

**LONG BEACH UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
INCLUDING REPORTS ON COMPLIANCE**

YEAR ENDED JUNE 30, 2025



LONG BEACH
UNIFIED • SCHOOL • DISTRICT



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Long Beach Unified School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Implementation of New Accounting Standard

As discussed in Note 1 to the financial statements, during the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This statement establishes a unified recognition and measurement model for liabilities associated with compensated absences, including unused leave and leave taken but not yet paid. The implementation of GASB 101 resulted in changes to the accounting treatment and disclosures related to compensated absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of change in the total postemployment healthcare benefits liability and related ratios, schedule of the District's proportionate share of the net pension liability, and schedule of the District's pension contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of average daily attendance (ADA), schedule of instructional time, reconciliation of the annual financial and budget report with the audited financial statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of average daily attendance (ADA), schedule of instructional time, reconciliation of the annual financial and budget report with the audited financial statements, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of financial trends and analysis and schedule of charter schools which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

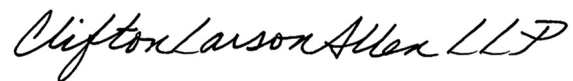
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Ontario, California
January 21, 2026

**LONG BEACH UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

This section of Long Beach Unified School District's (LBUSD) annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2025.

ABOUT LONG BEACH UNIFIED SCHOOL DISTRICT

Established in 1885 with fewer than a dozen students meeting in a borrowed tent, LBUSD now educates over 62,000 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, plus a major portion of Lakewood, and unincorporated territory in Los Angeles County. As the third largest school district in California, LBUSD serves the most diverse large city in the United States, with dozens of languages spoken by local students. The District employs more than 10,000 full and part time employees, making it the largest employer in Long Beach. The Long Beach Unified School District has earned a reputation as one of America's finest school systems, winning many awards as a national model of excellence.

Financial Highlights

- Overall revenues and other financing sources totaled \$1.61 billion or \$98.91 million more than expenditures.
- The District's total long term debt obligations decreased during the year by \$60 million, as there were no new issuances of bonds and scheduled bond payments occurred.
- At the end of the current fiscal year, assigned and unassigned fund balances for the General Fund, including the reserve for economic uncertainties and the balance in the Special Reserve Fund for Future Non-Capital Projects was \$428.33 million (See Note 5).

**LONG BEACH UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Overview of the Financial Statements

This financial report is presented in four parts: Management's Discussion and Analysis (this section), the basic financial statements, the required supplementary information and the supplementary information. The financial statements included herein present these different views of District finances:

- The Government-wide Statement of Net Position and Statement of Activities provide both long-term and short-term information about the District's overall financial statements. These statements are provided at summary level within the Management's Discussion and Analysis for further review.
- The subsequent statements are fund financial statements that focus on individual components of the District, reporting in more detail on District-wide operations.
- Proprietary funds statements offer short and long-term financial information about the activities that operate like a private enterprise, such as the Self-Insurance Fund.
- The fiduciary fund statement provides information about Associated Student Body Funds for which the District acts solely as a trustee.

The financial statements also include notes that provide explanations for more detailed information. The financial statements comparing the District's General Fund budgeted to actual amounts for the year are supplemented by a narrative on significant variances.

District-Wide Statements

Two District-wide statements report financial information using accounting methods similar to those used by private-sector companies. The statement of net position summarizes the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when the cash is received or expenses paid.

The following District-wide statements report on the District's net position and how they have changed during the 2024-25 fiscal year. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health.

- Over time, increases or decreases in net position are an indicator of whether the District's financial position is improving or deteriorating.
- To assess the District's overall fiscal health, additional non-financial factors such as changes in the District's property tax base, fixed assets, and the physical condition of school buildings and other facilities are taken into consideration.

**LONG BEACH UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Summary of Statement of Net Position

	As of 6/30/2025	As of 6/30/2024
Non-Capital Assets	\$ 1,483,955,642	\$ 1,728,556,700
Capital Assets	2,288,369,168	2,054,430,361
Total Assets	<u>3,772,324,810</u>	<u>3,782,987,061</u>
Deferred charge on refunding	7,696,258	8,708,394
Deferred outflows of resources - OPEB	20,304,817	27,627,189
Deferred outflows of resources - pension	288,915,833	311,327,644
Total Deferred Outflows of Resources	<u>316,916,908</u>	<u>347,663,227</u>
Current Liabilities	299,056,855	259,454,581
Long-term Liabilities	3,014,146,789	3,167,555,989
Total Liabilities	<u>3,313,203,644</u>	<u>3,427,010,570</u>
Deferred Inflows of Resources - OPEB	63,329,843	57,878,231
Deferred Inflows of Resources - pension	106,705,782	73,044,855
Total Deferred Inflows of Resources	<u>170,035,625</u>	<u>130,923,086</u>
Invested In Capital Assets, Net of Related Debt	878,154,155	762,356,221
Net Position Legally Restricted	482,833,968	486,683,449
Net Position Unrestricted	(754,985,674)	(676,323,038)
Total Net Position	<u>\$ 606,002,449</u>	<u>\$ 572,716,632</u>

The District's combined net position increased from \$572.7 million at the end of 2023-24 fiscal year to \$613.3 million at the end of the 2024-25 fiscal year. While the net position of unrestricted balances continues to be negative due to the change of accounting principle of reporting STRS and PERS pension liabilities and postemployment benefit liabilities, changes in restricted resources and capital assets have increased the District total net positions.

**LONG BEACH UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Summary of Statement of Activities

	<u>2024-25</u>	<u>2023-24</u>
Program Revenues:		
Charges for Services	\$ 8,928,633	\$ 10,781,178
Operating Grants and Contributions	520,357,055	647,158,826
Capital Grants and Contributions	20,033,216	80,946,550
General Revenues:		
Property Taxes	391,254,812	381,708,203
Federal and State Aid Unrestricted	633,621,032	674,201,971
Interest, Investment and Miscellaneous	38,936,432	43,018,637
Total Revenues	<u>1,613,131,180</u>	<u>1,837,815,365</u>
Instruction and Related Services	936,110,374	1,040,371,537
Pupil Services	178,287,182	155,633,208
Ancillary, Community, and Enterprise Activities	29,472,803	26,610,235
General Administration	164,573,805	149,411,382
Plant Services	141,258,548	167,413,017
Interest and amortization	70,699,064	63,044,968
Other Outgo	1,109,044	492,354
Total Expenses	<u>1,521,510,820</u>	<u>1,602,976,701</u>
Change in Net Position	<u>91,620,360</u>	<u>234,838,664</u>
Net Position, Beginning, as Originally Reported	572,716,632	337,877,968
Restatement (see Note 16)	(58,334,543)	-
Net Position, Beginning, as Restated	<u>514,382,089</u>	<u>337,877,968</u>
Net Position, Ending	<u>\$ 606,002,449</u>	<u>\$ 572,716,632</u>

Total revenues between the 2023-24 and 2024-25 fiscal years decreased 12.25%.

Total revenues decreased by \$225 million from fiscal year 2023–24 to fiscal year 2024–25. The decrease was primarily attributable to the expiration of one-time federal funding, as well as a decline in Local Control Funding Formula (LCFF) revenues. LCFF revenues decreased as the above-normal cost-of-living adjustment and average daily attendance (ADA) stabilization provisions that were provided in fiscal year 2023–24 was no longer in effect in fiscal year 2024–25.

Total expenses decreased by \$89 million compared to the prior year. The reduction in expenditures was largely due to the wind-down of one-time federal programs, which were primarily expended in fiscal year 2023–24. This decrease in spending was partially offset by increased health and welfare benefit costs in fiscal year 2024–25, reflecting higher benefit rates and ongoing employee-related cost pressures.

**LONG BEACH UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Fund Financial Statements

The fund financial statements provide more detailed information about the District's operations, focusing on its most significant or "major" funds and not the District as a whole. Funds are accounting entities used by the District to track specific sources of funding and their related programmatic spending.

- Most fund designations are defined in state law and regulations
- The District establishes other funds to control and manage resources committed to particular purposes or to show that resources are properly used for certain categories of revenues.

The District operates two types of funds:

- **Governmental funds** - Most of the District's basic instructional and support services are included in governmental funds, which generally focus on (1) how cash and other assets can readily be converted to cash flow and (2) the amount of funds remaining at year-end for subsequent year spending. Therefore, the governmental fund statements provide a detailed, short-term view to assist the reader in determining whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs and activities.
- **Proprietary funds** - The District uses internal service funds to report proprietary activities that provide services to its other program activities. The District currently has one internal service fund – the Self-Insurance Fund.

Financial Analysis of the District's Funds

As the district completed the year, its governmental funds reported combined fund balances of \$1.17 billion, comparable to last year's combined ending balances of \$1.45 billion. The Building Fund decreased as funds were spent on various large projects, with no new issuance of bond funds during the 24-25 year.

**LONG BEACH UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget several times. Revenues for grants and entitlements from federal, state and local resources are budgeted as sources are identified throughout the year. Appropriations for expenditures are made throughout the year when new sources of revenue are identified.

Although adjustments to revenue and expense budgets are made throughout the year, actual revenues and expenditures differed from final budget amounts

- Grants are budgeted to include amounts that will carry over for spending in the next year. Accounting rules require only the amount spent during the year to be recognized as income.
- Actual expenses in general reflected lower amounts than the final budget amounts. The balances that were generated by restricted grants and entitlements will become carry-over funds for the next year.
- The expenditure category of books and supplies includes amounts that are being held in reserve in the revised final budget.

Summary of General Fund Budgetary Highlights

	Budgeted Amounts		Actual	Variance with Revised Final Budget
	Original	Revised Final	Amounts	Positive/(Negative)
Revenues:				
LCFF Sources	\$ 833,386,925	\$ 831,369,797	\$ 831,684,375	\$ 314,578
Federal Sources	100,199,849	100,832,474	83,151,364	(17,681,110)
Other State Sources	198,480,864	233,734,628	226,313,460	(7,421,168)
Other Local Sources	36,183,374	52,767,907	55,244,891	2,476,984
Total Revenues	<u>1,168,251,012</u>	<u>1,218,704,806</u>	<u>1,196,394,090</u>	<u>(22,310,716)</u>
Expenditures:				
Certificated Salaries	493,932,162	508,641,155	492,098,529	16,542,626
Classified Salaries	144,989,105	148,133,056	141,829,902	6,303,154
Employee Benefits	339,363,416	346,490,260	347,559,681	(1,069,421)
Books and Supplies	80,478,431	85,996,907	50,910,341	35,086,566
Services and Other Operating Expenditures	183,221,832	199,551,565	200,898,289	(1,346,724)
Capital Outlay	14,655,500	13,306,560	7,922,492	5,384,068
Other Outgo	815,000	815,000	1,102,894	(1,102,894)
Debt Service	-	-	2,845,541	(2,845,541)
Direct Support - Indirect Cost	(2,158,801)	(3,472,486)	(2,025,630)	1,446,856
Total Expenditures	<u>1,255,296,645</u>	<u>1,299,462,017</u>	<u>1,243,142,039</u>	<u>58,398,690</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(87,045,633)	(80,757,211)	(46,747,949)	36,087,974
OTHER FINANCING SOURCES (USES)				
Issuance of Leases	-	-	367,496	367,496
Issuance of SBITAs	-	-	632,750	632,750
Interfund Transfers In	3,000,000	-	-	-
Interfund Transfers Out	(12,200,000)	(12,200,000)	(18,200,000)	(6,000,000)
Total Other Financing Sources (Uses)	<u>(9,200,000)</u>	<u>(12,200,000)</u>	<u>(17,199,754)</u>	<u>(4,999,754)</u>
Net change in fund balance	<u>\$ (96,245,633)</u>	<u>\$ (92,957,211)</u>	<u>(63,947,703)</u>	<u>\$ 31,088,220</u>
Fund balance - July 1, 2024			<u>645,275,096</u>	
Fund balance - June 30, 2025			<u>\$ 581,327,393</u>	

**LONG BEACH UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Capital Assets and Long-Term Debt

Capital Assets

By the end of fiscal year 2024-25, the District had invested \$2.99 billion in a broad range of capital assets, including land, land improvements, buildings, work in progress, vehicles, machinery and equipment. This amount represents an increase of \$274 million, or 10% over last year. This increase represents work on many projects, including continuing work on Jordan High School, Hamilton Middle School Gym, aquatic centers, multiple air conditioning projects, and numerous smaller renovations and modernizations to sites. Continuing work on the re-building of Washington Middle School and modernization of Poly High School has also begun.

Long-Term Debt

At year-end, the District had \$1.84 billion in long-term debt. General Obligation Bonds accounted for nearly \$1.76 billion, including related premium and accreted interest. The remaining \$78 million of long-term debt represents the value of accumulated employee vacation time, the SBITA payables and leases payables. The net pension OPEB liability is no longer reflected in this schedule.

Economic Factors That May Affect the Future

State funding for California school districts continues to be influenced by voter-approved initiatives and legislative actions. Proposition 55, approved by voters in 2016, extends personal income tax increases through 2030 and helps provide a level of funding stability under Proposition 98. While this funding does not necessarily result in additional ongoing revenues, it supports the continuation of current service levels and assists with long-term financial planning.

Significant one-time federal and state funding was provided to school districts from fiscal years 2021–22 through 2023–24 to support learning recovery, social-emotional services, and health and safety measures. These one-time resources have largely expired, and no additional funding of this type is anticipated. As a result, districts must align ongoing expenditures with ongoing revenues while managing the impact of rising costs.

