

**PRELIMINARY OFFICIAL STATEMENT DATED AS OF MARCH 18, 2026**

**NEW ISSUE – BOOK ENTRY ONLY**

**RATINGS: S&P: “AA-”  
Moody’s: “Aa2”  
(See “RATINGS” herein.)**

*In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the matters described in “TAX MATTERS” herein, interest on the Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income for the owners thereof for federal income tax purposes and is not included in computing the federal alternative minimum taxable income of the owners thereof who are individuals. See “TAX MATTERS” herein. It is also the opinion of Bond Counsel that under existing law interest on the Bonds is exempt from personal income taxes of the State of California.*

**\$74,570,000\***  
**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**(County of Los Angeles, California)**  
**Election of 2008 General Obligation Bonds, Series H**  
**(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**  
**(Sale Date/Time: March 25, 2026 at 8:00 a.m. Pacific Time)**

**\$280,000,000\***  
**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**(County of Los Angeles, California)**  
**Election of 2016 General Obligation Bonds, Series D**  
**(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**  
**(Sale Date/Time: March 25, 2026 at 8:45 a.m. Pacific Time)**

**\$250,000,000\***  
**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**(County of Los Angeles, California)**  
**Election of 2022 General Obligation Bonds, Series B**  
**(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**  
**(Sale Date/Time: March 25, 2026 at 9:30 a.m. Pacific Time)**

**Dated: Date of Delivery**

**Due: August 1, as shown on inside cover pages.**

The Long Beach Unified School District (the “District”) is issuing its Election of 2008 General Obligation Bonds, Series H (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series H Bonds”), its Election of 2016 General Obligation Bonds, Series D (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series D Bonds”), its Election of 2022 General Obligation Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series B Bonds,” and collectively with the Series H Bonds and the Series D Bonds, the “Bonds”).

The Series H Bonds were authorized at an election of the registered voters of the District held on November 4, 2008, at which the requisite 55% or more of the persons voting on the bond proposition (“Measure K”) voted to authorize the issuance and sale of \$1.2 billion principal amount of general obligation bonds of the District (the “2008 Election”). The Series H Bonds are the tenth issuance of general obligation bonds of the District authorized at the 2008 Election (taking into account certain subseries). The Series H Bonds are being issued: (i) for the construction, improvement, furnishing and equipping of certain District facilities, (ii) to pay capitalized interest and (iii) to pay certain costs of issuance associated therewith. See the caption “PLAN OF FINANCE” herein.

The Series D Bonds were authorized at an election of the registered voters of the District held on November 8, 2016, at which the requisite 55% or more of the persons voting on the bond proposition (“Measure E”) voted to authorize the issuance and sale of \$1.5 billion principal amount of general obligation bonds of the District (the “2016 Election”). The Series D Bonds are the fourth issuance of general obligation bonds of the District authorized at the 2016 Election. The Series D Bonds are being issued: (i) for the construction, improvement, furnishing and equipping of certain District facilities, (ii) to pay capitalized interest and (iii) to pay certain costs of issuance associated therewith. See the caption “PLAN OF FINANCE” herein.

The Series B Bonds were authorized at an election of the registered voters of the District held on November 8, 2022, at which the requisite 55% or more of the persons voting on the bond proposition (“Measure Q”) voted to authorize the issuance and sale of \$1.7 billion principal amount of general obligation bonds of the District (the “2022 Election”). The Series B Bonds are the second issuance of general obligation bonds of the District authorized at the 2022 Election. The Series B Bonds are being issued: (i) for the construction, improvement, furnishing and equipping of certain District facilities, (ii) to pay capitalized interest and (iii) to pay certain costs of issuance associated therewith. See the caption “PLAN OF FINANCE” herein.

The Bonds are being issued by the District under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”), other applicable laws and regulations of the State of California (the “State”), and pursuant to the resolution of the Board of Education of the District, adopted on February 18, 2026 (the “District Resolution”).

The Bonds are dated the date of delivery. The Bonds will mature on the dates and in the amounts and bear interest at the rates shown on the inside cover pages herein. The Bonds will be issued as current interest bonds. Interest on the Bonds accrues from the date of delivery of the Bonds (the “Date of Delivery”), and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2026. Principal of the Bonds is due on August 1, in the years and the amounts set forth on the inside cover pages hereof.

The Bonds will be issued in book-entry form only, in denominations of \$5,000 principal amounts, as applicable, or any integral multiple thereof, and are payable as to principal amount, interest, or redemption price at the office of U.S. Bank Trust Company, National Association, as agent of the Treasurer and Tax Collector of the County of Los Angeles, California, as Paying Agent for the Bonds (the “Paying Agent”). The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Payments on the Bonds will be made by the Paying Agent to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See “THE BONDS – Book-Entry Only System” herein.

**The Bonds are subject to redemption as described herein.\*** See “THE BONDS – Redemption” herein.

The Bonds are general obligations of the District, secured and payable solely from *ad valorem* property taxes collected against taxable properties within the boundaries of the District. The Bonds are general obligations of the District only and are not obligations of the County of Los Angeles, the State of California or any of its other political subdivisions. The Board of Supervisors of the County of Los Angeles has the power and is obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable.

**MATURITY SCHEDULES**

On Inside Cover Pages

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

*The Bonds will be sold and awarded through a competitive bidding process to be held on March 25, 2026, as set forth in the respective Official Notices Inviting Bids for the Bonds. The Bonds will be offered when, as and if issued by the District, subject to the approval of legality by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the District, and subject to certain other conditions. Norton Rose Fulbright US LLP, Los Angeles, California is also acting as Disclosure Counsel for the issue. Keygent LLC serves as Municipal Advisor to the District. It is anticipated that the Bonds, in book-entry form, will be available through the facilities of DTC on or about April 15, 2026.*

Dated: \_\_\_\_\_, 2026

\*Preliminary, subject to change.

**This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.**

**MATURITY SCHEDULES**

**\$74,570,000\***

**LONG BEACH UNIFIED SCHOOL DISTRICT  
(County of Los Angeles, California)  
Election of 2008 General Obligation Bonds, Series H  
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(†)</sup></u> <u>(542433)</u>
	\$	%	%	
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				

\$ \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ % – CUSIP<sup>(†)</sup> 542433 \_\_\_\_\_

---

\* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company and are included solely for the convenience of the holders of the Bonds. None of the District, the Purchasers or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

° Yield to call at par on August 1, 2036.

**MATURITY SCHEDULES**  
**(continued)**

**\$280,000,000\***

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**(County of Los Angeles, California)**  
**Election of 2016 General Obligation Bonds, Series D**  
**(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(†)</sup></u> <u>(542433)</u>
2026	\$	%	%	
2027				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				
2052				
2053				
	\$ _____	% Term Bonds due August 1, 20__	– Yield _____%	– CUSIP <sup>(†)</sup> 542433 _____
	\$ _____	% Term Bonds due August 1, 20__	– Yield _____%	– CUSIP <sup>(†)</sup> 542433 _____

---

\* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company and are included solely for the convenience of the holders of the Bonds. None of the District, the Purchasers or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

° Yield to call at par on August 1, 2036.

**MATURITY SCHEDULES**  
**(continued)**

**\$250,000,000\***

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**(County of Los Angeles, California)**  
**Election of 2022 General Obligation Bonds, Series B**  
**(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**

<b><u>Maturity Date</u></b> <b><u>(August 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP<sup>(†)</sup></u></b> <b><u>(542433)</u></b>
2026	\$	%	%	
2027				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				
2052				
2053				
2054				
2055				
2056				
2057				
\$ _____	_____ % Term Bonds due August 1, 20__	_____ %	_____ %	— CUSIP <sup>(†)</sup> 542433 _____
\$ _____	_____ % Term Bonds due August 1, 20__	_____ %	_____ %	— CUSIP <sup>(†)</sup> 542433 _____

---

\* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company and are included solely for the convenience of the holders of the Bonds. None of the District, the Purchasers or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

° Yield to call at par on August 1, 2036.

No dealer, broker, salesperson or other person has been authorized by the Long Beach Unified School District (the "District") to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by this Official Statement does not constitute an offer to sell, the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as a representation of facts.

The District maintains a website. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites is not incorporated herein by reference and does not constitute part of this Official Statement.

The information set forth herein has been obtained from official sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. Although certain information set forth in this Official Statement has been provided by the County of Los Angeles, the County of Los Angeles has not approved this Official Statement and is not responsible for the accuracy or completeness of the statements contained in this Official Statement except for the information set forth under the caption "THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS" herein.

The Purchasers have provided the following sentence for inclusion in this Official Statement. The Purchasers have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Purchasers do not guarantee the accuracy or the completeness of such information.

By placing an order for the Bonds with the Purchasers, you agree that if you are allocated Bonds, the Purchasers may disclose your identity to the District as an initial purchaser of the Bonds, unless you advise your sales representative otherwise.

THE PURCHASERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND BANKS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGES HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE PURCHASERS.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the United States Securities Act of 1933, as amended (the "Securities Act"). Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**County of Los Angeles, State of California**

**BOARD OF EDUCATION**

<b><u>District</u></b>	<b><u>Member</u></b>	<b><u>Term Ending</u></b>
5	Diana Craighead, President	December 2026
2	Erik Miller, Vice President	December 2028
1	Maria Isabel López	December 2026
3	Juan Benitez, Ph.D.	December 2026
4	Doug Otto	December 2028

**DISTRICT OFFICIALS**

Jill A. Baker, Ed.D., Superintendent of Schools\*  
Yumi Takahashi, Chief Business and Financial Officer

**SPECIAL SERVICES**

**Municipal Advisor**

Keygent LLC  
El Segundo, California

**Bond Counsel and Disclosure Counsel**

Norton Rose Fulbright US LLP  
Los Angeles, California

**Paying Agent**

U.S. Bank Trust Company, National Association, as agent of the  
Treasurer and Tax Collector of the County of Los Angeles  
Los Angeles, California

---

\* The Superintendent is expected to retire at the end of the 2025-26 school year, and recruitment for her successor is in progress.

# TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
THE BONDS .....	2
Authority for Issuance and Security for the Bonds .....	2
Description of the Bonds.....	2
Redemption .....	3
Notice of Redemption .....	5
Effect of Notice of Redemption .....	6
Conditional Notice of Redemption .....	7
Rescission of Notice .....	7
Selection of Bonds for Redemption .....	7
Transfer and Exchange.....	7
Defeasance .....	8
Debt Service Schedule .....	10
Book-Entry Only System .....	11
PLAN OF FINANCE.....	11
The Projects.....	11
ESTIMATED SOURCES AND USES OF FUNDS.....	15
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS .....	15
General.....	15
Assessed Valuations – Constitutional and Statutory Initiatives.....	15
Assessed Valuations.....	16
Tax Rates, Levies, Collections and Delinquencies .....	19
Tax Rates.....	21
Largest Taxpayers .....	22
District Debt.....	22
Pledge of Tax Revenues.....	25
Statutory Lien for General Obligation Bonds .....	25
<i>Ad Valorem</i> Property Tax Collection.....	25
TAX MATTERS .....	28
Tax Accounting Treatment of Discount and Premium on Certain Bonds .....	29
LEGAL OPINION .....	30
LEGALITY FOR INVESTMENT .....	30
RATINGS .....	31
LEGAL AND OTHER MATTERS .....	31
Continuing Disclosure.....	31
Risks Related to COVID-19.....	31
Possible Limitations on Remedies; Bankruptcy.....	32
Cyber Incident and Cybersecurity Risks.....	35

**TABLE OF CONTENTS (continued)**

	<b>Page</b>
COMPETITIVE SALE OF BONDS.....	36
MUNICIPAL ADVISOR.....	36
LITIGATION.....	37
OTHER INFORMATION .....	38
APPENDIX A – FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT.....	A-1
APPENDIX B – FORM OF BOND COUNSEL OPINION .....	B-1
APPENDIX C – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025.....	C-1
APPENDIX D – FORM OF CONTINUING DISCLOSURE UNDERTAKING.....	D-1
APPENDIX E – BOOK-ENTRY ONLY SYSTEM.....	E-1
APPENDIX F – THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS.....	F-1

**\$74,570,000\***  
**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**(County of Los Angeles, California)**  
**Election of 2008 General Obligation Bonds, Series H**  
**(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**

**\$280,000,000\***  
**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**(County of Los Angeles, California)**  
**Election of 2016 General Obligation Bonds, Series D**  
**(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**

**\$250,000,000\***  
**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**(County of Los Angeles, California)**  
**Election of 2022 General Obligation Bonds, Series B**  
**(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**

## **INTRODUCTION**

The Long Beach Unified School District (the “District”) will issue \$74,570,000\* aggregate principal amount of Election of 2008 General Obligation Bonds, Series H (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series H Bonds”), \$280,000,000\* aggregate principal amount of Election of 2016 General Obligation Bonds, Series D (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series D Bonds”), and \$250,000,000\* aggregate principal amount of Election of 2022 General Obligation Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series B Bonds,” and collectively with the Series H Bonds and the Series D Bonds, the “Bonds”). The Bonds will be issued as current interest bonds. The Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53506) (the “Act”) and other applicable laws and regulations of the State of California, and pursuant to a resolution adopted by the Board of Education (the “Board”) on February 18, 2026 (the “District Resolution”).

The Series H Bonds were authorized at an election of the registered voters of the District held on November 4, 2008, at which the requisite 55% or more of the persons voting on the bond proposition (“Measure K”) voted to authorize the issuance and sale of \$1.2 billion principal amount of general obligation bonds of the District (the “2008 Election”). The Series H Bonds are the tenth issuance of general obligation bonds of the District authorized at the 2008 Election (taking into account certain subseries). The Series H Bonds are being issued: (i) for the construction, improvement, furnishing and equipping of certain District facilities, (ii) to pay capitalized interest and (iii) to pay certain costs of issuance associated therewith. See “PLAN OF FINANCE” herein.

The Series D Bonds were authorized at an election of the registered voters of the District held on November 8, 2016, at which the requisite 55% or more of the persons voting on the bond proposition (“Measure E”) voted to authorize the issuance and sale of \$1.5 billion principal amount of general obligation bonds of the District (the “2016 Election”). The Series D Bonds are the fourth issuance of general obligation bonds of the District authorized at the 2016 Election. The Series D Bonds are being issued: (i) for the construction, improvement, furnishing and equipping of certain District facilities, (ii) to pay capitalized interest and (iii) to pay certain costs of issuance associated therewith. See “PLAN OF FINANCE” herein.

The Series B Bonds were authorized at an election of the registered voters of the District held on November 8, 2022, at which the requisite 55% or more of the persons voting on the bond proposition (“Measure Q”) voted to authorize the issuance and sale of \$1.7 billion principal amount of general obligation bonds of the District (the “2022 Election”). The Series B Bonds are the second issuance of

---

\* Preliminary, subject to change.

general obligation bonds of the District authorized at the 2022 Election. The Series B Bonds are being issued: (i) for the construction, improvement, furnishing and equipping of certain District facilities, (ii) to pay capitalized interest and (iii) to pay certain costs of issuance associated therewith. See “PLAN OF FINANCE” herein.

The Long Beach Unified School District, a unified school district of the State of California (the “State”), was founded in 1885. The District, encompassing approximately 129 square miles, is located in the western section of the County of Los Angeles (the “County”) and includes the Cities of Long Beach and Signal Hill, Avalon and Two Harbors on Santa Catalina Island, a portion of the City of Lakewood and a portion of the unincorporated area of the County which includes residential and industrial areas.

The District serves over 64,000 students in eighty-four (84) K-12 schools, one adult school, and two fiscally independent charter schools within the District’s boundaries. The District is the fifth largest school district in the State by enrollment and has a budgeted Fiscal Year 2025-26 enrollment of 61,451 K-12 students (excluding charter schools). For further information concerning the District, see APPENDIX A – “FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT.”

## **THE BONDS**

### **Authority for Issuance and Security for the Bonds**

The Bonds are authorized and issued pursuant to the Act, and other applicable laws and regulations of the State, and pursuant to the District Resolution. The District received authorization under Measure K to issue general obligation bonds in an amount not to exceed \$1.2 billion at the 2008 Election. The Series H Bonds are the tenth issuance of general obligation bonds of the District authorized at the 2008 Election (taking into account certain subseries). The District received authorization under Measure E to issue general obligation bonds in an amount not to exceed \$1.5 billion at the 2016 Election. The Series D Bonds are the fourth issuance of general obligation bonds of the District authorized at the 2016 Election. The District received authorization under Measure Q to issue general obligation bonds in an amount not to exceed \$1.7 billion at the 2022 Election. The Series B Bonds are the second issuance of general obligation bonds of the District authorized at the 2022 Election.

The Board of Supervisors of the County has the power and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property, which is taxable at limited rates), for the payment of principal of and interest on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

### **Description of the Bonds**

The Bonds will be dated their date of delivery and will be issued in initial denominations of \$5,000 principal amount or any integral multiple thereof. The Bonds will have principal payable at their respective maturity dates or their earlier redemption. Interest on each Bond shall accrue from its dated date. Interest on the Bonds shall be computed using a 360-day year comprised of twelve 30-day months and shall be payable on each August 1 and February 1 of each year (each, an “Interest Payment Date”), commencing August 1, 2026, to the registered owners (each, an “Owner”) thereof as of the close of business on the fifteenth calendar day of the month preceding any Interest Payment Date (a “Record Date”).

Interest on each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such following Interest Payment Date; or it is registered prior to the close of business on

the first Record Date, in which event interest shall be payable from its dated date; *provided, however*, that if at the time of registration of any Bond, interest thereon is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent (as defined below) sent by first-class mail, postage prepaid, to the Owner thereof appearing on the Bond Register on the Record Date, or by wire transfer to any Owner of \$1,000,000 aggregate principal amount or more of such Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; *provided, however*, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

**General.** Principal of the Bonds shall be due and payable on the dates in each of the years as set forth on the inside covers of this Official Statement. Principal of, interest and premium, if any, on the Bonds is payable when due upon surrender of the Bonds at the office of the Paying Agent. As long as DTC (defined below) is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to Owners only to DTC. The Paying Agent, the District, the County and the Purchasers (as defined herein) of the Bonds have no responsibility or liability for any aspects of the records of DTC relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, or interest in the Bonds.

The Bonds will be issued in fully registered form only, without coupons, and will be issued in denominations of \$5,000 principal amount, or any integral multiple thereof. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Owners will not receive physical certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued. See APPENDIX E – "BOOK-ENTRY ONLY SYSTEM."

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest, or premium, if any, on the Bonds are payable by wire transfer or New York Clearing House or equivalent next-day funds or by wire transfer of same day funds by U.S. Bank Trust Company, National Association, as agent for the Treasurer and Tax Collector of the County, as paying agent (the "Paying Agent"), to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. Payments of principal, and premium, if any, for any Bonds shall be made only upon the surrender of such Bonds to the Paying Agent. See APPENDIX E – "BOOK-ENTRY ONLY SYSTEM" herein.

