REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS
WITH REQUIRED SUPPLEMENTARY INFORMATION

ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY

June 30, 2021 and 2020

MOSSADAMS

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Report of Independent Auditors

The Governing Board
Alameda Corridor Transportation Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Alameda Corridor Transportation Authority (the “Authority”), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller’s *Minimum Audit Requirements* for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2021 and 2020, and the respective changes in its financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis, the schedule of proportionate share of the net pension liability, schedule of contributions – pension, schedule of changes in the net other post-employment benefits asset and related ratios, and schedule of contributions – other post-employment benefits presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Moss Adams LLP

Irvine, California
October 28, 2021

Description of Basic Financial Statements

The Alameda Corridor Transportation Authority (the "Authority" or "Corridor") presents its basic financial statements using the economic resources measurement focus and full accrual basis of accounting. The Authority's basic financial statements include statements of net position; statements of revenues, expenses, and changes in net position; and statements of cash flows. The basic financial statements also include notes that explain the information presented in the basic financial statements.

Financial Highlights

The net deficit of the Authority at June 30, 2021 and 2020, was $471,751,858 and $453,012,480, respectively. Of this amount, $56,048,908 and $52,475,405 is invested in the Authority's capital assets, net of related debt, at June 30, 2021 and 2020, respectively. The Authority's net position decreased by $18,739,378 and $27,946,066 in the years ended June 30, 2021 and 2020, respectively.

The 2021 and 2020 fiscal years marked the nineteenth and eighteenth full years of operations for the Authority. The Authority earned $126,799,518 and $108,667,797 from use fees, container charges, and maintenance-of-way charges during fiscal years ended June 30, 2021 and 2020, respectively. The Authority's use fees and container charges for the year 2021 were more than the 2020 total by 16.4%. All of the use fee and container charges and all of the maintenance-of-way charges are received from the Union Pacific ("UP") and Burlington Northern Santa Fe ("BNSF") railroads that utilize the Authority's Alameda Corridor.

Condensed Financial Information

The following condensed financial information provides an overview of the Authority's financial position for the fiscal years ended June 30, 2021, 2020, and 2019:

	June 30,			Change Between 2021 and 2020	Change Between 2020 and 2019
	2021	2020	2019		
ASSETS					
Capital assets, net	$ 1,514,779,960	$ 1,535,479,934	$1,556,343,265	$ (20,699,974)	$ (20,863,331)
Other assets	222,189,293	221,122,570	224,649,247	1,066,723	(3,526,677)
Total assets	1,736,969,253	1,756,602,504	1,780,992,512	(19,633,251)	(24,390,008)
DEFERRED OUTFLOWS OF RESOURCES	14,518,837	16,040,998	17,539,607	(1,522,161)	(1,498,609)
LIABILITIES					
Long-term liabilities	2,141,463,792	2,176,719,331	2,159,050,858	(35,255,539)	17,668,473
Current liabilities	81,510,526	48,593,281	64,459,551	32,917,245	(15,866,270)
Total liabilities	2,222,974,318	2,225,312,612	2,223,510,409	(2,338,294)	1,802,203
DEFERRED INFLOWS OF RESOURCES	265,630	343,370	88,124	(77,740)	255,246
NET POSITION					
Net investment in capital assets	56,048,908	52,475,405	32,319,507	3,573,503	20,155,898
Restricted for debt service	107,302,635	107,375,351	101,329,902	(72,716)	6,045,449
Restricted by Master Trust Indenture	66,576,480	66,271,689	81,829,720	304,791	(15,558,031)
Unrestricted (deficit)	(701,679,881)	(679,134,925)	(640,545,543)	(22,544,956)	(38,589,382)
Total net position	$ (471,751,858)	$ (453,012,480)	$ (425,066,414)	$ (18,739,378)	$ (27,946,066)

Capital Assets

Capital assets, net, made up of infrastructure and equipment, decreased by $20.7 million or 1.3%, and $20.9 million or 1.3%, between 2021 and 2020, and 2020 and 2019, respectively. These decreases are primarily due to depreciation of capital assets of $21.0 million in both fiscal years 2021 and 2020.

Deferred Outflows of Resources

Deferred outflows of resources decreased by $1.5 million or 9.5%, and $1.5 million or 8.5%, between 2021 and 2020, and 2020 and 2019, respectively. These decreases are primarily due to amortization of gains/loss on bond refunding which is offset by the net difference between projected and actual earnings on pension plan investments and pension contributions. The deferred outflows on bond refundings are calculated as the difference between the reacquisition price (the amount paid on extinguishment including call premiums and miscellaneous costs of reacquisition) and the net carrying value (amount due at maturity, adjusted for unamortized premiums and/or discounts). The deferred outflows are being amortized over the shorter of the remaining life of the old debt or the new debt.

Other Assets

Other assets increased by $1.1 million or 0.5% between 2021 and 2020 primarily due to decreases in restricted cash and investments but offset by the increase in receivables.

Other assets decreased by $3.5 million or 1.6%, between 2020 and 2019 primarily due to decreases in restricted cash and investments and receivables due to lower revenue collections.

Current Liabilities

Current liabilities consist of the current portion of accrued interest and revenue bonds payable, accounts payable, unearned revenue, and other liabilities. Current liabilities increased by $33.0 million or 66.7% and decreased by $15.9 million or 24.6%, during the fiscal years ended June 30, 2021 and 2020, respectively.

The $33.0 million increase in fiscal year 2021 is primarily due to an increase in accrued short-term debt, principal, accrued interest, and accounts payable.

The $15.9 million decrease in fiscal year 2020 is primarily due to a decrease in accrued short-term debt and accounts payable.

Long-Term Liabilities

Long-term liabilities decreased by $35.3 million or (1.6)% in fiscal year 2021 compared to fiscal year 2020. The 2021 decrease was primarily due to principal payments on revenue bonds.

Long-term liabilities increased by $17.7 million or 0.8% in fiscal year 2020 compared to fiscal year 2019. The 2020 increase was primarily due to accreting interest on revenue bonds due in current year.

The Master Trust Indenture

In conjunction with the sale of project revenue and refunding bonds in 1999, 2004, 2012, 2013A, and 2016 ("Bonds"), the Authority entered into a Master Trust Indenture ("MTI") with U.S. Bank, the bond trustee ("Trustee"), pursuant to which the Authority assigned all of its rights, title, and interest in and to the Corridor, including the receipt of certain use fees and container charges and other revenues known as "Authority Revenues" to the Trustee as security for the repayment of the Bonds. Pursuant to the terms of the MTI, the Trustee is required to establish certain funds and accounts and to apply the Authority's revenues for the purposes specifically set forth therein. The MTI establishes debt service funds, debt service reserve funds, construction funds, maintenance and capital reserve funds, and certain other restricted funds. The MTI also establishes a priority of payments, which restricts the manner, timing, and sequence of transfers into and out of such funds and accounts, and among such funds and accounts. The MTI requires that the Authority comply with certain operational and financial covenants, restricts the types of investments the Trustee and Authority may make, and requires regular financial reporting and disclosure.

Net Position

Net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, decreased by $18.7 million or 4.1%, and $27.9 million or 6.6%, during the years ended June 30, 2021 and 2020, respectively. The change in net position was primarily the result of interest and operating expenses continuing to exceed operating income. In fiscal years 2021 and 2020, operating revenues of $126.8 and $108.7 million, respectively, were sufficient to cover the interest expense of $107.5 million in 2021 and $107.1 million in 2020.

Summary of Changes in Net Position

The table below summarizes the changes in net position for the years ended June 30, 2021, 2020, and 2019:

	Years Ended June 30,			Change Between 2021 and 2020	Change Between 2020 and 2019
	2021	2020	2019		
Operating revenues					
Use fees and container charges	$ 118,874,257	$ 102,115,182	$ 112,550,438	$ 16,759,075	$ (10,435,256)
Maintenance-of-way charges	7,925,261	6,552,615	5,509,784	1,372,646	1,042,831
Total operating revenues	126,799,518	108,667,797	118,060,222	18,131,721	(9,392,425)
Operating expenses					
Salaries and benefits	2,408,569	2,491,825	2,282,399	(83,256)	209,426
Administrative expenses and professional services	3,083,600	3,383,040	3,071,757	(299,440)	311,283
Maintenance-of-way charges	14,050,241	10,317,020	8,414,068	3,733,221	1,902,952
Depreciation	21,019,477	21,016,917	21,024,851	2,560	(7,934)
Total operating expenses	40,561,887	37,208,802	34,793,075	3,353,085	2,415,727
Operating income	86,237,631	71,458,995	83,267,147	14,778,636	(11,808,152)
Nonoperating revenues (expenses)					
Interest and investment income, net	2,388,596	7,572,659	6,670,741	(5,184,063)	901,918
Interest expense	(107,533,022)	(107,137,899)	(106,352,164)	(395,123)	(785,735)
Grant revenues	577,595	896,530	885,189	(318,935)	11,341
Miscellaneous revenues	320,028	242,335	248,728	77,693	(6,393)
Expenses for public benefit	(730,206)	(978,686)	(938,464)	248,480	(40,222)
Total nonoperating expenses	(104,977,009)	(99,405,061)	(99,485,970)	(5,571,948)	80,909
Changes in net position	(18,739,378)	(27,946,066)	(16,218,823)	9,206,688	(11,727,243)
Net position, beginning of the year	(453,012,480)	(425,066,414)	(408,847,591)	(27,946,066)	(16,218,823)
Net position, end of year	$ (471,751,858)	$ (453,012,480)	$ (425,066,414)	$ (18,739,378)	$ (27,946,066)

Operating Revenues

Use fees and container charges revenues, representing 93.7% and 94.0% of operating revenues, respectively, increased by $16.8 and decreased by $10.4 million, or 16.4% and (9.3)%, in 2020 and 2019, respectively. The current year increase in revenues was due to an increase in the volume of containers received by the ports of Los Angeles and Long Beach (collectively known as the "Ports").

Operating Expenses

Operating expenses consist of salaries and benefits, administrative expenses, professional services, maintenance-of-way charges, and depreciation. During the year ended June 30, 2021, operating expenses increased by $3.3 million or 9.0%. The increase in 2021 was the result of an increase in maintenance-of-way charges. During the year ended June 30, 2020, operating expenses increased by $2.4 million or 6.9%. The increase in 2020 was the result of an increase in maintenance-of-way charges.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses consist of interest and investment earnings, interest expense, grant revenues, miscellaneous revenues, and expenses for public benefit.

The 2021 and 2020 increase in nonoperating expenses of $5.6 million and decrease of $0.8 million, respectively, was primarily due to a decrease in interest and investment income year over year.

Capital Assets and Debt Administration

At June 30, 2021 and 2020, the Authority had approximately $1.51 and $1.54 billion, respectively, of capital assets, net of accumulated depreciation, and approximately $2.1 and $2.2 billion, respectively, in outstanding long-term debt.

