

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Changes in the OPEB Liability

	<u>Total OPEB Liability</u>
Balance - June 30, 2020	\$ 425,718,817
Service Cost	18,611,233
Interest Cost	11,567,821
Difference Between Expected and Actual Experience	-
Changes in Assumptions	14,358,061
Benefit Payments	<u>(19,023,966)</u>
Balance - June 30, 2021	<u>\$ 451,231,966</u>

The following presents the District's OPEB liability calculated using the discount rate of 2.18%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.18%) or 1 percentage-point higher (3.18%) than the current rate:

	<u>Total OPEB Liability</u>
<u>Discount Rate</u>	
1% Decrease (1.18%)	\$ 481,712,907
Current Discount Rate (2.18%)	451,231,966
1% Increase (3.18%)	421,576,879

The following presents the District's OPEB liability calculated using the healthcare cost trend rate of 6.75%, as well as what the OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	<u>Total OPEB Liability</u>
<u>Healthcare Trend Rate</u>	
1% Decrease	\$ 404,384,786
Current Healthcare Trend Rates	451,231,966
1% Increase	505,528,657

OPEB Expense

For the year ended June 30, 2021, the District's actuarially determined OPEB expense is \$35,962,089.

**LONG BEACH UNIFIED SCHOOL DISTRICT
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NOTE 11 EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

As of June 30, 2021, the District's net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the retirement plans are as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS (STRP)	\$720,033,870	\$172,251,160	\$ 40,921,107	\$150,981,614
CalPERS (Schools Pool Plan)	242,887,229	41,150,212	15,258,840	41,861,737
Total	<u>\$962,921,099</u>	<u>\$213,401,372</u>	<u>\$ 56,179,947</u>	<u>\$192,843,351</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by state statutes, as legislatively amended, within the state Teachers' Retirement Law.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service. The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes to the STRP Defined Benefit Program and STRP Defined Benefit Supplement Program, thus disclosures are not included for the other plans.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Benefits Provided (Continued)

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

<u>Provisions and Benefits</u>	<u>STRP Defined Benefit Program and Supplement Program</u>	
	<u>On or Before December 31, 2012</u>	<u>On or After January 1, 2013</u>
Hire Date	2% at 60	2% at 62
Benefit Formula	5 Years of Service	5 Years of Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life
Benefit Payments	60	62
Retirement Age	2.0% - 2.4%	2.0% - 2.4%
Monthly Benefits as a Percentage of Eligible Compensation	10.250%	10.205%
Required Employee Contribution Rate	16.150%	16.150%
Required Employer Contribution Rate	10.328%	10.328%
Required State Contribution Rate		

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. The contribution rates for each plan for the year ended June 30, 2021 are presented above and the total District contributions were \$68,725,393.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

	<u>Balance June 30, 2021</u>
District Proportionate Share of the Net Pension Liability	\$ 720,033,870
State's Proportionate Share of the Net Pension Liability Associated with the District	371,174,541
Total	<u>\$1,091,208,411</u>

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the state, actuarially determined. At June 30, 2020, the District's proportion was 0.7430% which is a decrease of 0.0050% from its proportion measured as of June 30, 2019.

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NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$99,056,475. In addition, the District recognized revenue and corresponding expense of \$51,925,139 for contributions provided by the state. At June 30, 2021, the District 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
Pension Contributions Subsequent to Measurement Date	\$ 68,725,393	\$ -
Differences Between Expected and Actual Experience	1,270,530	20,306,190
Changes of Assumptions	70,213,500	-
Changes in Proportion	14,937,877	20,614,917
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	17,103,860	-
Total	<u>\$ 172,251,160</u>	<u>\$ 40,921,107</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis.

All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the STRP for the June 30, 2020 measurement date is seven years.

The remaining amount will be recognized to pension expense as follows:

Year Ending June 30,	Amortization
2022	\$ 4,853,609
2023	23,465,928
2024	27,163,024
2025	9,328,628
2026	(1,672,190)
2027	(534,339)
Total	<u>\$ 62,604,660</u>

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The financial reporting actuarial valuation as of June 30, 2019 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.10%
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants and adopted by the CalSTRS Board in January 2020. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	42 %	4.80 %
Real Estate	15	3.60
Private Equity	13	6.30
Fixed Income	12	1.30
Risk Mitigating Strategies	10	1.80
Inflation Sensitive	6	3.30
Cash/Liquidity	2	(0.40)

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NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expense occur midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% Decrease (6.10%)	\$1,087,870,880
Current Discount Rate (7.10%)	720,033,870
1% Increase (8.10%)	416,332,620

Changes of Assumptions

During the fiscal year of the measurement date of June 30, 2020, CalSTRS completed an experience study for the period starting July 1, 2015 and ending June 30, 2018. The experience study was adopted by the CaSTRS Board in January 2020. As a result of the study, certain assumptions used in determining the net pension liability of the STRP changed, including termination rates and service rates.

Plan Fiduciary Net Position

Detailed information about the STRP's plan fiduciary net position is available in a separate comprehensive annual financial report on the CalSTRS website. Copies of the CalSTRS annual financial report may be obtained from CalSTRS.