## **Redemption\***

### ***Optional Redemption.***

**Series H Bonds.** The Series H Bonds maturing on or before August 1, 2036 are not subject to optional redemption prior to their respective maturity dates. The Series H Bonds maturing on or after August 1, 2037, are subject to optional redemption prior to their respective maturity dates at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2036, at a redemption price equal to the principal amount of such Series H Bonds, together with accrued interest to the date fixed for redemption, without premium.

---

\* Preliminary, subject to change.

**Series D Bonds.** The Series D Bonds maturing on or before August 1, 2027 are not subject to optional redemption prior to their respective maturity dates. The Series D Bonds maturing on or after August 1, 2037, are subject to optional redemption prior to their respective maturity dates at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2036, at a redemption price equal to the principal amount of such Series D Bonds, together with accrued interest to the date fixed for redemption, without premium.

**Series B Bonds.** The Series B Bonds maturing on or before August 1, 2027 are not subject to optional redemption prior to their respective maturity dates. The Series B Bonds maturing on or after August 1, 2037, are subject to optional redemption prior to their respective maturity dates at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2036, at a redemption price equal to the principal amount of such Series B Bonds, together with accrued interest to the date fixed for redemption, without premium.

***Mandatory Sinking Fund Redemption.***

**The Series H Term Bonds.** The Series H Bonds maturing on August 1, 20\_\_ (the “Series H 20\_\_ Term Bonds”), are subject to mandatory sinking fund redemption on August 1 of each year, commencing August 1, 20\_\_, in the following principal amounts, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium:

**Mandatory Sinking Fund  
Payment Date**

**Mandatory Sinking  
Fund Payment**

\$

(1)

\_\_\_\_\_  
(1) Maturity.

**The Series D Term Bonds.** The Series D Bonds maturing on August 1, 20\_\_ (the “Series D 20\_\_ Term Bonds”), are subject to mandatory sinking fund redemption on August 1 of each year, commencing August 1, 20\_\_, in the following principal amounts, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium:

**Mandatory Sinking Fund  
Payment Date**

**Mandatory Sinking  
Fund Payment**

\$

(1)

\_\_\_\_\_  
(1) Maturity.

The Series D Bonds maturing on August 1, 20\_\_ (the “Series D 20\_\_ Term Bonds”), are subject to mandatory sinking fund redemption on August 1 of each year, commencing August 1, 20\_\_, in the following principal amounts, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium:

**Mandatory Sinking Fund  
Payment Date**

**Mandatory Sinking  
Fund Payment**

\$

(1)

\_\_\_\_\_  
(1) Maturity.

***The Series B Term Bonds.*** The Series B Bonds maturing on August 1, 20\_\_ (the “Series B 20\_\_ Term Bonds”), are subject to mandatory sinking fund redemption on August 1 of each year, commencing August 1, 20\_\_, in the following principal amounts, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium:

**Mandatory Sinking Fund  
Payment Date**

**Mandatory Sinking  
Fund Payment**

\$

(1)

\_\_\_\_\_  
(1) Maturity.

The Series B Bonds maturing on August 1, 20\_\_ (the “Series B 20\_\_ Term Bonds,” and collectively with the Series H 20\_\_ Term Bonds, the Series D 20\_\_ Term Bonds, the Series D 20\_\_ Term Bonds, and the Series B 20\_\_ Term Bonds, the “Term Bonds”), are subject to mandatory sinking fund redemption on August 1 of each year, commencing August 1, 20\_\_, in the following principal amounts, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium:

**Mandatory Sinking Fund  
Payment Date**

**Mandatory Sinking  
Fund Payment**

\$

(1)

\_\_\_\_\_  
(1) Maturity.

In the event that any portion of a Term Bond is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect to such Term Bond shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such bond optionally redeemed prior to the mandatory sinking fund redemption date.

**Notice of Redemption**

Each notice of redemption (“Redemption Notice”) will contain all of the following information: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption

will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such notice shall further state (i) that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with the interest accrued to the redemption date, and (ii) that from and after such date, interest with respect thereto shall cease to accrue and be payable.

Notice of any redemption of the Bonds will be given by the Paying Agent. Notice of redemption of the Bonds will be mailed postage prepaid not less than 20 nor more than 45 days prior to the date fixed for redemption (i) by first-class mail to the respective Owners of the Bonds designated for redemption at the addresses appearing on the bond registration books of the Paying Agent, and (ii) to the Municipal Securities Rulemaking Board (“MSRB”). In the event that the Bonds are no longer held in book-entry-only form, at least 35 but not more than 45 days before the redemption date, such Redemption Notice will be given by (i) first-class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories and the MSRB.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. Such redemption notice may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds.

### **Effect of Notice of Redemption**

Notice having been given pursuant to the District Resolution, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the applicable Debt Service Fund or deposited with a duly appointed escrow agent, in trust, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed pursuant to the District Resolution, together with interest to such redemption date, will be held by the Paying Agent or deposited with a duly appointed escrow agent, in trust, so as to be available therefor on such redemption date, and any conditions to such redemption described in the Redemption Notice will be met, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest on the Bonds to be redeemed will cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity will be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of the District Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent (or an independent escrow agent selected by the District), in form satisfactory to it, and sufficient moneys will be held by the Paying Agent (or an independent escrow agent selected by the District), irrevocably in trust as provided in the District Resolution for the payment of the redemption price of such Bonds or

portions thereof, and accrued interest with respect thereto to the date fixed for redemption, all as provided in the District Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

### **Conditional Notice of Redemption**

Any Redemption Notice delivered in accordance with the District Resolution may be conditioned on any fact or circumstance stated therein, and if any condition stated in the notice of redemption will not have been satisfied on or prior to the redemption date, (i) said notice will be of no force and effect, (ii) the District will not be required to redeem such Bonds, (iii) the redemption will be cancelled and (iv) the Paying Agent will within a reasonable time thereafter give notice to the persons and in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. The actual receipt by the Owner of any Bond of notice of such cancellation will not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice will not affect the validity of the cancellation.

### **Rescission of Notice**

The District may rescind any optional redemption and notice thereof for any reason on any date on or prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof will be rescinded if for any reason on the date fixed for redemption moneys are not available in a fund held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

### **Selection of Bonds for Redemption**

If less than all the Bonds are called for redemption, the Paying Agent, upon written instruction from the District given as provided pursuant to the District Resolution, will select Bonds for redemption in the manner directed by the District.

With respect to any Bonds, the Paying Agent will select such Bonds for redemption as directed by the District, or, in the absence of such direction, in inverse order of maturity and within a maturity, by lot. Within a maturity, the Paying Agent will select Bonds for redemption by lot. Redemption by lot will be in such manner as the Paying Agent determines; *provided, however*, that the portion of any Bond to be redeemed in part will be in the principal amount of \$5,000 or any integral multiple thereof.

In the event that any portion of a Term Bond is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect to such Term Bond shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such bond optionally redeemed prior to the mandatory sinking fund redemption date.

### **Transfer and Exchange**

The registration of any Bond may be transferred upon the Bond Register upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer, duly executed by the Owner or such Owner's duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a

new Bond or Bonds, of like tenor, series and maturity in the same principal amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether the principal of and premium, if any, or interest on such Bond shall be overdue or not, for the purpose of receiving payment of principal of and premium, if any, and interest on such Bond and for all other purposes, and any such payments so made to any such Owner or upon such Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like series, tenor and maturity of other authorized denominations. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

## **Defeasance**

All or any portion of the outstanding Bonds shall be paid and discharged in any one of the following ways:

1. by paying or causing to be paid the principal of, premium, if any, and interest on such Bonds outstanding, and when the same become due and payable;
2. by depositing with the Paying Agent, or with a duly appointed escrow agent, at or before maturity, cash which, together with the amounts then on deposit in the applicable Debt Service Fund plus the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds outstanding at maturity thereof, including principal, any premium, and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or
3. by depositing with an institution which meets the requirements for acting as a successor Paying Agent pursuant to the District Resolution selected by the District, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge all Bonds outstanding at maturity or earlier redemption thereof, including any premium and all interest thereon, for which notice has been given or provided for, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the District and the Paying Agent under the District Resolution with respect to the affected Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay the Paying Agent amounts owing to the Paying Agent under the District Resolution.

*[Remainder of page intentionally left blank.]*

## Debt Service Schedule

The following table summarizes the debt service requirements of the District for all its outstanding general obligation bonds and the Bonds, assuming no optional redemptions:

<b>Bond Year Ending August 1</b>	<b>Debt Service for Existing Bonds<sup>(1)</sup></b>	<b><u>Series H Bonds</u></b>		<b><u>Series D Bonds</u></b>		<b><u>Series B Bonds</u></b>		<b>Total Debt Service</b>
		<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	
2026	\$97,339,425.02	\$	\$	\$	\$	\$	\$	\$
2027	88,369,637.52							
2028	89,932,412.52							
2029	91,947,937.52							
2030	92,881,806.26							
2031	95,385,300.00							
2032	92,904,825.00							
2033	92,861,700.00							
2034	87,635,375.00							
2035	91,191,343.76							
2036	94,943,387.50							
2037	98,628,187.50							
2038	102,463,237.50							
2039	106,820,187.50							
2040	111,116,737.50							
2041	115,541,337.50							
2042	120,152,437.50							
2043	124,949,550.00							
2044	110,271,050.00							
2045	113,570,150.00							
2046	118,104,300.00							
2047	122,796,200.00							
2048	57,954,500.00							
2049	60,825,350.00							
2050	63,275,250.00							
2051	65,804,350.00							
2052	67,770,300.00							
2053	<u>36,977,200.00</u>							
Total	\$2,612,413,475.10	\$	\$	\$	\$	\$	\$	\$

<sup>1</sup> Includes February 1, 2026 interest payment.

## **Book-Entry Only System**

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners of the Bonds. For further information regarding DTC and the book-entry system, see APPENDIX E – “BOOK-ENTRY ONLY SYSTEM” hereto.

## **PLAN OF FINANCE**

The net proceeds of the Bonds will be applied to: (i) the construction, improvement, furnishing and equipping of certain District facilities, (ii) pay capitalized interest, and (iii) pay certain costs of issuance of the Bonds.

Accrued interest and premium, if any, received by the District from the sale of the Bonds will be deposited into the applicable Debt Service Fund (defined herein) established by the Paying Agent with respect to the Bonds and will be applied to the payment of interest on the Bonds.

## **The Projects**

**General.** The “Strict Accountability in Local School Construction Bonds Act of 2000,” comprising Section 15264 *et seq.* of the California Education Code, controls the method by which the District will expend amounts derived from the sale of the Bonds on its capital improvements.

**Series H Bonds.** Prior to the 2008 Election, the District prepared and submitted to the Board for approval a master list of capital improvement projects to be built, acquired, constructed or installed with the proceeds of the general obligation bonds being approved at the 2008 Election. On November 4, 2008, the District received authorization under Measure K to issue general obligation bonds in an amount not to exceed \$1.2 billion when it asked voters the following question:

***“To make essential health/safety repairs, retain teachers, qualify for matching grants, shall Long Beach Unified School District retrofit schools for earthquake safety/handicap accessibility, repair restrooms/plumbing/roofs/fire safety, remove lead paint/asbestos, upgrade vocational classrooms/technology/energy efficiency, expand after-school programs, reduce overcrowding, by acquiring, repairing, constructing, equipping sites, facilities, joint-use buildings, and issuing \$1,200,000,000 in bonds at legal rates with independent audits, citizen’s oversight, and no money for administrators’ salaries?”***

The District has planned several projects to be funded by the proceeds from the Series H Bonds. Actual expenditures will depend on the progress of specific projects and it is possible that opportunities will arise with respect to other projects authorized by Measure K not contemplated below that will call for an allocation of proceeds from the Series H Bonds.

Several key projects include the acquisition, construction, improvement and equipping of certain real property and improvements of the District required for its public education purposes, including but not limited to:

- replacing old, portable classrooms;
- repairing aging schools;
- repairing, upgrading and replacing worn-out leaking roofs;

- replacing existing wiring systems to meet current electrical and accessibility codes and increased capacity;
- replacing existing water, sewer and plumbing systems to meet current codes, including the elimination of lead-containing fixtures;
- upgrading aging and deteriorating school restrooms;
- replacing older ceilings, heating, ventilation, air conditioning and lighting systems with building code compliant, energy efficient systems;
- providing improved, upgraded computer labs;
- upgrading and equipping classrooms, science labs, multipurpose rooms, physical education facilities, kitchens, auditoriums, libraries, arts and music rooms, childcare, preschool, adult education and educational support spaces;
- implementing federal and State mandated Americans with Disabilities Act accessibility upgrades including site access, parking, staff and student restrooms and relocating some existing electrical devices, drinking fountains, playground equipment, etc.;
- remodeling and improving existing childcare and after-school recreation facilities;
- upgrade technology and equipment used in job training programs;
- upgrading site playground equipment replacement to meet current safety standards;
- strengthening and repairing schools and classrooms vulnerable to serious damage in a major earthquake, as required by State law;
- Security improvements;
- HVAC improvements at various campuses; and
- Woodrow Wilson High School Aquatic Center and Roofing.

**Series D Bonds.** Prior to the 2016 Election, the District prepared and submitted to the Board for approval a master list of capital improvement projects to be built, acquired, constructed or installed with the proceeds of the general obligation bonds being approved at the 2016 Election. On November 8, 2016, the District received authorization under Measure E to issue general obligation bonds in an amount not to exceed \$1.5 billion when it asked voters the following question:

***“To improve outdated classrooms/neighborhood schools by: improving technology/labs/career education classrooms/electrical systems/wiring; upgrading handicapped accessibility/earthquake safety; upgrading bathrooms, fire alarms/sprinklers/security cameras; removing lead paint/asbestos; installing air conditioning; improving student health/physical education; repairing/constructing/acquiring facilities/equipment, shall Long Beach Unified School District issue \$1,500,000,000 in bonds, at legal rates, requiring independent audits, citizens’ oversight, no money for administrators’ salaries/pensions, and all funds used locally?”***

The District has planned several projects to be funded by the proceeds from the Series D Bonds. Actual expenditures will depend on the progress of specific projects and it is possible that opportunities will arise with respect to other projects authorized by Measure E not contemplated below that will call for an allocation of proceeds from the Series D Bonds.

Several key projects include the acquisition, construction, improvement and equipping of certain real property and improvements of the District required for its public education purposes, including but not limited to:

- school renovation, repair and upgrade projects, including: installation of energy efficient air-conditioning systems; repair, upgrade and replacement of worn-out leaking roofs; upgrading security features, including outdated emergency communications systems, lighting and fencing; upgrading electrical systems and wiring for computer technology and internet access;

- upgrading aging and deteriorating school bathrooms; replacing existing wiring systems to meet current electrical and accessibility codes and increase capacity; replacing existing water, sewer and plumbing systems to meet current codes, including the elimination of lead-containing fixtures; replacing older ceilings, heating, ventilation and lighting systems with building-code-compliant, energy efficient systems; installation of code-compliant ventilating systems in bathrooms; upgrading and repairing classrooms, science labs, multipurpose rooms, indoor and outdoor physical education facilities, including pools, athletic fields and physical education resources, kitchens, auditoriums, libraries, arts and music rooms, and childcare, preschool, after-school recreational programming, adult education and educational support spaces; improving facilities to comply with federal and State-mandated Americans with Disabilities Act accessibility upgrades including site access, parking, staff and student bathrooms, relocation of some existing electrical devices, drinking fountains, playground equipment, and other similar items; replacing old, portable classrooms; and repairing aging schools;
- school, teacher and student health and safety, earthquake safety and energy efficiency school projects including: installation of energy efficient air-conditioning systems; improving emergency communications systems in neighborhood schools; removing or abating asbestos, lead paint, mold and hazardous materials; retrofitting classrooms and schools to meet earthquake safety standards; upgrading fire alarm systems, safety doors and sprinkler systems; upgrading and repairing schools to meet current handicap accessibility requirements; upgrading gas pipe systems; replacing/upgrading existing signage, bells and clocks; installing/replacing/upgrading security fencing; replacing/upgrading existing security and irrigation systems; installing energy efficient systems; replacing existing window systems with energy efficient systems; installing new security systems, such as security (surveillance) cameras, outdoor lighting, fencing, and gates; upgrading emergency communication systems; upgrading site playground equipment replacement to meet current safety standards; replacing and/or improving outdoor education facilities; adding or improving student drop-off areas for safety; inspecting and improving play area fields for safety and drainage; replacing aging and deteriorating doors, doorframes and ceilings; upgrading school site parking, utilities and grounds; and retrofitting and repairing schools and classrooms to meet safety standards;
  - HVAC improvements at various campuses;
  - New Building at Long Beach Polytechnic High School; and
  - Track and Field facilities at various campuses.

**Series B Bonds.** Prior to the 2022 Election, the District prepared and submitted to the Board for approval a master list of capital improvement projects to be built, acquired, constructed or installed with the proceeds of the general obligation bonds being approved at the 2022 Election. On November 8, 2022, the District received authorization under Measure Q to issue general obligation bonds in an amount not to exceed \$1.7 billion when it asked voters the following question:

***“To repair/upgrade neighborhood public schools, vocational, technology, math, science classrooms/labs; provide safe drinking water; upgrade security, door locks, cameras, earthquake/fire safety; remove lead paint/asbestos; repair, construct, acquire facilities/equipment, shall Long Beach Unified School District’s measure authorizing \$1,700,000,000 in bonds, at legal rates levying \$0.06 per \$100 of assessed valuation (\$105,000,000 annually) while bonds are outstanding be adopted, requiring oversight, public spending disclosure, all funds used locally?”***

The District has planned several projects to be funded by the proceeds from the Series B Bonds. Actual expenditures will depend on the progress of specific projects and it is possible that opportunities will arise with respect to other projects authorized by Measure Q not contemplated below that will call for an allocation of proceeds from the Series B Bonds.

Several key projects include the acquisition, construction, improvement and equipping of certain real property and improvements of the District required for its public education purposes, including but not limited to:

- Improve plumbing systems, maintain safe drinking water and upgrading schools to meet accessibility and earthquake safety standards, among other health and safety improvements;
- Renovate libraries, science and computer labs and fund the construction of new career education spaces;
- New or renovated athletic facilities and new air conditioning systems at aging campuses;
- HVAC improvements at various campuses;
- Polytechnic High School Transformation; and
- Washington Middle School Transformation.

