14,635	8,137	347,864

Notes:

(1) Tax revenues by source include all Governmental Fund Types (General, Special Revenue, and Capital Projects Funds), including property tax and transient lodging tax for the Long Beach Redevelopment Agency as indicated below in accordance with generally accepted accounting principles. The Long Beach Housing Authority had no tax revenues in fiscal year 2000 through 2009.

Fiscal Year-end	Property Taxes (In Thousands)	Transient Occupancy / Other (In Thousands)
2000	$ 18,061	$ 2,727
2001	18,917	2,832
2002	25,796	2,604
2003	27,475	2,778
2004	41,718	2,899
2005	50,977	3,261
2006	63,406	3,634
2007	73,011	4,033
2008	77,460	4,064
2009	92,762	3,495

(2) Includes Real Property Transfer, Special Parking, Miscellaneous Taxes, and transfers from funds in lieu of taxes.



Source: City of Long Beach, Department of Financial Management.

See accompanying independent auditor's report

City of Long Beach

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(In Thousands)

Fiscal Year-end	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
2000	$ 20,219,423	$ 1,613,177	$ (688,864)	$ 21,143,736	1.00%
2001	22,036,954	1,651,417	(725,200)	22,963,171	1.00%
2002	23,195,257	1,794,736	(608,486)	24,381,507	1.00%
2003	24,478,339	1,976,078	(722,421)	25,731,996	1.00%
2004	27,334,246	2,278,983	(783,201)	28,830,028	1.00%
2005	29,650,613	2,419,098	(678,462)	31,391,249	1.00%
2006	32,881,116	2,638,789	(916,457)	34,603,448	1.00%
2007	37,042,813	2,834,656	(961,500)	38,915,969	1.00%
2008	40,310,054	3,035,367	(1,072,806)	42,272,615	1.00%
2009	43,819,413	2,802,330	(1,047,919)	45,573,824	1.00%

Assessed value and estimated actual value of taxable property for fiscal years 1999 through 2009 include redevelopment taxable property.

Redevelopment Agency

Fiscal Year-end	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
2000	$ 6,726,439	$ 922,313	$ (487,795)	$ 7,160,957	1.00%
2001	6,958,056	981,866	(514,916)	7,425,006	1.00%
2002	7,363,069	1,034,477	(468,103)	7,929,443	1.00%
2003	7,587,453	1,122,382	(574,849)	8,134,986	1.00%
2004	8,897,464	1,249,847	(627,772)	9,519,539	1.00%
2005	9,818,218	1,346,019	(500,416)	10,663,821	1.00%
2006	11,178,815	1,565,654	(678,515)	12,065,954	1.00%
2007	12,615,001	1,670,149	(694,550)	13,590,600	1.00%
2008	14,050,322	1,823,366	(794,893)	15,078,795	1.00%
2009	15,376,178	1,601,923	(713,974)	16,264,127	1.00%

In 1978, California voters passed Proposition 13 which sets 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 is subject to the limitations described above.

Source: Los Angeles County Office of Assessor.

See accompanying independent auditor's report

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

		Overlapping Rates				
Fiscal Year-end	City Direct Rate	Los Angeles County	Unified Schools	Community College	Special Districts	Total
2000	1.000000	0.001422	0.007628	-	0.010665	1.019715
2001	1.000000	0.001314	0.015957	-	0.010352	1.027623
2002	1.000000	0.001128	0.028784	-	0.008773	1.038685
2003	1.000000	0.001000	0.035190	-	0.042800	1.078990
2004	1.000000	0.000992	0.042849	0.011705	0.006562	1.062108
2005	1.000000	0.000923	0.046671	0.012394	0.006045	1.066033
2006	1.000000	0.000795	0.040750	0.018569	0.005249	1.065363
2007	1.000000	0.000663	0.106814	0.021462	0.004752	1.133691
2008	1.000000	-	0.123342	0.008794	0.004500	1.136636
2009	1.000000	-	0.124782	0.022115	0.004300	1.151197

Note:

In 1978, California voters passed Proposition 13 which sets 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.

Sources: County of Los Angeles

See accompanying independent auditor’s report

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

	Fiscal Year 2009		Fiscal Year 2000	
Taxpayer	Assessed Valuation	Percent of Total Net Assessed Valuation	Assessed Valuation	Percent of Total Net Assessed Valuation
The Boeing Company	$ 405,226	0.95 %	$ 657,574	3.37 %
AES Alamitos LLC	248,600	0.58	-	-
Legacy Partners II LB World Trade LLC	151,878	0.35	-	-
Camden USA	134,335	0.31	-	-
Trizechahn Colony Square GP LLC	112,098	0.26	-	-
200 Oceangate LLC	94,100	0.22	-	-
GRE Shoreline Square LP	92,750	0.22	-	-
Noble Utah Long Beach LLC	85,313	0.20	-	-
Advanced Group 05-86	80,215	0.19	-	-
City Place Long Beach LLC	76,020	0.18	-	-
HEI Long Beach LLC	61,988	0.14	-	-
Arco Terminal Services Corp.	60,465	0.14	60,726	0.31
Sunstone Ocean LLC	58,512	0.14	-	-
Alamitos Bay Partnership	55,380	0.13	-	-
ASN City Place LLC	47,799	0.11	-	-
Los Altos Gateway LLC	47,073	0.11	-	-
Pacific Castle	46,003	0.11	-	-
ASN Meadow Wood LLC	41,086	0.10	-	-
Legacy Partners I Long Beach Oceangate	39,535	0.09	-	-
West Ocean II LLC	36,008	0.08	-	-
Styevens Creek Associates	-	-	60,460	0.31
Hughes Aircraft Company	-	-	49,090	0.25
Pacific Towers Associates	-	-	45,282	0.23
Bixby Land Company	-	-	41,811	0.21
Arden Realty Corporation	-	-	41,534	0.21
Atlantic Richfield Company	-	-	40,971	0.21
RVM Long Beach Plaza LLC	-	-	37,717	0.19
University Town Center Associates	-	-	34,641	0.18
	$1,974,384	4.61 %	$1,069,806	5.47 %

Source: California Municipal Statistics, Inc.