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool Plan under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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 service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least 5 years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

<u>Provisions and Benefits</u>	<u>Schools Pool Plan (CalPERS)</u>	
	<u>On or Before December 31, 2012</u>	<u>On or After January 1, 2013</u>
Hire Date		
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55	62
Monthly Benefits as a Percentage of Eligible Compensation	1.1% - 2.5%	1.0% - 2.5%
Required Employee Contribution Rate	7.00%	7.00%
Required Employer Contribution Rate	20.70%	20.70%

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. Total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021 are as presented above and the total District contributions were \$23,156,934.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$242,887,229. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.7916% which is a decrease of 0.0553% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$34,705,698. In addition, the District recognized revenue and corresponding expense of \$7,156,039 for contributions provided by the state that are not considered a special funding situation and was determined by the same proportion above. At June 30, 2021, the District 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
Pension Contributions Subsequent to Measurement Date	\$ 23,156,934	\$ -
Differences Between Expected and Actual Experience	12,046,461	-
Changes of Assumptions	890,677	-
Changes in Proportion	-	15,258,840
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	5,056,140	-
Total	\$ 41,150,212	\$ 15,258,840

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis.

All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the CalPERS Schools Pool Plan for the June 30, 2020 measurement date is 4.1 years.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

The remaining amount will be recognized in pension expense as follows:

Year Ending June 30,	Amortization
2022	\$ (438,759)
2023	638,677
2024	469,575
2025	2,064,945
Total	\$ 2,734,438

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The financial reporting actuarial valuation as of June 30, 2019 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Experience Study	July 1, 1997 through June 30, 2015
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.15%
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by Entry Age and Service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of mortality improvements using 90% of scale MP 2016 published by the Society of Actuaries.

**LONG BEACH UNIFIED SCHOOL DISTRICT
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NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Actuarial Methods and Assumptions (Continued)

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	50 %	5.98 %
Fixed Income	28	2.62
Real Assets	13	4.93
Private Equity	8	7.23
Liquidity	1	(0.92)

Discount Rate

The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return for the Schools Pool Plan net of investment expenses and without reduction for administrative expenses. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the Schools Pool Plan fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine total pension liability.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Discount Rate (Continued)

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% Decrease (6.15%)	\$ 349,194,684
Current Discount Rate (7.15%)	242,887,229
1% Increase (8.15%)	154,657,377

Plan Fiduciary Net Position

Detailed information about CalPERS Schools Pool Plan fiduciary net position is available in a separate comprehensive annual financial report available on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from CalPERS.

NOTE 12 ALTERNATE PENSION PLANS

Alternate Retirement System for Part-Time, Seasonal and Temporary Employees (ARS)/(PARS)

Plan Description and Contribution Information

The Alternate Retirement System for Part-Time, Seasonal and Temporary Employees (ARS/PARS) is a defined contribution plan qualifying under §401(a) and §501 of the Internal Revenue Code. The plan covers part-time, seasonal and temporary employees and employees not covered by §3121(b)(7)(F) of the Internal Revenue Code. The benefit provisions and contribution requirements of plan members and the District are established and may be amended by the ARS Plan Administrator. Eligible employees hired prior to January 1, 2002, contribute 3.75% of their covered compensation to this plan and effective November 1, 2006 the District contributes 3.75%. Eligible employees hired after January 1, 2002, contribute 7.5% of their covered compensation to this plan.

Retirees and Beneficiaries Receiving Benefits	591
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	27,210
Active Plan Members	2,252
Number of Participating Employers	1
Contributions by Employee for the Year	\$ 889,749
Contributions by Employer for the Year	\$ 1,574,900

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 ALTERNATE PENSION PLANS (CONTINUED)

Long Beach Schools Business Management Authority Retirement Plan

Plan Description and Contribution Information

In 1998, the Long Beach Unified School District approved the development of an alternate retirement system for management employees of the District. The Long Beach Schools Business Management Authority Retirement Plan (LBSBMA) is a defined benefit pension plan established as an alternative to PERS (Public Employees Retirement System). As of July 1, 2004, the plan is no longer accepting new members. The District has negotiated to have participating members reinstated in PERS. LBSBMA covered pension benefits for employees that elected to participate in the plan. Employees who qualified for the plan were classified management and supervisors. The plan was established under IRS Code 401(a).

Retirees and Beneficiaries Receiving Benefits	70
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	52
Active Plan Members	-
Number of Participating Employers	1
Contributions by Employee for the Year	\$ -
Contributions by Employer for the Year	\$ 350,000

The financial information for the plans is provided below as there are no separate GAAP financial statements available for them.