Accrued interest, if any, and except as shall otherwise be directed by the District in accordance with applicable law, any original issue premium received by the District from the sale of the Bonds, shall be deposited into the applicable debt service fund established by the County with respect to each series of Bonds (each, a “Debt Service Fund”). Amounts in each Debt Service Fund for the related series of Bonds may be used only for payment of principal of and interest on said series of Bonds. Any excess proceeds of a series of Bonds not needed for the authorized purposes set forth in the District Resolution for which the series of Bonds are being issued shall be transferred to the Debt Service Fund for such series of Bonds and applied to the payment of the principal of and interest on said series of Bonds. The Treasurer and Tax Collector of the County is directed to create any accounts and subaccounts in each Debt Service Fund as provided in the Tax Certificate (as defined herein) and the District Resolution. Except as required to satisfy the requirements of Section 148(f) of the Code or to comply with the provisions of the Tax Certificate or the District Resolution, interest earned on the investment of monies held in each Debt Service Fund shall be retained in each Debt Service Fund and used to pay the principal of and interest on the related series of Bonds when due.

All Pledged Moneys, as defined in the District Resolution, shall be deposited upon collection by the County into the applicable Debt Service Fund for the applicable series of Bonds and used for the payment of the principal of, premium, if any, and interest on the respective series of Bonds.

On or before the Business Day immediately preceding each Interest Payment Date, the District shall transfer, or cause to be transferred, from each Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay all the principal of, premium, if any, and interest on the related series of Bonds coming due (collectively, “Debt Service”) on such payment date. Debt Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service.

The District shall cause moneys to be transferred to the Long Beach Unified School District General Obligation Bonds 2026 Rebate Fund (the “Rebate Fund”) to the extent needed to comply with the Tax Certificate and the District Resolution. Any amounts on deposit in a Debt Service Fund when there are no longer any Bonds of that series outstanding shall be transferred to the General Fund of the District, subject to any conditions set forth in the Tax Certificate and the District Resolution.

## ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the Bonds are as follows:

<i>Sources of Funds</i>	<u>Series H Bonds</u>	<u>Series D Bonds</u>	<u>Series B Bonds</u>	<u>Total</u>
Principal Amount				
Plus [Net] Original Issue Premium				
Total Sources				
<i>Uses of Funds</i>				
Deposit to Building Fund				
Deposit to Debt Service Fund				
Costs of Issuance <sup>(1)</sup>				
Total Uses				

<sup>(1)</sup> Costs of issuance includes, but is not limited to, Purchaser’s discount, printing and rating costs, demographics, fees and expenses of the Paying Agent, Fiscal Agent, Municipal Advisor, Bond and Disclosure Counsel.

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

### General

The Bonds are general obligations of the District, secured and payable solely from unlimited *ad valorem* property taxes collected against taxable properties within the boundaries of the District. The Bonds are general obligations of the District only and are not obligations of the County, the State of California or any of its other political subdivisions. The Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* taxes upon all property within the District subject to taxation by the County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and interest on the Bonds. See “ – Assessed Valuations” herein for further information regarding the assessed valuation and property tax collection information within the District.

### Assessed Valuations – Constitutional and Statutory Initiatives

**Article XIII A of the California Constitution.** Article XIII A of the California Constitution limits the amount of any *ad valorem* tax on real property, to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness or 55% of voters voting on the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” The full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Other amendments to the California Constitution have implemented and modified limits on reassessment of property value upon transfers. Most recently, Proposition 19 limits people who inherit family properties from keeping a low property tax base resulting from the 2% restriction on increases, unless they use the home as their primary residence, but it also allows homeowners who are over 55 years of age, disabled, or victims of a wildfire or natural disaster to transfer their assessed value of their primary home to a newly purchased or newly constructed replacement primary residence up to three times.

***Legislation Implementing Article XIII A.*** Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full market value on the tax rolls, with tax rates expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all general tax rates reflect the \$1 per \$100 of taxable value.

### **Assessed Valuations**

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIII A of the California Constitution.

The State-reimbursed exemption currently provides a credit of \$7,000 of the full value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies.

In addition, certain classes of property such as churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

For Fiscal Year 2025-26, the District’s total assessed valuation is \$93,300,757,752. Shown in the following tables is information relating to the assessed valuation of property in the District during the current and past four fiscal years, assessed valuation by jurisdiction, assessed valuation and parcels by land use, and per parcel assessed valuation of single-family homes.

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**Summary of Assessed Valuations**  
**Fiscal Years 2021-22 through 2025-26**

<b><u>Fiscal Year</u></b>	<b><u>Local Secured</u></b>	<b><u>Utilities</u></b>	<b><u>Unsecured</u></b>	<b><u>Total</u></b>
2021-22	\$71,441,210,742	\$1,150,136,642	\$3,524,885,774	\$76,116,233,158
2022-23	76,074,657,083	1,148,992,483	3,896,129,088	81,119,778,654
2023-24	80,599,728,938	1,066,762,123	4,489,274,811	86,155,765,872
2024-25	83,661,994,477	1,079,258,451	4,748,224,560	89,489,477,488
2025-26	87,197,196,667	1,106,329,446	4,997,231,639	93,300,757,752

Source: California Municipal Statistics, Inc.

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**2025-26 Assessed Valuation by Jurisdiction**

<b><u>Jurisdiction:</u></b>	<b><u>Assessed Valuation in District</u></b>	<b><u>% of District</u></b>	<b><u>Assessed Valuation of Jurisdiction</u></b>	<b><u>% of Jurisdiction in District</u></b>
City of Avalon	\$1,236,391,791	1.33%	\$1,236,391,791	100.00%
City of Hawaiian Gardens	336,017	0.00	1,301,176,955	0.03
City of Lakewood	7,765,180,527	8.32	13,308,338,278	58.35
City of Long Beach	80,413,226,764	86.19	82,188,304,804	97.84
City of Signal Hill	3,549,559,667	3.80	3,549,559,667	100.00
Unincorporated Los Angeles County	<u>336,062,986</u>	<u>0.36</u>	149,571,930,505	0.22
Total District	\$93,300,757,752	100.00%		
Los Angeles County	\$93,300,757,752	100.00%	\$2,183,758,873,676	4.27%

Source: California Municipal Statistics, Inc.

*[Remainder of page intentionally left blank.]*

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**2025-26 Assessed Valuation and Parcels by Land Use<sup>(1)</sup>**

	<b>2025-26 Assessed Valuation<sup>(2)</sup></b>	<b>% of Total</b>	<b>No. of Parcels</b>	<b>% of Total</b>
<b>Non-Residential:</b>				
Agricultural/Rural	\$ 5,717,839	0.01%	5	0.00%
Commercial/Office	9,762,695,583	11.20	5,015	3.77
Vacant Commercial	275,592,196	0.32	585	0.44
Industrial	3,974,552,302	4.56	2,056	1.55
Vacant Industrial	359,888,923	0.41	763	0.57
Recreational	181,507,676	0.21	475	0.36
Government/Social/Institutional	698,673,081	0.80	761	0.57
Possessory/Mineral Rights	4,420,981,563	5.07	2,784	2.10
Miscellaneous	19,743,836	0.02	31	0.02
Other Vacant	<u>105,928,234</u>	<u>0.12</u>	<u>563</u>	<u>0.42</u>
Subtotal Non-Residential	\$19,805,281,233	22.71%	13,038	9.81%
<b>Residential:</b>				
Single Family Residence	\$42,272,941,816	48.48%	79,649	59.95%
Condominium/Townhouse	8,006,235,528	9.18	20,544	15.46
Mobile Home Park	60,475,473	0.07	12	0.01
2-4 Residential Units	8,075,170,308	9.26	12,929	9.73
5+ Residential Units/Apartments	8,691,860,611	9.97	4,872	3.67
Vacant Residential	<u>285,231,698</u>	<u>0.33</u>	<u>1,820</u>	<u>1.37</u>
Subtotal Residential	\$67,391,915,434	77.29%	119,826	90.19%
<b>Total</b>	<b>\$87,197,196,667</b>	<b>100.00%</b>	<b>132,864</b>	<b>100.00%</b>

<sup>(1)</sup> Percentages may not add due to rounding.

<sup>(2)</sup> Local Secured Assessed Valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

*[Remainder of page intentionally left blank.]*

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**Per Parcel 2025-26 Assessed Valuation of Single-Family Homes**

	<u>No. of Parcels</u>	<u>2025-26 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single-Family Residential	79,649	\$42,272,941,816	\$530,740	\$451,119

<u>2025-26 Assessed Valuation</u>	<u>No. of Parcels<sup>(1)</sup></u>	<u>% of Total<sup>(2)</sup></u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total<sup>(2)</sup></u>	<u>Cumulative % of Total</u>
\$0 - \$49,999	731	0.918%	0.918%	\$ 22,418,557	0.053%	0.053%
\$50,000 - \$99,999	4,854	6.094	7.012	387,657,529	0.917	0.970
\$100,000 - \$149,999	3,757	4.717	11.729	464,940,457	1.100	2.070
\$150,000 - \$199,999	3,985	5.003	16.732	700,831,712	1.658	3.728
\$200,000 - \$249,999	4,933	6.193	22.926	1,114,517,186	2.636	6.364
\$250,000 - \$299,999	5,995	7.527	30.452	1,651,105,950	3.906	10.270
\$300,000 - \$349,999	5,686	7.139	37.591	1,845,502,579	4.366	14.636
\$350,000 - \$399,999	5,171	6.492	44.083	1,934,507,458	4.576	19.212
\$400,000 - \$449,999	4,604	5.780	49.864	1,952,123,345	4.618	23.830
\$450,000 - \$499,999	4,314	5.416	55.280	2,047,643,864	4.844	28.674
\$500,000 - \$549,999	4,106	5.155	60.435	2,155,204,401	5.098	33.772
\$550,000 - \$599,999	3,848	4.831	65.266	2,209,908,387	5.228	39.000
\$600,000 - \$649,999	3,682	4.623	69.889	2,301,167,979	5.444	44.443
\$650,000 - \$699,999	3,566	4.477	74.366	2,406,928,634	5.694	50.137
\$700,000 - \$749,999	3,121	3.918	78.285	2,260,577,515	5.348	55.485
\$750,000 - \$799,999	2,955	3.710	81.995	2,288,289,405	5.413	60.898
\$800,000 - \$849,999	2,537	3.185	85.180	2,090,249,866	4.945	65.843
\$850,000 - \$899,999	2,079	2.610	87.790	1,817,841,375	4.300	70.143
\$900,000 - \$949,999	1,763	2.213	90.004	1,628,740,509	3.853	73.996
\$950,000 - \$999,999	1,269	1.593	91.597	1,235,550,239	2.923	76.918
\$1,000,000 and greater	<u>6,693</u>	<u>8.403</u>	100.000	<u>9,757,234,869</u>	<u>23.082</u>	100.000
	79,649	100.000%		\$42,272,941,816	100.000%	

<sup>(1)</sup> Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.

<sup>(2)</sup> Percentages may not add due to rounding.

Source: California Municipal Statistics, Inc.

**Tax Rates, Levies, Collections and Delinquencies**

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a “floating lien date”). For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State assessed property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of “situs” growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are

specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts and community college districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and redemption penalty of 1 ½% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the County Treasurer.

Property taxes on the unsecured roll are currently due as of the January 1 lien date prior to the commencement of a fiscal year and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of 1 ½% per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

The County levies and collects all property taxes for property falling within its taxing boundaries.

Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. **The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District's receipt of property taxes is therefore subject to delinquencies.**

The District is a member of the California Statewide Delinquent Tax Financing Authority (the "Authority"). The Authority is a joint exercise of powers agency formed for the purpose of purchasing delinquent *ad valorem* property taxes of its members in accordance with Section 6516.6 of the California Government Code. The Authority purchases delinquent *ad valorem* property taxes from school agencies and community college districts in the County. The Authority is a pass-through entity and financial information is not available. The District anticipates that the Authority will from time to time purchase delinquent *ad valorem* property tax receivables from the District. For the most recent fiscal year for which the Authority purchased delinquencies (the 2025 calendar year), such delinquencies were purchased from the District at a purchase price equal to 108.5% thereof. Any penalty charges collected with respect to such delinquencies will be retained by the Authority. The Authority does not currently purchase *ad valorem* tax receivables related to the payment of general obligation bonds of the District. Thus, the District's participation in the Authority's program does not ensure that the District will receive the timely payment of *ad valorem* property taxes levied to secure the Bonds. See also "*—Ad Valorem Property Tax Collection*" herein.

The following tables set forth secured tax charges levied and delinquencies in the District for Fiscal Years 2019-20 through 2024-25.

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**Secured Tax Charges and Delinquencies**  
**Fiscal Years 2019-20 through 2024-25**

	<u>Secured Tax Charge<sup>(1)</sup></u>	<u>Amt. Del. June 30</u>	<u>% Del. June 30</u>
2019-20	\$118,604,698.32	\$2,662,505.08	2.24%
2020-21	125,439,062.14	2,128,624.96	1.70
2021-22	129,564,979.30	2,021,806.10	1.56
2022-23	137,761,106.39	2,143,981.44	1.56
2023-24	146,739,864.67	2,569,021.14	1.75
2024-25	152,731,047.81	3,814,143.31	2.50

	<u>Secured Tax Charge<sup>(2)</sup></u>	<u>Amt. Del. June 30</u>	<u>% Del. June 30</u>
2019-20	\$94,336,625.00	\$1,403,181.78	1.49%
2020-21	94,439,261.14	1,158,368.16	1.23
2021-22	92,273,088.28	1,086,596.04	1.18
2022-23	96,756,881.67	1,212,883.21	1.25
2023-24	149,644,685.88	2,080,092.73	1.39
2024-25	152,114,216.55	3,425,688.08	2.25

<sup>(1)</sup> 1% General Fund apportionment. Excludes redevelopment agency impounds. Reflects Countywide delinquency rate.

<sup>(2)</sup> Bond debt service levy only.

Source: California Municipal Statistics, Inc.

**Tax Rates**

The following table sets forth typical tax rates levied as a percentage of assessed valuation in Tax Rate Area (5500) for Fiscal Years 2021-22 through 2025-26:

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**Typical Total Tax Rate Per \$100 of Assessed Valuation (TRA 5500)<sup>(1)</sup>**

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
General	1.000000	1.000000	1.000000	1.000000	1.000000
Long Beach Unified School District	0.127241	0.125915	0.182885	0.176187	0.179552
Long Beach Community College District	0.060348	0.059698	0.057894	0.057021	0.082546
Metropolitan Water District	<u>0.003500</u>	<u>0.003500</u>	<u>0.003500</u>	<u>0.007000</u>	<u>0.007000</u>
Total Tax Rate	1.191089	1.189113	1.244279	1.240208	1.269098

<sup>(1)</sup> 2025-26 assessed valuation of TRA 5500 is \$30,602,208,030 which is 32.8% of the District's total assessed valuation.

Source: California Municipal Statistics, Inc.

## Largest Taxpayers

The 20 largest local secured taxpayers in the District and their assessed valuations for Fiscal Year 2025-26 are shown in the following table.

### LONG BEACH UNIFIED SCHOOL DISTRICT 2025-26 Largest Local Secured Taxpayers

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2025-26 Assessed Valuation</u>	<u>% of Total<sup>(1)</sup></u>
1. LBCT LLC	Industrial – Terminal Operations	\$ 748,695,855	0.86%
2. Macerich Lakewood LLC	Shopping Center	423,795,198	0.49
3. Pacific Maritime Services LLC	Industrial – Terminal Operations	411,639,398	0.47
4. Tidelands Oil Production Co.	Industrial – Petroleum	380,106,788	0.44
5. International Trans Serv	Industrial – Terminal Operations	378,325,981	0.43
6. Participants in Long Beach Unit	Industrial – Petroleum	358,298,991	0.41
7. CF Alpha and Golf Propco LLC	Office Building	276,093,134	0.32
8. GCC Long Beach LLC	Industrial	256,569,346	0.29
9. TABC Inc.	Industrial	236,779,842	0.27
10. Douglas Park Associates III & IV LLC	Industrial	222,235,833	0.25
11. Tesoro Logistics Operations LLC	Industrial – Petroleum	207,995,265	0.24
12. Massachusetts Mutual Life Insurance	Shopping Center	197,505,258	0.23
13. Shoreline Development Partners	Apartments	191,114,024	0.22
14. PCH Property LLC	Shopping Center	189,731,094	0.22
15. Kilroy Realty LP	Office Building	183,780,417	0.21
16. 2009 CUSA Community Owner LLC	Apartments	177,478,348	0.20
17. Terminal Investment Limited Sàrl	Industrial – Terminal Operations	176,692,000	0.20
18. LBX Retail Owner LLC	Shopping Center	167,162,010	0.19
19. Gelt Volta Pine Fee Owner LLC	Apartments	165,545,254	0.19
20. John Hancock Life Insurance	Office Building	<u>163,039,856</u>	<u>0.19</u>
		\$5,512,583,892	6.32%

<sup>(1)</sup> 2025-26 Local Secured Assessed Valuation: \$87,197,196,667.

Source: California Municipal Statistics, Inc.

## District Debt

Prior to delivery of the Bonds, the District's general obligation indebtedness as of March 1, 2026 was \$1,506,668,277.15, which is approximately 1.615% of its total 2025-26 assessed valuation. The District has general obligation bonds outstanding pursuant to (a) a bond authorization for the issuance of not more than \$295 million of general obligation bonds approved by more than two-thirds of the voters of the District on March 30, 1999; (b) a bond authorization for the issuance of not more than \$1.2 billion of general obligation bonds approved by more than 55% of the voters of the District voting at the 2008 Election; (c) a bond authorization for the issuance of not more than \$1.5 billion of general obligation bonds approved by more than 55% of the voters of the District voting at the 2016 Election; and (d) a bond authorization for the issuance of not more than \$1.7 billion of general obligation bonds approved by more than 55% of the voters of the District voting at the 2022 Election.

The following table is a statement of the District's direct and estimated overlapping bonded debt as of March 1, 2026. The debt report is included for general information purposes only. The District has not reviewed the debt report for completeness or accuracy and makes no representation in connection therewith.