See accompanying independent auditor's report

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

Fiscal Year-end (1)	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections (2)	Collections as Percent of Levy	Outstanding Delinquent Taxes	Delinquent Tax as Percent of Current Levy
2000	$ 66,177	$ 63,892	96.5%	$ 2,989	$ 66,881	101.1%	$ 2,873	4.3%
2001	70,841	69,338	97.9%	2,322	71,660	101.2%	3,160	4.5%
2002	77,731	77,587	99.8%	3,682	81,269	104.6%	2,536	3.3%
2003 (3)	83,222	85,699	103.0%	2,245	87,944	105.7%	2,401	2.9%
2004	100,538	99,745	99.2%	8,634	108,379	107.8%	2,489	2.5%
2005	116,299	113,610	97.7%	11,388	124,998	107.5%	2,442	2.1%
2006	139,172	130,147	93.5%	12,093	142,240	102.2%	3,217	2.3%
2007	155,850	145,113	93.1%	17,819	162,932	104.5%	4,624	3.0%
2008	174,002	157,865	90.7%	14,877	172,742	99.3%	5,757	3.3%
2009	191,251	179,716	94.0%	15,412	195,128	102.0%	2,517	1.3%

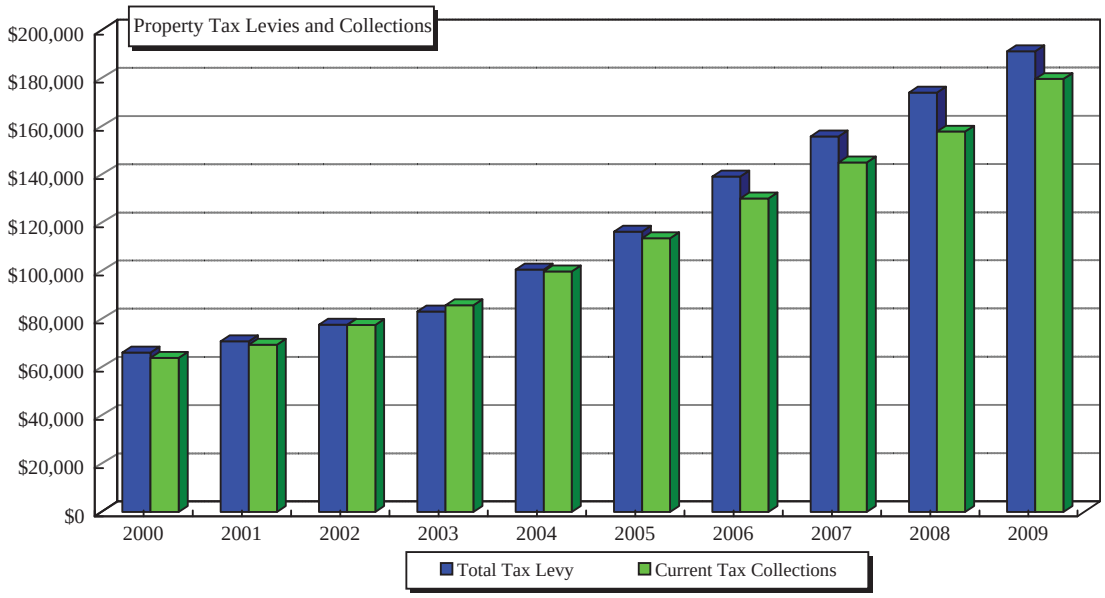
Notes:

(1) Total tax collections for fiscal years 2000 through 2009 include redevelopment tax increment collections, excluding interest and penalties, in accordance with generally accepted accounting principles as follows:

Fiscal Year-end	Collections (in thousands)
2000	$ 18,061
2001	18,917
2002	25,796
2003	27,475
2004	41,718
2005	50,977
2006	63,406
2007	73,011
2008	77,460
2009	92,762

(2) Excludes interest, penalties and Los Angeles County administrative cost.

(3) Fiscal year 2003 current tax collections includes approximately $2,870,000 in unsecured redevelopment tax increment receipts which resulted from a secured parcel audit for the entire City and its redevelopment areas for the fiscal years 1998 through 2002. The audit resulted in the correction of misallocated tax rate areas.



Source: City of Long Beach, Department of Financial Management.