	<u>ARS</u>	<u>PARS</u>	<u>LBSBMA</u>
Assets:			
Cash and Cash Equivalents	\$ -	\$ -	\$ 113,415
Investments, at Fair Value:			
U.S. Government Obligations	17,666,610	14,283,550	-
Total Assets	<u>\$ 17,666,610</u>	<u>\$ 14,283,550</u>	<u>\$ 113,415</u>
Additions:			
Employer	\$ 1,538,116	\$ 36,784	\$ 350,000
Plan Members	-	889,749	-
Total Contributions	<u>1,538,116</u>	<u>926,533</u>	<u>350,000</u>
Investment Earnings:			
Interest and Dividends	276,219	220,019	49
Net Investment Earnings	<u>276,219</u>	<u>220,019</u>	<u>49</u>
Total Additions	1,814,335	1,146,552	350,049
Deductions:			
Benefits	393,475	659,698	266,085
Administrative Expenses	<u>123,190</u>	<u>102,204</u>	<u>983</u>
Total Deductions	<u>516,665</u>	<u>761,902</u>	<u>267,068</u>
Change in Net Position	1,297,670	384,650	82,981
Net Position - Beginning of Year	<u>16,368,940</u> *	<u>13,898,900</u>	<u>30,434</u>
Net Position - End of Year	<u>\$ 17,666,610</u>	<u>\$ 14,283,550</u>	<u>\$ 113,415</u>

* PARS statements now show "unapplied earnings". This is the difference between the monthly statements and the annual statement.

LONG BEACH UNIFIED SCHOOL DISTRICT
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NOTE 13 SELF-INSURANCE FUND

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Through the year, the District has maintained the following self-insurance programs and accounts for them in Internal Service Funds. The District is self-insured for property and liability, health, vision, dental and workers' compensation. These funds account for and finance the uninsured portion of losses. The Deductible Insurance Fund provides general liability coverage primarily for particular property damage and bodily injury claims. The District participates in a Joint Powers Authority for claims in excess of the amount provided by the Deductible Insurance Fund and for certain other risks. Settled claims have not exceeded this commercial coverage in any of the past three years. In addition, through the Deductible Insurance Fund, the District is completely self-insured for certain other types of claims, principally related to property losses due to vandalism and natural disasters.

Through its Health, Vision and Dental Insurance Fund, the District is partially self-insured for health, vision and dental plan claims. The District maintains an excess insurance policy for health program claims.

The District is self-insured for claims related to workers' compensation. The District carries excess insurance for claims over their retention.

Payments from the applicable government fund type are made to the self-insurance fund in amounts needed to pay the estimated claims as well as fund future obligations.

Liabilities for loss and loss adjustment expenses for each Internal Service Fund are based on the ultimate cost of settling the claims which include the accumulation of estimates for losses reported prior to the balance sheet date and an estimate of losses incurred but not reported. Such liabilities, which are discounted at 1.3%, are estimates of future expected settlement and are based upon analysis of historical patterns of the number of incurred claims and their values. Individual reserves are continuously monitored and reviewed, and as settlements are made, or reserves adjusted, differences are reflected in current operations.

**LONG BEACH UNIFIED SCHOOL DISTRICT
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NOTE 13 SELF-INSURANCE FUND (CONTINUED)

At June 30, 2021, the District accrued the claims liability in accordance with GAAP which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is estimated at \$40,877,553. The Self Insurance Funds currently have a combined positive fund balance of \$45,922,575. This is largely due to workers' compensation balances. Changes in the reported liability are shown below:

<u>Reported Liability</u>	<u>Beginning Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Fiscal Year Liability</u>
Worker's Compensation	\$ 29,553,670	\$ 3,912,680	\$ 8,094,843	\$ 25,371,507
Deductible Insurance	4,438,521	3,721,255	4,250,089	3,909,687
Health, Vision, and Dental	10,579,892	60,693,040	59,676,573	11,596,359
Total	<u>\$ 44,572,083</u>	<u>\$ 68,326,975</u>	<u>\$ 72,021,505</u>	<u>\$ 40,877,553</u>

NOTE 14 JOINT POWERS AGREEMENTS

The District participates in two joint powers agreement (JPA) entities, the Alliance of Schools for Collective Insurance Programs (ASCIP) and the Schools Excess Liability Fund (SELF). The relationship between the District and the JPAs is such that neither of the JPAs are a component unit of the District for financial reporting purposes, as explained below.

ASCIP arranges for and provides property and liability insurance for its member districts. Long Beach Unified School District pays a premium commensurate with the level of coverage requested.

SELF arranges for and provides a self-funded or additional insurance for excess liability funding for approximately 1,250 public educational agencies. SELF is governed by a board comprised of 17 elected voting members, elected alternates and two ex-officio members. The board controls the operations of SELF, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the board. Each member pays an annual premium based upon the amounts calculated by SELF's board of directors and shares surpluses and deficits proportionate to its participation in SELF.

Each JPA is independently accountable for its fiscal matters. Budgets are not subject to any approval other than that of the respective governing boards. Separate financial statements for each JPA may be obtained from the respective entity.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 JOINT POWERS AGREEMENTS (CONTINUED)

Condensed financial information for the most recent available is as follows:

<u>JPA Condensed Financial Information</u>	ASCIP June 30, 2020 (Audited) <u>(in thousands)</u>	SELF June 30, 2020 (Audited) <u>(in thousands)</u>
Total Assets and Deferred Outflows of Resources	\$ 537,483	\$ 174,934
Total Liabilities and Deferred Inflows of Resources	313,117	141,258
Fund Balance	<u>\$ 224,366</u>	<u>\$ 33,676</u>
Total Revenues	\$ 294,193	\$ 77,945
Total Expenditures	271,188	64,133
Total Net Change	<u>\$ 23,005</u>	<u>\$ 13,812</u>

NOTE 15 COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

The District has filed a Federal Complaint seeking recover of investigation and clean-up costs associated with contaminated soil at one of the District school sites. A counterclaim has been filed as a result against the District which could result in the repayment of past costs which have not yet been estimated. Insurance may provide coverage against the counterclaims. As the outcome and cost to the District are uncertain, a liability has not been recorded in these financial statements.