The debt report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Column 1 in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in Column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

*[Remainder of page intentionally left blank.]*

**LONG BEACH UNIFIED SCHOOL DISTRICT  
DIRECT AND OVERLAPPING BONDED INDEBTEDNESS  
As of March 1, 2026**

2025-26 Assessed Valuation: \$93,300,757,752

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/26</u>
Metropolitan Water District	2.162%	\$ 346,893
Long Beach Community College District	99.989	744,742,869
<b>Long Beach Unified School District</b>	<b>100.000</b>	<b>1,506,668,277<sup>(1)</sup></b>
City of Long Beach Community Facilities District No. 6	100.000	17,775,000
City of Long Beach Community Facilities District No. 2007, I.A. A	100.000	7,650,000
City of Long Beach Community Facilities District No. 2007-2	100.000	2,495,000
City of Long Beach 1915 Act Bonds	100.000	<u>340,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$2,280,018,039
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations	4.272%	\$160,745,073
Los Angeles County Superintendent of Schools Certificates of Participation	4.272	77,927
City of Lakewood General Fund Obligations	58.348	6,126,540
City of Long Beach General Fund Obligations	97.840	111,880,040
City of Signal Hill General Fund Obligations	100.000	<u>5,515,000</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$284,344,580
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>		\$125,382,068
COMBINED TOTAL DEBT		\$2,689,744,687 <sup>(2)</sup>

Ratios to 2025-26 Assessed Valuation:

<b>Direct Debt (\$1,506,668,277)</b> .....	<b>1.61%</b>
Total Direct and Overlapping Tax and Assessment Debt.....	2.44%
Combined Total Debt.....	2.88%

Ratios to Redevelopment Incremental Valuation (\$26,876,913,400):

Total Overlapping Tax Increment Debt.....	0.47%
---	-------

<sup>(1)</sup> Excludes issue to be sold.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

## **Pledge of Tax Revenues**

Pursuant to the District Resolution, the District pledges all revenues from the property taxes collected from the levy by the County Board of Supervisors for the payment of the Bonds and amounts on deposit in the debt service fund of the District to the payment of the principal or redemption price of and interest on the Bonds.

This pledge is valid and binding from the date of adoption of the District Resolution for the benefit of the owners of the Bonds and successors thereto. The District Resolution provides that the property taxes and amounts held in the debt service fund of the District are immediately subject to this pledge, and the pledge constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in the debt service fund of the District to secure the payment of the Bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. “Bonds” for purpose of this pledge means all bonds of the District heretofore or hereafter issued pursuant to voter approved measures of the District, including any refunding bonds thereof, as all such Bonds are required by State law to be paid from the respective debt service fund of the District.

The District Resolution provides that the pledge is an agreement between the District and the bondholders to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds and each of the other bonds secured by the pledge are or were issued to finance one or more of the projects specified in the applicable voter-approved measure or to refinance outstanding general obligation bonds.

## **Statutory Lien for General Obligation Bonds**

Pursuant to Senate Bill 222 (2015) (“SB 222”) codified at California Government Code Section 53515 provides that all general obligation bonds issued by local agencies on or after January 1, 2016, including the Bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the District or its governing board, and will be valid and binding from the time the bonds are executed and delivered. See also “LEGAL AND OTHER MATTERS – Possible Limitations on Remedies; Bankruptcy – *Statutory Lien*” herein.

## ***Ad Valorem* Property Tax Collection**

***Factors Affecting Assessed Valuation.*** The annual tax rate will be based on the assessed value of taxable property in the District. Changes in the annual debt service on the District’s outstanding general obligation bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District’s control, such as economic recession, deflation of land values, global pandemics, such as COVID-19 (defined herein), relocation of businesses out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, mudslide, drought, fire or other natural disaster, could cause a reduction in the assessed value of taxable property in the District and, all other factors being equal, necessitate a corresponding increase in the annual tax rate. Conversely, factors such as increased assessed value of taxable property and/or an increase in the numbers of property taxpayers within the District could, all other factors being equal, cause a corresponding decrease in the annual tax rate.

***Drought.*** In recent years, the State has experienced severe drought conditions. In January of 2014, the Governor of the State (the “Governor”) declared a Statewide Drought State of Emergency. As of such date, the State faced water shortfalls due to the driest year in recorded State history, the State’s river and

reservoirs were below their record low levels, and manual and electronic readings recorded the water content of snowpack at the highest elevations in the State (largely in the Sierra Nevada mountain range) at around 20% of normal average for the winter season. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. In April 2021, the Governor declared emergency drought declarations in two Northern California counties following two years of dry conditions. On May 10, 2021, the Governor expanded the emergency drought declaration to include an additional 39 counties throughout the State. On July 8, 2021, the Governor expanded the declaration further to include an additional 9 counties in the State. On October 19, 2021, the Governor expanded the declaration to include the remaining counties in the State, including the County. On March 28, 2022, the Governor issued Executive Order N-7-22, which directed the Water Board to issue drought regulations, including a recommendation to have urban water suppliers initiate water shortage contingency plans.

In late 2022 and early 2023, the State experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack. The increased rainfall eased drought conditions across the State, leading to the Governor rescinding some of the State's drought restrictions. Due to mudslides and flooding caused by the increased rainfall, in January 2023, the Governor announced an extension of its tax filing deadline for residents and businesses in counties which were impacted. Similarly, in late 2023 and early 2024, the State experienced an unexpected increase in the amount of winter storms and increased rainfall and snowpack. According to the U.S. Drought Monitor, as of January 2026, the State is not experiencing abnormally dry or drought conditions.

The District cannot predict the extent to which drought conditions within the County or any of the adjoining counties could cause reduced economic activity within the boundaries of the District or the extent to which drought conditions may impact District facilities or the assessed value of taxable property within the District.

***Sea-level.*** A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and ports may be vulnerable to impacts associated with sea level rise. Continued development in vulnerable areas will put additional assets at risk and raise protection costs. The District is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the financial condition of the District and the local economy.

***Wildfire.*** Property damage due to wildfire could result in significant damage to, destruction of, and significant decreases in the assessed value of taxable property within the boundaries of the District, as well as in damage to or destruction of District facilities and property. In recent years, portions of the State, including the County and adjacent counties, have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. In January 2025, several wildfires, including the Palisades Fire and Eaton Fire, damaged or destroyed thousands of structures in the County. Although the District was not directly impacted by these fires, property damage due to wildfire could result in a significant decrease in the assessed value of the District. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates. On January 16, 2025, the Governor issued Executive Order No. N-10-25 to address financial hardships which may have resulted from the County fires to impacted property owners. The executive order effectively grants a financial hardship waiver with respect to penalties and charges that would apply for late property tax payments to fifteen zip code areas in the County until April 10, 2026. The waiver does not relieve

property owners from the obligation to pay property taxes, but it does suspend impositions of penalties and interest that would have been imposed if delinquent. However, the District's boundaries are *not* within the listed zip codes.

It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

***Earthquake.*** The District is located in a seismically active region of the State. Property values could be reduced by the complete or partial destruction of taxable property as a result of an earthquake.

***Climate Change.*** The change in the Earth's average atmospheric temperature, generally referred to as "climate change," is expected to, among other things, increase the frequency of extreme weather events. The direct risks posed by climate change currently include or are expected to include more extreme heat events, increased incidence of wildfire and drought, rising sea levels, changes in precipitation levels, and more intense storms. As greenhouse gas emissions continue to accumulate, climate change will intensify and increase the frequency of such extreme weather events. One or more of such extreme weather events could negatively impact the assessed value of the property within the District. The District cannot predict the timing, extent, or severity of climate change and its impact on property values in the District.

***Proposition 50 and Proposition 171.*** On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the "Replacement Base Year Value") depends on the relation of the full cash value of the replacement property (the "Replacement Cash Value") to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a "comparable replacement property" located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Inter-county transfers under Proposition 171 are more restrictive than intra-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a "reasonable size that is used as a

site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

## **TAX MATTERS**

The delivery of the Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the “Code”), of the owners thereof pursuant to section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. The delivery of the Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State, that interest on the Bonds is exempt from personal income taxes of the State. The form of Bond Counsel’s anticipated opinion is included as APPENDIX B. The statutes, regulations, rulings, and court decisions on which such opinions will be based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate of even date with the initial delivery of the Bonds pertaining to the use, expenditure and investment of the proceeds of the Bonds (the “Tax Certificate”) and will assume continuing compliance with the provisions of the District Resolution by the District subsequent to the issuance of the Bonds. The District Resolution and the Tax Certificate contain covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities and equipment financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the calculation and payment to the United States Treasury of any “arbitrage profits” and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, “S” corporations with “subchapter C” earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, corporations subject to the alternative minimum tax on adjusted financial statement income, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (“FASIT”), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses

allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "Service") or the State with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service or the State. The Service has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures, the Service is likely to treat the District as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than "S" corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Existing law may change to reduce or eliminate the benefit to Bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

### **Tax Accounting Treatment of Discount and Premium on Certain Bonds**

The initial public offering price of certain of the Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount, allocable to the holding period of such Discount Bond by the initial purchaser, will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Bond, and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result

in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, “S” corporations with “subchapter C” earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, corporations subject to the alternative minimum tax on adjusted financial statement income, individuals otherwise qualifying for the earned income tax credit owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued original issue discount on Discount Bonds and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the “Premium Bonds”) paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser’s yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX B.

### **LEGAL OPINION**

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Norton Rose Fulbright US LLP, Bond Counsel to the District. A copy of the proposed form of Bond Counsel opinion is contained in APPENDIX B herein. Compensation to be paid to Bond Counsel, Disclosure Counsel, Municipal Advisor and the Purchasers is contingent upon the issuance of the Bonds.

### **LEGALITY FOR INVESTMENT**

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors. Under provisions of the California Government Code, the Bonds are eligible to secure deposits of public moneys in California.

## RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), and Moody's Investors Service, Inc. ("Moody's") have assigned their municipal bond ratings of "AA-" and "Aa2" to the Bonds, respectively. Such ratings reflects only the views of S&P and Moody's, respectively, and an explanation of the significance of such rating may be obtained as follows: S&P at Municipal Finance Department, 55 Water Street, New York, New York 10041, tel. (212) 208-8000, and Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, tel. (212) 553-0300. The District furnished S&P and Moody's with certain information and materials relating to the Bonds that may not be included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by rating agencies. A rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. The District has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of a rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

## LEGAL AND OTHER MATTERS

### Continuing Disclosure

**Current Undertakings.** In accordance with the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), the District will enter into a Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking") in the form of APPENDIX D hereto, on or prior to the sale of the Bonds in which the District will undertake, for the benefit of the Beneficial Owners of the Bonds, to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than 9 months following the end of the District's fiscal year (currently ending June 30), commencing with the report for the fiscal year ending June 30, 2026 (which is due not later than March 31, 2027), and to provide notices of the occurrence of certain listed events, as set forth therein. The covenants contained in the Continuing Disclosure Undertaking have been made to assist the Purchasers (defined herein) in complying with the Rule. See APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" hereto.

**Prior Undertakings.** To the District's knowledge, within the past five years, while the District has filed required disclosures and event notices pursuant to the Rule (as defined herein), its notice of a rating agency upgrade on January 7, 2022 did not attach to certain outstanding CUSIP numbers. An additional filing has since been made.

### Risks Related to COVID-19

**Background.** The outbreak of the respiratory disease caused by a new strain of coronavirus ("COVID-19") was declared a Pandemic by the World Health Organization, a National Emergency by then-President Trump and a State of Emergency by the Governor. The emergency resulted in tremendous volatility in the financial markets in the United States and globally, and the onset of a U.S. and global recession.

In response to COVID-19, the federal and State governments approved additional funding for educational agencies by way of establishing certain relief plans or funds, which included appropriations for

the purpose of assisting California local educational agencies. The amounts of such funding allocated to the District is described below.

**Impacts on the District.** The District received approximately \$500 million in total State and federal funding, related to COVID-19 funds, and has expended all such State and federal COVID-19 funds by the required deadlines.

The aforementioned federal and State funding is considered one-time, restricted, emergency relief funding to address the impact that COVID-19 has had on the District and is not available for payment of the Bonds.

There may be unknown consequences of COVID-19, and future similar events, which the District is unable to forecast, that may impact the District's financial condition or the availability of State funding for school districts. While the State of Emergency and the National Emergency have now both been terminated, the District cannot predict if there will be further outbreaks, or the responses thereto by local, State, or the federal government, that may impact the District's financial condition or operations.

**The Bonds are general obligations of the District payable solely from unlimited *ad valorem* property taxes and are not payable from the general fund of the District.**

#### **Possible Limitations on Remedies; Bankruptcy**

**General.** Following is a discussion of certain considerations in the event that the District should become a debtor in a bankruptcy proceeding. It is not an exhaustive discussion of the potential application of bankruptcy law to the District. The discussion is based on the United States Bankruptcy Code (the "Bankruptcy Code") as now in effect and the few relevant judicial decisions to date. The Bankruptcy Code could be amended or construed differently in future judicial decisions (including as a result of possible future decisions in the pending analogous insolvency proceedings for the Commonwealth of Puerto Rico). Any such action could affect the possible application of bankruptcy law to the District.

State law contains a number of safeguards to protect the financial solvency of school districts. See APPENDIX A – "FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT." If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent of Public Instruction (the "State Superintendent"), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the District for the adjustment of its debts, assuming that the District meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. Under current State law, the District is not itself authorized to file a bankruptcy proceeding, and it is not subject to an involuntary bankruptcy proceeding under federal or state law.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, bondholders may be prohibited from taking any action to collect any amount from the District (including *ad valorem* tax revenues) or to enforce any obligation of the District, without the bankruptcy court's permission, except possibly as described below in the case of pledged "special revenues." In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, including the obligation of the County and the District to raise taxes if necessary to pay the Bonds, if the bankruptcy court determines that the plan is fair, equitable, not unfairly discriminatory to creditors as

a whole, is in the best interests of creditors and otherwise complies with the Bankruptcy Code. There also may be other possible effects of a District bankruptcy proceeding that could result in delays or reductions in payments on the Bonds. Regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

***Limitations on Plans of Adjustments.*** Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a political subdivision of the state in the exercise of its political or governmental powers, including expenditures for the exercise. In addition, Chapter 9 prevents a bankruptcy court from interfering with the political or governmental powers of a political subdivision debtor, any of its property or revenues or the use or enjoyment of its income producing property, unless the political subdivision debtor confirms a plan of adjustment to that effect or consents to that action. State law provides that *ad valorem* taxes may be levied to pay the principal of and interest on the Bonds and other voter-approved general obligation bonds of the District in an unlimited amount, and that proceeds of such a levy must be used for the payment of principal of and interest on the District's general obligation bonds, including the Bonds, and for no other purpose. Under State law, the District's share of the 1% limited tax imposed by the County is the only *ad valorem* tax revenue that may be raised and expended to pay liabilities and expenses of the District other than its voter-approved debt, such as its general obligation bonds. If the District should become a debtor in a Chapter 9 proceeding, then it must propose a plan of adjustment of its debts. The plan may not become effective until confirmed by the bankruptcy court.

The court may not confirm a plan unless it finds, among other conditions, that the District is not prohibited by law from taking any action necessary to carry out the plan, and that the plan is fair, equitable, does not unfairly discriminate among creditors as a whole, is in the best interests of creditors, and is feasible. If the State law restriction on the levy and expenditure of *ad valorem* taxes for payment of general obligation bonds is respected in a bankruptcy case, then such *ad valorem* taxes could be levied by the County only for payment of the Bonds and its other voter-approved general obligation bonds, or securities issued in their stead, and could not be used by the District for any other purpose under its plan.

***Statutory Lien.*** Pursuant to Senate Bill 222 (2015) ("SB 222"), all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* taxes levied to pay the bonds. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are issued. As a result, the lien on debt service taxes will continue to be valid with respect to post-petition receipts of debt service taxes, should the District become a Chapter 9 debtor. (Unlike most security interests created by agreement, statutory liens on post-petition revenues remain effective under the Bankruptcy Code.) The automatic stay provisions of the Bankruptcy Code would apply, however, thereby preventing bondholders from enforcing their rights to payment from such taxes (with the result that any payments becoming due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed), except possibly as described under "– Special Revenues" below. It is also possible that the bankruptcy court could approve an alternate use of such taxes, if the bondholders are afforded protection that the court determines to be adequate.

***Special Revenues.*** If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application by the County (or others with possession) of pledged *ad valorem* tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay, and bondholders may be able to compel their immediate use to pay debt service, subject to the matters discussed below, including a decision by the United States Court of Appeals for the First Circuit.

“Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically levied and pledged *ad valorem* taxes for payment of the Bonds. The Bonds and the District’s other general obligation bonds were approved at elections held on propositions that described the projects for which such bonds may be issued. As noted above, State law prohibits the use of the proceeds of the District’s debt service tax for any purpose other than payment of its general obligation bonds, and the bond proceeds may only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payment of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, bondholders may not be able to compel that they be used to pay debt service during the pendency of a Chapter 9 proceeding. While the application of special revenues is exempt from the automatic stay by Section 922(d) of the Bankruptcy Code, the United States Court of Appeals for the First Circuit has interpreted that section to exempt only voluntary applications by the debtor and voluntary applications by creditors or others of property in their possession, and not to exempt actions by creditors to compel an application by others, and has held that a bankruptcy court lacks authority to compel the application of special revenues. *In re: The Financial Oversight and Management Board for Puerto Rico*, 919 F.3d 121 (1st Cir. 2019). The U.S. Supreme Court declined to review the First Circuit decision. If the First Circuit’s interpretation is upheld and applied by courts in the Ninth Circuit and the State Superintendent (or State-appointed administrator) were to file a petition to initiate a Chapter 9 proceeding in respect of the District, bondholders would be stayed from seeking to compel the application of pledged *ad valorem* taxes to pay debt service on the Bonds during the pendency of the proceeding (in either federal or state court), if the County failed to do so as required by State law or was instructed not to do so by the District. Accordingly, even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues,” a Chapter 9 proceeding could result in a substantial delay in the payment of debt service, if the County failed to apply pledged *ad valorem* taxes to pay debt service on the Bonds.

In addition, under the Bankruptcy Code, the exemption of special revenues from the automatic stay permits application of special revenues (other than municipal betterment assessments) “derived” from a project or system only if the application is subject to necessary operating expenses of the project or system. This rule applies regardless of the provisions of transaction documents. If a bankruptcy court were to conclude that the District’s tax collections are “derived” from a District project or system and are not akin to municipal betterment assessments, then the court could determine that such revenues may not be ordered (by itself or a state court) during the pendency of the bankruptcy proceeding to pay debt service to the extent that they are needed to pay necessary operating expenses of the District and its schools and may lawfully be applied for that purpose.

***Possession of Tax Revenues; Remedies.*** If the County or the District goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County or the District, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

***Amounts Held in County Treasury Pool.*** The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest

these funds in the County’s Treasury Pool, as described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and APPENDIX F – “THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS.” Should those investments suffer losses, there may be delays or reductions in payments on the Bonds.

***Opinion of Bond Counsel Qualified.*** The proposed form of opinion of Bond Counsel, attached hereto as APPENDIX B, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights.

### **Cyber Incident and Cybersecurity Risks**

On February 21, 2023, the District discovered that an unauthorized individual gained access to a list, from a third-party vendor, containing student identification numbers, names, and corresponding District-provided email addresses; however, more sensitive student information such as birthdates, social security numbers or home addresses was not exposed. The District informed parents and students of the incident at that time. The District has not been subjected to any financial or regulatory consequences resulting from this incident.