Long-Term Debt

As of June 30, 2021 and 2020, the Authority's total long-term debt in revenue bonds was $1.519 and $1.559 billion; respectively. In addition, accrued interest payable was $607.6 and $602.5 million, during fiscal years 2021 and 2020, respectively.

As of June 30, 2021, the Authority's credit ratings for the Senior Bonds (1999A, 1999C, 2012, and 2013A) are A3, A-, and A by Moody's Investor Service, Standard & Poor's, and Fitch Ratings, respectively. For the first subordinated debt (2004A, 2004B, and 2016A), the ratings are Baa2, BBB+, and BBB+ by Moody's Investor Service, Standard & Poor's, and Fitch Ratings, respectively, and for the second subordinated debt (2016B), the ratings are Baa2, BBB+, and BBB by Moody's Investor Service, Standard & Poor's, and Fitch Ratings, respectively.

Additional debt information can be found in Note 6 to the basic financial statements.

Other Developments

The Authority's Alameda Corridor Project opened on April 15, 2002. On that date, the Authority commenced operations and began collecting revenues for intermodal containers and rail cars using the Corridor, as authorized in the Use and Operating Agreement between the Authority and the participating railroads ("Use and Operating Agreement"). The Authority's bonds are payable solely from and secured by a pledge of, among other revenues, use fees, container charges to be paid by the railroads, and shortfall advances to be paid under certain circumstances by the Ports. To the extent that the revenues from use and container charges are not sufficient to meet the Authority's obligations, the Ports have agreed to advance the funds necessary to pay up to the maximum amount of 20% each for any debt service payment. From inception until the fiscal year ended June 30, 2021, approximately $1.77 billion has been received from the railroads. These revenues, combined with remaining interest income and other surplus cash balances, have been sufficient to meet debt services, fund reserve account required deposits, and pay the cost of revenue collections, monitoring, and administrative fees, except for in fiscal years 2012 and 2013, when shortfall advances totaling $11.8 million from the Ports were needed.

Other Developments (continued)

The Authority's program manager, Alameda Corridor Engineering Team ("ACET"), together with the Authority's staff are actively working to close out the remaining completed projects from the original Corridor projects as well as to support Caltrans on the SR-47 Project as outlined in cooperative agreements. Remaining work involves property transfers, right-of-way closeouts, and support on the SR-47 Project.

The Authority's Governing Board (the "Board") modified the Corridor to include the addition of several Corridor-related projects, consistent with the Authority's Joint Powers Agreement, Use and Operating Agreement, and its bond-related documents. Significant among those projects is the SR-47 project. The SR-47 project has progressed, and the Authority is currently working in conjunction with Caltrans to advance the Heim Bridge portion of the project. The National Environmental Policy Act (NEPA) Record of Decision was approved on August 12, 2009; the Notice of Determination was received on August 17, 2009. The final design for replacement of the bridge was completed in October 2010. Construction was completed in September 2021 and full closeout is scheduled to occur in the middle of 2023.

In May 2016, the Authority issued bonds in order to reduce debt service costs in the short term by refinancing a portion of its outstanding debt. The Authority has continued to engage in activities to prevent further decline in its net position and improve the overall financial condition of the Authority. Although the Authority does not expect to require shortfall advances from the Ports within the next fiscal year based upon current revenue projections and planned restructuring of various bonds, the ability to request advances remains an option to the Authority. The Authority has forecasted potential scenarios in which absent intervention result in modest shortfall advances in 2022 through 2025. In this case, the Authority would reduce the need for these shortfall advances by restructuring some bonds to reduce near-term debt service.

In April 2019, the Authority's Governing Board approved the selection of a new maintenance contractor for the Corridor. RailWorks Track Services, Inc.'s ("RailWorks'") contract commenced on May 1, 2019, for a five-year term with a five-year renewal option. Expenditures related to the maintenance of the Corridor continue to be higher, as the Corridor ages and additional capital work is required.

Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, Alameda Corridor Transportation Authority, 3760 Kilroy Airport Way, Suite 200, Long Beach, California, 90806.

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	June 30, 2021	June 30, 2020
CURRENT ASSETS		
Restricted cash and cash equivalents	$ 52,335,235	$ 30,735,624
Restricted investments	74,609,319	102,292,268
Receivables	13,431,637	9,907,904
Prepaid expenses	1,330,225	1,225,268
Total current assets	141,706,416	144,161,064
Restricted investments	66,621,819	63,123,538
Assets held for transfer	13,347,625	13,347,625
OPEB asset	513,433	490,343
Capital assets not being depreciated	438,148,732	438,148,732
Capital assets, net of accumulated depreciation	1,076,631,228	1,097,331,202
Total assets	1,736,969,253	1,756,602,504
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding	13,838,654	15,333,065
Pension related items	680,183	707,933
Total assets and deferred outflows of resources	$ 1,751,488,090	$ 1,772,643,502

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

	June 30, 2021	June 30, 2020
CURRENT LIABILITIES		
Accounts payable	$ 8,256,193	$ 5,312,610
Unearned revenue	1,054,949	889,742
Accrued interest payable, current portion	39,993,990	15,980,319
Revenue bonds payable, current portion	31,745,591	25,767,886
Other liabilities	459,803	642,724
Total current liabilities	81,510,526	48,593,281
Shortfall advances payable to Ports	12,629,403	12,612,996
Net pension liability	2,202,035	2,116,034
Accrued interest payable, net of current portion	607,589,077	602,528,224
Revenue bonds payable, net of current portion and unamortized discount	1,519,043,277	1,559,462,077
Total liabilities	2,222,974,318	2,225,312,612
DEFERRED INFLOWS OF RESOURCES	265,630	343,370
NET POSITION		
Net investments in capital assets	56,048,908	52,475,405
Restricted, expendable for		
Debt service	107,302,635	107,375,351
Master Trust Indenture	66,576,480	66,271,689
Unrestricted (deficit)	(701,679,881)	(679,134,925)
Total net position	(471,751,858)	(453,012,480)
Total liabilities, deferred inflows of resources, and net position	$ 1,751,488,090	$ 1,772,643,502

See accompanying notes.

Alameda Corridor Transportation Authority
Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30, 2021	2020
OPERATING REVENUES		
Use fees and container charges	$ 118,874,257	$ 102,115,182
Maintenance-of-way charges	7,925,261	6,552,615
Total operating revenues	126,799,518	108,667,797
OPERATING EXPENSES		
Salaries and benefits	2,408,569	2,491,825
Administrative expenses	2,001,240	2,251,536
Professional services	1,082,360	1,131,504
Maintenance-of-way	14,050,241	10,317,020
Depreciation	21,019,477	21,016,917
Total operating expenses	40,561,887	37,208,802
Operating income	86,237,631	71,458,995
NONOPERATING REVENUES (EXPENSES)		
Interest and investment revenue, net	2,388,596	7,572,659
Grant revenues	577,595	896,530
Miscellaneous revenue	320,028	242,335
Interest expense	(107,533,022)	(107,137,899)
Expenses for public benefit	(730,206)	(978,686)
Total nonoperating expenses, net	(104,977,009)	(99,405,061)
Changes in net position	(18,739,378)	(27,946,066)
NET POSITION, beginning of the year	(453,012,480)	(425,066,414)
NET POSITION, end of year	$ (471,751,858)	$ (453,012,480)

See accompanying notes.

	Years Ended June 30, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers for services	$ 122,960,811	$ 111,223,112
Payment to suppliers for goods and services	(14,295,215)	(10,645,774)
Payments to employees	(2,578,569)	(2,351,310)
Net cash provided by operating activities	106,087,027	98,226,028
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grant receipts	819,176	972,965
Payments for expenses for public benefit	(730,206)	(978,686)
Receipts for miscellaneous income	320,028	242,335
Net cash provided by noncapital financing activities	408,998	236,614
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(319,503)	(153,586)
Principal paid on notes and bonds payable	(24,245,725)	(41,264,833)
Interest payments on debt	(87,143,050)	(65,766,669)
Net cash used in capital and related financing activities	(111,708,278)	(107,185,088)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(400,829,830)	(471,818,095)
Sales of investments	425,014,498	467,849,803
Interest received	2,627,196	6,979,742
Net cash provided by investing activities	26,811,864	3,011,450
NET INCREASE (DECREASE) IN RESTRICTED CASH AND CASH EQUIVALENTS	21,599,611	(5,710,996)
RESTRICTED CASH AND CASH EQUIVALENTS, beginning of year	30,735,624	36,446,620
RESTRICTED CASH AND CASH EQUIVALENTS, end of year	$ 52,335,235	$ 30,735,624

See accompanying notes.

Alameda Corridor Transportation Authority
Statements of Cash Flows (Continued)

	Years Ended June 30,	
	2021	2020
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 86,237,631	$ 71,458,995
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation expense	21,019,477	21,016,917
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources		
Receivables	(3,838,707)	2,555,315
Prepaid expenses	(104,957)	(38,621)
OPEB asset	(23,090)	(261,511)
Deferred outflows/inflows of resources	(49,990)	255,350
Accounts payable	2,943,583	3,092,907
Net pension liability	86,001	114,071
Other liabilities	(182,921)	32,605
Net cash provided by operating activities	$ 106,087,027	$ 98,226,028

See accompanying notes.

Note 1 – Organization and Summary of Significant Accounting Policies

Reporting entity – The Alameda Corridor Transportation Authority (the “Authority” or “Corridor”) was established in August 1989 through a Joint Exercise of Powers Agreement (“JPA”) between the cities of Los Angeles and Long Beach, California. The purpose of the Authority is to acquire, construct, finance, and operate a consolidated transportation corridor, including an improved railroad expressway between the Ports and downtown Los Angeles (the route between the two locations has become known as the “Alameda Corridor”).

The Authority’s independent Governing Board has seven members, comprising two members each from the Ports, one member each from the cities of Los Angeles and Long Beach, and one member representing the Los Angeles County Metropolitan Transportation Authority (LACMTA).

As of June 30, 2021, the members of the Authority’s Governing Board were the following:

Chairperson – Mr. Joe Buscaino, Council member, City of Los Angeles
Vice Chairperson – Ms. Suzie Price, Council member, City of Long Beach
Member – Hon. Janice Hahn, Supervisor, County of Los Angeles and Chairperson, LACMTA
Member – Mr. Frank Colonna, Commissioner, Port of Long Beach
Member – Mr. Edward Renwick, Commissioner, Port of Los Angeles
Member – Mr. Eugene Seroka, Executive Director, Port of Los Angeles
Member – Mr. Mario Cordero, Executive Director, Port of Long Beach

The Authority is empowered to explore alternative methods of financing, to develop existing property, and to coordinate other governmental efforts necessary for a consolidated transportation corridor, including the completion of the Alameda Corridor Project (the “Project”). The Authority may issue revenue bonds to carry out its obligations under the JPA. Such bonds will be payable from revenues generated from the Alameda Corridor, from one or more pledges of revenues from the Authority, the Board of Harbor Commissioners of Long Beach and Los Angeles, from pledges of revenues from other responsible agencies, or from any other legally available funds.