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes, including reimbursement of mandated costs, which are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

County School Facilities Funds

The District is currently involved in several construction and modernization projects funded through the Office of Public School Construction. These projects are subject to future audits by the State, which may result in other adjustments to the fund.

Purchase Commitments

As of June 30, 2021, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$94.9 million. Projects will be funded through Bond Proceeds, State School Facilities Grants, and General Funds.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

COVID-19

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies and our communities. Impacts to the District associated with the COVID-19 Pandemic include, but are not limited to, challenges to delivery of public education, increasing costs, disruption to cash flow associated with state apportionment deferrals and lost revenue for fee generating programs.

In response to the COVID-19 Pandemic, the district implemented distance learning for all students during fiscal year 19/20 and through the Spring of fiscal year 20/21, returning to in person learning in late Spring of 20/21 and n 21/22. In addition, the District has certified acceptance of Coronavirus Aid, Relief, and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRSSA), and American Rescue Plan Act (ARPA) funding appropriated for distribution to school districts in the 20/21 and 21/22 California State Budgets.

The COVID-19 Pandemic is ongoing, and the duration and severity of the outbreak and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the operations and finances of the District is unknown at this time. The District continues to actively monitor revenues, expenses and collection of receivables so that any further impacts can be anticipated.

The District does not currently expect that the COVID-19 Pandemic will have a material adverse effect on the District's ability to pay general obligation bonds. The source for debt service payments is tax assessments; the County Auditor-Controller's Office has not communicated a reduction in tax levies or receipts that would negatively affect the District's ability to make debt service payments.

NOTE 16 CHANGE IN ACCOUNTING PRINCIPLE

The beginning net position of the statement of activities and the beginning fund balance of the nonmajor fund governmental funds in the statement of revenues, expenditures, and changes in fund balances – governmental funds, has been restated by \$6,294,066 to recognize the beginning balance of the associated student activity funds as a result of the implementation of GASB Statement No. 84, *Fiduciary Activities*. Student body activity was previously reported as fiduciary activities. In addition, the standard resulted in reporting ending asset and liability balances for employee payroll withholdings in the General Fund. Amounts were previously disclosed in the financial statement notes and reported in the Payroll Clearance Fund in the District accounting software . No restatement was required as a result of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budgetary Amounts		Actual	(a) Fund Basis to GAAP	Actual
	Original	Final	Amounts Fund Basis		Amounts GAAP Basis
REVENUES					
Local Control Funding					
Formula Sources:					
State Apportionments	\$ 526,225,822	539,893,869	\$ 539,893,869	\$ -	\$ 539,893,869
Local Sources	137,060,053	181,299,913	181,299,913	-	181,299,913
Total Local Control Funding					
Formula Sources	663,285,875	721,193,782	721,193,782	-	721,193,782
Federal Sources	89,695,243	251,528,860	109,586,689	-	109,586,689
Other State Sources	114,195,553	210,435,417	192,998,272	-	192,998,272
Other Local Sources	21,303,705	22,097,361	18,990,109	272,387	19,262,496
Total Revenues	888,480,376	1,205,255,420	1,042,768,852	272,387	1,043,041,239
EXPENDITURES					
Certificated Salaries	384,216,256	444,110,196	408,487,752	-	408,487,752
Classified Salaries	121,556,562	133,797,749	110,506,750	-	110,506,750
Employee Benefits	260,702,910	287,275,892	282,421,030	-	282,421,030
Books and Supplies	57,332,565	198,706,825	46,687,854	-	46,687,854
Services and Other Operating					
Expenditures	114,950,196	118,180,554	85,109,100	-	85,109,100
Capital Outlay	1,286,726	1,672,140	2,151,914	-	2,151,914
Other Transfers Out	700,000	700,000	656,692	-	656,692
Direct Support - Indirect Cost	(1,191,466)	(1,580,865)	(1,238,416)	-	(1,238,416)
Total Expenditures	939,553,749	1,182,862,491	934,782,676	-	934,782,676
NET CHANGE IN FUND BALANCE	\$ (51,073,373)	\$ 22,392,929	107,986,176	272,387	108,258,563
Fund Balance - Beginning of Year			302,513,908	49,822,084	352,335,992
FUND BALANCE - END OF YEAR			\$ 410,500,084	\$ 50,094,471	\$ 460,594,555

(a) Amounts presented are the result of the District including activity of the Special Reserve Fund. (See Note 1)

See accompanying Notes to Required Supplementary Information.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
AND RELATED RATIOS
YEAR ENDED JUNE 30,**