Since that time, the District made cyber security investments and implemented procedural changes and technical controls, in accordance with industry best practices, to improve information and system security. Those enhancements include but are not limited to the following: staff cyber safety training; replacing network firewalls with NextGen capabilities and tightening policies such as geofencing, DDoS protection, and DNS filtering; increasing password standards and requiring multi-factor authentication for all staff user accounts; deploying advanced endpoint protection to District computers; implementing cloud-based backups; reviewing District-wide access to the student databases and other applications; implementing intrusion detection systems; email protections to prevent common attacks like phishing and spoofing; and IT staffing changes to increase focus on cybersecurity.

The District carries cyber liability insurance.

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District’s current efforts to manage cyber threats and security will, in all cases, be successful. The District cannot predict what future cybersecurity events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Undertaking.

## **COMPETITIVE SALE OF BONDS\***

The Bonds are expected to be sold pursuant to a competitive bidding process conducted on March 25, 2026,\* pursuant to the terms set forth in the Official Notices Inviting Bids with respect to the Bonds, dated as of March 18, 2026.\*

The Series H Bonds were awarded to \_\_\_\_\_ (the “Series H Bonds Purchaser”), whose proposal represented the lowest true interest cost for the Series H Bonds as determined in accordance with the applicable Official Notice Inviting Bids. The Series H Bonds Purchaser has agreed to purchase the Series H Bonds at a price of \$\_\_\_\_\_, which is equal to the initial principal amount of the Series H Bonds of \$\_\_\_\_\_ plus a [net] original issue premium of \$\_\_\_\_\_, less a Purchaser’s discount of \$\_\_\_\_\_.

The Series D Bonds were awarded to \_\_\_\_\_ (the “Series D Bonds Purchaser”), whose proposal represented the lowest true interest cost for the Series D Bonds as determined in accordance with the applicable Official Notice Inviting Bids. The Series D Bonds Purchaser has agreed to purchase the Series D Bonds at a price of \$\_\_\_\_\_, which is equal to the initial principal amount of the Series D Bonds of \$\_\_\_\_\_ plus a [net] original issue premium of \$\_\_\_\_\_, less a Purchaser’s discount of \$\_\_\_\_\_.

The Series B Bonds were awarded to \_\_\_\_\_ (the “Series B Bonds Purchaser,” and collectively with the Series H Bonds Purchaser and the Series D Bonds Purchaser, the “Purchasers,” and each, a “Purchaser”), whose proposal represented the lowest true interest cost for the Series B Bonds as determined in accordance with the applicable Official Notice Inviting Bids. The Series B Bonds Purchaser has agreed to purchase the Series B Bonds at a price of \$\_\_\_\_\_, which is equal to the initial principal amount of the Series B Bonds of \$\_\_\_\_\_, plus a [net] original issue premium of \$\_\_\_\_\_, less a Purchaser’s discount of \$\_\_\_\_\_.

The Purchasers intend to offer the Bonds to the public at the offering prices set forth on the inside cover pages of this Official Statement. The Purchasers may offer and sell to certain dealers and others at a price lower than the offering prices stated on the inside cover pages hereof. The offering price may be changed from time to time by the Purchasers.

### **MUNICIPAL ADVISOR**

Keygent LLC is employed as Municipal Advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor’s compensation for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Keygent LLC, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income status of the Bond, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstance of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

---

\* Preliminary, subject to change.

## LITIGATION

The District is occasionally subject to lawsuits and claims. Pursuant to Assembly Bill 218 (“AB 218”), which became effective on January 1, 2020, certain changes have been made to the claim prerequisites, available damages and the applicable statute of limitations periods for claims of childhood sexual assault, including claims against public entities like the District. With respect to claims that otherwise would have been barred as of January 1, 2020, AB 218 revived such claims for a period of three years, which period expired on December 31, 2022. The District has no open claims that were filed under the three-year extension under AB 218 that ended on December 31, 2022. In addition, AB 218 extended the deadline for survivors to sue for damages until they turn 40, or within 5 years of discovering the abuse, whichever is later. There are currently twenty-two AB 218 lawsuits alleging sexual abuse pending against the District. The District cannot predict the extent of its potential liability, whether the plaintiffs will prevail, and if so, how a final court decision or settlement agreement with respect to each lawsuit may affect the financial status, policies or operations of the District, as the nature of the court’s remedies and the responses thereto are unknown at the present time. At this time, the District’s liability, including all open AB 218 claims, is covered through its participation in a joint powers agreement. If found liable, the District would be directly responsible for its self-insured retention on the claims. However, the District does not expect any expenses or liabilities incurred in defending the AB 218 claims, including those resulting from a final court decision or settlement agreement, will have a materially adverse effect on the District’s ability to pay debt service on the Bonds because the Bonds are payable from *ad valorem* taxes that the Board of Supervisors of the County is empowered and obligated to levy upon all property subject to taxation by the District, without limitation as to rate or amount. Such ad valorem taxes are deposited by the County in the debt service fund of the District related to the bond measure under which the Bonds are issued to be used solely for the payment of the principal or redemption price of and interest on the Bonds and all other bonds issued under such measure. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

In April 2023, the District reached a \$13 million settlement with the family of an 18-year-old woman who was shot by a District safety officer in 2021. The District was responsible for the costs up to its insurance deductible. This settlement was finalized and paid through the joint powers agreement with Alliance of Schools for Cooperative Insurance Programs. The deductible for the District was \$250,000.

There are a number of other lawsuits and claims pending against the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the finances of the District.

No litigation is pending or threatened concerning the validity of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District’s ability to receive ad valorem property taxes or to collect other revenues or contesting the District’s ability to issue the Bonds.

*[Remainder of page intentionally left blank.]*

**OTHER INFORMATION**

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the District Resolution are available upon request from the offices of the Chief Business and Financial Officer, Long Beach Unified School District, 1515 Hughes Way, Long Beach, California 90810. A fee may be charged for copying and handling.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the District.

LONG BEACH UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
Chief Business and Financial Officer

APPENDIX A

FINANCIAL AND DEMOGRAPHIC INFORMATION  
RELATING TO THE DISTRICT

TABLE OF CONTENTS

	<b>Page</b>
DISTRICT GENERAL INFORMATION .....	A-2
General .....	A-2
District Governance; Senior Management .....	A-2
School Facilities .....	A-3
DISTRICT FINANCIAL INFORMATION .....	A-3
General .....	A-3
Fiscal Year 2025-26 District Budget .....	A-3
State Financial Accountability and Oversight Provisions .....	A-6
Interim Reporting Requirements .....	A-6
District Budget and Interim Financial Estimates .....	A-7
Significant Accounting Policies, System of Accounts and Audited Financial Statements .....	A-7
Developer Fees .....	A-10
Employees and Labor Relations .....	A-10
Retirement Systems .....	A-11
Other Postemployment Benefits .....	A-18
Insurance .....	A-22
District General Obligation Bonds .....	A-23
Future Financings .....	A-27
STATE FUNDING OF EDUCATION .....	A-28
General .....	A-28
Adoption of Annual State Budget .....	A-29
Court Decision on State Payments Pending budget Adoption .....	A-29
Aggregate State Education Funding .....	A-29
Local Control Funding Formula .....	A-30
Prior Revenue Limit Funding .....	A-34
Average Daily Attendance .....	A-34
Charter School Funding .....	A-35
Proposition 98 .....	A-35
State Assistance .....	A-36
Federal Revenues .....	A-45
CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO AD VALOREM PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS .....	A-45
FUTURE INITIATIVES .....	A-51
REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION .....	A-52
Population .....	A-52
Income .....	A-52
Employment .....	A-53
Principal Employers .....	A-55

*This Appendix A provides information concerning the operations and finances of the Long Beach Unified School District (the “District”) and certain demographic information in the area covered by the District. The Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District and are not an obligation of the County of Los Angeles (the “County”) or the State of California (the “State”) or any of its other political subdivisions or of the general fund of the District. Prospective purchasers of the Bonds should be aware that the following discussion of the financial condition of the District, its fund balances, budgets and obligations, is intended as general information only, and no implication is made that the payment of principal of or interest on the Bonds is dependent in any way upon the District’s financial condition. The District neither receives nor accounts for ad valorem tax revenues collected by the County to pay debt service on the Bonds (or its other general obligation bonds) in the following tables or in its annual financial statements. Pursuant to Section 15251 of the California Education Code, all tax revenues collected for payment of debt service on the Bonds must be deposited into the debt service fund of the District. The Bonds are and will continue to be payable solely from ad valorem taxes levied and collected by the County within the boundaries of the District. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” in the forepart of this Official Statement.*

## **DISTRICT GENERAL INFORMATION**

### **General**

The District is a unified school district of the State and was formed in 1885. The boundaries of the District encompass approximately 129 square miles in the western section of the County. The District includes the Cities of Long Beach and Signal Hill, Avalon and Two Harbors on Santa Catalina Island, a portion of the City of Lakewood and a portion of the unincorporated area of the County which includes residential and industrial areas.

### **District Governance; Senior Management**

The District is governed by a five-member Board of Education (the “District Board”) elected by voters within the District to serve alternating four-year terms. The chief executive officer of the District, appointed by the District Board to manage the day-to-day operations of the District, is the Superintendent of Schools (the “Superintendent”). Dr. Jill Baker currently serves as the Superintendent. Brief biographical information for Superintendent Baker and other senior management of the District is set forth below.

Jill A. Baker, Ed.D., Superintendent of Schools. Dr. Jill Baker was appointed as the District’s Superintendent, effective August 1, 2020. Dr. Baker has 33 years of experience working in the District, 28 of which she spent as a teacher, principal and central office administrator before her appointment as Superintendent. Prior to her appointment, Dr. Baker served as Deputy Superintendent of Schools for six years, held various Assistant Superintendent positions, and worked as Chief Academic Officer for the District. She currently serves on the Board of the Long Beach Schools Financial Credit Union, a financial institution that was started by District teachers in 1935, and she is a member of the Los Angeles County Superintendents Advisory Committee.

Dr. Baker completed her tenure as a fellow in the Broad Urban Superintendents Academy in 2005. She earned her doctorate in educational leadership at the University of Southern California in 2004, master’s degree in school administration at California State University, Long Beach in 1998, and her bachelor’s degree in sociology at University of California, Irvine in 1991.

Yumi Takahashi, Chief Business and Financial Officer. Ms. Takahashi was appointed as the District’s Chief Business and Financial Officer in October 2014. Ms. Takahashi previously served as the District’s Financial Services Officer beginning in February 2012. Previously, Ms. Takahashi worked for the Los Angeles Unified School District for 10 years as Controller, Deputy Budget Director, Budget Director and Special

Assistant to the Superintendent. She received her bachelor's degree from Pomona College in Psychology and her master's degree from University of California, Berkeley in Public Policy.

### **School Facilities**

The District serves over 64,000 students in eighty-four (84) K-12 schools, one adult school, and two fiscally independent charter schools within the District's boundaries. The District is the fifth largest school district in the State by enrollment and has a budgeted Fiscal Year 2025-26 enrollment of 61,451 K-12 students (excluding charter schools). See "State Funding of Education - Average Daily Attendance" herein.

## **DISTRICT FINANCIAL INFORMATION**

### **General**

State law requires school districts to maintain a balanced budget in each Fiscal Year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must file with the county superintendent of schools a tentative budget by July 1 in each Fiscal Year and an adopted budget by September 8 of each Fiscal Year. After approval of the adopted budget, the school district's administration may submit budget revisions for governing board approval.

School districts in California must also conduct a review of their budgets according to certain standards and criteria established by the State Department of Education (the "CDE"). A written explanation must be provided for any element in the budget that does not meet the established standards and criteria. The district superintendent or designee must certify that such a review has been conducted and the certification, together with the budget review checklist and a written narrative, must accompany the budget when it is submitted to the governing board for approval. The balanced budget requirement makes appropriations reductions necessary to offset any revenue shortfalls.

Furthermore, County Superintendent of Schools offices are required to review district budgets, complete the budget review checklist and conduct an analysis of any budget item that does not meet the established standards. A copy of the completed checklist, together with any comments or recommendations, must be provided to the district and its governing board by November 1. By November 30, every district must have an adopted and approved budget, or the county superintendent of schools will impose one.

### **Fiscal Year 2025-26 District Budget**

The District Board adopted its budget for Fiscal Year 2025-26 on June 18, 2025 (the "Fiscal Year 2025-26 District Adopted Budget") and submitted the Fiscal Year 2025-26 District Adopted Budget to the Los Angeles County Office of Education ("LACOE") in a timely manner for review. The Fiscal Year 2025-26 District Adopted Budget sets forth a balanced budget for Fiscal Year 2025-26. In addition, the District Board approved the current LCAP on June 18, 2025. See "State Funding of Education - Local Control Funding Formula - General" and " - Local Control Accountability Plan" herein.

The Fiscal Year 2025-26 District Adopted Budget projects a General Fund beginning balance of approximately \$463.09 million, total estimated revenues of approximately \$1.19 billion, total estimated expenditures of approximately \$1.33 billion, net other financing sources/uses of \$1.50 million and an ending balance of approximately \$328.05 million. The projected General Fund beginning balance of \$463.09 million for Fiscal Year 2025-26 is approximately \$113.19 million less than the Fiscal Year 2024-25 beginning balance of \$576.28 million estimated in the District's Fiscal Year 2024-25 Adopted Budget. The Fiscal Year 2025-26

District Adopted Budget projects that its General Fund ending balance of \$328.05 million will consist of approximately \$2.74 million in revolving cash, stores, and prepaid expenditures, \$58.21 million in restricted balances, \$240.27 million in committed balances, \$26.83 million in the reserve for economic uncertainties, and \$(0.58) in unassigned balances.

The following Table A-1 sets forth the District's Adopted Budgets for the District General Fund for Fiscal Years 2021-22 through 2025-26. The beginning balance for each fiscal year reflects the estimated ending balance for the prior fiscal year based upon information as of the budget adoption date. Accordingly, the budgeted ending balance for a fiscal year and the subsequent budgeted beginning balance in the following Table A-1 may differ from the actual ending balance and actual beginning balance set forth in Table A-3 "Statement of Revenues, Expenditures and District General Fund Balances" herein. See "Significant Accounting Policies, System of Accounts and Audited Financial Statements" herein for financial results for Fiscal Years 2020-21 through 2024-25. District cannot make any assurance that the District's Fiscal Year 2025-26 general fund actual results will be commensurate with what is presented on the following pages.

*[Remainder of page intentionally left blank.]*

**TABLE A-1**  
**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**District Budgets for Fiscal Years 2021-22 through 2025-26**  
**for the District General Fund<sup>(1)(2)(3)</sup>**

	Fiscal Year 2021-22		Fiscal Year 2022-23		Fiscal Year 2023-24		Fiscal Year 2024-25		Fiscal Year 2025-26
	Budget	Audit	Budget	Audit	Budget	Audit	Budget	Audit	Budget
<b>Revenue:</b>									
LCFF <sup>(4)</sup>	\$752,370,740	\$756,262,000	\$806,935,606	\$836,327,047	\$864,021,944	\$862,516,027	\$833,386,925	\$831,684,375	\$827,425,991
Federal	174,617,147	143,868,049	192,669,876	161,926,599	206,565,005	207,719,937	100,199,849	83,151,364	69,710,630
Other State	201,413,792	179,324,547	256,847,917	326,314,593	210,539,642	216,916,962	198,480,864	226,313,460	254,124,762
Other Local	<u>15,468,401</u>	<u>23,637,584</u>	<u>13,906,204</u>	<u>44,438,927</u>	<u>23,144,261</u>	<u>50,532,475</u>	<u>36,183,374</u>	<u>53,228,828</u>	<u>41,317,572</u>
<b>Total Revenue</b>	<u>\$1,143,870,080</u>	<u>\$1,103,092,180</u>	<u>\$1,270,359,603</u>	<u>\$1,369,007,166</u>	<u>\$1,304,270,852</u>	<u>\$1,337,685,401</u>	<u>\$1,168,251,012</u>	<u>\$1,194,378,027</u>	<u>\$1,192,578,955</u>
<b>Expenditures:</b>									
Certificated Salaries	\$437,496,115	\$450,707,691	\$468,106,132	\$490,994,337	\$501,139,204	\$529,031,179	\$493,932,162	\$492,098,529	\$501,278,103
Classified Salaries	122,372,644	121,838,560	125,377,738	140,342,191	139,753,117	146,063,728	144,989,105	141,829,902	145,302,281
Employee Benefits	289,477,321	295,860,834	324,299,213	327,341,627	342,537,163	354,951,603	339,363,416	347,559,681	349,328,984
Books and Supplies	125,738,744	76,053,240	89,224,436	69,758,986	110,418,243	80,252,563	80,487,431	50,910,341	81,332,848
Other Operating Expenses	151,502,612	119,011,649	141,312,647	169,151,849	176,294,707	217,820,462	183,221,832	200,898,289	248,453,446
Capital Outlay	1,329,677	3,031,605	22,826,500	13,141,570	25,726,631	21,086,113	14,655,500	7,922,492	1,555,000
Other Outgo/Other Uses	450,000	736,701	750,000	1,376,181	1,261,599	488,054	815,000	1,102,894	859,261
Debt Service	--	--	--	1,490,087	--	2,378,479	--	2,845,541	--
Transfers of Direct Support/ Indirect Costs	<u>(1,543,183)</u>	<u>(1,507,685)</u>	<u>(1,593,414)</u>	<u>(1,691,786)</u>	<u>(1,609,071)</u>	<u>(1,647,323)</u>	<u>(2,158,801)</u>	<u>(2,025,630)</u>	<u>(1,988,820)</u>
<b>Total Expenditures</b>	<u>\$1,126,823,930</u>	<u>\$1,065,732,595</u>	<u>\$1,170,303,252</u>	<u>\$1,211,905,042</u>	<u>\$1,295,521,593</u>	<u>\$1,350,424,858</u>	<u>\$1,255,305,645</u>	<u>\$1,243,142,039</u>	<u>\$1,326,121,103</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$17,046,150	\$37,359,585	\$100,056,351	\$157,102,124	\$8,749,259	\$(12,739,457)	\$(87,054,633)	\$(48,764,012)	\$(133,542,148)
<b>Other Financing Sources/(Uses)</b>									
Proceeds From Leases	\$ --	\$ --	\$ --	\$95,085	\$ --	\$2,397,070	\$ --	\$367,496	\$ --
Proceeds from SBITA	--	--	--	734,356	--	5,400,192	--	632,750	--
Operating Transfers In	--	--	--	--	--	--	3,000,000	--	14,000,000
Operating Transfers Out	<u>(6,000,000)</u>	<u>--</u>	<u>(7,000,000)</u>	<u>--</u>	<u>(7,000,000)</u>	<u>(8,300,000)</u>	<u>(12,200,000)</u>	<u>(15,200,000)</u>	<u>(15,500,000)</u>
<b>Total Other Financing Sources/(Uses)</b>	<u>\$(6,000,000)</u>	<u>\$ --</u>	<u>\$(7,000,000)</u>	<u>\$829,441</u>	<u>\$(7,000,000)</u>	<u>\$(502,738)</u>	<u>\$(9,200,000)</u>	<u>\$(14,199,754)</u>	<u>\$(1,500,000)</u>
<b>Net Increase (Decrease) in Fund Balance</b>	\$11,046,150	\$37,359,585	\$93,056,351	\$157,931,565	\$1,749,259	\$(13,242,195)	\$(96,254,633)	\$(62,963,766)	\$(135,042,148)
<b>Beginning Fund Balance, July 1</b>	\$313,100,413	\$410,500,084	\$411,130,978	\$447,859,669	\$546,525,629	\$605,791,234	\$576,284,603	\$592,549,039	\$463,094,733
Other Restatements	--	--	--	--	--	--	--	--	--
<b>Ending Balance, June 30</b>	\$324,146,563	\$447,859,669	\$504,187,329	\$605,791,234	\$548,274,888	\$592,549,039	\$480,029,970	\$529,585,273	\$328,052,585

(1) Totals may not equal sum of component parts due to rounding.