See accompanying independent auditor's report

City of Long Beach
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands, Except Per Capita Amount)

	Governmental Activities					
Fiscal Year-end	Revenue Bonds	Tax Allocation Bonds	Notes Payable	Capital Leases	Other	Total Governmental Activities
2000	$ 184,675	$ 129,160	$ 27,375	$ 32,066	$ 57,943	$ 431,219
2001	191,085	121,480	31,160	30,421	55,322	429,468
2002	243,375	174,060	17,609	45,679	52,156	532,879
2003	244,465	179,974	18,757	42,649	44,535	530,380
2004	249,290	175,292	9,269	40,682	42,400	516,933
2005	242,685	355,444	11,971	31,957	37,962	680,019
2006	231,470	348,626	11,146	35,131	34,996	661,369
2007	246,500	340,813	10,734	39,481	32,532	670,060
2008	236,535	332,562	8,888	32,992	29,875	640,852
2009	222,770	323,890	9,057	27,227	27,704	610,648

	Business-type Activities					
	Revenue Bonds	Certificates of Participation	Notes Payable (1)	Capital Leases	Other (3)	Total Business-type Activities
2000	$ 941,860	$ 19,425	$ 145,794	$ 15,851	$ 177,373	$ 1,300,303
2001	1,308,845	18,620	147,810	14,244	266,100	1,755,619
2002	1,582,180	17,785	82,527	12,805	267,613	1,962,910
2003	1,542,800	16,905	85,808	11,223	270,376	1,927,112
2004	1,491,930	15,985	89,581	9,484	316,100	1,923,080
2005	1,409,610	15,025	188,150	7,572	328,700	1,949,057
2006	1,367,640	9,960	104,958	6,119	343,100	1,831,777
2007	1,312,585	9,175	119,641	3,767	399,800	1,844,968
2008	2,012,545	8,350	132,395	1,237	450,170	2,604,697
2009	1,728,770	7,480	117,597	565	48,324	1,902,736

	Total Primary Government	Percentage of Personal Income (2),(4)	Per Capita (2)
2000	$ 1,731,522	1.810%	$ 3,752
2001	2,185,087	2.163%	4,678
2002	2,495,789	2.395%	5,279
2003	2,457,492	2.246%	5,119
2004	2,440,013	2.100%	5,023
2005	2,629,076	2.123%	5,383
2006	2,493,146	1.852%	5,091
2007	2,515,028	1.802%	5,145
2008	3,245,549	2.284%	6,625
2009	2,513,384	N/A	5,101

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

(1) Notes payable in fiscal year 2005 included $97,354,000 abandonment reserve payable to the California State Lands Commission.

(2) See Schedule of Demographic and Economic Statistics for personal income and population data. Restated prior years due to the data's annual revision.

(3) Includes Estimated Oil Field Abandonment Costs and starting with 2007 environmental remediation and site restoration are also included in this category.

(4) The BEA's report does not have personal income available for 2009.

See accompanying independent auditor’s report

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

	Outstanding General Bonded Debt				
Fiscal Year-end	Tax Allocation Bonds	Less: Amounts Restricted for Debt Service (1)	Net Bonded Debt (1)	Ratio of Net Bonded Debt to Assessed Value (2)	Per Capita (3)
2000	$ 129,160	$ 17,925	$ 111,235	51%	$ 241.02
2001	121,480	17,522	103,958	44%	222.57
2002	174,060	22,016	152,044	61%	321.61
2003	179,974	20,989	158,985	60%	331.14
2004	175,292	26,258	149,034	50%	306.78
2005	355,444	39,059	316,385	99%	647.84
2006	348,626	36,936	311,690	88%	636.53
2007	340,813	42,945	297,868	75%	609.33
2008	332,562	45,796	286,766	72%	585.40
2009	323,890	53,895	269,995	58%	548.01

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)

See accompanying independent auditor’s report

City of Long Beach
Schedule of Direct and Overlapping Debt
September 30, 2009 (In Thousands)

DIRECT DEBT:		Outstanding	Exclusions	Outstanding
City of Long Beach				
Lease Revenue Bonds (4)		$ 243,675	$ (87,605)	$ 156,070
Marks-Roos Bonds (4)		31,050	-	31,050
Pension Obligations		70,340	-	70,340
Total Direct Debt		345,065	(87,605)	257,460
OVERLAPPING TAX AND ASSESSMENT DEBT:	Percent Applicable			
Cerritos Community College District	0.439 %	112,116	(111,624)	492
Compton Community College District	1.636	35,990	(35,401)	589
Long Beach Community College District	88.018	206,089	(24,694)	181,395
Los Angeles Community College District	0.038	2,365,515	(2,364,616)	899
ABC Unified School District	1.710	50,715	(49,848)	867
Compton Unified School District	0.020	70,028	(70,014)	14
Long Beach Unified School District	88.016	518,810	(62,174)	456,636
Los Angeles Unified School District	0.047	7,793,725	(7,790,062)	3,663
Paramount Unified School District	6.526	59,355	(55,481)	3,874
Los Angeles County Flood Control District	3.721	84,705	(81,553)	3,152
Metropolitan Water District	1.878	293,425	(287,914)	5,511
Total Overlapping Tax And Assessment Debt (1)		11,590,473	(10,933,381)	657,092
OVERLAPPING GENERAL FUND OBLIGATION DEBT:				
Los Angeles County General Fund Obligations	3.709	895,469	(862,256)	33,213
Los Angeles County Pension Obligations	3.709	235,691	(226,949)	8,742
Los Angeles County Superintendent of Schools Certificates of Participation	3.709	13,185	(12,696)	489
Compton Unified School District Certificates of Participation	0.047	439,432	(439,225)	207
Los Angeles Unified School District Certificates of Participation	0.020	50,280	(50,270)	10
Paramount Unified School District Certificates of Participation	6.526	27,265	(25,486)	1,779
County Sanitation District No. 1 Certificates of Participation	0.808	23,650	(23,459)	191
County Sanitation District No. 2 Certificates of Participation	0.121	36,518	(36,474)	44
County Sanitation District No. 3 Certificates of Participation	84.428	27,748	(4,321)	23,427
County Sanitation District No. 8 Certificates of Participation	2.044	14,449	(14,154)	295
County Sanitation District No. 19 Certificates of Participation	37.469	6,578	(4,113)	2,465
Total Overlapping General Fund Obligation Debt		1,770,265	(1,699,403)	70,862
Total Gross Overlapping Combined Debt		13,360,738	(12,632,784)	727,954
Less: Los Angeles Unified School District (self-supporting Qualified Zone Academic Bonds)		(40,447)	(40,437)	(10)
Total Net Overlapping Combined Debt		13,320,291	(12,592,347)	727,944
Total Net Direct And Overlapping Combined Debt (2) (3)		$ 13,665,356	$ (12,679,952)	$ 985,404