<u>Total OPEB Liability - Retiree Health Plan</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Balance - Beginning of Year	\$ 366,781,522	\$ 380,699,585	\$ 412,375,392	\$ 425,718,817
Changes for the Year:				
Service Cost	15,409,183	15,402,863	15,013,009	18,611,233
Interest Cost	11,693,783	11,527,991	11,662,775	11,567,821
Difference Between Expected and Actual Experience	-	-	3,885,314	-
Changes in Assumptions	4,123,259	23,396,124	1,647,701	14,358,061
Expected Benefit Payments	<u>(17,308,162)</u>	<u>(18,651,171)</u>	<u>(18,865,374)</u>	<u>(19,023,966)</u>
Net Changes	<u>13,918,063</u>	<u>31,675,807</u>	<u>13,343,425</u>	<u>25,513,149</u>
Balance - End of Year	<u>\$ 380,699,585</u>	<u>\$ 412,375,392</u>	<u>\$ 425,718,817</u>	<u>\$ 451,231,966</u>
Covered-Employee Payroll	\$ 472,449,675	\$ 454,738,453	\$ 484,834,765	\$ 469,198,672
Total OPEB Liability as a Percentage of Covered-Employee Payroll	81%	91%	88%	96%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
MEASUREMENT PERIODS ENDED JUNE 30,**

CalSTRS - STRP	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.7430%	0.7480%	0.7410%	0.7320%	0.7810%	0.7490%	0.7580%
District's Proportionate Share of the Net Pension Liability	\$ 720,033,870	\$ 675,563,680	\$ 681,030,870	\$ 676,953,600	\$ 631,680,610	\$ 504,256,760	\$ 442,952,460
State's Proportionate Share of the Net Pension Liability Associated with the District	371,174,541	368,568,064	389,923,935	400,483,293	359,657,447	266,695,523	267,476,506
Total	\$1,091,208,411	\$1,044,131,744	\$1,070,954,805	\$1,077,436,893	\$ 991,338,057	\$ 770,952,283	\$ 710,428,966
District's Covered Payroll	\$ 393,600,000	\$ 405,800,000	\$ 411,000,000	\$ 398,500,000	\$ 387,000,000	\$ 362,000,000	\$ 331,000,000
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	183%	166%	166%	170%	163%	139%	134%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72%	73%	71%	69%	70%	74%	77%
CalPERS - Schools Pool Plan	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.7916%	0.8469%	0.8679%	0.9112%	0.9380%	0.9607%	0.9870%
District's Proportionate Share of the Net Pension Liability	\$242,887,229	\$246,822,664	\$213,409,463	\$217,527,489	\$185,255,580	\$141,608,128	\$112,048,432
District's Covered Payroll	\$114,700,000	\$115,900,000	\$117,700,000	\$120,600,000	\$116,000,000	\$110,000,000	\$100,600,000
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	212%	213%	181%	180%	160%	129%	111%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70%	70%	71%	72%	74%	79%	83%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amounts are reported as of the previous fiscal year to align with the measurement date of the net pension liability.

See accompanying Notes to Required Supplementary Information.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
YEARS ENDED JUNE 30,**

CalSTRS - STRP	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 68,725,393	\$ 67,313,621	\$ 66,065,034	\$ 59,320,089	\$ 50,113,529	\$ 41,474,018	\$ 32,113,470
Contributions in Relation to the Contractually Required Contribution	68,725,393	67,313,621	66,065,034	59,320,089	50,113,529	41,474,018	32,113,470
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$425,500,000	\$393,600,000	\$405,800,000	\$411,000,000	\$398,500,000	\$387,000,000	\$362,000,000
Contributions as a Percentage of Covered Payroll	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

CalPERS - Schools Pool Plan	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 23,156,934	\$ 22,625,269	\$ 20,933,250	\$ 18,282,328	\$ 16,755,293	\$ 13,710,319	\$ 12,951,826
Contributions in Relation to the Contractually Required Contribution	23,156,934	22,625,269	20,933,250	18,282,328	16,755,293	13,710,319	12,951,826
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$111,870,000	\$114,700,000	\$115,900,000	\$117,700,000	\$120,600,000	\$116,000,000	\$110,000,000
Contributions as a Percentage of Covered Payroll	20.70%	19.72%	18.06%	15.53%	13.89%	11.85%	11.77%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Notes to Required Supplementary Information.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Budgetary Comparison for the General Fund

A budgetary comparison is presented for the general fund. This schedule presents the budget as originally adopted, the revised budget as of the fiscal year end, actual amounts at fiscal yearend, and any adjustments needed to present the amounts in accordance with generally accepted accounting principles (GAAP).

Schedule of Changes in the District's Total Postemployment Healthcare Benefits Liability and Related Ratios

The schedule is intended to show trends about the changes in the District's actuarially determined liability for postemployment healthcare benefits other than pensions. In the future, as data becomes available, 10 years of information will be presented.

The District has not established a plan or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the Plan and that are legally protected from creditors.

Benefit changes – None

Changes of Assumptions:

2020-21:

Discount Rate decreased from 2.66% to 2.18%

Health Care Trend Rate decreased from 7% to 6.75% in the 2020/21 fiscal year grading down to 4.5% rather than 5.0%

Morbidity rates, which are based on the June 2013 Society of Actuaries Study were updated to reflect current demographics of the covered population.

Mortality, termination, retirements and disability assumptions for certificated participants were updated to reflect the CalSTRS 2020 experience study.