(2) Includes the restricted and unrestricted portions of the General Fund.

(3) Includes only General Fund (Fund 01).

(4) See "State Funding of Education - Local Control Funding Formula" and " - Prior Revenue Limit Funding" herein.

Source: Long Beach Unified School District.

## State Financial Accountability and Oversight Provisions

### Interim Reporting Requirements

The Education Code of the State (Section 42130 et seq.) requires each school district to certify to the County Superintendent of Schools offices at two points during the Fiscal Year whether it is able to meet its financial obligations for the remainder of such Fiscal Year, and, based on current forecasts, for the subsequent Fiscal Year. The first report covers the period ending October 31 and the second report covers the period ending January 31. Such certifications are based on the governing board's assessment based on standards and criteria for fiscal stability adopted by the State Board of Trustee and the State Superintendent of Public Instruction (the "Superintendent"). Each certification is required to be classified as positive, qualified, or negative on the basis of a review of the respective report against such criteria, but may include additional financial information known by the governing board to exist at the time of each certification. Such certifications are to be filed with the County Superintendent of Schools offices within forty-five days after the close of the period being reported and, in the event of a negative or qualified certification, to the State Controller and the Superintendent. A positive certification is assigned to any school district that, based on then-current projections, will meet its financial obligations for the current Fiscal Year and subsequent two Fiscal Years. A negative certification is assigned to any school district that, based on then-current projections, will be unable to meet its financial obligations for the remainder of the Fiscal Year or the subsequent Fiscal Year, or for which existing expenditure practices jeopardize the ability of the school district to meet its multi-year financial commitments. A qualified certification is assigned to any school district, based on then-current projections, which may not meet its financial obligations for the current Fiscal Year or two subsequent Fiscal Years. The county superintendent of schools offices reviews the interim reports and certifications made by school districts and may change certification to qualified or negative, if necessary.

The governing board of a school district that files a qualified or negative certification for the second report is required to provide to the County Superintendent of Schools, the State Controller and the Superintendent by June 1 a third report for the period ending April 30.

Any school district that has a qualified or negative certification in any Fiscal Year may not issue, in that Fiscal Year or in the next succeeding Fiscal Year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent of schools determines that the school district's repayment of indebtedness is probable.

For school districts under fiscal distress, the County Superintendent of Schools is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent of schools, receive an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place, the acceptance of which constitutes an agreement to submit to management of the school district by a Superintendent-appointed administrator. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency appropriation to a school district, such appropriation may be accomplished through the issuance of "State School Fund Apportionment Lease Revenue Bonds" to be issued by the California Infrastructure and Economic Development Bank, on behalf of the school

district. State law provides that so long as such bonds are outstanding, the recipient school district (via its State-appointed administrator) cannot file for bankruptcy.

The District timely filed its Fiscal Year 2024-25 First Interim Report (the “Fiscal Year 2024-25 First Interim Report”) on December 18, 2024, and its Fiscal Year 2024-25 Second Interim Report (the “Fiscal Year 2024-25 Second Interim Report”) on March 20, 2025. Both the Fiscal Year 2024-25 First Interim Report and the Fiscal Year 2024-25 Second Interim Report were submitted with a self-certified positive certification. The District timely filed its Fiscal Year 2025-26 First Interim Report on December 12, 2025, which was submitted with a self-certified positive certification.

The District’s Fiscal Year 2025-26 Second Interim Report is expected to be presented to the Board for approval on March 18, 2026. Upon Board approval, the District expects to timely file its Fiscal Year 2025-26 Second Interim Report with a self-certified positive certification.

### **District Budget and Interim Financial Estimates**

The following Table A-2 summarizes budgeted revenues and expenditures and projected year-end amounts, including projected year-end General Fund Balances, as reported in the Fiscal Year 2025-26 District Adopted Budget and the Fiscal Year 2025-26 Second Interim Report. The District timely prepared each of these estimates of its Fiscal Year 2025-26 financial results and provided this information to the District Board and LACOE. See “State Financial Accountability and Oversight Provisions - Interim Reporting Requirements” herein.

**TABLE A-2**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
District General Fund Summary of Balances, Revenues and Expenditures  
Fiscal Year 2025-26**

	<b>Fiscal Year 2025-26 District Adopted Budget</b>	<b>Fiscal Year 2025-26 Second Interim Report (March 2026)</b>
Beginning Balance	\$463,094,733	\$529,585,272
Revenues/Other Sources	1,192,578,955	1,174,935,887
Expenditures/Other Uses	1,326,121,103	1,252,834,680
Operating Surplus (Deficit)	(133,542,148)	(77,898,793)
Other Financing Sources/Uses	(1,500,000)	(7,709,000)
Ending Balance	\$328,052,585	\$443,977,479

Source: Long Beach Unified School District.

### **Significant Accounting Policies, System of Accounts and Audited Financial Statements**

The CDE imposes uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the contemporary California School Accounting Manual. The District uses fund accounting and maintains governmental funds, proprietary funds and fiduciary funds. The General Fund is the chief operating fund of the District. For a description of the other major funds of the District, see the description thereof contained in APPENDIX C - “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025” attached hereto. Independent auditing services are being conducted by CliftonLarsonAllen LLP (the “Auditor”). The District’s

audited financial statements for the Fiscal Year ended June 30, 2025 are attached hereto as APPENDIX C. The financial statements for prior years are available on the EMMA website (such website is not incorporated herein by reference) and by contacting the District. A fee may be imposed for copying, shipping and handling. The District has not requested the consent of the Auditor regarding the inclusion of their report in this Official Statement. The Auditor has not undertaken to update its report or to review this Official Statement and expresses no opinion with respect to any events subsequent to the date of its report.

The following Table A-3 sets forth the District's audited District General Fund revenues, expenditures and fund balances for the Fiscal Years 2020-21 through 2024-25.

*[Remainder of page intentionally left blank.]*

TABLE A-3

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and District General Fund Balances**  
**Fiscal Years 2020-21 through 2024-25<sup>(1)</sup>**

	<u>Fiscal Year</u> <u>2020-21</u>	<u>Fiscal Year</u> <u>2021-22</u>	<u>Fiscal Year</u> <u>2022-23</u>	<u>Fiscal Year</u> <u>2023-24</u>	<u>Fiscal Year</u> <u>2024-25</u>
<b>Revenues</b>					
Revenue Limit/ LCFF <sup>(2)</sup>	\$721,193,782	\$756,262,000	\$836,327,047	\$862,516,027	\$831,684,375
Federal	109,586,689	143,868,049	161,926,599	207,719,937	83,151,364
Other State	192,998,272	179,324,547	326,314,593	216,916,962	226,313,460
Other Local	19,262,496	23,946,435	45,903,134	52,666,003	55,244,891
<b>Total Revenues</b>	<u>\$1,043,041,239</u>	<u>\$1,103,401,031</u>	<u>\$1,370,471,373</u>	<u>\$1,339,818,929</u>	<u>\$1,196,394,090</u>
<b>Expenditures</b>					
Instruction	\$603,220,887	\$676,371,222	\$739,731,239	\$814,444,223	\$737,727,657
Instruction - Related Services	111,524,548	138,940,503	154,379,166	171,394,341	154,046,694
Pupil Services	71,334,582	80,823,393	97,997,059	112,250,889	135,111,773
Ancillary Services	2,281,782	3,966,672	4,935,329	6,396,585	6,852,758
Community Services	7,018,915	10,794,345	15,821,289	9,784,962	12,689,736
Enterprise Activities	485,405	509,689	583,811	609,241	568,416
General Administration	43,037,270	48,824,866	58,879,559	63,160,100	57,235,538
Plant Services	95,222,595	104,765,201	136,711,322	169,517,984	134,961,032
Other Outgo	656,692	736,704	1,376,181	488,054	1,102,894
Debt Service	--	--	1,490,087	2,378,479	2,846,541
<b>Total Expenditures</b>	<u>\$934,782,676</u>	<u>\$1,065,732,595</u>	<u>\$1,211,905,042</u>	<u>\$1,350,424,858</u>	<u>\$1,243,143,039</u>
<b>Excess (Deficiency) of Revenues</b>	\$108,258,563	\$37,668,436	\$158,566,331	\$(10,605,929)	\$(46,748,949)
<b>Other Financings Sources/(Uses)</b>					
Proceeds from Leases	\$ --	\$ --	\$95,085	\$2,397,070	\$367,496
Proceeds from SBITAS	--	--	734,356	5,400,192	632,750
Interfund - Transfers In	--	--	--	--	--
Interfund - Transfers Out	--	--	--	(9,575,000)	(18,200,000)
<b>Total Other Financing Sources/(Uses)</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$829,441</u>	<u>\$(1,777,738)</u>	<u>\$(17,199,754)</u>
<b>Net Increase (Decrease) in Fund Balance</b>	\$108,258,563	\$37,668,436	\$159,395,772	\$(12,383,667)	\$(63,948,703)
<b>Beginning Balance</b>	\$352,335,992	\$460,594,555	\$498,262,991	\$657,658,763	\$645,275,096
<b>Ending Balance</b>	\$460,594,555	\$498,262,991	\$657,658,763	\$645,275,096	\$581,326,393

<sup>(1)</sup> Includes General Fund 01 and Special Reserve Fund 02.

<sup>(2)</sup> See "State Funding of Education - Local Control Funding Formula" and "- Prior Revenue Limit Funding" herein.

Source: Long Beach Unified School District.

The District had a \$47.76 million operating deficit in Fiscal Year 2024-25, primarily as a result of the District fully spending down one-time State and federal revenues. The District's ending General Fund balance for Fiscal Year 2024-25 was \$529.56 million or 44.34% of revenues. Based on the Fiscal Year 2025-26 Second Interim Report, the District projects a \$77.9 million operating deficit and an available General Fund balance of \$443.98 million or 37.79% of revenues.

## Developer Fees

The District maintains a fund separate and apart from the General Fund to account for developer fees collected by the District. Residential development is currently assessed fees of \$5.17 per square foot, depending on the type of construction and square footage of the development. Commercial development and redevelopment construction are currently assessed a fee of \$0.84 per square foot. The following Table A-4 sets forth the annual developer fees collected during Fiscal Years 2020-21 through 2024-25.

**TABLE A-4**  
**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**Developer Fees**  
**Fiscal Years 2020-21 through 2024-25**

Fiscal Year	Developer Fees Collected
2020-21	\$2,704,065
2021-22	5,086,398
2022-23	4,443,114
2023-24	6,274,341
2024-25	2,875,972

Source: Long Beach Unified School District.

## Employees and Labor Relations

**General.** The District’s Fiscal Year 2025-26 District Adopted Budget authorizes 3,671 certificated (non-management) full-time equivalent (“FTE”) positions and 1,688 classified (non-management) FTE positions, and 984 management, supervisor and confidential FTE positions. The District also employs part-time and temporary employees. The District has two bargaining units which maintain contracts with the District. Certificated employees are represented by the Teachers Association of Long Beach, which includes K-12 and CDC/Headstart teachers. Classified employees are represented by the California School Employees Association, which includes Unit A for Clerical and Support Services and Unit B for Construction/Repair and Transportation. In addition, certain employees are not represented by a formal bargaining unit (collectively, the “Non-Represented Employees”). The following Table A-5 sets forth the number of members of each bargaining unit as of February 2026 and the expiration dates of the labor agreements with each of the District’s employee bargaining units.

**TALB and CSEA Tentative Agreements.** The members of the Teachers Association of Long Beach (“TALB”) recently ratified the tentative agreement that had been reached in early December 2025, between TALB and the District. The agreement includes adjustments to the number of Personal Necessity Days, adjusted language to align District protocols for recovering over-payments with State guidelines, and additional evaluation criteria. The Board approved the agreement on December 17, 2025.

The District also recently announced a tentative agreement with the California School Employees Association (“CSEA”). This agreement includes language adjustments to protocols the District implements to recover overpayments to employees, overtime rotation proposals and eligibility, aligning systemwide practices to State guidelines for meeting new employees, paid CSEA Chapter release time hours, and use of technology. In early February 2026, members of the CSEA ratified the agreement, which was subsequently approved by the Board on February 18, 2026.

**TABLE A-5**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Employee Bargaining Units and Contract Expiration Dates  
As of February 2026**

<u>Employee Bargaining Unit</u>	<u>Members<sup>(1)</sup></u>	<u>Contract Expiration Date<sup>(2)</sup></u>
Teachers Association of Long Beach	3,671	June 30, 2028
California School Employees Association (Unit A and Unit B)	1,688	June 30, 2027
Non-Represented Employees	984	N/A

<sup>(1)</sup> Reflects full-time equivalent positions.

<sup>(2)</sup> Does not reflect all side letters and other agreements by and between the District and each of the employee bargaining units pertaining to, among other things, job services and restoration, health care, and evaluations of personnel.

**Retirement Systems**

**General.** The District currently participates in CalSTRS, CalPERS, and PARS (as defined below). The following information on CalPERS, CalSTRS and PARS has been obtained from publicly available sources and has not been independently verified by the District, is not guaranteed as to the accuracy or completeness of the information and is not to be construed as a representation by the District, the Purchasers or the Municipal Advisor. Furthermore, the summary data below should not be read as current or definitive, as recent losses on investments made by the retirement systems generally may have increased the unfunded actuarial accrued liabilities stated below.

The assets and liabilities of the funds administered by CalPERS, CalSTRS and PARS, as well as certain other retirement funds administered by the State, are included in the financial statements of the State for the year ended June 30, 2024 as fiduciary funds. Both CalPERS and CalSTRS have unfunded actuarial accrued liabilities in the tens of billions of dollars. The amount of unfunded actuarially accrued liability will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution.

CalSTRS, CalPERS and PARS each issue separate comprehensive annual financial reports that include financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275, copies of the CalPERS annual financial report and actuarial valuations may be obtained from the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703, and copies of the PARS annual financial report may be obtained from PARS, 4350 Von Karman Ave, Newport Beach, CA 92660. The information presented in these reports is not incorporated by reference in this Official Statement.

**CalSTRS.** California State Teachers’ Retirement System (“CalSTRS”) is a defined benefit plan that covers all full-time certificated employees and some classified employees, which are employees employed in a position that does not require a teaching credential from the State. CalSTRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the “CalSTRS Defined Benefit Program”). The CalSTRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions are established by State legislation in accordance with the State Teachers’ Retirement Law. CalSTRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of CalSTRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282.

As part of the 2014-15 State Budget, the State Legislature enacted AB 1469 (Chapter 47, Statutes of 2014) (“AB 1469”), a comprehensive funding solution intended to eliminate the projected CalSTRS unfunded liability on the CalSTRS Defined Benefit Program by 2046. Under AB 1469, the funding plan began in Fiscal Year 2014-15 and will be phased in over several years. The employer contribution rate increased by 1.85% of covered payroll annually beginning July 1, 2015 and will continue to increase until the employer contribution rate is 19.10% of covered payroll. Beginning in Fiscal Year 2021-22 through Fiscal Year 2045-46, AB 1469 authorizes the CalSTRS Board to adjust the employer contribution up or down 1 percentage point each year, but no higher than 20.25% total and no lower than 8.25%, to eliminate the remaining unfunded obligation that existed on July 1, 2014.

In addition, the CalSTRS Board is authorized to modify the percentages paid by employers and employees for Fiscal Year 2021-22 and each Fiscal Year thereafter in order to eliminate CalSTRS’ unfunded liability by June 30, 2046 based upon actuarial recommendations. The CalSTRS Board would also have the authority to reduce employer and State contributions if they are no longer necessary.

In January 2024, the CalSTRS Board adopted a new set of actuarial assumptions based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2007, through June 30, 2022) (the “2024 Experience Analysis”), which established several changes to demographic and economic assumptions, including: (i) decreasing the payroll growth assumption from 3.50% to 3.25% and (ii) changing mortality assumptions, including an update in the mortality improvement scale used to project future life expectancies to reflect more current trends. The 2024 Experience Analysis projects that such changes would contribute to a 1.1% increase in the funded ratio as of June 30, 2023, an increase in the unconstrained employer contribution rate and a decrease in the unconstrained State contribution rate, as compared to prior assumptions. Unconstrained contribution rates are the actuarially calculated rates before any limits to changes are applied and do not reflect the CalSTRS Board’s ability to maintain State and employer contribution rates that are greater than the actuarially calculated rates. The 2024 Experience Analysis does not expect any impact on member contribution rates as a result of adopting such new assumptions. The assumptions and methods set forth in the 2024 Experience Analysis are reflected in the CalSTRS Defined Benefit Program Actuarial Valuation, as of June 30, 2024 (the “2024 CalSTRS Actuarial Valuation”).

The assumptions and methods that remain unchanged in the 2024 Experience Analysis include: use of the “Entry Age Cost Method” to measure accruing costs of benefits with future accruals; a 7.00% investment rate of return (net of investment and administrative expenses); a 3.00% interest on member accounts; and a projected 3.50% general wage growth, of which 2.75% is due to inflation and 0.75% is due to expected gains in productivity.

The 2024 CalSTRS Actuarial Valuation reports that the unfunded actuarial obligation increased by approximately \$2.08 billion since the CalSTRS Defined Benefit Program Actuarial Valuation as of June 30, 2023 (the “2023 CalSTRS Actuarial Valuation”) and the funded ratio increased by 0.8% to 76.7% over such time period. The increase in the funded ratio is due to the expected year-to-year change as a result of contributions to pay down the unfunded actuarial obligation along with other positive factors.

According to the 2024 CalSTRS Actuarial Valuation, the future revenues from contributions and appropriations for the CalSTRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations, and the unfunded actuarial obligation is projected to be amortized by June 30, 2043, three years ahead of the end of the funding plan in 2046, with a projected ending funded ratio of 100.7%. This finding assumes that the CalSTRS Board continues its practice of maintaining State and employer contribution rates at the current level until the associated unfunded actuarial obligation is paid off, a 7.00% investment rate of return and the future recognition of the currently deferred asset gains.