(1) Supported Southeast Resource Recovery Facility issues.
(2) Excludes 1915 Act nad Mello-Roos Act Bonds
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations
(4) Principal payments made by the City of Long Beach on September 30, 2009, are not reflected on the schedule above. These payments were posted, by the trustee, on October 1, 2009, respectfully.
Source: California Municipal Statistics, Inc.

See accompanying independent auditor's report

City of Long Beach

Legal Debt Margin Information

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year				
	2000	2001	2002	2003	2004
Assessed valuation	$21,832,600	$23,688,371	$24,989,993	$26,454,417	$29,613,229
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	5,458,150	5,922,093	6,247,498	6,613,604	7,403,307
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	818,723	888,314	937,125	992,041	1,110,496
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	$ 818,723	$ 888,314	$ 937,125	$ 992,041	$ 1,110,496
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2005	2006	2007	2008	2009
Assessed valuation	$32,069,711	$35,519,905	$39,877,469	$43,345,421	$46,621,743
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	8,017,428	8,879,976	9,969,367	10,836,355	11,655,436
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,202,614	1,331,996	1,495,405	1,625,453	1,748,315
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	$ 1,202,614	$ 1,331,996	$ 1,495,405	$ 1,625,453	$ 1,748,315
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

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

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

See accompanying independent auditor's report

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

Fiscal Year-end (1)	Operating Revenue	Operating Expenses (1)	Net Operating Income	Non-Operating Income (1)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Times Coverage
2000	$ 70,874	$ 56,478	$ 14,396	$ 1,511	$ 15,907	$ 530	$ 524	$ 1,054	15.1
2001	124,691	118,667	6,024	1,855	7,879	550	502	1,052	7.5
2002	62,301	51,289	11,012	1,004	12,016	575	478	1,053	11.4
2003	75,323	64,331	10,992	738	11,730	600	452	1,052	11.2
2004	83,752	73,059	10,693	5,360	16,053	625	424	1,049	15.3
2005	98,998	84,109	14,889	5,858	20,747	655	394	1,049	19.8
2006	107,481	96,786	10,695	5,807	16,502	885	195	1,080	15.3
2007	99,648	90,186	9,462	6,424	15,886	905	173	1,078	14.7
2008	123,085	89,216	33,869	993	34,862	925	153	1,078	32.3
2009	87,736	41,356	46,380	26,983	73,363	940	131	1,071	68.5

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

2000	$ 60,252	$ 46,508	$ 13,744	$ 1,066	$ 14,810	$ 1,385	$ 2,194	$ 3,579	4.1
2001	57,773	46,526	11,247	4,554	15,801	1,450	2,138	3,588	4.4
2002	58,969	48,324	10,645	1,616	12,261	1,505	2,080	3,585	3.4
2003	58,944	44,653	14,291	1,162	15,453	1,570	2,019	3,589	4.3
2004	63,185	47,752	15,433	2,055	17,488	1,645	1,954	3,599	4.9
2005	64,522	50,146	14,376	1,710	16,086	1,110	1,884	2,994	5.4
2006	66,074	53,059	13,015	1,564	14,579	1,155	1,836	2,991	4.9
2007	70,259	55,965	14,294	823	15,117	1,210	1,785	2,995	5.0
2008	71,604	57,239	14,365	1,417	15,782	1,265	1,731	2,996	5.3
2009	80,933	61,637	19,296	861	20,157	1,330	1,661	2,991	6.7

Solid Waste Management Fund
SERRF Authority Revenue Bond Coverage
Last Ten Fiscal Years (2)
(In Thousands)

2000	$ 65,005	$ 52,409	$ 12,596	$ 5,004	$ 17,600	$ 3,400	$ 9,307	$ 12,707	1.4
2001	71,188	59,387	11,801	6,219	18,020	3,700	9,069	12,769	1.4
2002	67,931	58,441	9,490	5,376	14,866	3,900	8,814	12,714	1.2
2003	69,441	55,073	14,368	(6,332)	8,036	4,200	5,088	9,288	0.9
2004	71,198	56,169	15,029	(2,424)	12,605	4,500	4,914	9,414	1.3
2005	70,128	58,046	12,082	1,819	13,901	6,185	4,985	11,170	1.2
2006	78,173	65,218	12,955	5,385	18,340	6,355	4,813	11,168	1.6
2007	81,412	68,982	12,430	6,747	19,177	6,540	4,635	11,175	1.7
2008	83,628	72,102	11,526	6,342	17,868	6,690	4,478	11,168	1.6
2009	84,151	74,311	9,840	4,163	14,003	6,860	4,312	11,172	1.3

Notes:

(1) Operating expenses exclude depreciation; non-operating income excludes interest expense.

(2) The SERRF Authority issued revenue bonds on December 1, 1985, and August 1 and December 1, 1986. According to the December 1, 1986 bond resolution interest was funded from bond proceeds through August 1989. These bonds were refunded by the SERRF Authority Lease Revenue refunding Bond Series 1995. Current debt service payments for the previous issues were covered by the 1995 refunding issue proceeds. The 1995 refunding bonds were refunded by the SERRF Authority Lease Revenue Bonds Series 2003 in October 2003.