2019-20:

Discount Rate decreased from 2.79% to 2.66%

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedules of District's Proportionate Share of the Net Pension Liability – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the state's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

Benefit changes – None

Changes of Assumptions:

2019-20

CalSTRS Board adopted a new experience study which updated assumptions for termination rates and service rates.

2018-19

CalPERS Board adopted new mortality assumptions for the plan. Assumption for inflation rate was reduced from 2.75% to 2.50%. Assumption for individual salary increases and overall payroll growth was reduced from 3.00% to 2.75%.

2017-18

CalSTRS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 3.00% to 2.75%. Assumption for payroll growth was reduced from 3.75% to 3.50%.

CalPERS applied a new discount rate decreasing the rate from 7.65% to 7.15%.

2015-16

CalPERS applied a new discount rate increasing the rate from 7.50% to 7.65%.

Schedules of District Contributions – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excesses of expenditures over appropriations, by major object accounts, occurred in the General Fund for the following major objects:

Capital Outlay	\$ 479,774
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SUPPLEMENTARY INFORMATION

**LONG BEACH UNIFIED SCHOOL DISTRICT
HISTORY AND ORGANIZATION
YEAR ENDED JUNE 30, 2021**

The District began operations as a newly formed unified district on July 1, 1945. During the current year, the District educates over 67,000 students in eighty-three (83) K-12 schools, one adult school, and two (2) charter schools in the cities of Long Beach, Signal Hill, Santa Catalina Island, the major portion of Lakewood, and unincorporated territory in Los Angeles County. There were no changes in the boundaries of the District during the current year.

Beginning in 2020, the general election for elective officers of the city of Long Beach (including members of the District Board of Education) was changed from the June general election date to the new November statewide general election date.

For the transition, a one-time adjustment was made to the terms of office for the those board members elected in the 2016 election; their terms were extended by five months (July to December) to match them with the new election cycle, as permitted by California Elections Code section 10404.5(g).

The District Board of Education and the District Administrators for the fiscal year ended June 30, 2021 were as follows:

DISTRICT BOARD OF EDUCATION

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Diana Craighead	President	December 2022
Megan Kerr	Vice President	December 2022
Dr. Juan Benitez	Member	December 2022
Doug Otto	Member	December 2024
Erik Miller	Member	December 2024

DISTRICT ADMINISTRATORS

Dr. Jill Baker	Superintendent
Dr. Tiffany Brown	Deputy Superintendent of Schools
Yumi Takahashi	Chief Business and Financial Officer

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2021**

Grade Level	Number of Days Traditional Calendar	Status
Kindergarten	180	In Compliance
Grade 1	180	In Compliance
Grade 2	180	In Compliance
Grade 3	180	In Compliance
Grade 4	180	In Compliance
Grade 5	180	In Compliance
Grade 6	180	In Compliance
Grade 7	180	In Compliance
Grade 8	180	In Compliance
Grade 9	180	In Compliance
Grade 10	180	In Compliance
Grade 11	180	In Compliance
Grade 12	180	In Compliance

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

<u>Program Name</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Program Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
United States Department of Agriculture				
Pass-Through Program From California				
Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	13523	\$ 76,739	\$ -
Child Nutrition Program-Basic Breakfast	10.553	13525	3,600	-
Child Nutrition Program-Especially Needy Breakfast	10.553	13526	1,348	-
Donated Food Commodities	10.555	(1)	3,383,698	-
Summer Food Service Program for Children	10.559	(1)	14,519,891	-
Federal Snack Program	10.555	(1)	16,601	-
Subtotal: Child Nutrition Cluster			<u>18,001,877</u>	<u>-</u>
Cash in Lieu of Commodities	10.558	13534	506,833	-
Child and Adult Care Food Program	10.558	13529	9,248,832	-
Subtotal: CFDA # 10.558			<u>9,755,665</u>	<u>-</u>
Total: United States Department of Agriculture			<u>27,757,542</u>	<u>-</u>
United States Department of Defense				
Reserve Officer Training Corp (ROTC)	12.000	(1)	215,914	-
Total: United States Department of Defense			<u>215,914</u>	<u>-</u>
United States Department of Treasury				
Pass-Through Program From California Department of Education:				
COVID-19 - Coronavirus Relief Fund: Learning Loss Mitigation	21.019	25516	56,026,484	-
Total United States Department of Treasury			<u>56,026,484</u>	<u>-</u>
United States Department of Education				
Indian Education	84.060	(1)	5,713	-
Subtotal: Direct Programs			<u>5,713</u>	<u>-</u>
Pass-Through Program From California				
Department of Education:				
Special Education Cluster:				
IDEA Basic Local Assistance Entitlement	84.027	13379	11,438,073	-
IDEA Basic Local Assist - Private School	84.027	10115	223,898	-
We Can Work Grant	84.027	(1)	77,757	-
IDEA Mental Health Allocation Plan, Part B Sec 611	84.027A	14468	801,500	-
Subtotal: CFDA # 84.027			<u>12,541,228</u>	<u>-</u>
Federal Preschool Grant	84.173	13430	314,528	-
Preschool Staff Development	84.173A	13431	3,584	-
Alternative Dispute Resolution	84.173A	13007	16,693	-
Subtotal: CFDA # 84.173			<u>334,805</u>	<u>-</u>
Subtotal: Special Education Cluster			<u>12,876,033</u>	<u>-</u>
Adult Education:				
Adult Basic Education and ESL	84.002A	14508	149,774	-
Adult Secondary Education	84.002A	13978	233,284	-
English Literacy and Civics Education	84.002A	14109	64,960	-
Subtotal: Adult Education			<u>448,018</u>	<u>-</u>
Education Stabilization Fund (ESF):				
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER I)	84.425D	15536	6,921,118	-
COVID-19 - Governor's Emergency Education Relief (GEER)	84.425C	15517	74,118	-
COVID-19 - Child Nutrition: CRRSA Act - Supplemental Meal	84.425D	15535	435,331	-
Subtotal: Education Stabilization Fund			<u>7,430,567</u>	<u>-</u>
Title I, Part A:				
Title I, Part A - Low Income and Neglected	84.010	14329	22,194,369	-
Title I, Part A - Parent Involvement	84.010	14329	392,370	-
Subtotal: Title I, Part A			<u>22,586,739</u>	<u>-</u>
Title II, Part A - Improving Teach Quality	84.367	14341	3,019,330	-
Title III:				
Title III -Immigrant Student Program	84.365	15146	89,038	-
Title III - Limited English Proficiency	84.365	14346	1,066,170	-
Subtotal: Title III			<u>1,155,208</u>	<u>-</u>