Declining enrollment continues to present fiscal challenges, as average daily attendance directly affects Local Control Funding Formula revenues. Although the State has provided temporary relief measures in recent years, these supports have ended, increasing the District's exposure to enrollment-driven revenue reductions. In addition, future federal funding remains uncertain, and categorical programs may continue to decline due to changes in eligibility and per-pupil funding levels.

Contacting the District's Financial Management

This financial report is designed to provide the reader with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Chief Financial and Business Officer, 1515 Hughes Way, Long Beach, California, 90810.

**LONG BEACH UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FUNDS AND DEFINITIONS OF ACCOUNTING TERMS

The General Fund is always reported as a major fund. Other governmental and enterprise funds are to be reported as **major funds** based on the following criteria:

- Total assets, liabilities, revenues, or expenditures of the individual governmental or enterprise fund (excluding extraordinary items) are at least 10% of the corresponding total for all funds of the same category (i.e. governmental or enterprise funds), and,
- Total assets, liabilities, revenues or expenditures of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

Any other governmental or enterprise fund may be reported as a major fund if the governmental entity believes that it is particularly important to the readers of their financial statements.

General Fund: The fund used to finance the basic operations of a school district and to serve students in grades kindergarten through twelve. These resources are available for any legally authorized purpose of the District.

Building Fund: Established to hold funds generated for capital outlay projects. These resources may come from the sale of District facilities and property, from the sale of District bonds, from the sale of bonds by the state government or from the transfer of funds from the General Fund.

Debt Service Fund: This fund is used for the repayment of bonds issued for the school district. The board of supervisors of the county issues the bonds and the proceeds are deposited in the county treasury to the Building Fund of the District. The county auditor maintains control over the fund. Principal and interest on the bonds is paid by the county treasurer from taxes levied by the county auditor-controller. Expenditures in this fund are limited to bond interest, redemption and related costs.

FINANCIAL STATEMENTS

LONG BEACH UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash in County Treasury	\$ 1,385,179,093
Cash on Hand and in Banks	15,001,231
Cash in Revolving Fund	1,347,875
Accounts Receivable:	
Federal and State Governments	60,146,331
Local Governments	5,802,731
Miscellaneous	10,241,924
Stores Inventory	2,778,845
Prepaid Expenses	2,458,626
Other Current Assets - Investments	998,986
Land	113,922,550
Construction in Progress	615,362,348
Depreciable Assets, Net	1,553,101,524
Right-to-Use Lease Assets, Net	2,199,249
SBITA Assets, Net	3,783,497
Total Assets	<u>3,772,324,810</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	7,696,258
Deferred Outflows - Other Postemployment Benefits	20,304,817
Deferred Outflows - Pension	288,915,833
Total Deferred Outflows of Resources	<u>316,916,908</u>
LIABILITIES	
Accounts Payable and Other Current Liabilities	202,063,775
Accrued Interest Payable	26,646,377
Unearned Revenue	19,388,014
Estimated Liability for Open Claims and IBNR's	50,958,689
Long-Term Liabilities:	
Due Within One Year Other than Pensions and OPEB	138,943,985
Total Other Postemployment Benefits (OPEB) Due Within One Year	19,991,631
Due in More Than One Year Other than Pensions and OPEB	1,698,390,944
OPEB Due in More Than One Year	390,411,817
Net Pension Liability	766,408,412
Total Liabilities	<u>3,313,203,644</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Other Postemployment Benefits	63,329,843
Deferred Inflows - Pension	106,705,782
Total Deferred Inflows of Resources	<u>170,035,625</u>
NET POSITION	
Net Investment in Capital Assets	878,154,155
Restricted for:	
Debt Service	118,006,816
Educational Programs	178,394,885
Capital Projects	90,019,466
Nutrition Service	53,493,077
Self Insurance Program	42,919,724
Unrestricted	(754,985,674)
Total Net Position	<u><u>\$ 606,002,449</u></u>

See accompanying Notes to Financial Statements.

**LONG BEACH UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

					Net (Expense) Revenue and Changes in Net Position
		Program Revenues			
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental Activities:					
Instruction	\$ 780,196,733	\$ 4,008,952	\$ 262,170,544	\$ -	\$ (514,017,237)
Instruction - Related Services	155,913,641	59,868	46,560,452	-	(109,293,321)
Pupil Services	178,287,182	4,537,284	81,892,056	-	(91,857,842)
Ancillary Services	16,387,653	514	11,144,270	-	(5,242,869)
Community Services	12,541,019	17,978	5,800,594	-	(6,722,447)
Enterprise Activities	544,131	-	-	-	(544,131)
General Administration	164,573,805	9,292	105,025,707	-	(59,538,806)
Plant Services	141,258,548	294,650	7,511,844	20,033,216	(113,418,838)
Other Outgo	1,109,044	95	251,588	-	(857,361)
Debt Service - Interest (unallocated)	63,587,979	-	-	-	(63,587,979)
Amortization (unallocated)	7,111,085	-	-	-	(7,111,085)
Total District	\$ 1,521,510,820	\$ 8,928,633	\$ 520,357,055	\$ 20,033,216	(972,191,916)
General Revenues:					
Property Taxes Levied for:					
General Purposes					218,143,453
Debt Service					158,842,145
Other Specific Purposes					14,269,214
Federal and State Aid Not Restricted to Specific Purposes					633,621,032
Interest and Investment Earnings					28,846,856
Miscellaneous					10,089,576
Total General Revenues and Special Items					1,063,812,276
CHANGE IN NET POSITION					91,620,360
Net Position - Beginning of Year, as Originally Reported					572,716,632
Restatement (see Note 16)					(58,334,543)
Net Position - Beginning of Year, Restated					514,382,089
NET POSITION - END OF YEAR					\$ 606,002,449

See accompanying Notes to Financial Statements.

**LONG BEACH UNIFIED SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Nonmajor	Total Governmental Funds
ASSETS					
Cash in County Treasury	\$ 660,930,850	\$ 337,225,096	\$ 144,653,193	\$ 143,493,764	\$ 1,286,302,903
Cash on Hand and in Banks	-	-	-	15,001,231	15,001,231
Cash in Revolving Fund	346,700	-	-	1,175	347,875
Accounts Receivable:					
Federal and State					
Governments	41,883,367	-	-	18,262,964	60,146,331
Local Governments	5,802,731	-	-	-	5,802,731
Miscellaneous	5,250,141	3,397,684	-	837,872	9,485,697
Due from Other Funds	6,913	-	-	-	6,913
Stores Inventory	727,150	-	-	2,051,695	2,778,845
Prepaid Expenditures	1,255,446	1,203,180	-	-	2,458,626
Other Assets - Investments	-	-	-	998,986	998,986
Total Assets	<u>\$ 716,203,298</u>	<u>\$ 341,825,960</u>	<u>\$ 144,653,193</u>	<u>\$ 180,647,687</u>	<u>\$ 1,383,330,138</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 118,144,934	\$ 70,414,386	\$ -	\$ 6,750,451	\$ 195,309,771
Due to Other Funds	-	5,863	-	1,050	6,913
Unearned Revenue	16,730,971	-	-	2,657,043	19,388,014
Total Liabilities	<u>134,875,905</u>	<u>70,420,249</u>	<u>-</u>	<u>9,408,544</u>	<u>214,704,698</u>
FUND BALANCES					
Nonspendable	2,329,296	1,203,180	-	2,052,870	5,585,346
Restricted	150,668,285	270,202,531	144,653,193	169,186,273	734,710,282
Assigned	51,742,121	-	-	-	51,742,121
Unassigned	376,587,691	-	-	-	376,587,691
Total Fund Balances	<u>581,327,393</u>	<u>271,405,711</u>	<u>144,653,193</u>	<u>171,239,143</u>	<u>1,168,625,440</u>
Total Liabilities and Fund Balances	<u>\$ 716,203,298</u>	<u>\$ 341,825,960</u>	<u>\$ 144,653,193</u>	<u>\$ 180,647,687</u>	<u>\$ 1,383,330,138</u>

See accompanying Notes to Financial Statements.

**LONG BEACH UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total fund balances - governmental funds \$ 1,168,625,440

Amounts reported for governmental funds are different than the statement of net position because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

The cost of the assets is \$3,008,029,637 and the accumulated depreciation/amortization is \$719,660,469. The net value of capital assets is: 2,288,369,168

The accrued interest for general obligation bonds is: (26,646,377)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

General obligation bonds principal payable	\$ (1,612,000,158)	
Unmatured premium general obligation bonds	(71,476,114)	
Accreted interest on capital appreciation bonds	(76,198,040)	
Leases payable	(2,284,004)	
SBITA payable	(3,556,706)	
Compensated absences payable	(71,819,907)	
Total other postemployment benefits obligation	(410,403,448)	
Net pension liability	(766,408,412)	(3,014,146,789)

In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods.

In the statement of net position, deferred outflows and inflows of resources are reported:

Deferred outflows - pensions	288,915,833	
Deferred outflows - other post employment benefits	20,304,817	
Deferred inflows - pensions	(106,705,782)	
Deferred inflows - other post employment benefits	(63,329,843)	
Deferred charge on refunding to be amortized over the life of the refunded or refunding debt	7,696,258	146,881,283

An internal service fund is used by the District to manage its Self-Insurance Fund. The assets and liabilities of the Self-Insurance Fund are included under governmental activities in the statement of net position.

42,919,724

Total Net Position - Governmental Activities \$ 606,002,449

**LONG BEACH UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Nonmajor	Total Governmental Funds
REVENUES					
Local Control Funding Formula (LCFF) Sources:					
State Apportionments	\$ 614,771,990	\$ -	\$ -	\$ -	\$ 614,771,990
Local Sources	216,912,385	-	-	-	216,912,385
Total LCFF Sources	831,684,375	-	-	-	831,684,375
Federal Sources	83,151,364	-	873,446	68,325,449	152,350,259
Other State Sources	226,313,460	-	602,313	54,831,408	281,747,181
Other Local Sources	55,244,891	15,742,293	161,842,940	38,671,670	271,501,794
Total Revenues	1,196,394,090	15,742,293	163,318,699	161,828,527	1,537,283,609
EXPENDITURES					
Instruction	737,727,657	-	-	35,887,677	773,615,334
Instruction - Related Services	154,046,694	-	-	9,700,125	163,746,819
Pupil Services	135,111,773	-	-	48,729,251	183,841,024
Ancillary Services	6,852,758	-	-	9,749,375	16,602,133
Community Services	12,689,736	-	-	8,716	12,698,452
Enterprise Activities	568,416	-	-	-	568,416
General Administration	57,235,538	-	-	2,340,247	59,575,785
Plant Services	134,961,032	266,424,378	-	17,042,830	418,428,240
Other Outgo	1,102,894	6,150	-	-	1,109,044
Debt Service	2,845,541	-	171,734,572	-	174,580,113
Total Expenditures	1,243,142,039	266,430,528	171,734,572	123,458,221	1,804,765,360
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(46,747,949)	(250,688,235)	(8,415,873)	38,370,306	(267,481,751)
OTHER FINANCING SOURCES (USES)					
Issuance of Leases	367,496	-	-	-	367,496
Issuance of SBITAS	632,750	-	-	-	632,750
Interfund Transfers In	-	17,786,161	-	-	17,786,161
Interfund Transfers Out	(18,200,000)	-	-	(17,786,161)	(35,986,161)
Total Other Financing Sources (Uses)	(17,199,754)	17,786,161	-	(17,786,161)	(17,199,754)
NET CHANGES IN FUND BALANCE	(63,947,703)	(232,902,074)	(8,415,873)	20,584,145	(284,681,505)
Fund Balance - Beginning, as Originally Reported	645,275,096	504,307,785	-	303,724,064	1,453,306,945
Adjustment (see Note 16)	-	-	153,069,066	(153,069,066)	-
Fund Balance - Beginning, as Adjusted	645,275,096	504,307,785	153,069,066	150,654,998	1,453,306,945
FUND BALANCE - END OF YEAR	<u>\$ 581,327,393</u>	<u>\$ 271,405,711</u>	<u>\$ 144,653,193</u>	<u>\$ 171,239,143</u>	<u>\$ 1,168,625,440</u>

See accompanying Notes to Financial Statements.

**LONG BEACH UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO
THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Net change in fund balances - total governmental funds \$ (284,681,505)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense/amortization.

Capital outlay	\$	283,191,709	
Depreciation and amortization expense		(48,856,338)	
Excess of capital outlay over depreciation/amortization expense			234,335,371

Gain or loss from disposal of capital assets: In governmental funds, the entire proceeds from disposed assets are recorded as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain was: (396,564)

Governmental funds report the repayment of debt principal and interest when payments are due. In the statement of activities, debt principal is eliminated and reported as a reduction in debt in the statement of net position, and interest is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of debt and related items is as follows:

Repayment of bond principal	\$	106,791,241	
Payment on capital appreciation interest		1,263,759	
Increase in accreted interest		(8,108,193)	
Bond premium, current year amortization		7,136,801	
Decrease in deferred charge on refunding		(1,012,136)	
Decrease in accrued interest expense		2,075,121	
Principal payment on leases		711,486	
Principal payment on SBITAS		2,134,055	
Change in debt			110,992,134

Issuance of right-to-use leases and SBITA are reported as proceeds in governmental funds, but increases long-term liabilities in the statement of net position (1,000,246)

**LONG BEACH UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO
THE STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2025**

In the statement of activities, certain operating expenses - are measured by the amount of financial resources used compensated absences (sick leave and vacations), - are measured by the amounts earned during the year. In the governmental funds however, expenditures for these items (essentially, the amounts actually paid). During this year, vacation and sick leave payable increased by:

1,770,086

In governmental funds, pension costs are recognized when employer contributions are made, but in the statement of activities, pension costs are recognized on the accrual basis. The difference between accrual basis pension costs and actual employer contribution was:

42,612,558

Certain items such as postemployment benefits other than pensions reported in the statement of activities do not result in, or require, the use of current financial resources and, therefore, are not reported as revenue or expenditures in governmental funds.