Program management agreement – In January 1996, the Authority’s Governing Board entered into a Program Management Agreement (“Agreement”) with the Alameda Corridor Engineering Team (“ACET”), a joint venture comprising Daniel, Mann, Johnson, and Mendenhall (now “AECOM”); Moffatt and Nichol Engineers; Jenkins, Gales, and Martinez, Inc.; and TELACU Construction Management, Inc., to provide the broad program management services necessary to assist the Authority in implementing the Alameda Corridor. The Agreement calls for ACET to provide the Authority with professional services related to management, engineering, construction support, procurement, coordination, and administration of the Alameda Corridor Project Construction Program. This Agreement was amended twice by the Governing Board and is now extended through June 30, 2022.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Use and operating agreement – In October 1998, the cities of Long Beach and Los Angeles, the Authority, Union Pacific Railroad Company (“UP”), and Burlington Northern Santa Fe Railway Company (“BNSF”) entered into a use and operating agreement (the “Use and Operating Agreement” or “UOA”), which outlines the provisions for the construction, operation, and use of the Rail Corridor (as defined in the UOA). Specifically, it grants UP and BNSF the right to use the Rail Corridor constructed by the Authority for all Through Train (as defined in the UOA) movements upon substantial completion in exchange for paying maintenance, operating charges, container charges, and use fees to the Authority. Proceeds of the container charges and use fees will be used to repay the revenue bonds. The Use and Operating Agreement was amended in 2006 to resolve a dispute involving application of the container charge and use fee provisions of the Agreement to transloaded cargo. On December 15, 2016, an Amended and Restated Alameda Corridor Use and Operating Agreement was executed by and among the ports of Los Angeles and Long Beach (collectively the “Ports”), the railroads, and the Authority, which, among other things, incorporates the amendments set forth in the First Amendment dated as of July 5, 2006; replaces the Operating Committee with direct decision-making authority by the Ports and railroads for the management of Alameda Corridor maintenance and operations; and removes construction-related provisions and updates certain other provisions to reflect current conditions and practices. Dissolving the Operating Committee and modifying the decision-making process did not have any impact on the day-to-day operation of the Alameda Corridor or the collection of the Authority’s revenues. The UOA requirements are to be in effect until the earlier of April 15, 2062, or repayment of all obligations under the UOA.

Master trust indenture – In conjunction with the sale of project revenue and refunding bonds in 1999, 2004, 2012, 2013A, and 2016 (“Bonds”), the Authority entered into a Master Trust Indenture (MTI) with U.S. Bank, the bond trustee (“Trustee”), pursuant to which the Authority assigned all of its rights, title, and interest in and to the Project, including the receipt of certain use fees and container charges and other revenues known as the “Authority Revenues” to the Trustee as security for the repayment of the Bonds. Pursuant to the terms of the MTI, the Trustee is required to establish certain funds and accounts and to apply the Authority’s revenues for the purposes specifically set forth therein, which include the payment of most operating expenses and debt service payments. The MTI establishes debt service funds, debt service reserve funds, construction funds, maintenance and capital reserve funds, and certain other restrictive funds. The MTI also establishes a priority of payments, which restricts the manner, timing, and sequence of transfers into and out of such funds and accounts, and among such funds and accounts. The MTI requires that the Authority comply with certain operational and financial covenants, restricts the types of investments the Trustee and Authority may make, and requires regular financial reporting and disclosure. The Authority’s net position restricted by the MTI included in the accompanying statements of net position of $66,576,480 and $66,271,689 as of June 30, 2021 and 2020, respectively, represents the accumulation of the Authority’s revenues in excess of operating expenses and debt payments that can only be used for the aforementioned purposes noted in the MTI.

Basis of presentation – The basic financial statements of the Authority have been prepared in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) as applied to governmental units and the State Controller’s Minimum Audit Requirements and Reporting Guidelines. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments within the United States of America.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

In accordance with U.S. GAAP, the Authority's operations are accounted for as a business-type activity. In this regard, the Authority follows the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when they are earned, and expenses are recorded when they are incurred, irrespective of when paid.

Restricted cash and cash equivalents – The Authority has defined, for purposes of the preparation of its statements of cash flows, that cash and cash equivalents include deposits, money market accounts, and investments with an original maturity date of three months or less, including investments in the State of California Local Agency Investment Fund ("LAIF"). The Authority participates in the State of California's LAIF, a non-Securities and Exchange Commission registered investment pool open to all government units in the State of California, and is able to withdraw amounts from LAIF on demand without penalty.

Receivables – Grant contracts receivable consist of unsecured reimbursements due from funding sources for services performed prior to year-end. Use fees and other receivables are carried at invoiced amounts. The Authority has not experienced losses from past uncollected receivables; therefore, it has not recognized an allowance for uncollectable amounts at June 30, 2021 and 2020.

Investments – Investments are stated at fair value. The value of each investment security has been determined based on the published closing price of the security as of June 30, 2021 and 2020, or quoted prices of securities with similar characteristics, discounted cash flows, and other observable inputs. The net changes in fair value of investments, consisting of realized gains or losses and the unrealized appreciation/depreciation on those investments, have been included in interest and investment revenue as shown in the accompanying statements of revenues, expenses, and changes in net position.

The Authority's investment practices are governed by the MTI investment policy. The investment policy was amended by the Authority's Governing Board in April 2018, segregating non-bond funds that are controlled by the Board from bond funds that are controlled by the MTI investment policy. The types of investment authorized by the policies are described further in Note 2.

Assets held for transfer – Remaining right-of-way parcels or easements that require a transfer are valued based upon the known costs paid at the time the parcel was originally acquired. These assets are not held for investment purposes. The carrying value of these assets is further described in Note 4.

Capital assets – Capital assets purchased or constructed, including capitalized interest accrued during construction, are carried at cost. Donated assets are valued at the estimated fair value on the date received. Depreciation is provided over the estimated useful life of each asset and computed on a straight-line basis beginning with the fiscal year after the asset is placed in service. Trench structures, tracks and signals, rail bridge structures, and highway bridge structures include both depreciable and nondepreciable components. Costs associated with construction and building of the structures, track, and signal systems of the Corridor are depreciable. Nondepreciable components include the demolition, excavation, backfill, embankment fill, removal of contaminated soil, construction delay costs, and utility relocations.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Estimated useful lives of classes of capital assets are as follows:

Tenant improvements	3 years
Automotive vehicles	5 years
Office equipment	3–5 years
Buildings	30 years
Revenue assessment and verification system and other software	5 years
Tracks and signal systems	40 years
Highway bridge structures	100 years
Trench structures	100 years
Rail bridge structures	100 years

Infrastructure and equipment acquired with state and local grants are also included in capital assets. Depreciation on these assets is recorded as an operating expense.

Restricted assets and net position – Certain proceeds of the Authority's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statements of net position because their use is limited by applicable bond covenants. The revenue bonds' accrued interest, debt service reserve, and revenue fund accounts have been classified as restricted assets, because these accounts are first restricted to the payment of interest and principal on the outstanding revenue bonds. These amounts, offset by any related outstanding debt, are reported as net position restricted for debt service. After payment of debt service, remaining revenues, if any, are restricted to the payment of the Authority's other costs and legal obligations (including repayment of Port Shortfall Advances) as defined by the Authority's Use and Operating Agreement. The Reserve Account has also been classified as restricted assets, because the amount in this account is restricted for specific purposes under the Use and Operating Agreement and the revenue bond covenants. These amounts, offset by any related outstanding liabilities, are reported as net position restricted by the MTI.

Remaining long-term debt proceeds that have been set aside for capital projects are also reported as restricted assets. The monies restricted for capital projects have been fully expended. When both restricted and unrestricted resources are available for use, it is the Authority's practice to use restricted resources first, and then unrestricted resources as they are needed.

The Authority's net position as of June 30, 2021, is a deficit of $471.8 million because total liabilities and deferred inflows of resources were greater than total assets and deferred outflows of resources due to accumulating accreted interest on revenue bonds payable. The Authority's interest cash payments are lower than recorded interest expense because the bonds are capital appreciation bonds (CABs), which compound interest until final maturity. As a result, the Authority is able to maintain a liquid financial position. Management believes that it will be able to sustain its liquidity based on the terms of the bonds payable and through shortfall advances from the Ports, if necessary, as discussed further in Note 6.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Compensated absences – All Authority employees accumulate time off for vacation and sick leave each pay period. While sick leave hours are accrued at a uniform rate among all employees, vacation accrual is based on length of service. Vacation hours are payable to employees when used at the individual employee's current rate of pay. Any unused vacation remaining at the time of termination is also payable to the employee at his/her then rate of pay. All vacation hours that have been earned but not paid as of June 30, 2021 and 2020, have been accrued in the accompanying statements of net position in other liabilities. Sick hours are paid to employees when used. The Authority's sick leave policy also provides that employees will be paid 50% of the remaining value of their sick leave hours upon termination. Consequently, 50% of all unused sick hours for all employees totaling $188,283 and $295,689 as of June 30, 2021 and 2020, respectively, have also been accrued in other liabilities of the accompanying statements of net position.

Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency of California Public Employees' Retirement System ("CalPERS") plans ("Plans"), and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Pension information is further described in Note 9.

Post-Employment Benefits Other Than Pensions ("OPEB") – For purposes of measuring the total OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's OPEB plan and additions to and deductions from the OPEB's plan fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. OPEB information is further described in Note 10.

Operating revenues and expenses – Operating revenues and expenses generally result from the operation of the Rail Corridor. The principal operating revenues of the Authority are fees assessed to the railroads for use and maintenance of the Rail Corridor. These fees are recognized in the period earned. Operating expenses include revenue collection and other administrative expenses, maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of estimates – The preparation of basic financial statements in conformity with U.S. GAAP requires that management make estimates and assumptions that may affect the reported amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

New accounting standards – The Authority adopted GASB Statement No. 95, *Postponement of The Effective Dates of Certain Authoritative Guidance (GASB 95)*, which provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. GASB 95 postponed the effective date of certain provisions in the Statements and Implementation Guides that first become effective or were scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions within the following pronouncements were postponed by one year: Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 84, *Fiduciary Activities*; Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; Statement No. 90, *Majority Equity Interests*; Statement No. 91, *Conduit Debt Obligations*; Statement No. 92, *Omnibus 2020*; and Statement No. 93, *Replacement of Interbank Offered Rates*. The effective date for GASB Statement No. 87, *Leases*, was postponed by 18 months. Management is currently evaluating the impact (if any) these other standards will have on the Authority.

Note 2 – Restricted Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments as of June 30, 2021 and 2020, are classified in the accompanying basic financial statements as follows:

Current restricted cash and cash equivalents	$ 52,335,235	$ 30,735,624
Current restricted investments	74,609,319	102,292,268
Noncurrent restricted investments	66,621,819	63,123,538
Total restricted cash, cash equivalents, and investments	$ 193,566,373	$ 196,151,430

Deposits – At June 30, 2021 and 2020, the net carrying amount of the Authority's deposit account with Bank of America was $598,267 and $1,304,184, respectively, while the corresponding bank balance was $907,130 and $2,101,479, respectively. Outstanding checks account for the respective differences between the carrying amounts and bank balances. Of the aforementioned bank balance, $250,000 is covered by the Federal Deposit Insurance Corporation, with the excess being secured with collateral of securities held by the pledging financial institution's trust or agent in the Authority's name.