See accompanying Notes to Supplementary Information

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

<u>Program Name</u>	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Program Expenditures	Amounts Passed Through to Subrecipients
United States Department of Education (Continued)				
Migrant Education:				
Migrant Education	84.011	14838	\$ 243,791	\$ -
Migrant Education Summer Program	84.011	10005	50,896	-
Migrant Education Even Start (MEES)	84.011	14768	24,217	-
Subtotal: Migrant Education			<u>318,904</u>	<u>-</u>
Early Intervention	84.181	23761	264,596	-
Title IV:				
Title IV, Part A, Student Support and Academic				
Enrichment Grants	84.424	15396	1,489,183	-
Title IV, Part B, 21st Century Learning Centers	84.287	14349	474,908	-
Subtotal: Title IV			<u>1,964,091</u>	<u>-</u>
Career and Technical Education:				
Career and Technical Education - Adult	84.048	14893	9,184	-
Career and Technical Education - Secondary	84.048	14894	500,055	-
Subtotal: Career and Technical Education			<u>509,239</u>	<u>-</u>
Subtotal: Pass-Through Programs From California Department of Education			<u>50,572,725</u>	<u>-</u>
Pass-Through Program From California				
Department of Rehabilitation:				
Workability II, Transition Partnership	84.158	10006	590,211	-
Subtotal: Pass-Through From California Department of Rehabilitation			<u>590,211</u>	<u>-</u>
Total: United States Department of Education			<u>51,168,649</u>	<u>-</u>
United States Department of Health and Human Services				
Head Start Direct Programs:				
Head Start	93.600	(1)	57,980	-
Head Start-Early	93.600	(1)	7,034,497	-
Head Start-Basic Grant	93.600	(1)	18,200,950	-
Head Start-Training & Tech Assistance	93.600	(1)	212,377	-
COVID-19 Head Start - Early ARRA	93.600	(1)	148,078	-
COVID-19 Head Start - ARRA	93.600	(1)	571,999	-
Subtotal: Head Start Direct Programs			<u>26,225,881</u>	<u>-</u>
Pass-Through Program From California Department of Education:				
Child Care and Development Fund (CCDF) Cluster:				
Federal Child Care	93.596	13609	585,306	-
Federal Alternative Payment	93.575	13694	1,127,126	-
CARES Act General Child Care and Development	93.575	15549	124,240	-
Subtotal: Child Care and Development Fund (CCDF) Cluster			<u>1,836,672</u>	<u>-</u>
Pass-Through Program From California				
Department of Health and Human Services:				
Medicaid Cluster:				
Medi-Cal Billing Option	93.778	10013	560,783	-
Subtotal: Medicaid Cluster			<u>560,783</u>	<u>-</u>
Total: United States Department of Health and Human Services			<u>28,623,336</u>	<u>-</u>
Total Federal Programs			<u>\$ 163,791,925</u>	<u>\$ -</u>

See accompanying Notes to Supplementary Information

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

<u>Program Name</u>	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Program Expenditures	Amounts Passed Through to Subrecipients
Reconciliation to Federal Revenue				
Total Federal Program Expenditures			\$ 163,791,925	\$ -
Revenues in Excess of Expenditures Related to Federal Entitlements:				
Medi-Cal - Administrative (MAA)	93.778	10600	1,760,075	-
Medi-Cal Billing Option	93.778	10013	738,136	-
(CRRSA) Act - One-time Stipend	93.575	15555	633,386	-
Cash in Lieu of Commodities	10.558	13,389	4,612	-
Other Federal Revenue:				
Qualified School Construction Bonds			3,544,151	-
Total Federal Program Revenue			<u>\$ 170,472,285</u>	<u>\$ -</u>