(10,414,526)

An internal service fund is used by the District to manage the Self-Insurance Fund. The net income is reported with governmental activities.

(1,596,948)

Change in net position of governmental activities

\$ 91,620,360

LONG BEACH UNIFIED SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION – PROPRIETARY FUND
JUNE 30, 2025

	Governmental Activities
	<u>Internal Service Fund</u>
	<u>Self-Insurance Fund</u>
ASSETS	
Cash in County Treasury	\$ 98,876,190
Cash in Revolving Fund	1,000,000
Accounts Receivable:	
Interest Receivable	756,227
Total Assets	<u>100,632,417</u>
LIABILITIES	
Accounts Payable	6,754,004
Estimated Liability for Open Claims	
Incurred But Not Recorded	50,958,689
Total Liabilities	<u>57,712,693</u>
NET POSITION	
Restricted	<u>42,919,724</u>
Total Net Position	<u><u>\$ 42,919,724</u></u>

See accompanying Notes to Financial Statements.

**LONG BEACH UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION – PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025**

	Governmental Activities
	<u>Internal</u>
	<u>Service Fund</u>
	<u>Self-Insurance</u>
	<u>Fund</u>
OPERATING REVENUES	
Self-Insurance Premiums	\$ 89,577,684
OPERATING EXPENDITURES	
Salaries	186,396
Benefits	109,084
Other Supplies	100,096
Payments for Supplies, Claims, Premiums, and Administrative Uses	111,316,888
Total Operating Expenditures	<u>111,712,464</u>
NET OPERATING LOSS	(22,134,780)
NONOPERATING REVENUE	
Interest Income	<u>2,337,832</u>
INCOME (LOSS) BEFORE TRANSFERS	(19,796,948)
TRANSFERS	
Transfers in	<u>18,200,000</u>
CHANGE IN NET POSITION	(1,596,948)
Net Position - Beginning of Year	<u>44,516,672</u>
NET POSITION - END OF YEAR	<u><u>\$ 42,919,724</u></u>

See accompanying Notes to Financial Statements.

**LONG BEACH UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025**

	Governmental Activities
	Internal Service Fund
	Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Premiums and Other Revenues	\$ 89,632,325
Cash Paid for Operating Expenditures	(102,405,522)
Cash Payments to Employees for Service	(295,480)
Net Cash Used by Operating Activities	(13,068,677)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	18,200,000
Net Cash Provided by Noncapital Financing Activities	18,200,000
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	2,344,594
Net Cash Provided by Investing Activities	2,344,594
NET DECREASE IN CASH	7,475,917
Cash and Cash Equivalents - Beginning of Year	92,400,273
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 99,876,190</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (22,134,780)
Changes in Operating Assets and Liabilities:	
Accounts Receivable	54,641
Accounts Payable	2,983,939
Estimated Liability for Open Claims Incurred but Not Recorded	6,027,523
Total Adjustments	9,066,103
Net Cash Used by Operating Activities	\$ (13,068,677)
CASH BALANCES CONSISTED OF THE FOLLOWING	
Cash in County Treasury	\$ 98,876,190
Cash in Revolving Fund	1,000,000
Total Cash	<u>\$ 99,876,190</u>

See accompanying Notes to Financial Statements.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*, updated to conform to the most current financial and reporting requirements promulgated by the California Department of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The significant accounting policies applicable to the District are described below.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with GAAP as prescribed by GASB. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting and the fund financial statements are prepared using the current measurement focus and modified accrual basis of accounting. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District's financial activities.

The District's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements.

Government-Wide Financial Statements

The statement of net position and the statement of activities displays information about the District as a whole. These statements include the financial activities of the primary government, including governmental activities of proprietary funds.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District. Depreciation has been allocated to specific functions while interest and amortization expense has not been allocated to specific functions.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Proprietary funds are reported by type.

The fund financial statement expenditures are presented in a function-oriented format. The following is a brief description of the functions:

Instruction: includes the activities directly dealing with the interaction between teachers and students.

Instruction-Related Services: includes supervision of instruction, instructional library, media and technology, and school site administration.

Pupil Services: includes home to school transportation, food services, and other pupil services.

Ancillary Services: includes activities that are generally designed to provide students with experiences outside the regular school day.

Community Services: includes activities that provide services to community participants other than students.

Enterprise Activities: includes activities that are financed and operated in a manner similar to private business enterprises, where the stated intent is that the costs are financed or recovered primarily through user charges. This function is used with self-insurance funds and retiree benefit funds.

General Administration: includes data processing services and all other general administration services.

Plant Services: includes activities of maintaining the physical plant. This also includes facilities acquisition and construction expenditures.

Other Outgo: includes transfers to other agencies.

Debt Service: includes principal and interest payments for long-term debt.

The proprietary fund expenses are presented by natural classification.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

To ensure compliance with the California Education Code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations, and equities.

The statement of revenues, expenditures and changes in fund balance are statements of financial activities of the particular fund related to the current reporting period. Expenditures of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

Governmental Funds – Major

General Fund: used to account for all financial resources except those required to be accounted for in another fund. The Special Reserve Fund for Other than Capital Outlay Projects does not meet the definition of a special revenue fund as it is not primarily composed of restricted or committed revenue sources. Balances in the Payroll Clearance Fund no longer meet the definition of fiduciary activities. Therefore, balances and activities of these funds are reported in the General Fund.

Building Fund: used to account for the proceeds of Measure A, Measure K, Measure E, and Measure Q General Obligation Bonds.

Bond Interest and Redemption Fund: used to account for the payment of principal and interest on general obligation debt.

Governmental Funds – Nonmajor

Special Revenue Funds: used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Associated Student Fund: used to account for raising and expending money to promote the general welfare, morale, and educational experiences of the student body. The District operates 36 organized Associated Student Bodies.

Adult Education Fund: used to account for resources restricted or committed to adult education programs maintained by the District.

Child Development Fund: used to account for resources restricted to child development programs.

Cafeteria Fund: used to account for revenues received and expenditures made to operate the District's food and nutrition service program.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds – Nonmajor (Continued)

Capital Projects Funds: used to account for the financial resources that are restricted, committed or assigned for the acquisition and/or construction of major governmental general capital assets.

Capital Facilities Fund: used to account for resources received from residential and commercial developer impact fees.

County School Facilities Fund: used to account for the School Facility Program grants award for modernization and new construction of various school sites.

Special Reserve Fund for Capital Outlay Projects: used to account for specific board-approved capital expenditures.

Proprietary Fund

Self-Insurance Fund: used to account for services rendered on a cost-reimbursement basis within the District. The Self-Insurance Fund consists of Health, Vision and Dental Insurance and Workers' Compensation Insurance Programs – used to account for resources restricted to the District's health, vision, dental and workers' compensation insurance programs. This fund is also used to account for retiree health care costs and reserves for future payments related to other postemployment benefits and to account for resources restricted to the District's self-insurance program for property loss or damage.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. Revenues in governmental fund financial statements are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of state apportionment, interest and reimbursement grants which are considered available as collectible within one year.

Government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash in the county treasury is recorded at cost, which approximates fair value.

Receivables

Receivables are generally recorded when the amount is earned and can be estimated. All material receivables are considered fully collectible.

Stores Inventory

Stores inventories are presented at the lower of cost or market on an average basis and are expensed when used. Stores inventory consists primarily of expendable supplies held for consumption. At June 30, 2025, the inventory for supplies is \$727,150. The inventory for food is \$2,037,371. The inventory for sale by the associated student activity fund is \$14,324.

Prepaid Expenses/Expenditures

Payments made to vendors for goods or services that will benefit periods beyond June 30, 2025, are recorded as prepaid items. A current asset for the prepaid amount is recorded at the time of the purchase and an expense/expenditure is reported in the year in which goods or services are consumed.

Other Current Assets – Investments

Investments held in the associated student body fund are reported at fair value.

Capital Assets

Generally, capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities' column of the statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined by GASB. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and Improvements	50 Years
Land Improvements	20 Years
Furniture and Equipment	5 to 20 Years
Vehicles	6 Years

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation expense reported on the government-wide statement of activities excludes direct depreciation expense recorded to functions where applicable.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Charge on Refunding: A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Outflows/Inflows – Other Post-Employment Benefits (OPEB): The deferred outflows/inflows of resources related to OPEB benefits results from actuarially determined changes to the OPEB plan. The amounts will be deferred and amortized as detailed in Note 10 to the financial statements.

Deferred Outflows/Inflows – Pensions: The deferred outflows/inflows of resources related to pensions resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans and the effects of actuarially-determined changes to the pension plan. These amounts are deferred and amortized as detailed in Note 11 to the financial statements.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Long-Term Obligations

The District reports long-term debt of governmental funds in the government-wide financial statements. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. General obligation bonds are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Net Pension Liability

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 California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (collectively, the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, plan contributions are recognized in the payroll period in which they are earned and 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.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on use through external restrictions imposed by donors, grantors, laws or regulations of other governments or by enabling legislation adopted by the District. All other net position not in these categories is reported as unrestricted.

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Education. These amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same formal action (vote or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The District Board of Education, through a formal action has given authority to the Chief Business and Financial Officer or designee to assign amounts for a specific purpose that is neither restricted nor committed.

Unassigned: This classification includes the residual fund balance for the General Fund and all other spendable amounts.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Spending Order Policy

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted net position or fund balance is available.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District's policy considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment functions.

Minimum Fund Balance Policy

The District has adopted a minimum fund balance policy in order to protect against revenue shortfalls and unexpected one-time expenditures. The policy requires a reserve for economic uncertainties consisting of unassigned amounts which represent the minimum recommended reserve consistent with the criteria and standards for fiscal solvency adopted by the State Board of Education. The minimum recommended reserve for a district this size is 2% of budgeted General Fund expenditures and other financing uses.

State Apportionments

Certain current year apportionments from the state are based upon various financial and statistical information of the previous year. Second period to annual corrections for local control funding formula and other state apportionments (either positive or negative) are accrued at the end of the fiscal year.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31.

Real and personal property tax revenues are reported in the same manner in which the county auditor records and reports actual property tax receipts to the California Department of Education. This is generally on a cash basis. A receivable has not been recognized in the General Fund for property taxes due to the fact that any receivable is offset by a payable to the state for local control funding formula purposes. Property taxes for debt service purposes have been accrued in the Government-wide financial statements.

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The state California makes direct on-behalf payments for retirement benefits to the State Teachers' Retirement System on behalf of all school districts in California. Contributions made during the fiscal year ended June 30, 2025 totaled \$48,735,190. The amount of on-behalf payments made for the District has been recorded in the fund financial statements.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues – Proprietary Fund

Proprietary funds distinguish operating revenues from nonoperating revenues. Operating revenues include activities that have the characteristics of exchange transactions, such as food service sales, federal and most state and local grants and contracts, and self-insurance premiums. Nonoperating revenues include activities that have the characteristics of nonexchange transactions that are defined as nonoperating revenues by GASB.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Adoption of New Accounting Standards

GASB Statement No. 101 Compensated Absences

In June, 2022, the GASB issued GASB Statement No. 101 *Compensated Absences*. This implementation updates the recognition and measurement guidance for compensated absences and resulted in the recognition of a liability for compensated absences for leave that has not been used but is attributable to services already rendered, accumulates, and is more likely than not to be used or paid and leave that has been used but not yet paid or settled. The District adopted the requirements of the guidance effective July 1, 2024 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the District recognizing a liability for compensated absences on the Governmentwide Statement of Net Position as of June 30, 2025, of \$56,744,897.

Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the District Board of Education.

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB. The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the District's power and includes but is not limited to financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
- The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based upon the application of the criteria listed above, the following entities are not included in the District's reporting entity:

Long Beach Education Foundation: The Foundation is a separate nonprofit corporation established with the express purpose of promoting and assisting the educational program of the District in accordance with the mission, policies and priorities of the District. The Foundation Board of Directors is selected independent of any District Governing Board elections. The Foundation Board is responsible for approving its own budget and related accounting and finance activities. Separate financial statements for this entity can be obtained through the District.

California State University Dominguez Hills Foundation: The Foundation is a separate nonprofit corporation. The Foundation Board of Directors is elected independent of any District Governing Board appointments. The Foundation Board is responsible for approving its own budget and accounting and finance related activities. The Foundation supports some functions of the California Academy of Mathematics and Science (CAMS) – a high school under the jurisdiction of the District.

Charter Schools: Clear Passage Educational Center, and Intellectual Virtues Academy – These charter schools receive funding directly from other government agencies and have a separate governing board. Separate financial statements for these entities can be obtained through the District.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 BUDGETS

By state law, the District Board of Education must approve a budget no later than July 1, using the Single Adoption Budget process. A public hearing must be conducted to receive comments prior to adoption. The District Board of Education satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with GAAP.