The California Government Code Section 53601 requires California banks and savings and loan associations to secure a public agency's deposits not covered by federal depository insurance by pledging government securities as collateral. The carrying amount of pledged securities must equal at least 110% of the agency's deposits. California law also allows financial institutions to secure agency deposits by pledging first trust deed mortgage notes having a value of 150% of the Authority's total deposits. The collateral must be held at the pledging bank's trust department or other bank acting as the pledging bank's agent in the Authority's name.

Note 2 – Restricted Cash, Cash Equivalents, and Investments (continued)

Investments – The Authority's investments are invested pursuant to the investment policy guidelines included in the MTI for bond funds and adopted by the Governing Board of the Authority for non-bond funds. The objectives of the policies are, in order of priority, preservation of capital, liquidity, and yield. The policies address the types of investment instruments and the percentage of the portfolio in which the Authority may invest its funds as permitted by the California Government Code. Generally, investments shall be made in the context of the "prudent investor" rule.

Investment in State of California Local Agency Investment Pool – The Authority is a voluntary participant in the LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The carrying value of the Authority's investment in this pool is reported in the accompanying statements of net position as restricted cash equivalents at amounts based upon the Authority's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF. Amounts up to $10 million can be withdrawn on demand. At June 30, 2021 and 2020, the balance of such deposits is $9,864,834 and $9,830,350, respectively.

Interest rate risk – Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing a combination of short-term and medium-term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The Authority monitors the interest rate risk inherent in its portfolio by measuring the weighted-average maturity of its portfolio. The Authority has no specific limitations with respect to this metric.

Note 2 – Restricted Cash, Cash Equivalents, and Investments (continued)

Under provision of the Authority's MTI investment policy, and in accordance with Section 53601 of the California Government Code, the Authority may invest in the following types of investments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury bills, notes, or bonds	5 years	None	None
State warrants or bonds	5 years	None	None
U.S. local agency bonds, notes, or warrants	5 years	None	None
Commercial paper	180 days	15%	10%
Negotiable certificates of deposit	2 years	30%	None
Medium-term maturity corporate notes	3 years	30%	8%
Money market funds	None	20%	10%
State of California LAIF	N/A	None	None
L.A. County Treasurer Investment Pool	N/A	None	None
Mortgage- or asset-backed securities	5 years	20%	None
Repurchase agreements	90 days	50%	None
Guaranteed Investment Contracts and Investment Agreements	5 years	50%	20%
Bankers' acceptances	270 days	40%	10%
Federal Agency obligations	5 years	None	None

In April 2018, the Governing Board adopted a modified Investment Policy for investments not controlled by MTI. Such investments represent approximately 7.5% and 7.5% of the Authority's investments as of June 30, 2021 and 2020, respectively.

Note 2 – Restricted Cash, Cash Equivalents, and Investments (continued)

Under the provisions of the Authority's non-MTI related Investment Policy, and in accordance with Section 53601 of the California Government Code, the Authority's non-MTI related funds may be invested in the following types of investments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury bills, notes, or bonds	5 years	None	None
Federal Agency Obligations	5 years	50%	None
U.S. local agency bonds, notes, or warrants	5 years	5%	N/A
Supranationals - U.S. Denominated	5 years	30%	10%
State warrants or bonds	5 years	5%	None
Authority bonds	None	20%	None
Commercial paper	270 days	25%	5%
Negotiable certificates of deposits	2 years	20%	5%
Time deposits	1 year	15%	5%
Medium-term maturity corporate notes	5 years	30%	5%
Money market funds	None	20%	10%
State of California Local Agency Investment Fund (LAIF)	N/A	None	None
Los Angeles County Treasurer Investment Pool	N/A	None	None
Mortgage- or asset-backed securities	5 years	20%	5%

Prohibited: Repurchase agreements, Reverse Repurchase agreements, Bankers' Acceptance, Common stocks, Inverse floaters, Range notes, Interest-only strips from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity

Weighted-Average Duration: 3 years
Maximum maturity: 5 years

Note 2 – Restricted Cash, Cash Equivalents, and Investments (continued)

The following schedules indicate the combined distribution of the Authority's investments as of June 30:

	2021		2020	
	Reported Amount	Weighted-Average Maturity (in Years)	Reported Amount	Weighted-Average Maturity (in Years)
Cash and investment type				
Cash	$ 598,767	-	$ 1,304,684	-
Money market fund	30,672,596	-	12,051,269	-
LAIF	9,864,835	-	9,830,350	-
U.S. Treasury notes	73,316,033	1.19	52,465,859	0.56
U.S. corporate notes	12,792,167	1.63	14,174,490	1.66
Federal agency obligations	66,321,975	1.61	106,324,778	1.37
	$ 193,566,373		$ 196,151,430	

Disclosure 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. Presented below is the distribution of investment amounts by type of investment and rating category as of June 30, 2021 and 2020.

	Ratings as of June 30, 2021								
	AAA / AA+	AA	AA- / A+	A	A-	A-1+	A-1	NR	Total
Investment type									
Cash and money market	$ 30,672,596	$ -	$ -	$ -	$ -	$ -	$ -	$ 598,767	$ 31,271,363
LAIF	-	-	-	-	-	-	-	9,864,835	9,864,835
U.S. Treasury notes	31,619,817	-	-	-	-	41,696,216	-	-	73,316,033
U.S. corporate notes	952,091	1,805,638	4,874,707	3,248,908	1,910,823	-	-	-	12,792,167
Federal agency obligations	41,495,104	-	-	-	-	24,826,871	-	-	66,321,975
Total	$ 104,739,608	$ 1,805,638	$ 4,874,707	$ 3,248,908	$ 1,910,823	$ 66,523,087	$ -	$ 10,463,602	$ 193,566,373

	Ratings as of June 30, 2020								
Investment type	AAA / AA+	AA	AA- / A+	A	A-	A-1+	A-1	NR	Total
Investment type									
Cash and money market	$ 12,051,269	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,304,684	$ 13,355,953
LAIF	-	-	-	-	-	-	-	9,830,350	9,830,350
U.S. Treasury notes	24,115,848	-	-	-	-	28,350,011	-	-	52,465,859
U.S. corporate notes	969,881	1,474,325	4,590,208	3,876,526	3,263,550	-	-	-	14,174,490
Commercial paper	-	-	-	-	-	-	-	-	-
Federal agency obligations	43,840,913	-	-	-	-	57,553,924	-	4,929,941	106,324,778
Total	$ 80,977,911	$ 1,474,325	$ 4,590,208	$ 3,876,526	$ 3,263,550	$ 85,903,935	$ -	$ 16,064,975	$ 196,151,430

Note 2 – Restricted Cash, Cash Equivalents, and Investments (continued)

Concentration of credit risk – The Authority's investment policies contain 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 (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total Authority's investments are as follows:

	June 30, 2021	June 30, 2020
Federal Home Loan Bank – federal agency obligations	$ 13,426,062	$ 33,959,399
Federal National Mortgage Association – federal agency obligations	33,123,123	57,617,311
Federal Home Loan Mortgage Corporation – federal agency obligations	12,838,939	13,332,181
Fidelity institutional	30,443,721	11,456,624

Investment valuation – Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an "exit price") in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Authority's fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy. There have been no changes in the methodologies used at June 30, 2021 and 2020.

U.S. government securities, mortgage-backed securities, and other debt and equity securities – Valued at the closing price reported on the major market on which the individual securities are traded or have reported broker trades which may be considered indicative of an active market. Where quoted prices are available in an active market, the investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, discounted cash flows, and other observable inputs. Such securities are classified within Level 2 of the valuation hierarchy.

Note 2 – Restricted Cash, Cash Equivalents, and Investments (continued)

Fair values of investments have been determined by the Authority from observable market quotations, as reflected below. The following tables present the Authority's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2021 and 2020.

	June 30, 2021			
	Total	Level 1	Level 2	Level 3
Investments				
Federal agencies and municipalities				
U.S. Treasury notes	$ 73,316,033	$ -	$ 73,316,033	$ -
U.S. corporate notes	12,792,167	-	12,792,167	-
Federal agency obligations	66,321,975	-	66,321,975	-
	152,430,175	$ -	$ 152,430,175	$ -
Cash and equivalents not measured at fair value				
Cash	598,767			
LAIF	9,864,835			
Money market accounts	30,672,596			
	$ 193,566,373			

	June 30, 2020			
	Total	Level 1	Level 2	Level 3
Investments				
Federal agencies and municipalities				
U.S. Treasury notes	$ 52,465,859	$ -	$ 52,465,859	$ -
U.S. corporate notes	14,174,490	-	14,174,490	-
Federal agency obligations	106,324,778	-	106,324,778	-
	172,965,127	$ -	$ 172,965,127	$ -
Cash and equivalents not measured at fair value				
Cash	1,304,684			
LAIF	9,830,350			
Money market accounts	12,051,269			
	$ 196,151,430			

Note 3 – Receivables

Receivables consist of grants, use fees, and other amounts due from private entities. The following provides a summary of the amounts of accounts and other receivables:

	June 30, 2021	June 30, 2020
Grants receivable	$ 171,233	$ 247,607
Accrued receivable	966,161	-
Interest receivable	1,101,304	1,339,904
Use fees and other receivables	11,192,939	8,320,393
Total	$ 13,431,637	$ 9,907,904

Note 4 – Assets Held for Transfer

Assets held for transfer represent right-of-way land and land improvements that were acquired by the Authority. Hundreds of parcels and easement rights were acquired in order to complete the construction of the Alameda Corridor. The Authority, under the terms of the Joint Powers Agreement, is not permitted to own any land or land easement rights. The Ports own the land that the trench was built on and the Authority has the right to use and occupy the property under the terms of a Use Permit that was executed between the Ports and the Authority on October 12, 1998. Title to all land and easement rights necessary to operate the Alameda Corridor is in the process of being deeded to the Ports, as tenants in common. No transfers took place during fiscal years 2021 and 2020 that had an associated monetary value.