(1) Pass-Through Entity Identifying Number not readily available or not applicable

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

	<u>2022 (Budgeted)</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Revenues	\$ 1,159,500,080	\$ 1,042,768,852	\$ 950,202,424	\$ 983,700,886
Total Expenditures	(1,135,114,999)	(934,782,676)	(923,772,687)	(940,735,202)
Total Other Sources (Uses)	<u>(6,000,000)</u>	<u>-</u>	<u>7,144,560</u>	<u>6,721,986</u>
Change in Fund Balance	18,385,081	107,986,176	33,574,297	49,687,670
Ending Fund Balance	<u>\$ 428,885,166</u>	<u>\$ 410,500,085</u>	<u>\$ 302,513,909</u>	<u>\$ 268,939,612</u>
Available Reserve	<u>\$ 298,935,517</u>	<u>\$ 273,941,103</u>	<u>\$ 223,466,298</u>	<u>\$ 157,343,249</u>
Available Reserve %	26%	29%	24%	17%
ADA	<u>64,142</u>	<u>68,161</u>	<u>68,158</u>	<u>69,414</u>
Total Long-Term Obligations	<u>\$ 2,878,730,213</u>	<u>\$ 2,958,914,858</u>	<u>\$ 2,965,553,431</u>	<u>\$ 2,519,524,315</u>

The amounts above are those reported as General Fund in the Annual Financial and Budget Report and do not include special revenue funds included in the General Fund of the governmental funds' financial statements.

Available reserves are those amounts reserved for economic uncertainty and any other remaining unassigned fund balance from the General Fund. For a District this size, the state recommends 2% of total General Fund expenditures, transfers out, and other uses. For the year ended June 30, 2021, the District has met this requirement.

The 2022 budget is the original budget adopted on June 23, 2021.

Average daily attendance is based upon P-2.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2021**

<u>Charter School Number</u>	<u>Charter School</u>	<u>Included in District Audit Report</u>
#1504	Intellectual Virtues Academy	No
#1682	Clear Passage Educational Center	No

**LONG BEACH UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE ANNUAL FINANCIAL AND BUDGET REPORT
WITH THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

There were no differences between the fund balances reported on the June 30, 2021 Annual Financial and Budget Report for the governmental funds and the audited financial statements.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of article 8 (commencing with section 46200) of chapter 2 of part 26 of the Education Code.

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

The District did not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Payments to Subrecipients

The District did not make any payments to subrecipients.

Schedule of Financial Trends and Analysis

The *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule be prepared showing financial trends of the general fund over the past three fiscal years as well as the current year budget. This report is intended to identify if the District faces potential fiscal problems and if they have met the recommended available reserve percentages.

Schedule of Charter Schools

The *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule list all charter schools chartered by the District and inform the users whether or not the charter school information is included in the District's financial statements.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the annual Financial and Budget Report form to the audited financial statements.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

District Board of Education
Long Beach Unified School District
Long Beach, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Long Beach Unified School District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

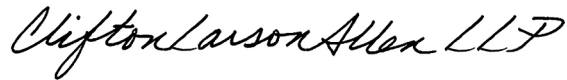
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
January 14, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

District Board of Education
Long Beach Unified School District
Long Beach, California

Report on Compliance for Each Major Federal Program

We have audited Long Beach Unified School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
January 14, 2022



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

District Board of Education
Long Beach Unified School District
Long Beach, California

We have audited the Long Beach Unified School District's (the District) compliance with the types of compliance requirements described in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2021. The District's state compliance requirements are identified in the table provided.

Management's Responsibility

Management is responsible for compliance with the state laws and regulations as identified below.

Auditors' Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the types of compliance requirements referred to below. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's compliance.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	No Applicable
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools:	
Independent Study – Course Based	No ¹
Attendance	No ¹
Mode of Instruction	No ¹
Nonclassroom Based Instruction/Independent Study	No ¹
Determination of Funding for Nonclassroom Based Instruction	No ¹
Annual Instructional Minutes – Classroom Based	No ¹
Charter School Facility Grant Program	No ¹

¹Testing for Charter Schools was done by each school's respective auditor.

District Board of Education
Long Beach Unified School District

Opinion on State Compliance

In our opinion, the District complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2021.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Glendora, California
January 14, 2022

FINDINGS AND QUESTIONED COSTS

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITORS' RESULTS
JUNE 30, 2021**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No
 Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal awards:

Material weakness(es) identified? Yes X No
 Significant deficiency(ies) identified? Yes X None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of Major Federal Programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553,10.555,10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
21.019	COVID-19: Coronavirus Relief Fund – Learning Loss Mitigation
84.425C and 84.425D	COVID-19:Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? X Yes No

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

All audit findings must be identified as one or more of the following categories:

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS
JUNE 30, 2021**

FEDERAL AWARDS FINDINGS

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
RELATED TO STATE AWARDS
JUNE 30, 2021**

STATE COMPLIANCE FINDINGS

There were no findings and questioned costs related to state awards for the year ended June 30, 2021

**LONG BEACH UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

There were no findings and questioned costs related to the basic financial statements, federal awards or state awards for the prior year.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details. **CliftonLarsonAllen LLP**