The actuary for the CalSTRS Defined Benefit Program notes in the 2024 CalSTRS Actuarial Valuation that the increase in unfunded actuarial obligation represents a net actuarial loss of \$3.089 billion since the

unfunded actuarial obligation was expected to be \$85.580 billion based on the 2023 CalSTRS Actuarial Valuation. Although the 2024 CalSTRS Actuarial Valuation notes that the current assumptions underlying the results of the actuarial valuation provide a reasonable estimate of future expectations, future experience can differ from such assumptions to some extent. There are a number of factors that affect future valuation results, and differences between actual experience and assumption for these factors will likely cause increases or decreases in the plan's future funding level and calculated supplemental contribution rates. Of such factors, the one with the greatest potential risk is future investment returns, while payroll variation can also have a significant impact on valuation results.

On July 29, 2022, CalSTRS reported a negative 1.3% net return on investments for Fiscal Year 2021-22, which was CalSTRS' first negative return on investments since fiscal year 2008-09. The negative 1.3% net return on investments was less than the assumed annual rate of return on investments of 7.00%. As noted in the CalSTRS 2023 Review of Funding Levels and Risks, presented to the CalSTRS Board on November 2, 2023, CalSTRS earned just below its assumed rate of return of 7.00% for Fiscal Year 2022-23 with a 6.3% time-weighted investment return. For Fiscal Year 2023-24 and Fiscal Year 2024-25, CalSTRS reported net returns on investments of 8.4% and 8.5%, respectively. However, persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District's required contributions to CalSTRS will not significantly increase in the future.

The employer contribution rate for Fiscal Year 2024-25 was 19.10%. The contribution rate for Fiscal Year 2025-26 remains at 19.10%.

District's Proportionate Share of CalSTRS Defined Benefit Program. As of June 30, 2025, the District recognized \$525.89 million as its proportionate share of the CalSTRS net pension liability ("NPL") and \$241.28 million as the State's proportionate share of the net pension liability associated with the District, for a total of \$767.17 million in CalSTRS pension liability. The NPL was measured as of June 30, 2025, and the total pension liability used to calculate the NPL was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The District's proportion of the NPL was based on a projection of the District's long-term share of contributions to CalSTRS Defined Benefit Program relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportionate share of the CalSTRS NPL was 0.783%. The District's proportionate share of the CalSTRS NPL was projected to be \$183.94 million if the discount rate was increased to 8.10% and \$935.38 million if the discount rate was decreased to 6.10%. See Note 11 of the District's financial statements attached as APPENDIX C - "AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025."

As of June 30, 2025, the District recognized pension expenses of \$76.1 million and pension expense and revenue of \$22 million for support provided by the State. The District also recognized as of June 30, 2025, deferred inflows of resources of \$ 94.9 million and deferred outflows of resources of \$213.7 million.

The following Table A-6 sets forth the District's regular annual contributions to CalSTRS for Fiscal Years 2021-22 through 2024-25, and the budgeted regular annual contribution to CalSTRS for Fiscal Year 2025-26 and these contributions as a percentage of the District's Total Governmental Funds expenditures for Fiscal Years 2021-22 through 2025-26. The District has always paid all required CalSTRS annual contributions.

**TABLE A-6**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Annual Regular CalSTRS Contributions<sup>(1)</sup>  
Fiscal Years 2021-22 through 2025-26**

<b>Fiscal Year</b>	<b>District Contributions</b>	<b>District Contribution as Percentage of Total Governmental Funds Expenditures</b>
2021-22	\$76,575,501	5.51%
2022-23	94,109,585	6.05
2023-24	99,819,913	5.62
2024-25	96,022,336	5.32
2025-26 <sup>(2)</sup>	100,737,308	5.34

<sup>(1)</sup> Reflects data for all District Funds, including the District’s General Fund.

<sup>(2)</sup> Budgeted.

Source: Long Beach Unified School District.

**CalPERS.** State Public Employees’ Retirement System (“CalPERS”) is a defined benefit plan that covers classified personnel who work four or more hours per day. Benefit provisions are established by State legislation in accordance with the Public Employees’ Retirement Law. The contribution requirements of the plan members are established by State statute. The actuarial methods and assumptions used for determining the rates are based on those adopted by Board of Administration of CalPERS (the “CalPERS Board”).

Active plan miscellaneous members hired on or before December 31, 2012 are required to contribute 7.0% of their monthly salary and those hired on or after January 1, 2013 are required to contribute 8.0% of their monthly salary (effective July 1, 2022). The required contribution rate is the difference between the actuarially determined rate and the contribution rate of employees. The actuarial methods and assumptions used for determining the rates are based on those adopted by the CalPERS Board. School districts are currently required to contribute to CalPERS at an actuarially determined rate. The CalPERS employer contribution rate was 27.05% for Fiscal Year 2024-25 and is 26.81% for Fiscal Year 2025-26.

The District participates in the CalPERS Schools Pool Plan. According to the CalPERS Schools Pool Actuarial Valuation as of June 30, 2024 (the “2024 CalPERS Schools Pool Actuarial Valuation”) for the CalPERS Schools Pool Plan, the actuarial funding method used was the “Entry Age Actuarial Cost Method.” The 2024 CalPERS Schools Pool Actuarial Valuation assumed, among other things, 2.30% price inflation and payroll growth of 2.80% compounded annually. The 2024 CalPERS Schools Pool Actuarial Valuation reflects a discount rate of 6.80% compounded annually (net of investment and administrative expenses) as of June 30, 2024.

According to the 2024 CalPERS Schools Pool Actuarial Valuation, the funded ratio is 69.6% on a market value of assets basis, demonstrating an increase of 2.1% from the funded ratio of 67.5% reported in the CalPERS Schools Pool Actuarial Valuation as of June 30, 2023 (the “2023 CalPERS Schools Pool Actuarial Valuation”). This increase is mainly due to employer contributions towards the Unfunded Accrued Liability (which is a measure of funded status and is equal to the funding target minus the assets) and investment gain, partially offset by a non-investment loss. In the 2024 CalPERS Schools Pool Actuarial Valuation, the contribution rate for Fiscal Year 2026-27 is projected to be 26.9%, the contribution rate for Fiscal Year 2027-28 is projected to be 27.8%, the contribution rate for Fiscal Year 2028-29 is projected to be 27.4%, the contribution rate for Fiscal Year 2029-30 is projected to be 27.0%, and the contribution rate for Fiscal Year 2030-31 is projected to be 26.2%. The projected contribution rates in the 2024 CalPERS Schools Pool Actuarial Valuation

assume all actuarial assumptions will be realized, including an investment return of 6.80% per year beyond June 30, 2025, and that no changes to assumptions, contributions, benefits or funding will occur during the projection period.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2022 noted that the investment return for Fiscal Year 2021-22 was negative 6.1% (net of investment expenses but before netting administrative expenses), which was lower than the assumed annual rate of return on investments of 6.8% (net of both investment and administrative expenses) and was CalPERS' first negative return on investments since Fiscal Year 2008-09. Investment returns have since increased with CalPERS noting net returns of 5.8% for Fiscal Year 2022-23 and 9.3% for Fiscal Year 2023-24. On July 14, 2025, CalPERS reported a preliminary net investment return of 11.6% for Fiscal Year 2024-25. However, persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District's required contributions to CalPERS will not significantly increase in the future.

District's Proportionate Share of Schools Pool Plan. As of June 30, 2025, the District's proportionate share of the Schools Pool Plan NPL was \$240.5 million. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The District's proportion of the NPL was based on a projection of the District's long-term share of contributions to CalPERS relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.673%.

As of June 30, 2025, the District's proportionate Schools Pool Plan pension expense was \$34.5 million, deferred inflows of resources was \$11.8 million and deferred outflows of resources was \$75.2 million. Based on the 2024 CalPERS Schools Pool Actuarial Valuation, the District's proportionate share of the CalPERS NPL was projected to be \$144 million if the discount rate was increased to 7.9% and \$357.3 million if the discount rate was decreased to 5.9%.

The following Table A-7 sets forth the District's regular annual contributions to CalPERS for Fiscal Years 2021-22 through 2024-25 and the budgeted contribution for Fiscal Year 2025-26 and these contributions as a percentage of the District's Total Governmental Funds expenditures for Fiscal Years 2021-22 through 2025-26. The District has always paid all required CalPERS annual contributions.

*[Remainder of page intentionally left blank.]*

TABLE A-7

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Annual CalPERS Regular Contributions  
Fiscal Years 2021-22 through 2025-26<sup>(1)</sup>**

<b>Fiscal Year</b>	<b>District Contributions</b>	<b>District Contribution as Percentage of Total Governmental Funds Expenditures</b>
2021-22	\$26,720,202	1.92%
2022-23	33,696,128	2.16
2023-24	37,142,976	2.09
2024-25	37,942,109	2.10
2025-26 <sup>(2)</sup>	41,198,234	2.18

<sup>(1)</sup> Reflects data for all District Funds, including the District’s General Fund.

<sup>(2)</sup> Budgeted.

Source: Long Beach Unified School District.

**Public Agency Retirement System.** The District is a member of the Public Agency Retirement System (“PARS”), a multiple-employer retirement trust. PARS is a defined contribution plan which covers the District’s part-time, seasonal, temporary and other employees not otherwise covered by CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax. Benefit provisions and other requirements are established by District management based on agreements with the bargaining units. The benefit provisions and contribution requirements of plan members and the District may be amended by the plan administrator. The contribution rate for eligible employees that were hired prior to January 1, 2002 is 3.75% of covered compensation. Effective November 1, 2006, the District has contributed 3.75% of such eligible employee’s covered compensation. The contribution rate for eligible employees who were hired after January 1, 2002 is 7.5% of covered compensation.

The District is unable to predict the amount of the contributions which the District may be required to make to PARS in the future. Accordingly, there can be no assurances that the District’s required contributions to PARS will not significantly increase in the future above current levels. The District has always paid all required PARS annual contributions.

The following Table A-8 sets forth the District’s annual contributions to PARS for Fiscal Years 2021-22 through 2024-25, the budgeted annual contribution to PARS for Fiscal Year 2025-26 and the contributions as a percentage of the District’s Total Governmental Funds expenditures for Fiscal Years 2021-22 through 2025-26.

*[Remainder of page intentionally left blank.]*

**TABLE A-8**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Annual PARS Contribution  
Fiscal Years 2021-22 through 2025-26**

<b>Fiscal Year</b>	<b>District Contributions</b>	<b>District Contribution as Percentage of Total Governmental Funds Expenditures</b>
2021-22	\$53,256	0.00%
2022-23	39,135	0.00
2023-24	47,890	0.00
2024-25	35,720	0.00
2025-26 <sup>(1)</sup>	17,726	0.00

<sup>(1)</sup>Budgeted.

Source: Long Beach Unified School District.

See Note 12 of the District’s financial statement for Fiscal Year 2024-25 attached as APPENDIX C - “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025” for additional plan financial information.

**Long Beach Schools Business Management Authority Retirement Plan.** In 1998, the District approved the development of an alternate retirement system for classified management and supervisors of the District. The Long Beach Schools Business Management Authority (the “LBSBMA”) is a defined benefit pension plan under Section 401(a) of the Code and was intended as an alternative to CalPERS. Effective July 1, 2004, the LBSBMA became closed to new members and employees who were enrolled in LBSBMA were reinstated into CalPERS. Pursuant to an agreement with CalPERS and the District, such employees are entitled to receive the difference between their CalPERS retirement benefit and the LBSBMA benefit. As of June 30, 2025, there are 77 retirees and beneficiaries who receive benefits from LBSBMA and 45 terminated plan members that are entitled to but do not yet receive benefits. There are no active plan members. The District contributed \$0.3 million to LBSBMA in Fiscal Year 2024-25.

**California Public Employees’ Pension Reform Act of 2013.** The Governor signed the California Public Employee’s Pension Reform Act of 2013 (the “Reform Act” or “PEPRA”) into law on September 12, 2012. The Reform Act affects both CalSTRS and CalPERS, most substantially as they relate to new employees hired after January 1, 2013 (the “Implementation Date”). As it pertains to CalSTRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age, increasing the eligibility for the 2% “age factor” (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety CalPERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

The Reform Act also implements certain other changes to CalPERS and CalSTRS including the following: (a) all new participants enrolled in CalPERS and CalSTRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalSTRS and CalPERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for CalSTRS members who retire with 25 years of service), and

(c) “pensionable compensation” is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for CalSTRS and CalPERS members not participating in social security.

**Governmental Accounting Standards Board.** In June 2012, the Governmental Accounting Standards Board (“GASB”) approved two related statements that change how State and local governments report and account for the pension benefits provided to their employees. Statement No. 67, “Financial Reporting for Pension Plans,” addresses financial reporting for state and local government pension plans and Statement No. 68, “Accounting and Financial Reporting for Pensions,” establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The guidance contained in these Statements will change how governments calculate and report the costs and obligations associated with pensions and are designed to improve the reporting of pension information while increasing the transparency, consistency, and comparability of pension information across governments. The Statements relate only to accounting and financial reporting and do not extend to how governments approach pension plan funding. Governments will now report a pension liability on the face of their financial statements. Previously, the difference between a government’s total pension obligation and assets available for benefits — often called the unfunded liability — was disclosed in notes, but did not appear on the face of the financial statements. Statement No. 67 took effect for pension plans in Fiscal Years ended June 30, 2014 and later. The District began reporting its CalSTRS obligations in its audited financial statements for Fiscal Year ended June 30, 2015. See “APPENDIX C – AUDITED FINANCIAL STATEMENTS FOR THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025.”

### **Other Postemployment Benefits**

**General – Plan Description.** In addition to employee health care costs, the District administers a single-employer defined benefit health care plan (the “OPEB Plan”) which provides postemployment health care benefits (“OPEB”) in accordance with collective bargaining agreements. As of July 1, 2024, there were 1,242 retirees eligible to receive medical benefits under the health plan.

The District contributes 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 a minimum of 15 years or 17 years depending on their bargaining unit. The OPEB Plan pays benefits until the retiree reaches age 65 or 67, respectively, depending on their bargaining unit. Pursuant to the OPEB Plan, there is no age requirement for disability retirees and coverage for such retirees continues until the earlier of age 67 or a term of up to 39 months.

The District currently finances benefits on a pay-as-you-go basis, contributing 100 percent of the cost of current year premiums for eligible retired plan members and their spouses as applicable. During Fiscal Year 2024-25, the District paid \$11.8 million for the health benefits of retirees that qualified for this coverage. See Note 10 of the District’s audited financial statements for Fiscal Year 2024-25 attached as APPENDIX C - “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025” for additional information.

The following Table A-9 sets forth the District’s funding of the OPEB Plan for Fiscal Years 2020-21 through 2024-25, the budgeted contribution for Fiscal Year 2025-26, and the contributions as a percentage of the District’s Total Governmental Funds expenditures for Fiscal Years 2020-21 through 2025-26.

TABLE A-9

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Expenditures for Other Postemployment Benefits  
Fiscal Years 2020-21 through 2025-26**

<b>Fiscal Year</b>	<b>Amount</b>	<b>Expenditures as Percentage of Total Government Funds Expenditures</b>
2020-21	\$13,118,330	1.05%
2021-22	13,935,871	1.00
2022-23	14,858,231	0.95
2023-24	15,513,012	0.87
2024-25	11,789,462	0.65
2025-26 <sup>(1)</sup>	18,722,225	0.99

<sup>(1)</sup> Budgeted.

Source: Long Beach Unified School District.

The Fiscal Year 2025-26 District Adopted Budget includes funding of approximately \$18.7 million for the OPEB Plan including premiums paid to the Self-Insurance Fund, which is the estimated pay-as-you-go contribution for the OPEB Plan for Fiscal Year 2025-26. The budgeted pay-as-you-go portion for Fiscal Year 2025-26 reflects the estimated retiree contributions based on the existing memoranda of understanding with bargaining units.

The District’s OPEB consists of post-employment benefits for health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are not offered as part of a pension plan; and long-term disability insurance for employees.

**Postemployment Benefits Other Than Pensions Accounting and Financial Reporting Standards.** In June 2004, GASB pronounced Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. The pronouncement required public agency employers providing other postemployment benefits (“OPEB”) to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits (“GASB 45”). In June 2015, GASB pronounced Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* (“GASB 75”). The primary objective of GASB 75, which replaced the requirements of GASB 45, is to improve accounting and financial reporting by state and local governments for OPEB obligations. GASB 75 became effective for the District in fiscal year ending June 30, 2018. GASB 75 requires the liability of employers and non-employer contributing entities to employees for defined benefit OPEB to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the OPEB plan’s fiduciary net position. The Total OPEB liability generally is required to be determined through an actuarial valuation. The District implemented GASB 75 for its Fiscal Year 2024-25 audited financial statements.

**Fiscal Year 2024-25 OPEB Liability and the 2025 Postemployment Valuation.** According to the most recent actuarial report prepared for the District, the “GASB 75 Actuarial Valuation Report For Post-Employment Benefits Other Than Pensions” dated June 30, 2025 for the valuation date of July 1, 2025 (the “2025 Postemployment Valuation”), the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (the “Total OPEB Liability”) as of June 30, 2025 was \$410.4 million. The Total OPEB Liability was determined by applying update procedures to the valuation as of July 1, 2025 and “rolling back” the Total OPEB

Liability to June 30, 2025. The net OPEB liability (being the difference between the Total OPEB Liability and the fiduciary net position, the “Net OPEB Liability”), as of June 30, 2025, was determined as set forth in the table below.

	<b>Fiscal Year 2024-25</b>
<b>Total OPEB Liability</b>	
Service Cost	\$16,803,442
Interest Cost	17,668,258
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions	(16,839,527)
Expected Benefit Payments	(19,991,631)
Net Change in Total OPEB Liability	<u><u>\$(2,359,458)</u></u>
Total OPEB Liability – Beginning of Year	\$412,762,906
Total OPEB Liability – End of Year (a)	\$410,403,448
<b>Plan Fiduciary Net Position</b>	
Expected Employer Contributions	\$19,991,631
Net Investment Income	-
Expected Benefit Payments	(19,991,631)
Administrative Expenses	-
Net Change in Plan Fiduciary Net Position	<u><u>\$ -</u></u>
Plan Fiduciary Net Position - Beginning of Year	\$ -
Plan Fiduciary Net Position - End of Year (b)	\$ -
Net OPEB Liability - End of Year (a) - (b)	<u><u>\$410,403,448</u></u>
Covered Payroll	<u><u>\$593,578,128</u></u>
Net OPEB Liability as a percentage of Covered Payroll	69.14%

Source: Long Beach Unified School District.