These budgets are revised by the District Board of Education during the year to give consideration to unanticipated income and expenditures. The original and final revised budget for the General Fund is presented in a budgetary comparison schedule in the required supplementary section.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

NOTE 3 DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of June 30, 2025, \$18,907,452 of the District's bank balance of \$20,112,014 was exposed to credit risk as follows:

District's Bank Balance

Uninsured and Collateral Held by Pledging Bank's

Trust Department Not in the District's Name \$ 18,217,191

Uninsured and Uncollateralized 690,261

Total \$ 18,907,452

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Los Angeles County Treasury as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are recorded at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2025 is measured at 97.5178% of amortized cost. The District's deposits in the fund are considered to be highly liquid.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635, and 53648. The county is restricted to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Cash in County (Continued)

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follow. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized cost, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the Los Angeles County Public Affairs Office, Kenneth Hahn Hall of Administration, 500 W. Temple St, Room 358, Los Angeles, CA 90012.

Other Current Assets – Investments

The District is authorized to invest funds by California Government Code Sections noted above and maintains investments in the associated student activity funds in a mutual fund with current maturities. The cost and fair value at June 30, 2025 is \$418,691 and \$978,161, respectively. The fair value is based on quoted prices for identical investments in active markets. The investment is uninsured and uncollateralized.

NOTE 4 INTERFUND TRANSACTIONS

Interfund activity has been eliminated in the Government-wide statements. The following balances and transactions are reported in the fund financial statements.

Interfund Receivables/Payables

Individual interfund receivable and payable balances at June 30, 2025 are temporary loans and are detailed as follows:

<u>Fund</u>	Interfund Receivables	Interfund Payables
General Fund	\$ 6,913	\$ -
Building Fund	-	5,863
Nonmajor Governmental Funds:		
Child Development Fund	-	667
Capital Facilities Fund	-	383
Total	\$ 6,913	\$ 6,913

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. During the fiscal year 2024-2025, the following transfers occurred between governmental funds and activities:

Transfer from the County Schools Facility Fund to the Building Fund to reimburse project expenditures with state grant funds.	\$ 17,786,161
Transfer from the General Fund to the Self Insurance Internal Service Fund to reimburse for self claim expenditures.	<u>18,200,000</u>
Total	<u><u>\$ 35,986,161</u></u>

NOTE 5 FUND BALANCES

The following amounts were nonspendable, restricted, assigned or unassigned as shown below:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Cash in Revolving Fund	\$ 346,700	\$ -	-	\$ 1,175	\$ 347,875
Stores Inventory	727,150	-	-	2,051,695	2,778,845
Prepaid Expenditures	1,255,446	1,203,180	-	-	2,458,626
Total Nonspendable	<u>2,329,296</u>	<u>1,203,180</u>	<u>-</u>	<u>2,052,870</u>	<u>5,585,346</u>
Restricted:					
Legally Restricted Programs	150,668,285	270,202,531	-	381,063	421,251,879
Student Body Activities	-	-	-	8,133,306	8,133,306
Capital Projects	-	-	-	90,019,466	90,019,466
Child Development Program	-	-	-	19,197,282	19,197,282
Cafeteria Program	-	-	-	51,455,156	51,455,156
Debt Service	-	-	144,653,193	-	144,653,193
Total Restricted	<u>150,668,285</u>	<u>270,202,531.00</u>	<u>144,653,193</u>	<u>169,186,273</u>	<u>734,710,282</u>
Assigned:					
Future Noncapital Projects	51,742,121	-	-	-	51,742,121
Total Assigned	<u>51,742,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,742,121</u>
Unassigned:					
Economic Uncertainties	-	-	-	-	-
Unassigned	376,587,691	-	-	-	376,587,691
Total Unassigned	<u>376,587,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,587,691</u>
Total Fund Balance	<u><u>\$ 581,327,393</u></u>	<u><u>\$ 271,405,711</u></u>	<u><u>\$ 144,653,193</u></u>	<u><u>\$ 171,239,143</u></u>	<u><u>\$ 1,168,625,440</u></u>

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 CAPITAL ASSETS AND DEPRECIATION – SCHEDULE OF CHANGES

Capital asset activity for the year ended June 30, 2025 is shown below.

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
Capital Assets Not Being Depreciated:				
Land	\$ 113,922,550	\$ -	\$ -	\$ 113,922,550
Construction in Progress	550,815,135	268,820,036	(204,272,823)	615,362,348
Total Capital Assets Not Being Depreciated	664,737,685	268,820,036	(204,272,823)	729,284,898
Capital Assets Being Depreciated:				
Land Improvements	73,961,321	29,152,403	-	103,113,724
Buildings and Improvements	1,894,404,777	182,145,628	(1,395,693)	2,075,154,712
Books and Media in Library	15,025,603	-	(1,611,000)	13,414,603
Stage & Auditorium	67,232	43,582	-	110,814
Vehicles	14,579,481	708,748	(233,779)	15,054,450
Machinery and Equipment	52,108,406	1,639,370	(1,457,832)	52,289,944
Total Capital Assets Being Depreciated	2,050,146,820	213,689,731	(4,698,304)	2,259,138,247
Less Accumulated Depreciation for:				
Land Improvements	(35,080,862)	(3,296,389)	-	(38,377,251)
Buildings and Improvements	(562,491,196)	(36,101,457)	1,041,656	(597,550,997)
Books and Media in Library	(15,025,603)	-	1,611,000	(13,414,603)
Stage & Auditorium	(10,086)	(3,724)	-	(13,810)
Vehicles	(12,723,810)	(635,304)	233,779	(13,125,335)
Machinery and Equipment	(43,261,653)	(1,708,379)	1,415,305	(43,554,727)
Total Accumulated Depreciation	(668,593,210)	(41,745,253)	4,301,740	(706,036,723)
Depreciable Assets, Net	1,381,553,610	171,944,478	(396,564)	1,553,101,524
Right-to-Use Lease Assets:				
Equipment	3,536,812	404,221	(201,210)	3,739,823
Less Accumulated Amortization				
Equipment	(962,748)	(779,036)	201,210	(1,540,574)
Total Right-to-Use Lease Assets, Net	2,574,064	(374,815)	-	2,199,249
Subscription-Based Information Technology Arrangement (SBITA) Assets:				
SBITA	11,316,125	4,550,544	-	15,866,669
Less Accumulated Amortization:				
SBITA	(5,751,123)	(6,332,049)	-	(12,083,172)
Total SBITA Assets, Net	5,565,002	(1,781,505)	-	3,783,497
Total Capital Assets, Net	<u>\$2,054,430,361</u>	<u>\$ 438,608,194</u>	<u>\$ (204,669,387)</u>	<u>\$2,288,369,168</u>
Instruction				\$ 36,195,556
Instruction - Related Services				98,017
Pupil Services				243,303
General Administration				966,069
Plant Services				4,242,308
Amortization (Unallocated)				7,111,085
Total Depreciation/Amortization Expense				<u>\$ 48,856,338</u>

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 LONG-TERM OBLIGATIONS – SCHEDULE OF CHANGES

A schedule of changes in long-term obligations for the year ended June 30, 2025 is shown below.

	Balance July 1, 2024 *	Additions	Reductions	Balance June 30, 2025	Amount Due in One Year
General Obligation (GO) Bonds	\$1,718,791,399	\$ -	\$ 106,791,241	\$1,612,000,158	\$ 105,331,881
Capital Appreciation Interest	69,353,606	8,108,193	1,263,759	76,198,040	1,498,119
Premium on GO Bonds	78,612,915	-	7,136,801	71,476,114	-
Total GO Bonds	1,866,757,920	8,108,193	115,191,801	1,759,674,312	106,830,000
Leases Payable	2,627,994	367,496	711,486	2,284,004	701,918
SBITA Payable	5,058,011	632,750	2,134,055	3,556,706	2,253,185
Compensated Absences **	73,589,993		1,770,086	71,819,907	29,158,882
Total	\$1,948,033,918	\$ 9,108,439	\$ 119,807,428	\$1,837,334,929	\$ 138,943,985

* Amounts have been adjusted due to the implementation of GASB Statement No. 101. See Note X.

** The change in the compensated absences is presented as a net change.

Compensated absences and OPEB liabilities are liquidated by the General Fund. Leases and SBITA payable are liquidated by the fund reporting expenses. General obligation bond liabilities are liquidated through property tax collections as administered by the County Office of Auditor–Controller through the Debt Service Fund.

NOTE 8 GENERAL OBLIGATION BONDS

Measure A Series

On March 30, 1999, the District voters approved the issuance of \$295,000,000 of general obligation bonds under the provisions of Title 1, Division 1, Part 10, Chapter 2 of the state California Education Code, commencing with 15100. The District has offered the following general obligation bonds for sale: Series A for \$25,000,000 (July 15, 1999), Series B for \$30,000,000 (July 1, 2000), Series C for \$60,000,000 (August 1, 2001), Series D for \$40,000,000 (May 1, 2002), Series E for \$60,000,000 (May 1, 2003), Series F of \$50,000,000 (June 1, 2004), and Series G \$14,345,000 of current interest bonds and \$15,650,606 of capital appreciation bonds (July 17, 2008). The bonds were issued to finance various capital improvements in particular to upgrade outdated heating, plumbing, ventilation and electrical systems, rehabilitate 50 year old classrooms, repair leaky roofs, upgrade classroom electrical systems for computers, and build new classrooms and schools to eliminate overcrowding and allow students to attend neighborhood schools.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 GENERAL OBLIGATION BONDS (CONTINUED)

Refunding Bond Series

On July 17, 2008, the District issued 2008 General Obligation Refunding Bonds, Series A of \$38,320,000 current interest bonds. The bonds were issued to refund certain outstanding general obligation bonds Series A through D of the District and to pay the costs of issuance associated with the Refunding Bonds.

On April 7, 2009, the District issued 2009 General Obligation Refunding Bonds, Series B of \$28,465,000 current interest bonds. The bonds were issued to refund certain outstanding general obligation bonds Series A through C of the District and to pay the costs of issuance associated with the Refunding Bonds.

On February 3, 2010, the District issued 2010 General Obligation Refunding Bonds, Series A of \$51,720,000 serial and term bonds. The bonds were issued to refund certain outstanding general obligation bonds Series A and C through F of the District and to pay the costs of issuance associated with the Refunding Bonds.

On April 19, 2011, the District issued 2011 General Obligation Refunding Bonds, Series D of \$11,330,000 current interest serial bonds. The bonds were issued to refund certain outstanding general obligation bonds Series E of the District and to pay the cost of issuance associated with the Refunding Bonds.

On March 27, 2012, the District issued 2012 General Obligation Refunding Bonds, Series E of \$81,780,000 serial bonds. The bonds were issued to refund all of the District's outstanding general obligation bonds, Series C through E, to advance refund a portion of Series F and pay the costs of issuance associated with the Refunding Bonds.

On April 14, 2016, the District issued 2016 General Obligation Refunding Bonds of \$139,370,000. The bonds were issued to advance refund certain outstanding general obligation bonds, Series G (Measure A) and Series A (Measure K) and certain outstanding general obligation refunding bonds 2008 refunding and Series B refunding and to pay the costs of issuance associated with the Refunding Bonds.

The difference between the reacquisition price and the net carrying amount on refunded debt is deferred and amortized as a component of interest expense over the life of the new debt. Payments to the refunding escrow agent exceeded the existing carrying value of the refunded debt by \$3,102,565 (2010 Refunding), \$1,729,692 (2012 Refunding) and \$13,362,567 (2016 Refunding). Amortization of \$1,012,136 was recognized during the 2024-2025 year.

Proceeds associated with each refunding were deposited into an irrevocable escrow account for future repayment. At June 30, 2025 there were no outstanding balances due to be paid by the escrow agent in relation to the refunded bonds.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 GENERAL OBLIGATION BONDS (CONTINUED)

Measure K Series

On November 4, 2008, the voters approved the issuance of bonds, not to exceed \$1,200,000,000. Bonds issued under this measure will be used to finance the acquisition, construction, rehabilitation, and equipping of classrooms and school facilities within the District, and to pay the costs of issuing each series.

On April 7, 2009, the District issued General Obligation Bonds, Election 2008, Series A of \$260,000,000 serial and term bonds. The bonds were issued for the purpose of refunding the District's outstanding 2008 Capital Project Notes in addition to financing anticipated capital projects of the District.

On April 19, 2011, the District issued General Obligation Bonds, Election 2008, Series B and B-1 of \$3,020,686 capital appreciation serial bonds and \$72,406,000 of Qualified School Construction Bonds. The Series B-1 bonds are being designated as "Qualified School Construction Bonds" for purposes of the American Recovery and Reinvestment Act of 2009. With respect to the Series B-1 bonds, the District expects to receive, on or about each bond payment date, a cash subsidy payment from the United States Treasury equal to the amount of interest determined at a federal tax credit rate under Section 54A(b)(3) of the tax code. The District will deposit the cash subsidy with the County to be credited to the Bond Interest and Redemption Fund for debt service payments.

On May 15, 2013, the District issued General Obligation Bonds, Election 2008, Series C of \$50,000,000 serial bonds.

On February 19, 2015, the District issued General Obligation Bonds, Election 2008, Series D of \$180,000,000 current interest serial bonds and Series D-1 of \$89,998,410 capital appreciation bonds.

On February 28, 2017, the District issued General Obligation Bonds, Election 2008, Series E of \$150,000,000 current interest serial and term bonds.

On September 5, 2019, the District issued General Obligation Bonds, Election 2008, Series F of \$150,000,000 current interest serial and term bonds.