	Balance, June 30, 2020	Additions	Sales/Transfers	Balance, June 30, 2021
Assets held for transfer	$ 13,347,625	$ -	$ -	$ 13,347,625

	Balance, June 30, 2019	Additions	Sales/Transfers	Balance, June 30, 2020
Assets held for transfer	$ 13,347,625	$ -	$ -	$ 13,347,625

Note 5 – Capital Assets

The following schedule summarizes capital assets for the years ended June 30, 2021 and 2020:

	Balance, June 30, 2020	Additions	Deletions	Balance, June 30, 2021
Buildings and equipment				
Office equipment	$ 288,302	$ -	$ -	$ 288,302
Buildings	1,102,594	-	-	1,102,594
Revenue assessment and verification system and other software	7,219,307	319,503	-	7,538,810
Total buildings and equipment	8,610,203	319,503	-	8,929,706
Alameda Corridor Project Infrastructure				
Capital assets, being depreciated				
Trench structures	715,581,463	-	-	715,581,463
Track and signals	196,509,123	-	-	196,509,123
Rail bridge structures	408,972,328	-	-	408,972,328
Highway bridge structures	147,175,088	-	-	147,175,088
Capital assets, not being depreciated				
Trench structures	224,167,723	-	-	224,167,723
Track and signals	66,493,773	-	-	66,493,773
Rail bridge structures	101,783,053	-	-	101,783,053
Highway bridge structures	45,704,183	-	-	45,704,183
Alameda Corridor Project Infrastructure	1,906,386,734	-	-	1,906,386,734
Total capital assets	1,914,996,937	319,503	-	1,915,316,440
Less accumulated depreciation for				
Trench structures	(187,542,410)	(10,430,222)	-	(197,972,632)
Track and signals	(55,283,654)	(3,309,085)	-	(58,592,739)
Rail bridge structures	(94,711,458)	(5,292,827)	-	(100,004,285)
Highway bridge structures	(33,946,383)	(1,948,030)	-	(35,894,413)
Office equipment	(287,545)	-	-	(287,545)
Buildings	(658,493)	(36,753)	-	(695,246)
Revenue assessment and verification system and other software	(7,087,060)	(2,560)	-	(7,089,620)
Total accumulated depreciation	(379,517,003)	(21,019,477)	-	(400,536,480)
Capital assets, net	$ 1,535,479,934	$ (20,699,974)	$ -	1,514,779,960

Note 5 – Capital Assets (continued)

The following schedule summarizes capital assets for the years ended June 30, 2020 and 2019:

	Balance, June 30, 2019	Additions	Deletions	Balance, June 30, 2020
Buildings and equipment				
Office equipment	$ 288,302	$ -	$ -	$ 288,302
Buildings	1,102,594	-	-	1,102,594
Revenue assessment and verification system and other software	7,065,722	153,585	-	7,219,307
Total buildings and equipment	8,456,618	153,585	-	8,610,203
Alameda Corridor Project Infrascructure				
Capital assets, being depreciated				
Trench structures	715,581,463	-	-	715,581,463
Track and signals	196,509,123	-	-	196,509,123
Rail bridge structures	408,972,328	-	-	408,972,328
Highway bridge structures	147,175,088	-	-	147,175,088
Capital assets, not being depreciated				
Trench structures	224,167,723	-	-	224,167,723
Track and signals	66,493,773	-	-	66,493,773
Rail bridge structures	101,783,053	-	-	101,783,053
Highway bridge structures	45,704,183	-	-	45,704,183
Alameda Corridor Project Infrastructure	1,906,386,734	-	-	1,906,386,734
Total capital assets	1,914,843,352	153,585	-	1,914,996,937
Less accumulated depreciation for				
Trench structures	(177,112,188)	(10,430,222)	-	(187,542,410)
Track and signals	(51,974,569)	(3,309,085)	-	(55,283,654)
Rail bridge structures	(89,418,631)	(5,292,827)	-	(94,711,458)
Highway bridge structures	(31,998,353)	(1,948,030)	-	(33,946,383)
Office equipment	(287,545)	-	-	(287,545)
Buildings	(658,493)	-	-	(658,493)
Revenue assessment and verification system and other software	(7,050,307)	(36,753)	-	(7,087,060)
Total accumulated depreciation	(358,500,086)	(21,016,917)	-	(379,517,003)
Capital assets, net	$ 1,556,343,266	$ (20,863,332)	$ -	$ 1,535,479,934

Note 6 – Bonds Payable

The 1999A Series Senior Lien Tax-Exempt Bonds ("1999A Bonds"), the 1999C Senior Lien Taxable Bonds ("1999C Bonds"), the 2004A Series Subordinate Lien Tax-Exempt Bonds ("2004A Bonds"), the 2004B Subordinate Lien Taxable Bonds ("2004B Bonds"), the 2012 Series Taxable Senior Lien Bonds ("2012 Bonds"), the 2013A Series Tax-Exempt Senior Lien Bonds ("2013A Bonds"), the 2016A Series Subordinate Lien Tax-Exempt Bonds ("2016A Bonds"), and 2016B Series Second subordinate Lien Tax-Exempt Bonds ("2016B Bonds") are payable solely from and secured by a pledge of, among other revenues, use fees and container charges to be paid by the UP and BNSF for use of the Project and from shortfall advances to be paid under certain circumstances by the City of Long Beach, acting by and through its Board of Harbor Commissioners, and the City of Los Angeles, acting by and through its Board of Harbor Commissioners.

As of June 30, 2021 and 2020, the unamortized premium balance on the 1999A and 1999C, 2004A and 2004B, 2013A, and 2016A and 2016B Bonds was $78,219,161 and $86,892,370, respectively.

Long-term liability activity for the years ended June 30, 2021 and 2020, was as follows:

	Balance, June 30, 2020	Additions	Payments	Balance, June 30, 2021	Due Within One Year
Revenue bonds payable					
1999A Bonds	$ 50,453,617	$ -	$ -	$ 50,453,617	$ -
1999C Bonds	367,778,396	-	(7,709,136)	360,069,260	7,350,591
2004A Bonds	36,918,170	-	(568,750)	36,349,420	-
2004B Bonds	131,132,410	-	-	131,132,410	-
2012 Bonds	83,710,000	-	-	83,710,000	-
2013A Bonds	237,205,000	-	(17,490,000)	219,715,000	18,710,000
2016A Bonds	34,280,000	-	-	34,280,000	5,685,000
2016B Bonds	556,860,000	-	-	556,860,000	-
Total revenue bonds payable	1,498,337,593	-	(25,767,886)	1,472,569,707	31,745,591
Less unamortized bond premium	86,892,370	-	(8,673,210)	78,219,160	-
Accrued interest payable	618,508,543	114,695,414	(85,620,889)	647,583,068	39,993,990
Net revenue bonds payable	$ 2,203,738,506	$ 114,695,414	$ (120,061,985)	$ 2,198,371,935	$ 71,739,581

	Balance, June 30, 2019	Additions	Payments	Balance, June 30, 2020	Due Within One Year
Revenue bonds payable					
1999A Bonds	$ 50,453,617	$ -	$ -	$ 50,453,617	$ -
1999C Bonds	397,373,396	-	(29,595,000)	367,778,396	7,709,136
2004A Bonds	38,815,020	-	(1,896,850)	36,918,170	568,750
2004B Bonds	131,132,410	-	-	131,132,410	-
2012 Bonds	83,710,000	-	-	83,710,000	-
2013A Bonds	248,325,000	-	(11,120,000)	237,205,000	17,490,000
2016A Bonds	34,280,000	-	-	34,280,000	-
2016B Bonds	556,860,000	-	-	556,860,000	-
Total revenue bonds payable	1,540,949,443	-	(42,611,850)	1,498,337,593	25,767,886
Less unamortized bond premium	96,059,921	-	(9,167,551)	86,892,370	-
Accrued interest payable	568,350,414	114,577,783	(64,419,654)	618,508,543	15,980,319
Net revenue bonds payable	$ 2,205,359,778	$ 114,577,783	$ (116,199,055)	$ 2,203,738,506	$ 41,748,205

Note 6 – Bonds Payable (continued)

1999 Series A Capital Appreciation Bonds – The 1999A CABs were issued by the Authority in the aggregate amount of $50,453,617 on February 2, 1999. Proceeds from the sale of these insured 1999A CABs were used to finance a portion of the cost of design and construction of the Project.

The first maturity of the bonds will commence on October 1, 2030. The 1999A CABs, which mature between October 1, 2030 and October 1, 2037, have an accretion yield to maturity at rates ranging from 5.25% to 5.27%. The principal and accrued interest balance outstanding on the 1999A CABs at June 30, 2021 and 2020, are $50,453,617and $50,453,617, and $111,833,486 and $103,593,798, respectively. The 1999A CABs are not subject to optional redemption. The remaining debt service of the 1999A CABs is as follows:

	Annual Debt Service Requirement		
	Principal	Interest	Total
Fiscal year(s) ending June 30:			
2027 - 2031	$ 7,298,874	$ 30,326,126	$ 37,625,000
2032 - 2036	32,114,863	161,730,137	193,845,000
2037 - 2038	11,039,880	69,240,120	80,280,000
Total	$ 50,453,617	$ 261,296,383	$ 311,750,000

1999 C Bonds – The 1999C Bonds include both current interest bonds (CIBs) and CABs.

1999 Series C Current Interest Bonds – The 1999C CIBs were issued by the Authority in the aggregate amount of $430,155,000 on January 1, 1999. Proceeds from the sale of these insured 1999C CIBs were used to finance a portion of the cost of the design and construction of the Project.

Interest on the 1999C CIBs is payable semiannually on April 1 and October 1 of each year commencing April 1, 1999, with principal payments commencing October 1, 2014. The 1999C CIBs Series, which mature annually each October 1 from 2015 through 2029, bear interest at rates ranging from 6.50% to 6.60%. The principal balance outstanding on the 1999C CIBs is $300,480,000 and $300,480,000 at June 30, 2021 and 2020, respectively. The 1999C CIBs are not subject to optional redemption. The remaining debt service of the Authority’s 1999C CIBs is as follows:

	Annual Debt Service Requirement		
	Principal	Interest	Total
Fiscal year(s) ending June 30:			
2022	$ -	$ 19,831,680	$ 19,831,680
2023	-	19,831,680	19,831,680
2024	33,655,000	18,721,065	52,376,065
2025	36,410,000	16,408,920	52,818,920
2026	39,355,000	13,908,675	53,263,675
2027 - 2031	191,060,000	26,403,960	217,463,960
Total	$ 300,480,000	$ 115,105,980	$ 415,585,980

Note 6 – Bonds Payable (continued)

1999C CABs – The 1999C CABs were issued by the Authority in the aggregate amount of $67,298,396 on February 9, 1999. Proceeds from the sale of these insured 1999C CABs were used to finance a portion of the cost of the design and construction of the Project.

The first maturity of the bonds will commence on October 1, 2020. The 1999C CABs, which mature between October 1, 2020 and October 1, 2037, have an accretion yield to maturity at rates ranging from 6.69% to 6.83%. The principal balance and accrued interest outstanding on the 1999C CABs at June 30, 2021 and 2020, are $59,589,260 and $208,739,076, and $67,298,396 and $215,435,352, respectively. The 1999C CABs are not subject to optional redemption. The Authority's remaining debt service on the 1999C CABs is as follows:

	Annual Debt Service Requirement		
	Principal	Interest	Total
Fiscal year(s) ending June 30:			
2022	$ 7,350,591	$ 25,269,409	$ 32,620,000
2023	6,993,264	26,151,736	33,145,000
2027 - 2031	6,850,575	50,524,425	57,375,000
2032 - 2036	28,944,977	266,655,023	295,600,000
2037 - 2038	9,449,853	112,970,147	122,420,000
Total	$ 59,589,260	$ 481,570,740	$ 541,160,000

2004A Bonds – The 2004A Bonds include both Capital Appreciation Bond – Non Convertible (CABs) and Capital Appreciation Bonds – Convertible ("CCIBs").