Source: City of Long Beach, Department of Financial Management.

See accompanying independent auditor's report

City of Long Beach
Pledged Revenue Coverage
Civic Center Revenue Bond Coverage
Last Ten Fiscal Years (2)
(In Thousands)

Fiscal Year-end	Operating Revenue	Operating Expenses (1)	Net Operating Income	Non-Operating Income (Loss) (1)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Times Coverage
2000	$ 10,178	$ 6,549	$ 3,629	$ 2,047	$ 5,676	$ 875	$ 2,087	$ 2,962	1.9
2001	10,314	5,988	4,326	1,877	6,203	915	2,048	2,963	2.1
2002	11,805	7,509	4,296	1,203	5,499	950	2,008	2,958	1.9
2003	11,749	6,515	5,234	675	5,909	850	1,965	2,815	2.1
2004	11,899	6,893	5,006	378	5,384	885	1,929	2,814	1.9
2005	10,867	6,549	4,318	432	4,750	925	1,891	2,816	1.7
2006	10,080	4,074	6,006	552	6,558	970	1,851	2,821	2.3
2007	10,569	7,066	3,503	841	4,344	1,015	1,807	2,822	1.5
2008	10,151	9,908	243	332	575	1,060	1,760	2,820	0.2
2009	9,981	10,085	(104)	(505)	(609)	1,110	1,711	2,821	-0.2

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

2000	$ 22,891	$ 15,019	$ 7,872	$ 1,288	$ 9,160	$ 630	$ 1,858	$ 2,488	3.7
2001	24,560	15,181	9,379	2,168	11,547	655	1,832	2,487	4.6
2002	27,101	14,942	12,159	674	12,833	680	1,806	2,486	5.2
2003	26,382	14,258	12,124	52	12,176	710	1,778	2,488	4.9
2004	24,684	15,557	9,127	656	9,783	740	1,749	2,489	3.9
2005	25,900	17,399	8,501	1,809	10,310	770	1,717	2,487	4.1
2006	26,926	18,598	8,328	789	9,117	940	1,526	2,466	3.7
2007	28,306	21,229	7,077	402	7,479	865	1,571	2,436	3.1
2008	28,408	21,088	7,320	908	8,228	900	1,534	2,434	3.4
2009	30,941	20,491	10,450	1,900	12,350	945	1,494	2,439	5.1

Notes:
(1) Operating expenses exclude depreciation; non-operating income excludes interest expense.

Source: City of Long Beach, Department of Financial Management.

See accompanying independent auditor's report

City of Long Beach

Pledged Revenue Bond Coverage
Tideland Operating Segment

Revenue Bond Coverage
Last Nine Fiscal Years (2)
(In Thousands)

Fiscal Year-end	Beginning Unreserved Fund Balance (Deficit)	Operating Revenue	Operating Expenses (1)	Net Operating Income (Loss)	Non - Operating Income (Loss) (1)	Net Amount Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Times Coverage
2001	N/A	$ 19,240	$ 20,746	$ (1,506)	$ 2,952	$ 1,446	$ 905	$ 84	$ 989	-
2002	N/A	27,783	37,623	(9,840)	5,724	(4,116)	1,000	2,761	3,761	-
2003	N/A	31,699	37,496	(5,797)	2,088	(3,709)	2,438	6,558	8,996	-
2004	N/A	32,390	37,600	(5,210)	1,815	(3,395)	2,434	6,558	8,992	-
2005	N/A	33,593	43,633	(10,040)	1,679	(8,361)	2,430	6,558	8,988	-
2006	N/A	48,859	57,923	(9,064)	1,679	(7,385)	2,369	6,558	8,927	-
2007	N/A	56,663	61,199	(4,536)	4,732	196	2,765	6,504	9,269	-
2008	N/A	52,739	69,138	(16,399)	3,516	(12,883)	2,870	6,393	9,263	-
2009	N/A	55,684	72,880	(17,196)	6,563	(10,633)	2,985	6,274	9,259	-

Marina Segment
Marina Revenue Bond Coverage
Last Ten Fiscal Years (3)
(In Thousands)

2000	$ 3,310	$ 14,055	$ 11,017	$ 3,038	$ 1,830	$ 8,178	$ 2,435	$ 1,214	$ 3,649	2.2
2001	1,014	14,995	10,727	4,268	(79)	5,203	2,545	1,107	3,652	1.4
2002	974	15,564	10,812	4,752	470	6,196	2,660	991	3,651	1.7
2003	1,412	16,171	10,293	5,878	(370)	6,920	2,785	867	3,652	1.9
2004	1,851	16,223	10,759	5,464	571	7,886	2,915	734	3,649	2.2
2005	1,950	16,008	11,395	4,613	300	6,863	3,060	592	3,652	1.9
2006	(3,399)	16,691	11,972	4,719	377	1,697	3,145	436	3,581	0.5
2007	(3,623)	18,551	13,411	5,140	760	2,277	3,230	268	3,498	0.7
2008	(4,360)	21,352	13,519	7,833	209	3,682	3,285	97	3,382	1.1
2009	(81)	21,773	13,686	8,087	1,700	9,706	135	8	143	67.9

Notes:

(1) Operating expenses exclude depreciation; non-operating income excludes interest expense.