On May 2, 2023, the District issued General Obligation Bonds, Election 2008, Series G of \$80,000,000 serial and term bonds.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 GENERAL OBLIGATION BONDS (CONTINUED)

Measure E Series

On November 8, 2016, the voters approved the issuance of bonds, not to exceed \$1,500,000,000. These bonds are being issued to finance the repair, upgrading, acquisition, construction and equipping of certain District sites and facilities and to pay the costs of issuing these bonds as authorized pursuant to Measure E.

On February 28, 2017, the District issued General Obligation Bonds, Election 2016, Series A of \$300,000,000 current interest serial and term bonds.

On September 5, 2019, the District issued General Obligation Bonds, Election 2016, Series B of \$300,000,000 current interest serial and term bonds.

On May 23, 2023, the District issued General Obligation bonds, Election 2016, Series C of \$300,000,000 serial and term bonds.

Measure Q Series

On November 8, 2022, the voters approved the issuance of bonds, not to exceed \$1,700,000,000. The bonds are being issued to finance health and safety improvements and the renovation of libraries, science and computer labs, and to fund the construction of new career education spaces.

On May 23, 2023, the District issued General Obligation Bonds, Election 2022, Series A of \$100,000,000 serial and term bonds.

Payments

Interest due is payable semiannually on February 1 and August 1 of each year commencing, February 1, 2009 (Measure A, Series G and 2008 Refunding Bond), August 1, 2009 (Refunding Bond, Series B and Measure K, Series A), August 1, 2010 (Refunding Bond, Series C), August 1, 2011 (Refunding Bond, Series D and Measure K, Series B), August 1, 2012 (Refunding Bond, Series E), August 1, 2013 (Measure K, Series C), August 1, 2015 (Measure K, Series D and D-1), August 1, 2016 (2016 Refunding), August 1, 2017 (Measure K, Series E), August 1, 2017 (Measure E, Series A), February 1, 2020 (Measure K, Series F and Measure E, Series B). and August 1, 2023 (Measure E, Series C, Measure K, Series G, Measure Q, Series A). The principal with respect to the bonds is payable upon maturity or upon redemption in whole or in part at the corporate trust office of the Paying Agent. The bonds are issuable as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

Capital appreciation bonds were issued as part of the Measure A, Series G issuance with maturity dates from August 1, 2023 through 2033; capital appreciation bonds were issued as part of the Measure K, Series B issuance with maturity dates from August 1, 2034 through 2035; and capital appreciation bonds were issued as part of the Measure K, Series D-1 issuance with maturity dates from August 1, 2026 through 2039. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 GENERAL OBLIGATION BONDS (CONTINUED)

Payments (Continued)

The outstanding general obligation bonded debt of the District at June 30, 2025 is:

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate Percent	Amount of Original Issue	Outstanding June 30, 2025
Measure A:					
Series G	7/17/2008	8/01/2033	3.50-5.44	\$ 29,995,606	\$ 13,676,062
Accreted Interest				-	30,113,938
Total Measure A				29,995,606	43,790,000
Refunding Bonds:					
2008 Refunding	7/17/2008	8/01/2022	2.57-4.28	38,320,000	-
Series B	4/07/2009	8/01/2029	3.00-5.25	28,465,000	555,000
Series C	2/03/2010	8/01/2029	2.50-5.125	51,720,000	9,900,000
Series D	4/19/2011	8/01/2024	3.00-5.25	11,330,000	-
Series E	3/27/2012	8/01/2033	1.00-5.00	81,780,000	75,350,000
2016 Refunding	4/14/2016	8/01/2033	3.00-5.00	139,370,000	81,195,000
Total Refunding				350,985,000	167,000,000
Measure K:					
Series A	4/07/2009	8/01/2033	3.50-5.00	260,000,000	4,590,000
Series B	4/19/2011	8/01/2035	7.26-7.33	3,020,686	3,020,686
Accreted Interest				-	42,489,314
Series B-1	4/19/2011	8/01/2025	5.314-5.914	72,406,000	17,760,000
Series C	5/15/2013	8/01/2037	1.00-4.00	50,000,000	34,010,000
Series D	2/19/2015	8/01/2043	3.00-4.00	180,000,000	159,330,000
Series D-1	2/19/2015	8/01/2039	3.33-4.31	89,998,410	89,998,410
Accreted Interest				-	111,711,590
Series E	2/28/2017	8/01/2047	4.00-5.00	150,000,000	142,765,000
Series F	9/05/2019	8/01/2047	2.75-5.00	150,000,000	140,005,000
Series G	5/02/2023	8/01/2047	4.00-5.00	80,000,000	70,355,000
Total Measure K				1,035,425,096	816,035,000
Measure E:					
Series A	2/28/2017	8/01/2047	4.00-5.00	300,000,000	216,100,000
Series B	9/05/2019	8/01/2052	3.00-5.00	300,000,000	250,180,000
Series C	5/23/2023	8/01/2053	4.00-5.00	300,000,000	246,780,000
Total Measure E				900,000,000	713,060,000
Measure Q:					
Series A	5/23/2023	8/01/2026	4.00-5.00	100,000,000	56,430,000
Total				\$ 2,416,405,702	\$ 1,796,315,000

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 GENERAL OBLIGATION BONDS (CONTINUED)

Payments (Continued)

Proceeds received in excess of debt are added to the maturity amount and amortized to interest expense over the life of the liability using the effective interest method. The Measure A, Series G and the Refunding Bonds, Refunding 2008; Series B; Series A; Series D; Series E; and Refunding 2016 included premiums of \$1,021,276; \$2,308,212; \$994,834; \$4,658,623; \$853,200; \$10,927,374; and \$25,466,795, respectively. The Measure K, Series A, Series B, Series C, Series D, Series E, Series F, Series G bonds included premiums of \$15,098,514, \$5,279,810, \$1,159,724, \$11,079,853, \$6,781,933, \$9,410,998, and \$6,619,172, respectively. The Measure E, Series A, Series B, and Series C bonds included premiums of \$19,211,780, \$13,114,421, and \$10,773,323, respectively. The Measure Q, Series A bond included a premium of \$ 4,385,588. These amounts are amortized using the effective interest method. Amortization of \$7,136,801 was recognized during the 2024-2025 year.

Payments – Measure A Series

The annual requirements to amortize Measure A bonds payable, outstanding as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accreted Interest</u>
2026	\$ 1,096,881	\$ 1,498,119	\$ 1,498,119
2027	1,165,028	1,759,973	1,759,973
2028	1,224,244	2,040,756	2,040,756
2029	1,276,557	2,343,443	2,343,443
2030	1,323,623	2,671,377	2,671,376
2031-2034	7,589,729	19,800,271	19,800,271
Total	<u>\$ 13,676,062</u>	<u>\$ 30,113,939</u>	<u>\$ 30,113,938</u>

Payments – Refunding Series

The annual requirements to amortize Refunding bonds payable, outstanding as of June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 14,705,000	\$ 7,369,683
2027	18,285,000	6,547,788
2028	19,660,000	5,600,419
2029	21,120,000	4,581,881
2030	22,675,000	3,487,284
2031-2034	70,555,000	4,734,775
Total	<u>\$ 167,000,000</u>	<u>\$ 32,321,830</u>

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 GENERAL OBLIGATION BONDS (CONTINUED)

Payments – Measure K Series

The annual requirements to amortize Measure K bonds payable, outstanding as of June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accreted Interest</u>
2026	\$ 22,900,000	\$ 23,192,493	\$ -
2027	7,926,639	23,955,790	2,273,361
2028	6,755,519	24,427,620	2,959,481
2029	6,667,955	24,855,009	3,402,045
2030	6,887,115	25,281,971	3,932,885
2031-2035	52,550,946	157,634,719	44,389,055
2036-2040	106,550,914	178,105,964	97,244,077
2041-2045	277,715,000	59,804,944	-
2046-2050	173,880,008	9,861,475	-
Total	<u>\$ 661,834,096</u>	<u>\$ 527,119,985</u>	<u>\$ 154,200,904</u>

Payments – Measure E Series

The annual requirements to amortize Measure E bonds payable, outstanding as of June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 20,545,000	\$ 27,174,875
2027	-	26,661,250
2028	1,700,000	26,618,750
2029	2,220,000	26,520,750
2030	2,780,000	26,395,750
2031-2035	27,555,000	128,865,825
2036-2040	76,825,000	117,115,975
2041-2045	141,390,000	94,612,875
2046-2050	224,230,000	57,979,075
2051-2054	215,815,000	14,291,975
Total	<u>\$ 713,060,000</u>	<u>\$ 546,237,100</u>

Payments – Measure Q Series

The annual requirements to amortize Measure E bonds payable, outstanding as of June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 46,085,000	\$ 1,669,375
2027	10,345,000	258,625
Total	<u>\$ 56,430,000</u>	<u>\$ 1,928,000</u>

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 LEASES AND SBITA PAYABLE

Leases

The District leases equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through May 2029 and were calculated at 5.00% based on the District's incremental cost of borrowing. The lease assets and the related accumulated amortization are detailed in Note 6.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 701,918	\$ 94,481
2027	607,338	62,177
2028	591,823	32,632
2029	351,618	6,425
2030	31,307	289
Total	<u>\$ 2,284,004</u>	<u>\$ 196,004</u>

SBITA

The District has entered into subscription based-information technology arrangements (SBITA) for various instructional and administrative software programs. The SBITA arrangements expire at various dates through August 2029 and were calculated at 5.00% based on the District's incremental cost of borrowing. The SBITA assets and the related accumulated amortization are detailed in Note 6.

Principal and interest requirements to maturity under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,253,185	\$ 114,787
2027	1,139,391	34,283
2028	153,061	3,868
2029	11,069	-
Total	<u>\$ 3,556,706</u>	<u>\$ 152,938</u>

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS

The District administers a single employer defined benefit health care plan (the Retiree Health Plan).

The details of the plan are as follows:

Plan Description and Eligibility

The District pays for the health benefit coverage of eligible retirees, including employees who retire on disability, who have attained the age of 55 and have worked for the District for at least 15 or 17 years depending on their bargaining unit. Their benefits are paid until the retiree reaches the age of 65 or 67, respectively. However, in the case of disability retirees, there is no age requirement and coverage is until the person reaches age 67 or for up to 39 months, whichever comes earlier.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Plan Description and Eligibility (Continued)

Benefit provisions are established through negotiations between the District and the bargaining unions representing employees.

Membership in the health benefit plan consisted of the following at July 1, 2024, the date of the latest actuarial valuation:

<u>Participant Type</u>	<u>Number of Participants</u>
Active - Fully Eligible to Receive Plan Benefits	1,242
Active - Not Fully Eligible	5,091
Inactive - Receiving Plan Benefits	795
Total	<u>7,128</u>

Funding Policy

The contribution requirements of Plan members and the District are established and may be amended by the District and District's bargaining units. The required contribution is based on projected pay-as-you-go financing requirements. As of June 30, 2025, the District has not established a trust 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.

Actuarial Methods and Assumptions

The total OPEB liability was determined by actual valuation as of July 1, 2024. The following actuarial assumptions used in the July 1, 2024 valuation, applied to all periods included in the measurement, unless otherwise specified:

Valuation Data	July 1, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal Cost Method
Discount Rate	4.81%
Salary Increases	3.25% per annum (for normal cost and amortization of UAL)
Healthcare Costs Trend Rate	7.00% for the 2024/2025; declining to 4.04% in 2075 and beyond
Retiree's Share of Costs	Retirees pay the balance of the premium after District Contribution limited to the cost of "self-paid" health benefits

Mortality rates were based on the expectation that future experience under the plan will be materially consistent with the assumptions utilized in the CalSTRS and CalPERS valuations. CalSTRS mortality rates are from the 2024 experience study. The CalPERS mortality rates are from the 2021 experience study.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2024	\$ 412,762,906
Service Cost	16,803,442
Interest Cost	17,668,258
Differences between Expected and Actual Experience	-
Changes in assumptions	(16,839,527)
Benefit payments	(19,991,631)
Balance at June 30, 2025	<u>\$ 410,403,448</u>

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

The deferred outflows and inflows are amortized on a straight-line basis over the average working lifetime of active and inactive participants. For the June 30, 2025 measurement date, this period was 8.96 years. Deferred outflows of resources and deferred inflows of resources at June 30, 2025 consist of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 888,926	\$ 20,268,168
Changes in Assumptions	19,415,891	43,061,675
Total	<u>\$ 20,304,817</u>	<u>\$ 63,329,843</u>

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

<u>Year Ending June 30,</u>	Amortization
2026	\$ (4,552,514)
2027	(7,660,405)
2028	(8,215,125)
2029	(8,558,150)
2030	(6,400,360)
Thereafter	(7,638,472)
Total	<u>\$ (43,025,026)</u>

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Discount Rate

The discount rate used to measure the OPEB liability was changed from 4.21 to 4.81%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the expected benefit payments. Because the OPEB plan is unfunded, the discount rate reflects the required use of a 20-year municipal bond yield. The S&P Municipal Bond 20 Year High Grade Rate Index was used for this purpose.

The following presents the District's OPEB liability calculated using the discount rate of 4.81%, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (3.81%) or one percentage-point higher (5.81%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 436,732,211	\$ 410,403,448	\$ 385,145,571

Healthcare Costs Trend Rate

The following presents the District's OPEB liability calculated using healthcare cost trend rates ranging from 4.04% to 7.00%, as well as what the OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Total OPEB Liability	\$ 374,156,776	\$ 410,403,448	\$ 451,675,166

OPEB Expense

For the year ended June 30, 2025, the District's actuarially determined OPEB expense is \$30,406,157.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, 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)	\$ 525,886,290	\$ 213,678,563	\$ 94,938,188	\$ 76,124,540
CalPERS (Schools Pool Plan)	240,522,122	75,237,270	11,767,594	34,479,043
Total	<u>\$ 766,408,412</u>	<u>\$ 288,915,833</u>	<u>\$ 106,705,782</u>	<u>\$ 110,603,583</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.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025 are summarized as follows:

<u>Provisions and Benefits</u>	<u>STRP Defined Benefit Program and Supplement Program</u>	
Hire Date	On or Before December 31, 2012	On or After January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0% - 2.4%	2.0% - 2.4%
Required Employee Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

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 actuarial cost method. The contribution rates for each plan for the year ended June 30, 2025 are presented above and the total District contributions were \$96,022,336.