2004 Series A Capital Appreciation Bonds – Non Convertible – The 2004A Bonds were initially all CABs. Of the total, $475,292,386 and $274,992,286 were convertible and converted to current interest bonds on October 1, 2012, and were callable on October 1, 2017 (CCIBs). $200,300,100 are not convertible or callable (CABs). The 2004 Bonds were issued by the Authority in the aggregate amount of $475,292,386 on April 22, 2004. Proceeds from the sale of these insured 2004A Bonds were used to refund a portion of the U.S. Department of Transportation Loan. The 2004A CABs mature between fiscal years 2012 and 2031 and have an accretion yield to maturity at rates ranging from 4.30% to 5.72%.

Note 6 – Bonds Payable (continued)

On May 24, 2016, all of the 2004A CABs maturing during fiscal year 2017 and a portion of the 2004A CABs maturing during fiscal years 2018 through 2021 were advance refunded, defeased, and escrowed to maturity. As a result, the Authority's remaining debt service on the 2004A CABs is as follows:

	Annual Debt Service Requirement		
	Principal	Interest	Total
Fiscal year(s) ending June 30:			
2027 - 2031	$ 36,349,420	$ 121,330,580	$ 157,680,000
Total	$ 36,349,420	$ 121,330,580	$ 157,680,000

The principal and accrued interest balance outstanding on the 2004A CABs at June 30, 2021 and 2020, are $36,349,420 and $59,699,189, and $36,918,170 and $54,415,442, respectively.

2004B Bonds – The 2004B Bonds are capital appreciation bonds that were issued by the Authority in the aggregate amount of $210,731,703 on April 22, 2004. Proceeds from the sale of these insured 2004B Bonds were used to repay a portion of the U.S. Department of Transportation Loan.

The first maturity of the 2004B Bonds commenced October 1, 2006. The 2004B Bonds mature between October 1, 2006 and October 1, 2033, and have an accretion yield to maturity at rates ranging from 3.05% to 6.33%. The 2004B Bonds are not subject to optional redemption. The principal balance and accrued interest outstanding on the 2004B Bonds are $131,132,410 and $252,302,568 and $131,132,410 and $229,083,632, at June 30, 2021 and 2020, respectively.

The Authority's remaining debt service on the 2004B Bonds is as follows:

	Annual Debt Service Requirement		
	Principal	Interest	Total
Fiscal year(s) ending June 30:			
2027 - 2031	$ 79,625,818	$ 266,054,182	$ 345,680,000
2032 - 2036	51,506,592	250,508,408	302,015,000
Total	$ 131,132,410	$ 516,562,590	$ 647,695,000

2012 Bonds – In June 2012, the Authority issued $83,710,000 in senior lien bonds through a Railroad Rehabilitation & Improvement Financing ("RRIF"). The 2012 Bonds are current interest bonds. Interest is payable semiannually on April 1 and October 1 of each year commencing October 1, 2012, with principal payments commencing October 1, 2023 through 2035, all at an interest rate of 2.46%. The principal balance on the 2012 Bonds is $83,710,000 on June 30, 2021 and June 30, 2020. The 2012 Bonds are redeemable at par at the option of the Authority at any time, in whole or in part, from any available moneys that may be provided for such purpose.

Note 6 – Bonds Payable (continued)

The terms of the 2012 Bond transaction required the Authority to establish a dedicated debt service reserve fund ("DSRF") in the amount of $7,200,000. The Authority entered into a surety agreement with the Ports to provide a surety for the DSRF until such time as the Authority was able, through scheduled periodic deposits of cash, to fund the DSRF. The Authority made the final cash deposit into the DSRF on October 1, 2019, and the Ports have been released by the trustee from the surety obligation. The Authority's remaining debt service on the 2012 Bonds is as follows:

	Annual Debt Service Requirement		
	Principal	Interest	Total
Fiscal year(s) ending June 30:			
2022	$ -	$ 2,059,266	$ 2,059,266
2023	-	2,059,266	2,059,266
2024	10,550,000	1,932,322	12,482,322
2025	9,995,000	1,674,669	11,669,669
2026	9,410,000	1,438,433	10,848,433
2027 - 2031	37,340,000	4,147,957	41,487,957
2032 - 2036	16,415,000	713,646	17,128,646
Total	$ 83,710,000	$ 14,025,559	$ 97,735,559

2013A Series Bonds – The 2013A Bonds were issued by the Authority in the aggregate amount of $248,325,000 on February 12, 2013. Proceeds from the sale of these 2013A Bonds were used on February 14, 2013, to call and refund all remaining 1999A CIBs.

The 2013A Bonds are current interest bonds. Interest is payable semiannually on April 1 and October 1 of each year commencing April 1, 2013, with principal payments commencing October 1, 2019 through 2029, at interest rates ranging from 3.00% to 5.00%. The principal balance on the 2013A Bonds is $131,132,410 on June 30, 2021 and June 30, 2020. The 2013A Bonds are redeemable at par at the option of the Authority at any time, in whole or in part, from any available moneys that may be provided for such purpose. The Authority's remaining debt service on the 2013A Bonds is as follows:

	Annual Debt Service Requirement		
	Principal	Interest	Total
Fiscal year(s) ending June 30:			
2022	$ 18,710,000	$ 9,888,700	$ 28,598,700
2023	19,990,000	8,921,200	28,911,200
2024	21,335,000	7,888,075	29,223,075
2025	22,750,000	6,785,950	29,535,950
2026	24,245,000	5,611,075	29,856,075
2027 - 2031	112,685,000	10,273,756	122,958,756
Total	$ 219,715,000	$ 49,368,756	$ 269,083,756

Note 6 – Bonds Payable (continued)

2016A and B Bonds – The 2016A and B Tax-Exempt CIBs were issued on May 24, 2016.

2016A Bonds – The 2016A Bonds were issued by the Authority in the aggregate amount of $34,280,000 on May 24, 2016. Proceeds from the sale of these first subordinate lien 2016A Bonds were used on May 24, 2016, to advance refund, defease, and escrow to maturity certain 2004A CABs.

The 2016A Bonds are CIBs. Interest is payable semiannually on April 1 and October 1 of each year commencing on October 1, 2016, with principal payments commencing October 1, 2021 through 2025 at interest rates ranging from 4.00% to 5.00%. The principal balance on the 2016A Bonds is $34,280,000 on June 30, 2021 and June 30, 2020. The 2016A Bonds are not subject to optional redemption prior to stated maturity dates. The Authority's remaining debt service on the 2016A Bonds is as follows:

	Annual Debt Service Requirement		
	Principal	Interest	Total
Fiscal year(s) ending June 30:			
2022	$ 5,685,000	$ 1,494,000	$ 7,179,000
2023	10,830,000	1,109,550	11,939,550
2024	4,945,000	739,900	5,684,900
2025	6,260,000	484,500	6,744,500
2026	6,560,000	164,000	6,724,000
Total	$ 34,280,000	$ 3,991,950	$ 38,271,950

2016B Bonds – The 2016B Bonds were issued by the Authority in the aggregate amount of $556,860,000 on May 24, 2016. Proceeds from the sale of these second subordinate lien 2016B Bonds were used on May 24, 2016, to advance refund, defease, and escrow to October 1, 2017, all 2004A CCIBs. The difference between the reacquisition price (the amount paid on extinguishment including call premiums and miscellaneous costs of reacquisition) and the net carrying value (amount due at maturity, adjusted for unamortized premiums and/or discounts) resulted in deferred charges on these refundings in the amount of $21,466,292. These deferred outflows are being amortized over the remaining life of the old debt, as a component of interest expense. Amortization of these charges amounted to $1,494,411 and $1,498,505 for the years ended June 30, 2021 and 2020, respectively. The remaining portion is included in deferred outflows of resources on the accompanying statements of net position, in the amount of $13,838,654 and $15,333,065 at June 30, 2021 and 2020, respectively.

Note 6 – Bonds Payable (continued)

The 2016B Bonds are CIBs. Interest is payable semiannually on April 1 and October 1 of each year commencing on October 1, 2016, with principal payments commencing on October 1, 2034 through 2037, at interest rates ranging from 3.125% to 5.00%. The principal balance on the 2016B Bonds is $556,860,000 and $556,860,000 on June 30, 2021 and 2020, respectively. The 2016B Bonds are redeemable at the option of the Authority on or after October 1, 2026, in whole or in part at any time, from any moneys that may be provided for such purpose and at a redemption price equal to 100% of the principal amount of the 2016B Bonds to be redeemed plus interest accrued to the date fixed for redemption. The Authority's remaining debt service on the 2016B Bonds is as follows:

	Annual Debt Service Requirement		
	Principal	Interest	Total
Fiscal year(s) ending June 30:			
2022	$ -	$ 26,174,250	$ 26,174,250
2023	-	26,174,250	26,174,250
2024	-	26,174,250	26,174,250
2025	-	26,174,250	26,174,250
2026	-	26,174,250	26,174,250
2027 - 2031	-	130,871,250	130,871,250
2032 - 2036	265,625,000	118,762,375	384,387,375
2037 - 2038	291,235,000	13,968,500	305,203,500
Total	$ 556,860,000	$ 394,473,375	$ 951,333,375

Accrued interest payable – The Authority's accrued interest payable is as follows:

	June 30, 2021		
	CIB	Long-Term CABs	Total
1999A Bonds	$ -	$ 111,833,486	$ 111,833,486
1999C Bonds	29,943,163	183,753,834	213,696,997
2004A Bonds	-	59,699,189	59,699,189
2004B Bonds	-	252,302,568	252,302,568
2012 Bonds	516,227	-	516,227
2013A Bonds	2,589,113	-	2,589,113
2016A Bonds	401,925	-	401,925
2016B Bonds	6,543,562	-	6,543,562
Total	$ 39,993,990	$ 607,589,077	$ 647,583,067

Note 6 – Bonds Payable (continued)

	June 30, 2020		
	CIB	Long-Term CABs	Total
1999A Bonds	$ -	$ 103,593,798	$ 103,593,798
1999C Bonds	4,957,920	215,435,352	220,393,272
2004A Bonds	754,357	54,415,442	55,169,799
2004B Bonds	-	229,083,632	229,083,632
2012 Bonds	514,817	-	514,817
2013A Bonds	2,807,737	-	2,807,737
2016A Bonds	401,925	-	401,925
2016B Bonds	6,543,563	-	6,543,563
Total	$ 15,980,319	$ 602,528,224	$ 618,508,543

Combined outstanding bonds debt service – The Authority's debt service of the 1999A, 1999C, 2004A, 2004B, 2012, 2013A, 2016A, and 2016B Bonds in aggregate is as follows:

	Annual Debt Service Requirement		
	Principal	Interest	Total
Fiscal year(s) ending June 30:			
2022	$ 31,745,591	$ 84,717,305	$ 116,462,896
2023	37,813,264	84,247,682	122,060,946
2024	70,485,000	55,455,612	125,940,612
2025	75,415,000	51,528,289	126,943,289
2026	79,570,000	47,296,433	126,866,433
2027 - 2031	471,209,686	639,932,237	1,111,141,923
2032 - 2036	394,606,433	798,369,588	1,192,976,021
2037 - 2039	311,724,733	196,178,767	507,903,500
Total	$ 1,472,569,707	$ 1,957,725,913	$ 3,430,295,620

Note 7 – Operating Leases

The Authority leases office space, a vehicle, and a postage machine under operating lease agreements. Total lease expense was approximately $239,158 and $179,000 for the fiscal years ended June 30, 2021 and 2020, respectively. There was a rent abatement for four months from March 2020 to June 2020, which represents the reduction in 2020. Minimum future lease payments on existing noncancelable leases, are as follows:

	Amount
Years Ending June 30,	
2022	$ 255,417
2023	261,022
2024	267,008
2025	275,018
2026	23,372
Total minimum lease payments	$ 1,081,837

Note 8 – Pollution Remediation Obligations

On December 21, 2010, a crude oil release from a then-unknown origin was discovered in the Dominguez Channel and nearby storm water drainage system adjacent to the Alameda Corridor. On January 7, 2011, the Environmental Protection Agency (EPA) issued an order to the Port of Los Angeles, the Port of Long Beach, and the Authority, to assume responsibility for these activities effective January 14, 2011. The Authority and the Ports completed the work required by the EPA. After identifying an oil pipeline owned and operated by Crimson Pipeline Management Company ("Crimson") as the source of the release, the EPA issued an order. The Authority was notified that Crimson had responsibility for the oil release containment facilities effective June 15, 2011, and had assumed financial and operational responsibilities from that date. Crimson filed a lawsuit against the Authority, the City of Los Angeles, the City of Long Beach, and Herzog Contracting Corporation on April 27, 2012. In September 2015, settlement agreements were executed by all parties resolving the matter. No liability was recorded for the years ended June 30, 2021 and 2020.

Note 9 – Pension Plan

Plan description – All qualified employees are eligible to participate in the Authority's Miscellaneous Employee Pension Plan, a Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the "Plan" or "PERF C") that is administered by CalPERS. The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. Each individual employer rate plan generally has less than 100 active members.

Note 9 – Pension Plan (continued)

The Plan was established to provide retirement, death, and disability benefits to public agency rate plans with generally less than 100 active members. The benefit provisions for PERF C employees are established by statute. A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective rate plan is listed in the respective rate plan's June 30, 2019 Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website at https://www.calpers.ca.gov/page/forms-publications.

Benefits provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for members hired after 2012) with statutorily reduced benefits. All members are eligible for non-duty disability retirement benefits after five years of service. The death benefit is one of the following: the Post Retirement Basic Lump-Sum Death Benefit, or the Pre-Retirement Optional Settlement 2W Death Benefit and, if applicable, the 1959 Survivor Benefit Level 3. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013 (Classic Employees)	On or after January 1, 2013 (PEPRA Employees)
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63+	52 - 67+
Monthly benefits, as a % of eligible compensation	1.426% to	1.0% to 2.5%
Required employee contribution rates	7%	6.750%
Required employer contribution rates	10.221%	6.985%
Employer annual lump sum prepayment	$ 120,467	$ -
Additional discretionary payment	$ 136,000	$ -

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Note 9 – Pension Plan (continued)

The Authority reported net pension liability for its proportionate shares of the net pension liability of each Plan as follows:

	June 30, 2021	June 30, 2020
Net pension liability as reported by CalPERS	$ 2,202,035	$ 2,116,034

The Authority's net pension liability is measured as the proportionate share of the Plan's net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability for each Plan as of June 30, 2021 and 2020, was as follows:

	Increase				
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability/(Asset) (c) = (a) - (b)	Adjustment Report to Value	Adjusted Value
Balance at June 30, 2020	$ 9,948,853	$ 7,832,819	$ 2,116,034	$ -	$ 2,116,034
Balance at June 30, 2021	10,550,036	8,348,001	2,202,035	-	2,202,035
Net changes during 2020-21	$ 601,183	$ 515,182	$ 86,001	$ -	$ 86,001

For the years ended June 30, 2021 and 2020, the Agency recognized pension expense of $478,662 and $514,062, respectively. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 113,477	$ (123,837)
Changes in assumptions	-	(52,095)
Net difference between projected and actual earnings on Plan investments	65,415	(23,030)
Change in employer's proportion	965	-
Differences between the employer's contributions and the employer's proportionate share of contributions	19,757	-
Pension contributions subsequent to measurement date	480,569	-
Total	$ 680,183	$ (198,962)

Note 9 – Pension Plan (continued)

The $480,569 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Amount
Fiscal Years Ending June 30,	
2022	$ 8,218
2023	45,442
2024	47,912
2025	31,374
2026	-
Thereafter	-

Actuarial assumptions – Total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The collective total pension liability was based on the following assumptions:

	Miscellaneous
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds. The mortality rates include 15 years of projected on-going mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries.
Post retirement benefit increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.
Investment rate of return	7.15%

Discount rate – The discount rate CalPERS used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows CalPERS used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Note 9 – Pension Plan (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10(a)	Real Return Years 11+(b)
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92)%
Total	100%		

(a) An expected inflation of 2.0% used for this period.
(b) An expected inflation of 2.92% used for this period.

Note 9 – Pension Plan (continued)

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – The following presents the Authority's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous
1% decrease	6.15%
Net pension liability	$ 3,605,987
Current discount rate	7.15%
Net pension liability, as adjusted	$ 2,202,035
1% increase	8.15%
Net pension liability	$ 1,041,993

Pension plan fiduciary net position – Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 10 – Other Post-Employment Benefits

Plan description (OPEB) – The Authority has established a Retiree Healthcare Plan ("HC Plan") and participates in an agent multiple-employer defined-benefit healthcare plan. The plan provides healthcare benefits to eligible retirees and their dependents. Employees must retire directly from the Authority under a CalPERS disability retirement or service retirement (age 50 and five years of service for Classic employees, but age increases to 52 for Public Employees' Pension Reform Act (PEPRA) employees hired after January 1, 2013). Benefit provisions are established and may be amended through agreements and memorandums of understanding between the Authority, its management employees, and unions representing Authority employees.

The Authority provides retiree medical benefits through the California Public Employees' Retirement System Healthcare Program ("PEMHCA"). The Authority contributes, for eligible retirees and their dependents, using the Region 3 Kaiser rate structure at 5% of the active member contribution amount multiplied by years in PEMHCA (increase each year not greater than $100 per month, total amount not to exceed the active amount). The Authority joined PEMHCA in 2000 for all bargaining units and contributes up to the Kaiser premium based on coverage level for active employees.

Note 10 – Other Post-Employment Benefits (continued)

The Authority participates in the California Employers' Retiree Benefit Trust (CERBT) Fund, which is administered by CalPERS. CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 and established to prefund retiree healthcare benefits. CERBT, an agent multiple-employer trust, issues a publicly available financial report including GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*; disclosure information in aggregate with the other CERBT participating employers. That report can be obtained from the CalPERS website at www.calpers.ca.gov.

U.S. GAAP requires that the reported results must pertain to liability and asset information within certain defined timeframes. For the information contained in this Note, the following timeframes were utilized:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Covered participants (OPEB) – As of the June 30, 2020, measurement date, the following current and former employees were covered by the benefit terms under the HC Plan:

	Number of Covered Participants
Inactives currently receiving benefits	4
Inactives entitled to but not yet receiving benefits	4
Active employees	10
Total	18

Contributions (OPEB) – The HC Plan and its contribution requirements are established by the Authority and may be amended at any time. The annual contribution is based on the actuarially determined contribution (ADC). The ADC is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefit Other Than Pensions.* The ADC represents a 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 (of funding excess) over a period not to exceed 30 years. The Authority contracts with CalPERS CERBT for purposes of prefunding its OPEB obligations in a trust.

For the year ended June 30, 2021, the Authority made no contributions to the trust and the trust reimbursed all benefit payments that the Authority made.

For the year ended June 30, 2020, the Authority contributed $44,000 to the Plan, including $19,852 for current benefit payments and administrative fees, and $24,148 to prefund plan benefits.

Note 10 – Other Post-Employment Benefits (continued)

OPEB Liability/(Asset) – The Authority's total OPEB Liability/(Asset) was measured as of June 30, 2020. The total OPEB Liability used to calculate the total OPEB Liability/(Asset) is calculated in the June 30, 2019, actuarial valuation which utilized the following actuarial methods and assumptions:

Actuarial Valuation Date	June 30, 2019
Contribution Policy	Authority contributes full ADC
Discount Rate	5.50% at June 30, 2020 5.50% at June 30, 2019 Expected Authority contributions projected to keep sufficient plan assets to pay all benefits from trust.
General Inflation	2.75%
Mortality, Retirement, Disability, Termination Rates	CalPERS' 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Society of Actuaries Scale MP-2018
Salary Increases	3.0%, in aggregate; CalPERS 1997-2015 Experience Study for merit increases
Medical Trend Rate	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare – 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years
Healthcare participation	100%
Medical Plan at retirement	Currently covered: same as current election Currently waived: weighted-average of retiree premiums
Healthcare Participation for Future Retirees	100%

The only assumption changed since the prior measurement date is the removal of the Patient Protection and Affordable Care Act (PPACA) excise tax.

Note 10 – Other Post-Employment Benefits (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation CERBT – Strategy 3	Expected Real Rate of Return (Geometric Means)
Global equity	22.00%	4.82%
Fixed income	49.00%	1.47%
Treasury inflation-protected securities (TIPS)	16.00%	1.29%
Commodities	5.00%	0.84%
Real estate investment trust (REITs)	8.00%	3.76%
Total	100%	

(a) An expected long-term rate of inflation of 2.75% used for this period.
(b) An expected long-term net rate of return of 5.50% used for this period.

Discount rate – The discount rate used to measure the total OPEB asset was 5.50%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

Note 10 – Other Post-Employment Benefits (continued)

Changes in the total OPEB Liability/(Asset) – The changes in the total OPEB Liability/(Asset) for the HC Plan are as follows:

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Total OPEB Liability/(Asset) (a) – (b)
Balances reported at June 30, 2020 (June 30, 2019 measurement date)	$ 1,542,005	$ 2,032,348	$ (490,343)
Changes for the year:			
Service cost	89,465	-	89,465
Interest	89,187	-	89,187
Changes of benefit terms	-	-	-
Actual vs. expected experience	-	-	-
Assumptions changes	(29,792)	-	(29,792)
Contributions – employer *	-	44,000	(44,000)
Contributions – member	-	-	-
Net investment income (loss)	-	129,017	(129,017)
Benefit payments – cash	(18,798)		(18,798)
Benefit payments – implied subsidy	(1,000)	(19,798)	18,798
Administrative expense	-	(1,067)	1,067
Other changes	-	-	-
Net changes	129,062	152,152	(23,090)
Balances reported at June 30, 2021 (June 30, 2020 measurement date)	$ 1,671,067	$ 2,184,500	$ (513,433)

* Includes contributions to trust of $24,148 plus $18,798 cash benefit payments, and $1,000 implied subsidy benefit payments and $54 admin expenses paid by the Authority.