(2) The Long Beach Aquarium of the Pacific Lease Revenue Refunding Bonds Series 2001 were issued to (1) refund the Long Beach Aquarium of the Pacific Revenue Bonds 1995 Series A and 1995 Series B, (2) to fund a reserve fund for the Series 2001 Bonds, and (3) to pay certain costs of issuance in connection with the Series 2001 Bonds. Fiscal year 2001 reflects final bond payment of $1,000,000 for the Parking Authority Refunding bonds.

(3) The Marina Refunding Revenue Bonds Series 1986 were refunded by the Marina Refunding Revenue Bonds Series 1995, which matured on January 15, 2008.

Source: City of Long Beach, Department of Financial Management.

See accompanying independent auditor's report

City of Long Beach
Pledged Revenue Coverage
Rainbow Harbor Area Segment
Revenue Bond Coverage
Last Ten Fiscal Years (2)
(In Thousands)

Fiscal Year-end	Operating Revenue	Operating Expenses (1)	Net Operating Income (Loss)	Non-Operating Income (1) (Loss)	Net Revenue or Funds Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Times Coverage
2000	$ 2,036	$ 3,572	$ (1,536)	$ 429	$ (1,107)	$ -	$ -	$ -	-
2001	2,170	3,808	(1,638)	372	(1,266)	-	2,440	2,440	-
2002	2,486	3,799	(1,313)	384	(929)	65	2,440	2,505	-
2003	2,672	3,740	(1,068)	596	(472)	80	2,437	2,517	-
2004	4,609	5,537	(928)	154	(774)	90	2,434	2,524	-
2005	5,386	8,897	(3,511)	337	(3,174)	1,455	2,430	3,885	-
2006	6,404	8,728	(2,324)	338	(1,986)	1,515	2,369	3,884	-
2007	7,230	10,305	(3,075)	465	(2,610)	2,070	2,184	4,254	-
2008	7,212	10,321	(3,109)	210	(2,899)	2,235	2,025	4,260	-
2009	6,880	10,080	(3,200)	1,918	(1,282)	2,325	1,936	4,261	-

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

2000	$ 225,504	$ 45,286	$ 180,218	$ 3,436	$ 183,654	$ 26,715	$ 39,806	$ 66,521	2.8
2001	228,079	50,573	177,506	14,080	191,586	28,290	46,165	74,455	2.6
2002	223,999	40,085	183,914	6,386	190,300	17,960	51,239	69,199	2.8
2003	249,542	45,394	204,148	(2,524)	201,624	30,145	60,757	90,902	2.2
2004	280,782	59,755	221,027	12,987	234,014	32,590	60,474	93,064	2.5
2005	329,208	66,737	262,471	26,524	288,995	34,215	58,444	92,659	3.1
2006	353,294	80,328	272,966	27,741	300,707	34,935	54,556	89,491	3.4
2007	370,832	102,698	268,134	28,246	296,380	38,335	51,216	89,551	3.3
2008	359,345	116,166	243,179	55,866	299,045	40,090	49,432	89,522	3.3
2009	311,351	97,880	213,471	40,830	254,301	42,150	47,488	89,638	2.8

Notes:

(1) Operating expenses exclude depreciation and amortization; non-operating income excludes amortization and interest expense.

(2) The Rainbow Harbor Area Segment of the Tidelands Fund fund balance is considered adequate to cover the debt service. Operating transfers are made to provide funding to the Rainbow Harbor Area from other Tidelands funds on an as needed basis.

Source: City of Long Beach, Department of Financial Management.

See accompanying independent auditor's report

City of Long Beach
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year-end	Estimated Population (1)	Personal Income (in millions) (2) (5) (6)	Per Capita Personal Income (2) (5) (6)	Public School Enrollment (3)	Unemployment Rate (4) (6)
2000	461,522	$ 9,568	$ 20,732	91,465	6.0 %
2001	467,072	10,101	21,627	93,694	6.3
2002	472,763	10,420	22,042	96,488	7.5
2003	480,114	10,940	22,787	97,212	7.7
2004	485,797	11,620	23,919	97,560	7.2
2005	488,367	12,385	23,266	96,319	5.9
2006	489,673	13,461	27,490	93,589	5.3
2007	488,848	13,953	28,543	90,663	5.6
2008	489,864	14,211	29,011	88,186	8.2
2009	492,682	N/A	N/A	87,519	12.8

Sources:

(1) California Department of Finance.

(2) Bureau of Economic Analysis.
Personal income and per capita personal income with exception of 1999 and 2005 are based on percent change of per capita personal income for Los Angeles-Long Beach-Santa Ana, CA (Metropolitan Statistic Area).

(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). Each rate from 2000 through 2008 is noted not adjusted, not preliminary.

(5) The BEA's report does not have personal income and per capita personal income available for 2009.

(6) Restated prior years due to the data's annual revision.

See accompanying independent auditor’s report

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

	Fiscal Year 2009		Fiscal Year 2000	
	Number of Employees (1)	Percentage of Total City Employment (2)	Number of Employees (1)	Percentage of Total City Employment (2)
Long Beach Unified School District	8,304	3.57%	15,000	7.16%
The Boeing Company	7,684	3.31%	14,000	6.68%
California State University Long Beach	6,690	2.88%	2,755	1.32%
Long Beach Memorial Medical Center	5,805	2.50%	4,102	1.96%
City of Long Beach	5,570	2.40%	6,166	2.94%
Veteran Affairs Medical Center	2,332	1.00%	1,985	0.95%
Long Beach City College	2,276	0.98%	N/A	0.00%
Verizon	1,500	0.65%	653	0.31%
St. Mary Medical Center	1,479	0.64%	1,650	0.79%
United States Postal Service	1,434	0.62%	910	0.43%
GTE	N/A	N/A	1,700	0.81%

Sources:

(1) Economic Research Group, Department of Community Development

(2) U.S. Census Bureau Labor Force as of 2005.