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

At June 30, 2025, 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:

	Balance
	<u>June 30, 2025</u>
District Proportionate Share of the Net Pension Liability	\$ 525,886,290
State's Proportionate Share of the Net Pension Liability	
Associated with the District	<u>241,282,144</u>
Total	<u><u>\$ 767,168,434</u></u>

The net pension liability was measured as of June 30, 2024. 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, 2024, the District's proportion was 0.783% which is a decrease of 0.034% from its proportion measured as of June 30, 2023.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, the District recognized pension expense of \$54,160,080 and revenue and corresponding expense of \$21,964,460 for contributions provided by the state representing total pension expense of \$76,124,540. At June 30, 2025, 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	\$ 96,022,336	\$ -
Differences Between Expected and Actual Experience	59,484,510	22,996,710
Changes of Assumptions	2,302,020	35,916,210
Changes in Proportion	55,869,697	33,903,338
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	2,121,930
Total	<u>\$ 213,678,563</u>	<u>\$ 94,938,188</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, 2026. 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 (EARS�) of the plan participants. The EARS� for the STRP for the June 30, 2024 measurement date is seven years.

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

<u>Year Ending June 30,</u>	<u>Amortization</u>
2026	\$ (32,373,455)
2027	46,576,402
2028	1,176,163
2029	5,327,630
2030	8,160,506
2031	(6,149,207)
Total	<u>\$ 22,718,039</u>

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2023, and rolling forward the total pension liability to June 30, 2024. 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, 2023 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
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 is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023 and projected improvement is based on the MP-2021 Ultimate Projection Scale.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of the 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Actuarial Methods and Assumptions (Continued)

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	38 %	5.25 %
Real Estate	15	4.05
Private Equity	14	6.75
Fixed Income	14	2.45
Risk Mitigating Strategies	10	2.25
Inflation Sensitive	7	3.65
Cash/Liquidity	2	0.05

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the 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:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	\$ 935,379,630	\$ 525,886,290	\$ 183,942,360

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Changes of Assumptions

During the fiscal year of the measure date of June 30, 2024, CalSTRS completed an experience study for the period starting July 1, 2007 and ending June 30, 2022. The experience study was adopted by the board in January 2024. As a result of the study, certain assumptions used in determining the net pension liability of the STRP changed, including postretirement mortality, probabilities of retirement, disability or withdrawal from the system, pay increases due to promotions and other various assumptions needed to value the program benefits.

Plan Fiduciary Net Position

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

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.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Benefits Provided (Continued)

The CalPERS provisions and benefits in effect at June 30, 2025 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%	8.00%
Required Employer Contribution Rate	27.05%	27.05%

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, 2025 are as presented above and the total District contributions were \$37,942,109.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$240,522,122. The net pension liability was measured as of June 30, 2024. 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, 2024, the District's proportion was 0.6730% which is an increase of 0.0021% from its proportion measured as of June 30, 2023.

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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)

For the year ended June 30, 2025, the District recognized pension expense of \$34,479,043. At June 30, 2025, 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	\$ 37,942,109	\$ -
Differences Between Expected and Actual Experience	20,164,263	1,721,409
Changes of Assumptions	5,316,351	-
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	2,471,650	10,046,185
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	9,342,897	-
Total	<u>\$ 75,237,270</u>	<u>\$ 11,767,594</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, 2026. 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, 2024 measurement date is 3.9 years.

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

<u>Year Ending June 30,</u>	<u>Amortization</u>
2026	\$ 6,130,633
2027	19,855,672
2028	2,497,496
2029	(2,956,234)
Total	<u>\$ 25,527,567</u>

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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, 2023, and rolling forward the total pension liability to June 30, 2024. 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, 2023 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Experience Study	2000 through 2019
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	6.90%
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
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 rates include generational mortality improvements using 80% of scale MP 2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity Cap-weighted	30 %	4.54 %
Global Equity Non-cap-weighted	12	3.84
Private Equity	13	7.28
Treasury	5	0.27
Mortgage-backed Securities	5	0.50
Investment Grade Corporates	10	1.56
High Yield	5	2.27
Emerging Market Debt	5	2.48
Private Debt	5	3.57
Real Assets	15	3.21
Leverage	(5)	(0.59)

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from 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 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.

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:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	\$ 357,297,620	\$ 240,522,122	\$ 144,056,266

Plan Fiduciary Net Position

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

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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		136
Terminated Plan Members Entitled to But Not Yet Receiving Benefits		26,042
Active Plan Members		2,812
Number of Participating Employers		1
Contributions by Employee for the Year	\$	1,449,494
Contributions by Employer for the Year	\$	35,720

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		77
Terminated Plan Members Entitled to But Not Yet Receiving Benefits		45
Active Plan Members		
Number of Participating Employers		1
Contributions by Employee for the Year	\$	-
Contributions by Employer for the Year	\$	300,000

LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 SELF-INSURANCE FUND (CONTINUED)

At June 30, 2025, 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 \$50,958,689. The Self Insurance Funds currently have a combined positive fund balance of \$42,919,725. This is largely due to workers' compensation balances. Changes in the reported liability are shown below:

	Worker's Compensation	Deductible Insurance	Health, Vision, and Dental	Total
Liability - June 30, 2023	\$ 29,428,705	\$ 3,930,552	\$ 9,914,608	\$ 43,273,865
Claims Incurred and Changes in Estimates	13,208,596	373,559	56,121,970	69,704,125
Claims Payments	12,645,791	-	55,401,033	68,046,824
Liability - June 30, 2024	29,991,510	4,304,111	10,635,545	44,931,166
Claims Incurred and Changes in Estimates	14,077,686	3,375,436	59,699,818	77,152,940
Claims Payments	12,421,555	1,812,718	56,891,144	71,125,417
Liability - June 30, 2025	<u>\$ 31,647,641</u>	<u>\$ 5,866,829</u>	<u>\$ 13,444,219</u>	<u>\$ 50,958,689</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. Total payment paid during the year to ASCIP was \$7,118,202.

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. Total payment paid to SELF during the year was \$3,662,903.

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, 2025**

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.

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, 2025, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$759.4 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, 2025

NOTE 16 RESTATEMENT OF BEGINNING NET POSITION AND FUND BALANCE

Changes within Financial Reporting Entity

The Bond Interest and Redemption Fund was previously reported as a nonmajor governmental fund. For the fiscal year ended June 30, 2025, the fund met the criteria to be reported as a major fund and is reported as a major governmental fund. The effect of that change within the District is shown in column A of the table below:

Change in Accounting Principle

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was understated by \$58,334,543 in the governmental activities. The effect of the implementation of this standard is shown in column B of the table below.

	June 30, 2024 As previously Reported	(A) Changes within Financial Reporting Entity	(B) Change in Accounting Principle	June 30, 2024 As Adjusted or Restated
Government-Wide				
Governmental Activities	<u>\$ 572,716,632</u>	<u>\$ -</u>	<u>\$ (58,334,543)</u>	<u>\$ 514,382,089</u>
Governmental Funds				
Major Funds				
Bond Interest and Redemption Fund	\$ -	\$ 153,069,066	\$ -	\$ 153,069,066
Nonmajor Funds	303,724,064	(153,069,066)	-	150,654,998
	<u>\$ 303,724,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,724,064</u>

REQUIRED SUPPLEMENTARY INFORMATION

LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgetary Amounts		Actual Amounts	(a) Fund Basis	Actual Amounts
	Original	Final	Fund Basis	to GAAP	GAAP Basis
REVENUES					
Local Control Funding					
Formula (LCFF) Sources:					
State Apportionments	\$ 637,097,947	\$ 614,211,943	\$ 614,771,990	\$ -	\$ 614,771,990
Local Sources	196,288,978	217,157,854	216,912,385	-	216,912,385
Total LCFF Sources	833,386,925	831,369,797	831,684,375	-	831,684,375
Federal Sources	100,199,849	100,832,474	83,151,364	-	83,151,364
Other State Sources	198,480,864	233,734,628	226,313,460	-	226,313,460
Other Local Sources	36,183,374	52,767,907	53,228,827	2,016,064	55,244,891
Total Revenues	1,168,251,012	1,218,704,806	1,194,378,026	2,016,064	1,196,394,090
EXPENDITURES					
Certificated Salaries	493,932,162	508,641,155	492,098,529	-	492,098,529
Classified Salaries	144,989,105	148,133,056	141,829,902	-	141,829,902
Employee Benefits	339,363,416	346,490,260	347,559,681	-	347,559,681
Books and Supplies	80,478,431	85,996,907	50,910,341	-	50,910,341
Services and Other Operating					
Expenditures	183,221,832	199,551,565	200,898,289	-	200,898,289
Capital Outlay	14,655,500	13,306,560	7,922,492	-	7,922,492
Other Outgo	815,000	815,000	1,102,894	-	1,102,894
Debt Service	-	-	2,845,541	-	2,845,541
Direct Support - Indirect Cost	(2,158,801)	(3,472,486)	(2,025,630)	-	(2,025,630)
Total Expenditures	1,255,296,645	1,299,462,017	1,243,142,039	-	1,243,142,039
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(87,045,633)	(80,757,211)	(48,764,013)	2,016,064	(46,747,949)
OTHER FINANCING SOURCES (Uses)					
Issuance of Leases	-	-	367,496	-	367,496
Issuance of SBITAS	-	-	632,750	-	632,750
Interfund Transfers In	3,000,000	-	-	-	-
Interfund Transfers Out	(12,200,000)	(12,200,000)	(15,200,000)	(3,000,000)	(18,200,000)
Total Other Financing Sources (Uses)	(9,200,000)	(12,200,000)	(14,199,754)	(3,000,000)	(17,199,754)
NET CHANGE IN FUND BALANCE	\$ (96,245,633)	\$ (92,957,211)	\$ (62,963,767)	\$ (983,936)	\$ (63,947,703)
Fund Balance - Beginning of Year			592,549,039	52,726,057	645,275,096
FUND BALANCE - END OF YEAR			\$ 529,585,272	\$ 51,742,121	\$ 581,327,393

(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, 2025

<u>Total OPEB Liability - Retiree Health Plan</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Balance - Beginning of Year	\$ 412,762,906	\$ 416,814,012	\$ 401,299,005	\$ 451,231,966
Changes for the Year:				
Service Cost	16,803,442	14,702,112	14,932,887	19,842,608
Interest Cost	17,668,258	17,358,497	16,589,174	10,053,225
Difference Between Expected and Actual Experience	(16,839,527)	(21,574,713)	-	(6,861,047)
Changes in Assumptions	-	8,119,303	5,465,366	(53,025,336)
Expected Benefit Payments	(19,991,631)	(22,656,305)	(21,472,420)	(19,942,411)
Net Changes	<u>(2,359,458)</u>	<u>(4,051,106)</u>	<u>15,515,007</u>	<u>(49,932,961)</u>
Balance - End of Year	<u>\$ 410,403,448</u>	<u>\$ 412,762,906</u>	<u>\$ 416,814,012</u>	<u>\$ 401,299,005</u>
Covered-Employee Payroll	\$ 593,578,128	\$ 612,721,384	\$ 489,093,913	\$ 504,026,197
Total OPEB Liability as a Percentage of Covered-Employee Payroll	69%	67%	85%	80%
<u>Total OPEB Liability - Retiree Health Plan</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Balance - Beginning of Year	\$ 425,718,817	\$ 412,375,392	\$ 380,699,585	\$ 366,781,522
Changes for the Year:				
Service Cost	18,611,233	15,013,009	15,402,863	15,409,183
Interest Cost	11,567,821	11,662,775	11,527,991	11,693,783
Difference Between Expected and Actual Experience	-	3,885,314	-	-
Changes in Assumptions	14,358,061	1,647,701	23,396,124	4,123,259
Expected Benefit Payments	(19,023,966)	(18,865,374)	(18,651,171)	(17,308,162)
Net Changes	<u>25,513,149</u>	<u>13,343,425</u>	<u>31,675,807</u>	<u>13,918,063</u>
Balance - End of Year	<u>\$ 451,231,966</u>	<u>\$ 425,718,817</u>	<u>\$ 412,375,392</u>	<u>\$ 380,699,585</u>
Covered-Employee Payroll	\$ 469,198,672	\$ 484,834,765	\$ 454,738,453	\$ 472,449,675
Total OPEB Liability as a Percentage of Covered-Employee Payroll	96%	88%	91%	81%

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
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2025

CalSTRS - STRP	2025	2024	2023	2022	2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
District's Proportion of the Net Pension Liability (NPL)	0.783%	0.817%	0.756%	0.713%	0.743%
District's Proportionate Share of the NPL	\$ 525,886,290	\$ 622,235,370	\$ 525,314,160	\$ 324,472,040	\$ 720,033,870
State's Proportionate Share of the NPL Associated with the District	241,282,144	298,135,849	263,078,870	163,265,145	371,174,541
Total	<u>\$ 767,168,434</u>	<u>\$ 920,371,219</u>	<u>\$ 788,393,030</u>	<u>\$ 487,737,185</u>	<u>\$ 1,091,208,411</u>
District's Covered Payroll	\$ 522,600,000	\$ 492,700,000	\$ 452,500,000	\$ 425,500,000	\$ 393,600,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	101%	126%	116%	76%	183%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84%	81%	81%	87%	72%
	2020	2019	2018	2017	2016
Measurement Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's Proportion of the NPL	0.748%	0.741%	0.732%	0.781%	0.749%
District's Proportionate Share of the NPL	\$ 675,563,680	\$ 681,030,870	\$ 676,953,600	\$ 631,680,610	\$ 504,256,760
State's Proportionate Share of the NPL Associated with the District	368,568,064	389,923,935	400,483,293	359,657,447	266,695,523
Total	<u>\$ 1,044,131,744</u>	<u>\$ 1,070,954,805</u>	<u>\$ 1,077,436,893</u>	<u>\$ 991,338,057</u>	<u>\$ 770,952,283</u>
District's Covered Payroll	\$ 405,800,000	\$ 411,000,000	\$ 398,500,000	\$ 387,000,000	\$ 362,000,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	166%	166%	170%	163%	139%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73%	71%	69%	70%	74%

See accompanying Notes to Required Supplementary Information.

LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2025

CalPERS - Schools Pool Plan	2025	2024	2023	2022	2021
Measurement Period	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
District's Proportion of the Net Pension Liability (NPL)	0.6730%	0.6709%	0.7249%	0.7682%	0.7916%
District's Proportionate Share of the NPL	\$240,522,122	\$242,858,338	\$249,431,459	\$156,209,107	\$242,887,229
District's Covered Payroll	\$139,200,000	\$132,800,000	\$116,600,000	\$111,870,000	\$114,700,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	173%	183%	214%	140%	212%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72%	70%	70%	81%	70%
	2020	2019	2018	2017	2016
Measurement Period	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's Proportion of the NPL	0.8469%	0.8679%	0.9112%	0.9380%	0.9607%
District's Proportionate Share of the NPL	\$246,822,664	\$213,409,463	\$217,527,489	\$185,255,580	\$141,608,128
District's Covered Payroll	\$115,900,000	\$117,700,000	\$120,600,000	\$116,000,000	\$110,000,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	213%	181%	180%	160%	129%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70%	71%	72%	74%	79%

See accompanying Notes to Required Supplementary Information.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
YEAR ENDED JUNE 30, 2025**

CalSTRS - STRP	2025	2024	2023	2022	2021
Contractually Required Contribution	\$ 96,022,336	\$ 99,819,913	\$ 94,109,585	\$ 76,575,501	\$ 68,725,393
Contributions in Relation to the Contractually Required Contribution	96,022,336	99,819,913	94,109,585	76,575,501	68,725,393
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$502,700,000	\$522,600,000	\$492,700,000	\$452,500,000	\$425,500,000
Contributions as a Percentage of Covered Payroll	19.10%	19.10%	19.10%	16.92%	16.15%
	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 67,313,621	\$ 66,065,034	\$ 59,320,089	\$ 50,113,529	\$ 41,474,018
Contributions in Relation to the Contractually Required Contribution	67,313,621	66,065,034	59,320,089	50,113,529	41,474,018
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$393,600,000	\$405,800,000	\$411,000,000	\$398,500,000	\$387,000,000
Contributions as a Percentage of Covered Payroll	17.10%	16.28%	14.43%	12.58%	10.73%

See accompanying Notes to Required Supplementary Information.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
YEAR ENDED JUNE 30, 2025**

CalPERS - Schools Pool Plan	2025	2024	2023	2022	2021
Contractually Required Contribution	\$ 37,942,109	\$ 37,142,976	\$ 33,696,128	\$ 26,720,202	\$ 23,156,934
Contributions in Relation to the Contractually Required Contribution	37,942,109	37,142,976	33,696,128	26,720,202	23,156,934
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$140,300,000	\$139,200,000	\$132,800,000	\$116,600,000	\$111,870,000
Contributions as a Percentage of Covered Payroll	27.05%	26.68%	25.37%	22.91%	20.70%
	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 22,625,269	\$ 20,933,250	\$ 18,282,328	\$ 16,755,293	\$ 13,710,319
Contributions in Relation to the Contractually Required Contribution	22,625,269	20,933,250	18,282,328	16,755,293	13,710,319
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$114,700,000	\$115,900,000	\$117,700,000	\$120,600,000	\$116,000,000
Contributions as a Percentage of Covered Payroll	19.72%	18.06%	15.53%	13.89%	11.85%

See accompanying Notes to Required Supplementary Information.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

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:

2024-2025

Discount rate increased from 4.21% to 4.81% based on the 2024 Getzen model, with long term inflation of 2.60%, decreased from 2.70%.

2023-2024

Discount rate increased from 4.13% to 4.21% based on the 2024 Getzen model, with long term inflation of 2.70%, increased from 2.50%.

Health Care Trend Rate remained at 7.00% in the 2023/24 fiscal year grading down to 4.04% rather than 4.14%.

CalSTRS mortality rates are from the 2024 experience study rather than the 2020 experience study.

2022-2023

Discount rate increased from 4.09% to 4.13% based on the 2023 Getzen model, with long term inflation of 2.60%, decreased from 2.70%.

Health Care Trend Rate remained at 7.00% in the 2022/23 fiscal year grading down to 4.14% rather than 3.94%.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

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

Changes of Assumptions (Continued):

2021-22:

Discount rate increased from 2.18% to 4.09%.

Health Care Trend Rate increased from 6.75% to 7.00% in the 2021/22 fiscal year grading down to 3.94% rather than 4.5% based on the 2022 Getzen model, with long term inflation of 2.50% with consideration for the CalSTRS 2020 experience study and the CalPERS 2021 experience study rather than publicly available market information and expectations of future plan experience (assumption set during a time of great uncertainty due to the COVID-19 pandemic).

CalSTRS mortality rates are from the 2020 experience study and the CalPERS mortality rates are from the 2021 experience study rather than CalSTRS mortality rates from the 2020 experience study and the CalPERS mortality rates are from the 2017 experience study.

Per Capita claims costs were developed based on premium equivalent rates, adjusted for age and gender based on current demographics (average age 48 for HMO and 51 for PPO), and the morbidity factors.

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%

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 for the last 10 years.

Benefit changes – None

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

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

Changes of Assumptions:

June 30, 2024 Measurement Period:

CalSTRS Board adopted a new experience study which updated assumptions for postretirement mortality, probabilities of retirement, disability or withdrawal from the system, pay increases due to promotions and other various assumptions needed to value the program benefits.

June 30, 2022 Measurement Period:

CalPERS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 2.50% to 2.30%. A new discount rate was applied decreasing the rate from 7.15% to 6.90%.

June 30, 2020 Measurement Period:

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

June 30, 2019 Measurement Period:

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%.

June 30, 2018 Measurement Period:

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%.

June 30, 2016 Measurement Period:

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 for the last 10 years.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

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:

Employee Benefits	\$ 1,069,421
Services and Other Operating Expenditures	1,346,724
Other Outgo	287,894
Debt Service	2,845,541
Direct Support - Indirect Cost	1,446,856

SUPPLEMENTARY INFORMATION

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
YEAR ENDED JUNE 30, 2025**

	Second Period Certificate # E6C2ABA6	Annual Certificate # 97AD238B
Grades Transitional Kindergarten through Third:		
Regular ADA	17,483.82	17,510.25
Extended Year Special Education	7.52	7.52
Special Education - Nonpublic, Nonsectarian Schools	0.93	0.96
Extended Year Special Education - Nonpublic, Nonsectarian Schools	0.09	0.11
Total Grades Transitional Kindergarten through Third ADA	17,492.36	17,518.84
Grades Four through Six:		
Regular ADA	12,945.63	12,926.41
Extended Year Special Education	5.37	5.37
Special Education - Nonpublic, Nonsectarian Schools	8.04	7.49
Extended Year Special Education - Nonpublic, Nonsectarian Schools	0.51	0.74
Total Grades Four through Six ADA	12,959.55	12,940.01
Grades Seven and Eight:		
Regular ADA	8,685.35	8,657.86
Extended Year Special Education	4.50	4.50
Special Education - Nonpublic, Nonsectarian Schools	7.76	7.26
Extended Year Special Education - Nonpublic, Nonsectarian Schools	0.93	1.02
Total Grades Seven and Eight ADA	8,698.54	8,670.64
Grades Nine through Twelve:		
Regular ADA	18,290.81	18,117.34
Extended Year Special Education	40.91	40.91
Special Education - Nonpublic, Nonsectarian Schools	48.34	47.88
Extended Year Special Education - Nonpublic, Nonsectarian Schools	4.72	5.21
Total Grades Nine through Twelve ADA	18,384.78	18,211.34
Total ADA	57,535.23	57,340.83

See accompanying Notes to Supplementary Information.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2025**

Grade Level	Minutes Requirement	Minutes Offered	Days Offered Traditional	Status
Kindergarten	36,000	45,390	180	In Compliance
Grade 1	50,400	50,510	180	In Compliance
Grade 2	50,400	50,510	180	In Compliance
Grade 3	50,400	50,510	180	In Compliance
Grade 4	54,000	54,195	180	In Compliance
Grade 5	54,000	54,195	180	In Compliance
Grade 6	54,000	54,195	180	In Compliance
Grade 7	54,000	54,195	180	In Compliance
Grade 8	54,000	54,195	180	In Compliance
Grade 9	64,800	64,868	180	In Compliance
Grade 10	64,800	64,868	180	In Compliance
Grade 11	64,800	64,868	180	In Compliance
Grade 12	64,800	64,868	180	In Compliance

See accompanying Notes to Supplementary Information.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
United States Department of Agriculture				
Pass-Through Program From California Department of Agriculture:				
Child Nutrition Cluster:				
Child Nutrition Program-Basic Breakfast	10.553	13525	\$ 740,411	\$ -
Child Nutrition Program-Especially Needy Breakfast	10.553	13526	4,420,948	-
Subtotal: Assistance Listing # 10.553			5,161,359	-
National School Lunch Program	10.555	13523	20,959,571	-
Child Nutrition Program- Meal Supplement	10.555	13755	555,194	-
Donated Food Commodities	10.555	(1)	3,579,836	-
Subtotal: Assistance Listing # 10.555			25,094,601	-
Summer Food Service Program for Children	10.559	13004	458,349	-
Fresh Fruits and Vegetables	10.582	14968	221,547	-
Subtotal: Child Nutrition Cluster			30,935,856	-
Child and Adult Care Food Program (CACFP):				
Cash in Lieu of Commodities	10.558	13534	182,133	-
CCFP Claims-Center and Family Day Care	10.558	13393	2,703,628	-
Child and Adult Care Food Program	10.558	13666	520,667	-
Subtotal: CACFP			3,406,428	-
Total: United States Department of Agriculture			34,342,284	-
United States Department of Defense				
Reserve Officer Training Corp (ROTC)	12.000	(1)	343,462	-
Total: United States Department of Defense			343,462	-
United States Department of Education				
Indian Education	84.060	(1)	8,388	-
Subtotal: Direct Programs			8,388	-
Pass-Through Program From California Department of Education:				
Special Education Cluster:				
IDEA Basic Local Assistance Entitlement	84.027	13379	14,112,676	-
IDEA Basic Local Assist - Private School	84.027	10115	198,052	-
We Can Work Grant	84.027	(1)	290,705	-
IDEA Mental Health Allocation Plan, Part B Sec 611	84.027	14468	748,222	-
Subtotal: Assistance Listing # 84.027			15,349,655	-
Federal Preschool Grant	84.173	13430	309,334	-
Alternative Dispute Resolution	84.173	13007	15,157	-
Subtotal: Assistance Listing # 84.173			324,491	-
Subtotal: Special Education Cluster			15,674,146	-
Special Ed: Early Intervention	84.181	23761	225,108	-
Adult Education:				
Adult Basic Education and ESL	84.002	14508	205,234	-
Adult Secondary Education	84.002	13978	322,605	-
Subtotal: Adult Education			527,839	-
Education Stabilization Fund:				
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	27,392,061	-
COVID-19: ESSER III State Reserve Summer Learning Programs	84.425U	15650	3,448,701	-
COVID-19: ARP-Homeless Children and Youth II (ARP HYC II)	84.425W	15566	231,762	-
Subtotal: Education Stabilization Fund			31,072,524	-

See accompanying notes.

See accompanying Notes to Supplementary Information.

LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
United States Department of Education (Continued)				
Title I, Part A:				
Title I, Part A - Low Income and Neglected	84.010	14329	\$ 25,756,673	\$ -
Title I, Part A - Parent Involvement	84.010	14329	644,465	-
Subtotal: Title I, Part A			<u>26,401,138</u>	<u>-</u>
Title II, Part A - Improving Teacher Quality	84.367	14341	2,320,477	-
Title III - Limited English Proficiency	84.365	14346	2,010,178	-
Migrant Education:				
Migrant Education	84.011	14838	27,167	-
Migrant Education Summer Program	84.011	10005	36,150	-
Migrant Education Even Start (MEES)	84.011	14768	11,486	-
Subtotal: Migrant Education			<u>39,253</u>	<u>-</u>
Title IV:				
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	2,436,658	-
Title IV, Part B, 21st Century Learning Centers	84.287	14349	237,218	-
Subtotal: Title IV			<u>2,673,876</u>	<u>-</u>
Career and Technical Education (CTE):				
CTE - Adult, Section 132 (Vocational Education)	84.048	14893	4,318	-
CTE - Adult, Section 132 (Secondary)	84.048	14894	772,597	-
Subtotal: Career and Technical Education			<u>776,915</u>	<u>-</u>
ESEA (ESSA): Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	84.196	14332	272,521	-
Pass-Through Program From California Department of Rehabilitation: Workability II, Transition Partnership	84.126	10006	1,053,377	-
Total: United States Department of Education			<u>83,335,740</u>	<u>-</u>
United States Department of Health and Human Services				
Head Start Cluster Direct Programs:				
Head Start	93.600	(1)	17,172	-
Head Start-Early	93.600	(1)	9,133,359	-
Head Start-Basic Grant	93.600	(1)	18,559,949	-
Head Start-Training & Tech Assistance	93.600	(1)	163,576	-
Head start and early head start	93.600	(1)	4,558,334	-
Subtotal: Head Start Cluster Direct Programs			<u>32,586,939</u>	<u>-</u>
Pass-Through Program From California Department of Social Services: Child Care and Development Fund (CCDF) Cluster:				
Federal Child Care	93.596	13609	750,392	-
Subtotal: Child Care and Development Fund (CCDF) Cluster			<u>750,392</u>	<u>-</u>
Pass-Through Program From Los Angeles County office of Education Total: United States Department of Health and Human Services			<u>33,337,331</u>	<u>-</u>
Total Expenditures of Federal Programs			<u>\$ 151,358,817</u>	<u>\$ -</u>
Reconciliation to Federal Revenue				
Total Expenditures of Federal Programs			\$ 151,358,817	\$ -
Revenues in Excess (Deficiency) of Expenditures Related to Federal Entitlements:				
Local Food For Schools	10.555	15708	90,512	-
Cash in Lieu of Commodities	10.558	13389	16,239	-
Summer Food Service Program for Children	10.559	13004	(7,129)	-
CDC Subsidized Child Care Stipends	93.575	10163	82,536	-
Other Federal Revenue:				
Qualified School Construction Bonds			873,446	-
Total Federal Program Revenue			<u>\$ 152,350,259</u>	<u>\$ -</u>

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

See accompanying Notes to Supplementary Information.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

	2026 (Budgeted)	2025	2024	2023
Total Revenues	\$ 1,192,578,955	\$ 1,194,378,026	\$ 1,337,685,401	\$ 1,369,007,166
Total Expenditures	(1,325,563,531)	(1,243,142,039)	(1,350,424,858)	(1,211,905,042)
Total Other Sources (Uses)	(1,500,000)	(14,199,754)	(502,738)	829,441
Change in Fund Balance	(134,484,576)	(62,963,767)	(13,242,195)	157,931,565
Ending Fund Balance	<u>\$ 395,100,696</u>	<u>\$ 529,585,272</u>	<u>\$ 592,549,039</u>	<u>\$ 605,791,234</u>
Available Reserve	<u>\$ 277,530,955</u>	<u>\$ 376,587,691</u>	<u>\$ 85,765,177</u>	<u>\$ 70,585,799</u>
Available Reserve %	21%	30%	6%	6%
ADA	<u>56,271</u>	<u>57,535</u>	<u>58,739</u>	<u>59,926</u>
Total Long-Term Debt	<u>\$ 1,698,390,944</u>	<u>\$ 1,837,334,929</u>	<u>\$ 1,889,699,375</u>	<u>\$ 1,949,839,406</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, 2025, the District has met this requirement.

The 2025-26 budget is the original budget adopted on June 18, 2025.

Average daily attendance is based upon P-2.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2025**

<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

See accompanying Notes to Supplementary Information.

**LONG BEACH UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE ANNUAL FINANCIAL AND BUDGET REPORT
WITH THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

There were no differences between the fund balances reported on the June 30, 2025 Annual Financial and Budget Report for the governmental funds and the audited financial statements.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

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, 2025. 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. 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.

Schedule of Financial Trends and Analysis

The *2024-25 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.

**LONG BEACH UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Charter Schools

The *2024-25 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.

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.

OTHER INFORMATION

**LONG BEACH UNIFIED SCHOOL DISTRICT
LEA ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2025**

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 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, 2025 were as follows:

DISTRICT BOARD OF EDUCATION

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Diana Craighead	President	December 2026
Douglas Otto	Vice President	December 2028
Maria Isabel Lopez	Member	December 2026
Dr. Juan Benitez	Member	December 2026
Erik Miller	Member	December 2028

DISTRICT ADMINISTRATORS

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



**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**

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, 2025, 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 21, 2026.

Report on 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.

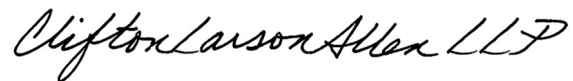
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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.

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

CliftonLarsonAllen LLP

Ontario, California
January 21, 2026



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Long Beach Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit 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, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 in internal control over compliance, 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Ontario, California
January 21, 2026



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on State Compliance

Opinion on State Compliance

We have audited Long Beach Unified School District's (the District) compliance with the types of compliance requirements applicable to the District described in the *2024-25 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, 2025.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the District for the year ended June 30, 2025.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the state compliance requirements as identified in the table provided below. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for State Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and

Board of Education
Long Beach Unified School District

- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies Other Than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
D. Independent Study	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not Applicable ²
K. GANN Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not Applicable ²
N. Middle or Early College High Schools	Yes
O. K-3 Grade Span Adjustment	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Not Applicable ²
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable ²
TT. Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study Course Based	Not Applicable ²
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Yes
FZ. Kindergarten Continuance	Yes
Charter Schools:	
AA. Attendance	No ¹
BB. Mode of Instruction	No ¹
CC. Nonclassroom-Based Instruction/Independent Study	No ¹
DD. Determination of Funding for Nonclassroom-Based Instruction	No ¹
EE. Annual Instructional Minutes - Classroom Based	No ¹
FF. Charter School Facility Grant Program	No ¹

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

² Testing was not applicable as the District did not participate in the program.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, and which is described in the accompanying schedule of findings and questioned costs as an item 2025-001. Our opinion on each state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

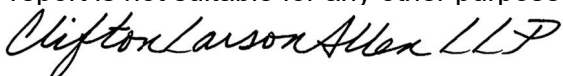
Report on Internal Control Over Compliance

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 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 a material noncompliance with a compliance requirements 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Ontario, California
January 21, 2026

FINDINGS AND QUESTIONED COSTS

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
SUMMARY OF AUDITORS' RESULTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. 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

Assistance Listing Number(s)

84.027 and 84.173
84.425

Name of Federal Program or Cluster

Special Education Cluster
Education Stabilization Fund (ESF)

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
YEAR ENDED JUNE 30, 2025**

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

<u>Five Digit Code</u>	<u>Finding Types</u>
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

Section II – 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
YEAR ENDED JUNE 30, 2025**

Section III – Findings and Questioned Costs – Major Federal Programs

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
YEAR ENDED JUNE 30, 2025**

Section IV – Findings and Questioned Costs – State Compliance

2025-001	<u>Home-to-School Transportation Reimbursement</u>	40000
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Criteria: Education Code Section 41850.1(c) states “The department shall annually collect and publish transportation data from each local educational agency providing pupil transportation services and that receives an apportionment pursuant to this section. The data shall encompass ridership, miles driven, expenditure details, the number of pupils transported, the demographic characteristics of pupils transported, including race, ethnicity, and socioeconomic status, and other data facilitating comparisons among local educational agencies.” The California Department of Education has required submission to be completed through the California Basic Educational Data System (CBEDS) with a deadline of October to submit the data.

Condition: The District did not submit the required data through CBEDS for the fiscal year 2024-25 in October. The data was ultimately submitted in December 2025 before the October submission period was closed.

Effect: The District is out of compliance with the CDE’s deadline for submission of the transportation data.

Cause: The report requirement was not included in the District’s year end closing schedule.

Recurring Finding: No

Questioned Costs and Units: There are no known questioned costs.

Recommendation: As noted, the District has already submitted the transportation data for 2024-25 in compliance with California Education Code Section 41850.1(c). In future years, the District should establish procedures to ensure the transportation data is properly submitted in CBEDS prior to the October deadline.

Corrective Action Plan: The District will include the submission of transportation as part of their internal CBEDS submission checklist and do so prior to the October deadline.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

2024-001 Attendance Reporting

10000

Criteria: Education Code Section 46010.3 states “notwithstanding subdivision (a) of Section 46010 or any other provision of law, for purposes of calculating days of attendance in order to compute any apportionment of state funding under this code, a pupil enrolled in a regular day class, including opportunity classes and classes conducted in county community schools, for the minimum day that is applicable to that pupil is deemed to be present for the entire school day, unless he or she is absent for the entire school day.

Condition: It was noted at Millikan High School that 6 of the 25 students tested during reporting period 3 were absent for the full day; however, the attendance software reported the students as present. This was the result of the all day absent code not being used.

Effect: If not corrected prior to submitting the Principal Apportionment Data Collection (PADC) at reporting period P-2, Average Daily Attendance (ADA) would be overstated for apportionment funding.

Cause: Insufficient training of staff on coding for all day absences.

Questioned Costs: None. The district corrected the error prior to the P-2 report filing (report ID 10FFA466), therefore attendance for apportionment purposes was not overstated.

Recommendation: Implement continued training as new staff enter the attendance role and establish a process to review attendance reporting for use of the all day absence code.

Current Status: Implemented. Attendance days were corrected within attendance software and prior to P-2 report filing and proper training has been given to staff at the school site.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

2024-002 Independent Study Program

40000

Criteria: For long-term independent study (more than 14 schooldays), Local Education Agencies shall obtain all required signatures on the independent study agreement prior to the pupil's first day of instruction. Failure to do so would result in ineligible Average Daily Attendance (ADA) and a fiscal penalty as described in Education Code (EC) sections 51747(g)(9)(A) and 51759.6(b)(1). For pupils participating in independent study for fewer than 15 schooldays, the independent study agreement shall be signed within 10 schooldays of the first day of the pupil's enrollment in independent study. Failure to do so would also result in ineligible ADA and a fiscal penalty as described in EC sections 51747(g)(9) and 51749.6(b)

In addition, all independent study agreements should include the following as described in EC Section 51747(g):

- A statement confirming or providing access to all pupils to the connectivity and devices adequate to participate in the educational program and complete assigned work.
- Statement of the maximum length of time allowed between the assignment and the completion of work.
- A statement detailing the academic and other supports that will be provided to address the needs of pupils who are not performing at grade level, or need support in other areas, such as English learners, individuals with exceptional needs in order to be consistent with the pupil's individualized education program or plan pursuant to Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), pupils in foster care or experiencing homelessness, and pupils requiring mental health supports.

Condition: It was noted at Educational Partnership High School, Millikan High School that for 23 of the 25 students tested, attendance was reported prior to obtaining the required signatures on the independent study agreement. An expanded sample of 25 found no further errors.

Effect: Independent study attendance was overreported on the Principal Apportionment Data Collection (PADC) at reporting period P-2 (Data ID 10FFA466).

Cause: The district was not aware that there was an error in signatures and language on agreements.

Questioned Costs: The District has corrected and submitted a revised (PADC) for reporting period P-2 (Data ID 14CB4D54) and reporting period annual (ID BE42B6D1) as reported in the schedule of Average Daily Attendance (ADA) on page 75.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

2024-002 Independent Study Program (Continued)

40000

Grade Span	Total ADA Adjustment (P-2)	Estimated Fiscal Impact
Grades TK-3	(1.15)	\$ 14,956
Grades 7-8	(0.11)	1,354
Grades 9-12	(145.81)	2,134,602
		<u>\$ 2,150,912</u>

The District is paid on the greater of prior year and current year ADA. Since prior year ADA was higher, there was no impact to the current year.

Recommendation: Implement continued training to independent study program staff on the requirements regarding signatures and master agreement language. In addition, establish a process to review master agreements for required signatures and language prior to claiming attendance.

Current Status: Implemented. Staff was provided with proper training to ensure signatures are obtained on master agreement prior to any attendance days being claimed.

**LONG BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

2024-003 Immunization

40000

Criteria: Prior to admission each pupil is required to have two doses of a varicella vaccine and two doses of a measles vaccine, or has a current medical exemption from varicella and measles immunization on file as required by Title 17, California Code of Regulations section 6025.

Condition: It was noted at Stevenson Elementary School that for 1 of the 20 students tested, the site did not have on file the student's California School Immunization record or equivalent record to verify the student had two doses of varicella vaccine & two doses of measles vaccine prior to admission. This appears to be an isolated incident as there were no other missing records at the conclusion of testing.

Effect: Average Daily Attendance (ADA) is overstated for apportionment funding.

Cause: The district follows a checklist at enrollments, including immunization information, but was unable to locate the document at time of audit.

Questioned Costs: The total ADA at P-2 was 0.60 and the total ADA at P-Annual is 0.70. The estimated fiscal impact is \$7,803.

<u>Grade Span</u>	<u>Total ADA Adjustment (P-2)</u>	<u>Estimated Fiscal Impact</u>
Grades TK-3	(0.60)	\$ 7,803
		<u>\$ 7,803</u>

Recommendation: Revise reporting to reflect the reduction in ADA. Implement continued training to staff at Stevenson Elementary school emphasizing the requirements regarding collecting and retaining immunization records.

Current Status: Implemented. The District was able to obtain the missing vaccination records for the one pupil subsequent to fiscal year 2023-2024 report issuance. Additionally, there were no similar issues noted in the fiscal year 2024-2025 audit.