Note 10 – Other Post-Employment Benefits (continued)

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Total OPEB Liability/(Asset) (a) – (b)
Balances reported at June 30, 2019 (June 30, 2018 measurement date)	$ 1,615,781	$ 1,844,613	$ (228,832)
Changes for the year:			
Service cost	90,173	-	90,173
Interest	93,375	-	93,375
Changes of benefit terms	-	-	-
Actual vs. expected experience	(196,681)	-	(196,681)
Assumptions changes	(44,186)	-	(44,186)
Contributions – employer *	-	67,990	(67,990)
Contributions – member	-	-	-
Net investment income (loss)	-	136,637	(136,637)
Benefit payments – cash	(12,457)	(12,457)	-
Benefit payments – implied subsidy	(4,000)	(4,000)	-
Administrative expense	-	(435)	435
Other changes	-	-	-
Net changes	(73,776)	187,735	(261,511)
Balances reported at June 30, 2020 (June 30, 2019 measurement date)	$ 1,542,005	$ 2,032,348	$ (490,343)

* Includes contributions to trust of $51,500 plus $12,457 cash benefit payments, and $4,000 implied subsidy benefit payments and $33 admin expenses paid by the Authority.

Sensitivity of the total OPEB Liability/(Asset) to changes in the discount rate – The following presents the total OPEB Liability/(Asset) of the Authority if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2020:

1% decrease	4.50%
Total OPEB Liability/(Asset)	$ (269,570)
Current discount rate	5.50%
Total OPEB Liability/(Asset)	$ (513,433)
1% increase	6.50%
Total OPEB Liability/(Asset)	$ (713,421)

Note 10 – Other Post-Employment Benefits (continued)

Sensitivity of the total OPEB Liability/(Asset) to changes in the healthcare cost trend rates – The following presents the total OPEB Liability/(Asset) of the Authority if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

1% decrease in healthcare trend		
Total OPEB Liability/(Asset)	$	(760,682)
Current healthcare trend		
Total OPEB Liability/(Asset)	$	(513,433)
1% increase in healthcare trend		
Total OPEB Liability/(Asset)	$	(205,581)

OPEB plan fiduciary net position – CalPERS issues a publicly available financial report that may be obtained from the CalPERS website at www.calpers.ca.gov.

Recognition of deferred outflows and deferred inflows of resources – Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years; all other amounts are recognized over the expected average remaining service lifetime.

For the fiscal year ended June 30, 2021, the Authority recognized OPEB expense of $14,828. As of the fiscal year ended June 30, 2021, the Authority reported deferred outflows of resources related to OPEB from the following sources:

	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 123,837
Changes in assumptions	-	52,095
Net difference between projected and actual earnings on plan investments	-	23,030
Employer contributions made subsequent to the measurement date	-	-
Total	$ -	$ 198,962

Note 10 – Other Post-Employment Benefits (continued)

Since there are no deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date there will be no reduction of the total OPEB Liability/(Asset) recognized during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

	Deferred Outflows/ (Inflows) of Resources
Years Ending June 30,	
2022	$ (52,558)
2023	(57,242)
2024	(60,258)
2025	(26,697)
2026	(2,207)
Thereafter	-

Note 11 – Commitments and Contingencies

The Authority is subject to claims and lawsuits arising in the normal course of business. Such claims are routinely evaluated by the Authority's legal counsel. Management may make provisions for probable losses if deemed appropriate on advice of legal counsel. To the extent that provisions for damages are considered necessary, appropriate amounts are reflected in the accompanying basic financial statements.

The Authority is also exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets, errors, and omissions, and natural disasters for which the Authority carries commercial insurance. In each of the past three fiscal years, the Authority has experienced no losses that have not been covered by existing insurance policy limits, beyond applicable deductible amounts.

As a recipient of federal and state grant funds, the Authority is subject to periodic audits and compliance reviews by, or on behalf of, the granting agencies to determine whether the expenditure of granted funds has been made in accordance with grant provisions. Such audits and compliance reviews could result in the potential disallowance of expenditures claimed by the Authority. The Authority's management believes that the Authority has complied with the terms of its grant agreements and that the possible adverse effects, if any, of disallowed grant expenditures that may be determined by the granting agencies upon the Authority would not be material to the Authority.

Note 11 – Commitments and Contingencies (continued)

In March 2020, the World Health Organization declared the novel coronavirus outbreak a pandemic. As of the date these financial statements were available to be issued, the Authority's operations have not been materially affected. However, the duration and severity of the pandemic could have an adverse impact on the volume of containers received by the Ports of Long Beach and Los Angeles which could impact use fees and container charges, collections of receivables, or investment performance which could affect operations, financial position, and cash flows of the Authority. The Authority will continue to monitor these events closely, but given the uncertainty, cannot estimate the potential impact to the financial statements.

Required Supplementary Information

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Plan’s proportion of the net pension liability/(asset)	0.02024%	0.02065%	0.02078%	0.02123%	0.02129%	0.02106%	0.23270%
Plan’s proportionate share of the net pension liability/(asset)	$ 2,202,035	$ 2,116,034	$ 2,001,963	$ 2,105,587	$ 1,842,521	$ 1,445,588	$ 1,438,008
Plan’s covered-employee payroll	$ 1,458,129	$ 1,491,363	$ 1,437,994	$ 1,337,670	$ 1,318,017	$ 1,259,844	$ 1,207,037
Plan’s proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	151.02%	141.89%	139.22%	157.41%	139.79%	114.74%	119.14%
Plan’s proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.44%
Plan’s proportionate share of aggregate employer contributions	$ 372,986	$ 324,561	$ 272,467	$ 251,819	$ 222,835	$ 202,570	$ 151,265

Note: GASB 68 requires ten years of historical information. Fiscal year 2015 was the first year of implementation; therefore, only information for the year ended June 30, 2015, and later has been presented.

Alameda Corridor Transportation Authority
Schedule of Contributions – Pension
June 30, 2021

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarially determined contribution	$ 280,569	$ 263,799	$ 235,396	$ 270,374	$ 243,216	$ 222,836	$ 196,611
Contributions in relation to the actuarially determined contribution	(480,569)	(399,799)	(263,896)	(270,374)	(243,216)	(222,836)	(196,611)
Contribution deficiency/(excess)	$ (200,000)	$ 136,000	$ 28,500	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 1,493,023	$ 1,458,129	$ 1,491,363	$ 1,437,994	$ 1,337,670	$ 1,318,017	$ 1,259,844
Contributions as a percentage of covered-employee payroll	32.19%	27.42%	17.69%	18.80%	18.18%	16.91%	15.61%

Note: GASB 68 requires ten years of historical information. Fiscal year 2015 was the first year of implementation; therefore, only information for the year ended June 30, 2015, and later has been presented.

Alameda Corridor Transportation Authority
Schedule of Changes in the Net Other Post-Employment Benefits Asset and Related Ratios
June 30, 2021

Measurement Period Ended June 30,	2020	2019	2018	2017
Changes in total OPEB Liability				
Service cost	$ 89,465	$ 90,173	$ 89,088	$ 86,494
Interest on the total OPEB Liability	89,187	93,375	84,593	76,285
Actual vs. expected experience difference	-	(196,681)	-	-
Changes in assumptions	(29,792)	(44,186)	-	-
Changes in benefit terms	-	-	-	-
Other changes	-	-	-	-
Benefit payments	(19,798)	(16,457)	(13,722)	(14,915)
Net change in total OPEB Liability	129,062	(73,776)	159,959	147,864
Total OPEB liability - beginning	1,542,005	1,615,781	1,455,822	1,307,958
Total OPEB liability - ending (a)	$ 1,671,067	$ 1,542,005	$ 1,615,781	$ 1,455,822
Changes in Plan Fiduciary Net Position				
Contribution - employer	$ 44,000	$ 67,990	$ 93,762	$ 94,915
Net investment income	129,017	136,637	80,572	65,171
Benefit payments	(19,798)	(16,457)	(13,722)	(14,915)
Administrative expense	(1,067)	(435)	(3,174)	(835)
Other changes	-	-	-	-
Net change in plan fiduciary net position	152,152	187,735	157,438	144,336
Plan fiduciary net position - beginning	2,032,348	1,844,613	1,687,175	1,542,839
Plan fiduciary net position - ending (b)	2,184,500	2,032,348	1,844,613	1,687,175
Total OPEB Liability/(Asset) - ending (a) – (b)	$ (513,433)	$ (490,343)	$ (228,832)	$ (231,353)
Plan fiduciary net position as a percentage of the total OPEB liability	130.7%	131.8%	114.2%	115.9%
Covered-employee payroll (measurement period)	$ 1,571,539	$ 1,494,061	$ 1,443,796	$ 1,348,523
Total OPEB Liability/(Asset) as a percentage of covered-employee payroll	-32.7%	-32.8%	-15.8%	-17.2%

Notes to Schedule:
Historical information is required only for measurement periods for which GASBS 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.

Alameda Corridor Transportation Authority
Schedule of Contributions – Other Post-Employment Benefits
June 30, 2021

Fiscal Year Ended June 30,	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 46,000	$ 44,000	$ 68,000	$ 66,000
Contributions in relation to the ADC	-	44,000	67,990	93,762
Contribution deficiency (excess)	$ 46,000	$ -	$ 10	$ (27,762)
Covered-employee payroll (fiscal year)	$ 1,773,193	$ 1,571,539	$ 1,494,061	$ 1,443,796
Contributions as a percentage of covered-employee payroll	0.0%	2.8%	4.6%	6.5%

Note: GASBS 75 requires ten years of historical information. Fiscal year ending June 30, 2018 (measurement period ending June 30, 2017), was the first year of implementation; therefore, only information for 3 years has been presented.

Methods and Assumptions Used to Determine the 2020/2021 ADC:

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal, Level % of pay
Amortization Method/Period:	Level percent of payroll; 10.9 years average remaining fixed period
Asset Valuation Method:	Investment gains and losses spread over a 5-year rolling period
Discount Rate:	5.50%
General Inflation:	2.75%
Medical Trend Rate:	Non-Medicare – 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years
	Medicare – 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years
Mortality, Retirement, Disability, Termination Rates:	CalPERS' 1997-2015 Experience Study
Mortality Improvement:	Mortality projected fully generational with Society of Actuaries Scale MP-2018

Historical information is required only for measurement periods for which GASBS 75 is applicable.
Future years' information will be displayed up to 10 years as information becomes available.