See accompanying independent auditor’s report

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City of Long Beach
City Employees
Last Six Fiscal Years

Function	Fiscal Year 2004	2005	2006	2007	2008	2009
Legislative and Legal	140	139	143	148	144	138
General Government	469	433	447	451	522	506
Public Safety	2,121	2,125	2,143	2,127	2,120	2,022
Public Health	435	414	399	405	390	337
Community and Cultural	1,103	1,119	1,100	1,194	1,219	1,107
Public Works	370	375	373	373	298	326
Gas	177	169	178	181	185	181
Water	230	215	217	229	212	208
Airport	71	85	90	98	88	61
Solid Waste Management	125	134	143	135	184	209
Towing	45	42	38	42	38	35
Tideland Oil Revenue	38	35	34	35	34	31
Harbor	335	327	337	345	378	409
Total	5,659	5,612	5,642	5,763	5,812	5,570

Source: City of Long Beach, Department of Financial Mangement as of September 30, 2009.

The City of Long Beach implemented GASB Statement No. 34 for the fiscal year ended September 30, 2002. Information prior to the implementation of GASB Statement No. 34 is not available.

See accompanying independent auditor's report

City of Long Beach

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004
Public Safety:					
Police priority one calls response time in minutes	N/A	N/A	N/A	N/A	N/A
Violent crime rate - per 1,000 residents	N/A	N/A	N/A	N/A	N/A
Fire on-scene arrival for emergency calls within six minutes	N/A	N/A	N/A	N/A	N/A
Public Health:					
summer	N/A	N/A	N/A	N/A	N/A
Homeless population ratio vs. total population (1)	N/A	N/A	N/A	N/A	N/A
Community and Cultural					
Public library computer session log-ons	N/A	N/A	N/A	N/A	N/A
Parks, recreation programs - youth and teen attendance	N/A	N/A	N/A	N/A	N/A
Public Works:					
Number of trees trimmed	23,427	21,499	21,807	19,758	14,908
Curbs and alleys swept in miles	189,953	196,295	195,778	176,112	164,253
Sidewalk repaired in square feet	546,000	480,558	540,615	372,104	426,559
Storm drain catch basins cleaned	5,070	6,865	6,269	8,614	10,202
Gas:					
Gas consumption in sales dollars-total	$ 65,219,000	$ 119,512,000	$ 56,367,000	$ 69,592,000	$ 79,665,000
Gas consumption in cubic feet (In 000's)	12,206,160	11,467,303	10,937,205	10,579,739	11,982,873
Average daily gas consumption (MCF)	33,442	31,417	29,965	28,986	32,830
Gas mains replace/relocated in feet	10,932	19,612	28,324	51,444	10,388
Gas mains installed in feet	4,892	4,347	10,102	19,306	4,450
Gas meters installed/removed/replaced	6,707	4,162	5,697	4,846	4,716
Water:					
Water daily demand in thousand gallons	63,619	61,226	62,259	60,308	63,331
Water annual demand in thousand gallons	23,220,794	22,347,490	22,724,523	22,012,177	23,115,870
Available supply total in thousand gallons	24,911,961	23,710,875	24,514,423	23,683,176	25,071,954
Sewer:					
Sewer mains cleaned in miles	257	291	396	341	437
Sewer mains and laterals repaired in number of jobs	N/A	384	147	97	316
Airport:					
Number of commercial passengers enplanned	318,580	280,528	515,634	1,386,078	1,479,623
Number of commercial passengers deplanned	340,875	277,590	503,360	1,371,173	1,462,348
Number of aircraft landings and take offs	411,554	362,014	349,914	339,370	343,993
Solid Waste Management:					
Number of refuse tons collected	211,051	218,570	224,776	233,787	224,331
Number of recycling tons collected	N/A	N/A	N/A	N/A	N/A
SERRF tons of refuse received	480,515	494,464	504,626	495,542	490,196
SERRF energy sold to So Cal Edison megawatt-hours	233,714	230,712	236,730	230,619	233,062
Harbor:					
Number of container movements in twenty-foot equivalent uni	4,564,529	4,491,690	4,694,432	4,388,815	5,355,972
Cargo in thousands of metric revenue tons	126,785	124,078	125,620	118,236	138,023
Number of ship calls	5,428	5,501	5,036	4,937	4,997

Sources: City Departments.

(1) The homeless population count is biannual.

The City of Long Beach implemented GASB Statement No. 34 for the fiscal year ended September 30, 2002. Information prior to the implementation of GASB Statement No. 34 is not available.

See accompanying independent auditor's report

Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Function
					Public Safety:
N/A	4.5	4.3	4.4	4.07	Police priority one calls response time in minutes
N/A	6.99	6.82	6.53	6.51	Violent crime rate - per 1,000 residents
N/A	73.60%	73.90%	71.60%	70.5%	Fire on-scene arrival for emergency calls within six minutes
					Public Health:
N/A	94%	93%	87%	80%	e of beach
N/A	0.91%	0.93%	0.80%	0.80%	Homeless population ratio vs. total population (1)
					Community and Cultural
N/A	305,130	348,982	437,211	420,100	Public library computer session log-ons
N/A	647,705	646,035	726,812	652,953	Parks, recreation programs - youth and teen attendance
					Public Works:
25,629	28,401	34,342	25,682	19,300	Number of trees trimmed
157,976	165,706	176,542	163,298	154,152	Curbs and alleys swept in miles
379,070	436,505	363,089	260,742	203,805	Sidewalk repaired in square feet
3,911	5,110	4,744	5,800	3,122	Storm drain catch basins cleaned
					Gas:
$ 91,575,000	$ 100,336,000	$ 92,323,000	$ 101,834,000	$ 71,294,000	Gas consumption in sales dollars-total
11,792,301	10,659,740	10,924,000	10,122,000	9,137,000	Gas consumption in cubic feet (In 000's)
32,308	30,186	29,928	27,655	25,034	Average daily gas consumption (MCF)
52,813	60,496	80,898	88,000	92,945	Gas mains replace/relocated in feet
7,647	22,590	78,815	74,500	80,915	Gas mains installed in feet
5,482	6,880	7,352	7,416	7,290	Gas meters installed/removed/replaced
					Water:
53,118	59,317	60,969	55,302	50,688	Water daily demand in thousand gallons
19,388,070	21,650,844	22,253,636	20,185,133	18,501,135	Water annual demand in thousand gallons
22,960,765	23,607,579	24,253,546	22,346,927	20,523,106	Available supply total in thousand gallons
					Sewer:
338	474	361	365	424	Sewer mains cleaned in miles
246	296	270	278	215	Sewer mains and laterals repaired in number of jobs
					Airport:
1,520,918	1,412,636	1,446,120	1,439,598	1,466,499	Number of commercial passengers enplanned
1,506,953	1,402,379	1,434,463	1,438,407	1,464,412	Number of commercial passengers deplanned
344,377	360,811	399,622	354,727	302,672	Number of aircraft landings and take offs
					Solid Waste Management:
225,467	216,725	199,995	201,816	217,349	Number of refuse tons collected
N/A	31,413	178,773	195,291	197,104	Number of recycling tons collected
463,956	495,794	502,558	485,207	488,999	SERRF tons of refuse received
206,640	236,384	241,839	229,664	226,866	SERRF energy sold to So Cal Edison megawatt-hours
					Harbor:
6,644,080	7,166,771	7,361,881	6,736,756	5,282,385	Number of container movements in twenty-foot equivalent units
158,136	168,416	173,037	162,910	135,255	Cargo in thousands of metric revenue tons
5,301	5,588	5,653	5,140	4,933	Number of ship calls

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

Function	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004
Public Safety:					
Number of police stations	1	1	1	1	1
Number of police substations (full facility)	2	2	3	2	2
Number of police storefront stations	5	5	4	4	4
Number of fire stations	24	24	24	24	23
Community and Cultural:					
Number of parks	72	78	92	103	103
Parks and golf courses in acres	1,941	2,045	2,613	2,814	2,814
Number of libraries	12	12	12	12	12
Number of library holdings (books, videos, tapes)	1,001,222	991,799	967,500	997,509	1,013,730
Number of library circulations	2,051,090	2,105,365	1,797,505	1,721,269	1,536,968
Public Works:					
Street in miles	815	815	815	815	815
Storm drain lines in miles	180	180	180	180	180
Number of street lights (1)	31,759	31,292	27,281	27,281	30,839
Gas:					
Gas mains in miles	920	937	921	920	920
Water:					
Water mains in miles	913	911	911	915	907
Number of fire hydrants	6,767	6,858	6,964	6,421	6,640
Number of water services	88,636	88,754	88,928	89,139	94,730
Sewer:					
Sanitary sewers in miles	704	718	705	765	712
Number of manholes	15,593	15,595	15,595	15,595	16,031
Sanitary sewer pump stations	28	28	28	27	28
Storm drain pump stations	23	23	23	23	23
Harbor:					
Sanitary sewer pump stations	N/A	N/A	N/A	N/A	N/A
Storm drain pump stations	N/A	N/A	N/A	N/A	N/A
Solid Waste Management:					
Number of waste-to-energy facilities	N/A	N/A	N/A	N/A	N/A

(1) In 2008 the number of street lights changed from 34,000 to 31,000 due to updated reports.

Sources: City Departments.

See accompanying independent auditor's report

Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Function
					Public Safety:
1	1	1	1	1	Number of police stations
2	2	3	3	3	Number of police substations (full facility)
4	4	4	4	3	Number of police storefront stations
23	23	23	23	23	Number of fire stations
					Community and Cultural:
108	115	116	150	155	Number of parks
2,817	2,855	2,873	3,061	3,063	Parks and golf courses in acres
12	12	12	12	12	Number of libraries
998,330	984,727	972,499	977,197	916,504	Number of library holdings (books, videos, tapes)
1,467,069	1,396,443	1,458,862	1,695,540	1,562,913	Number of library circulations
					Public Works:
815	815	815	815	815	Street in miles
180	180	180	181	181	Storm drain lines in miles
31,582	31,582	31,582	31,000	31,000	Number of street lights
					Gas:
922	922	921	920	918	Gas mains in miles
					Water:
907	907	905	904	908	Water mains in miles
6,501	6,505	6,489	6,507	6,525	Number of fire hydrants
94,860	N/A	N/A	95,432	95,424	Number of water services
					Sewer:
712	712	711	711	712	Sanitary sewers in miles
16,041	16,044	16,055	16,078	16,129	Number of manholes
28	28	28	28	28	Sanitary sewer pump stations
23	23	23	23	23	Storm drain pump stations
					Harbor:
N/A	N/A	N/A	N/A	32	Sanitary sewer pump stations
N/A	N/A	N/A	N/A	20	Storm drain pump stations
					Solid Waste Management:
N/A	1	1	1	1	Number of waste-to-energy facilities

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