The following are the principal actuarial assumptions used in the 2025 Postemployment Valuation: (i) entry age normal cost method; (ii) 30-year amortization period; (iii) level percentage of future payroll; (iv) a discount rate of 4.81% as of June 30, 2025 (up from 4.21% as of June 30, 2024); (v) expected annual payroll increase of 3.25%; (vi) mortality rates, turnover rates, retirement rates, and disability rates based on the 2024 CalSTRS valuation for certificated participants and based on the 2021 CalPERS experience study for non-certificated participants; (vii) annual medical inflation trend rates based on an actuarial determined table; (viii) plan participation: 100% of future eligible retirees assumed to elect coverage in their current plans; and (ix) 67% of future eligible retirees assumed to be married and elect employee plus one coverage, and males assumed to be three years older than their female spouses.

The District implemented GASB 75 for its Fiscal Year 2024-25 audited financial statements. The District’s Fiscal Year 2024-25 Audited Financial Statements relied on the amounts set forth in the 2025 Postemployment Valuation and reported a Total OPEB Liability of and Net OPEB Liability of \$410.4 million. The Fiscal Year 2024-25 Audited Financial Statements also reflect \$20 million in contributions that were made subsequent to the measurement date of June 30, 2024, which will be recognized as a reduction of the Total OPEB Liability for Fiscal Year 2024-25. See Note 10 of APPENDIX C for information on projected changes to the District’s Total OPEB Liability if the discount rate was increased or decreased by 1% and if the healthcare cost trend rate was increased or decreased by 1%.

Table A-10 below sets forth the District’s annual OPEB cost, the actual expense pay-as-you-go, the percentage of annual OPEB cost contributed to the plan and the Net OPEB Obligation for Fiscal Years 2018-19 through 2024-25.

**TABLE A-10**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
OPEB Costs and Net OPEB Obligations  
Fiscal Years 2018-19 through 2024-25**

<b>Fiscal Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Actual Expense Pay-As-You-Go</b>	<b>Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2019	\$30,369,250	\$12,861,854	42%	\$412,375,392
2020	30,825,365	13,360,795	43	425,718,817
2021	35,962,089	13,118,830	36	451,231,966
2022	28,641,691	13,935,871	49	401,299,005
2023	30,877,213	14,858,231	48	416,814,012
2024	29,874,477	15,513,012	52	412,762,906
2025	30,406,157	11,789,462	39	410,403,448

Source: Long Beach Unified School District.

Table A-11 below sets forth the schedule of funding progress as of July 1, in the years shown below.

**TABLE A-11**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Schedule of Funding Progress  
As of July 1 of 2015, 2017, 2019, 2021, 2023 and 2025**

<b>Actuarial Valuation Date</b>	<b>Actuarial Valuation of Assets<sup>(1)</sup></b>	<b>AAL<sup>(2)</sup></b>	<b>UAAL<sup>(3)</sup></b>	<b>Funded Ratio<sup>(1)</sup></b>	<b>Covered Payroll</b>	<b>UAAL<sup>(3)</sup> as a % of Covered Payroll</b>
2015	\$--	\$327,496,000	\$327,496,000	0%	\$441,609,000	74.2%
2017	--	380,699,585	380,699,585	0	472,449,675	80.6
2019	--	425,718,817	425,718,817	0	484,834,765	87.8
2021	--	401,299,005	401,299,005	0	504,026,197	79.6
2023	--	412,762,906	412,762,906	0	612,721,384	67.4
2025	--	410,403,448	410,403,448	0	593,578,128	69.1

<sup>(1)</sup> The District currently finances benefits on a pay-as-you-go basis.

<sup>(2)</sup> For valuation years 2017 and forward, amount represents Total OPEB Liability pursuant to GASB 75.

<sup>(3)</sup> For valuation years 2017 and forward, amount represents Net OPEB Liability pursuant to GASB 75.

Source: Long Beach Unified School District.

**Insurance**

The District participates in two insurance joint ventures under joint powers agreements. These include the Alliance of Schools for Cooperative Insurance Programs (“ASCIP”) and Schools Excess Liability Fund (“SELF”). ASCIP and SELF arrange and provide for the District’s property and liability coverage. ASCIP and SELF are governed by separate boards consisting of representatives from each member district. The governing boards which control the operations of ASCIP and SELF, including selection of management and approval of operating budgets, are independent of the districts beyond the districts’ representation on the governing board. The District pays a premium based on the level of service requested from ASCIP. SELF arranges for and provides a self-funded or additional insurance for excess liability for the District. The District pays an annual premium based upon the amounts calculated by SELF and shares surpluses and deficits proportionate to its participation in SELF.

The District maintains self-insurance programs for health and welfare, property and liability and workers’ compensation. The rates for health and welfare insurance are determined through an annual actuarial study and are funded through payroll system charges. The District funds property and liability coverage from a contribution from the unrestricted portion of General Fund based on annual actuarial studies. Worker’s compensation is funded through payroll charges based on annual actuarial studies. The District’s self-insured retention for workers’ compensation claims is \$500,000 and the self-insured retention for property and liability claims is \$250,000. Excess insurance for workers’ compensation is purchased through a commercial carrier up to statutory limits in excess of the self-insured amount.

As of June 30, 2025, the District’s aggregate claims liability was estimated at \$51.0 million, which reflects a net increase of \$7.0 million from June 30, 2024. The District uses separate funds to account for amounts set aside to pay claims incurred and related expenditures under the respective insurance programs. The District’s worker’s compensation program is currently fully funded.

The following Table A-12 sets forth information on changes in the workers’ compensation program’s liabilities from Fiscal Years 2020-21 through 2024-25.

**TABLE A-12**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Workers’ Compensation Claims Paid  
Fiscal Years 2020-21 through 2024-25**

<b>Fiscal Year</b>	<b>Liability: Beginning of Fiscal Year</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Liability: End of Fiscal Year</b>
2020-21	\$29,553,670	\$3,912,680	\$8,094,843	\$25,371,507
2021-22	25,371,507	13,094,518	9,912,058	28,553,967
2022-23	28,553,967	11,367,009	10,492,271	29,428,705
2023-24	29,428,705	13,208,596	12,645,791	29,991,510
2024-25	29,991,510	14,077,686	12,421,555	31,647,641

Source: Long Beach Unified School District.

The following Table A-13 sets forth information on changes in the liabilities for deductible insurance from Fiscal Years 2020-21 through 2024-25.

**TABLE A-13**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Deductible Insurance  
Fiscal Years 2020-21 through 2024-25**

<b>Fiscal Year</b>	<b>Liability: Beginning of Fiscal Year</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Liability: End of Fiscal Year</b>
2020-21	\$4,438,521	\$3,721,255	\$4,250,089	\$3,909,687
2021-22	3,909,687	451,899	367,134	3,994,452
2022-23	3,994,452	(63,900)	-	3,930,552
2023-24	3,930,552	373,559	-	4,304,111
2024-25	4,304,111	3,375,436	1,812,718	5,866,829

Source: Long Beach Unified School District.

The following Table A-14 sets forth information on changes in the liabilities for the health, vision and dental program from Fiscal Years 2020-21 through 2024-25.

**TABLE A-14**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Health, Vision and Dental  
Fiscal Years 2020-21 through 2024-25**

<b>Fiscal Year</b>	<b>Liability: Beginning of Fiscal Year</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Liability: End of Fiscal Year</b>
2020-21	\$10,579,892	\$60,693,040	\$59,676,573	\$11,596,359
2021-22	11,596,359	48,395,029	50,085,293	9,906,095
2022-23	9,906,095	51,593,577	51,585,064	9,914,608
2023-24	9,914,608	56,121,970	55,401,033	10,635,545
2024-25	10,635,545	59,699,818	56,891,144	13,444,219

Source: Long Beach Unified School District.

**District General Obligation Bonds**

**General.** Four general obligation bond authorizations have been approved by the District’s voters. A \$295 million authorization was approved by voters on March 30, 1999 (the “Measure A Authorization”). The District has issued \$294,995,605.55 aggregate principal amount of general obligation bonds pursuant to the Measure A Authorization. A \$1.2 billion general obligation bond authorization was approved by voters on November 4, 2008 (the “Measure K Authorization”). The District has issued \$1,035,425,096.05 aggregate principal amount of general obligation bonds pursuant to the Measure K Authorization. The Series H Bonds described in the Official Statement (the “Series H Bonds”) are the tenth issue of bonds being issued (taking into account certain subseries) to finance the projects authorized pursuant to the Measure K Authorization as approved on November 4, 2008. A \$1.5 billion general obligation bond authorization was approved by voters on November 8, 2016 (the “Measure E Authorization”). The District has issued \$900,000,000 aggregate

principal amount of general obligation bonds pursuant to the Measure E Authorization. The Series D Bonds described in the Official Statement (the “Series D Bonds”) are the fourth issue of bonds being issued to finance projects authorized pursuant to the Measure E Authorization. A 1.7 billion general obligation bond authorization was approved by voters on November 8, 2022 (the “Measure Q Authorization,” and collectively with the Measure A Authorization, the Measure K Authorization and the Measure E Authorization, the “Authorizations”). The District has issued \$100,000,000 aggregate principal amount of general obligation bonds pursuant to the Measure Q Authorization. The Series B Bonds described in the Official Statement (the “Series B Bonds”) are the second issuance of bonds being issued to finance projects authorized pursuant to the Measure Q Authorization. See “ - Future Financings” herein.

The following Table A-15 through Table A-18 set forth the outstanding general obligation bonds issued and the amount outstanding under the Measure A Authorization, Measure K Authorization, Measure E Authorization and Measure Q Authorization as of March 1, 2026, prior to the issuance of the Bonds.

**TABLE A-15**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Measure A Authorization**

<b>Bond Issue</b>	<b>Aggregate Principal Amount</b>	<b>Outstanding Amount as of March 1, 2026</b>	<b>Date of Issue</b>
Election 1999, Series A	\$25,000,000.00	--	July 27, 1999
Election 1999, Series B	30,000,000.00	--	July 11, 2000
Election 1999, Series C	60,000,000.00	--	August 1, 2001
Election 1999, Series D	40,000,000.00	--	May 21, 2002
Election 1999, Series E	60,000,000.00	--	May 20, 2003
Election 1999, Series F	50,000,000.00	--	June 22, 2004
Election 1999, Series G	29,995,605.55	\$12,579,181.10	August 1, 2008
<b>TOTAL</b>	<b>\$294,995,605.55</b>	<b>\$12,579,181.10</b>	

Source: Municipal Advisor.

*[Remainder of page intentionally left blank.]*

**TABLE A-16**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Measure K Authorization<sup>(1)</sup>**

<b>Bond Issue</b>	<b>Aggregate Principal Amount</b>	<b>Outstanding Amount as of March 1, 2026</b>	<b>Date of Issue</b>
Election of 2008, Series A	\$260,000,000.00	\$4,265,000.00	May 7, 2009
Election of 2008, Series B	3,020,685.60	3,020,685.60	May 3, 2011
Election of 2008, Series B-1	72,406,000.00	--	May 3, 2011
Election of 2008, Series C	50,000,000.00	34,010,000.00	May 30, 2013
Election of 2008, Series D	180,000,000.00	159,330,000.00	February 19, 2015
Election of 2008, Series D-1	89,998,410.45	89,998,410.45	February 19, 2015
Election of 2008, Series E	150,000,000.00	142,765,000.00	February 28, 2017
Election of 2008, Series F	150,000,000.00	140,005,000.00	September 5, 2019
Election of 2008, Series G	80,000,000.00	65,540,000.00	May 23, 2023
<b>TOTAL</b>	<b>\$1,035,425,096.05</b>	<b>\$638,934,096.05</b>	

<sup>(1)</sup> Excludes the Series H Bonds described in the forepart of this Official Statement.  
Source: Municipal Advisor.

**TABLE A-17**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Measure E Authorization<sup>(1)</sup>**

<b>Bond Issue</b>	<b>Aggregate Principal Amount</b>	<b>Outstanding Amount as of March 1, 2026</b>	<b>Date of Issue</b>
Election of 2016, Series A	\$300,000,000.00	\$216,100,000.00	February 28, 2017
Election of 2016, Series B	300,000,000.00	250,180,000.00	September 5, 2019
Election of 2016, Series C	300,000,000.00	226,235,000.00	May 23, 2023
<b>TOTAL</b>	<b>\$900,000,000.00</b>	<b>\$692,515,000.00</b>	

<sup>(1)</sup> Excludes the Series D Bonds described in the forepart of this Official Statement.  
Source: Municipal Advisor.

*[Remainder of page intentionally left blank.]*

**TABLE A-18**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Measure Q Authorization<sup>(1)</sup>**

<b>Bond Issue</b>	<b>Aggregate Principal Amount</b>	<b>Outstanding Amount as of March 1, 2026</b>	<b>Date of Issue</b>
Election of 2022, Series A	\$100,000,000.00	\$10,345,000.00	May 23, 2023
<b>TOTAL</b>	<b>\$100,000,000.00</b>	<b>\$10,345,000.00</b>	

<sup>(1)</sup> Excludes the Series B Bonds described in the forepart of this Official Statement.  
Source: Municipal Advisor.

The following Table A-19 sets forth the outstanding general obligation refunding bonds issued and the amount outstanding as of March 1, 2026. The principal amount of refunding bonds issued are not accounted against the authorized amounts approved by voters pursuant to the respective Authorizations.

**TABLE A-19**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Refunding Bonds**

<b>Bond Issue</b>	<b>Aggregate Principal Amount</b>	<b>Outstanding Amount as of March 1, 2026</b>	<b>Date of Issue</b>
2008 Refunding Bonds <sup>(1)</sup>	\$ 38,320,000.00	--	August 1, 2008
2009 Refunding Bonds <sup>(2)</sup>	28,465,000.00	\$455,000.00	May 7, 2009
2010 Refunding Bonds <sup>(3)</sup>	51,720,000.00	5,850,000.00	March 3, 2010
2011 Refunding Bonds <sup>(4)</sup>	11,330,000.00	--	May 3, 2011
2012 Refunding Bonds <sup>(5)</sup>	81,780,000.00	69,495,000.00	March 27, 2012
2016 Refunding Bonds <sup>(6)</sup>	139,370,000.00	76,495,000.00	April 14, 2016
<b>TOTAL</b>	<b>\$350,985,000.00</b>	<b>\$152,295,000.00</b>	

<sup>(1)</sup> Refunded portions of the outstanding Election 1999 Series A Bonds, Election 1999 Series B Bonds, Election 1999 Series C Bonds and Election 1999 Series D Bonds.

<sup>(2)</sup> Refunded all of the remaining Election 1999 Series B Bonds and portions of the outstanding Election 1999 Series A Bonds and Election 1999 Series C Bonds.

<sup>(3)</sup> Refunded all of the remaining Election 1999 Series A Bonds and portions of the outstanding Election 1999 Series C Bonds, Election 1999 Series D Bonds, Election 1999 Series E Bonds and Election 1999 Series F Bonds.

<sup>(4)</sup> Refunded a portion of the outstanding Election 1999 Series E Bonds.

<sup>(5)</sup> Refunded the then-outstanding Election 1999 Series C Bonds, Election 1999 Series D Bonds, Election 1999 Series E Bonds and a portion of the Election 1999 Series F Bonds.

<sup>(6)</sup> Refunded portions of the outstanding Election 1999 Series G Bonds, 2008 Refunding Bonds, Election 2008 Series A Bonds and 2009 Refunding Bonds.

Source: Municipal Advisor.

**Citizens’ Oversight Committee.** Pursuant to Section 1(b)(3) of Article XIII A of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the Education Code, as amended, and other applicable law (collectively, the “Act”), the District Board has appointed a Citizens’ Oversight Committee for bonds issued pursuant to the Measure K Authorization, the Measure E Authorization and the Measure Q Authorization. The oversight committee provisions of the Act do not apply to bonds issued under the Measure A Authorization. The Citizens’ Oversight Committee is composed of seven members representing numerous community groups

and operates to inform the public concerning the spending of bond funds under the Measure K Authorization, Measure E Authorization and the Measure Q Authorization. The Citizens’ Oversight Committee regularly reviews the potential and active bond projects and corresponding budgets as part of its regular duties. The Citizens’ Oversight Committee meets up to four times each year to review matters relating to the District’s general obligation bonds and the projects proposed to be funded therefrom. In addition to reviewing project expenditures the Citizens’ Oversight Committee also performs the following duties: project site visits, communication to the public in the form of website updates and development of an annual report, and review of bond financial and performance audits. The District’s outside auditor, CliftonLarsonAllen LLP, currently prepares the required bond audits regarding the expenditures of general obligation bond proceeds. The Citizens’ Oversight Committee Chair presents the annual report to the District Board at a regularly scheduled District Board meeting.

The current members of the District’s Citizens’ Oversight Committee and the community groups represented by such members are set forth below.

**LONG BEACH UNIFIED SCHOOL DISTRICT  
Citizens’ Oversight Committee**

<u>Member</u>	<u>Community Group Represented</u>
<i>Vacant*</i>	Senior Citizens’ Organization
Oswaldo Avila	Community-At-Large
Steve Davis	Business Representative
Raul Nario	Parent / Guardian
Richard Turrentine	Community-At-Large
Magda Armistead	Parent / Parent Teacher Organization
<i>Vacant*</i>	Taxpayers’ Association

**Future Financings**

**General Obligation Bonds.** The District may issue additional general obligation bonds and general obligation refunding bonds depending upon project needs and market conditions. The District may not issue general obligation bonds if the tax rate levied to meet the debt service requirements for general obligation bonds approved at a single election, such as the Measure Q Authorization, Measure K Authorization or the Measure E Authorization, is projected to exceed \$60 per year per \$100,000 of taxable property in accordance with Article XIII A of the State Constitution.

Pursuant to the Education Code, the District’s bonding capacity for general obligation bonds is 2.5% of the taxable property valuation of property within the District as of the last assessment roll. Prior to the issuance of the Bonds, the District’s general obligation bonds are outstanding in an amount of \$1,506,668,277.15, which is approximately 1.615% of the assessed valuation in the District for Fiscal Year 2025-26.

The District expects to issue its 2026 General Obligation Refunding Bonds (Dedicated Unlimited *Ad Valorem* Property Tax Bonds), in an estimated principal amount of \$400 million, on or around May 6, 2026.

**Certificates of Participation (“COPs”).** The District may finance capital projects through the execution and delivery of COPs from time to time but does not expect to issue any COPs during Fiscal Year 2025-26.

---

\* Recruitment efforts to fill vacant positions are ongoing.

**Tax and Revenue Anticipation Notes.** The District does not expect to issue tax and revenue anticipation notes in Fiscal Year 2025-26.

## STATE FUNDING OF EDUCATION

### General

The District's operating income consists primarily of two components: a State portion funded from the State's general fund and a locally-generated portion derived from the District's share of the 1% local *ad valorem* property tax authorized by the State Constitution. School districts may be eligible for other special categorical funding, including from State and federal programs. The District received approximately \$1.08 billion or 80.7% of its general fund revenues from the State (comprised of LCFF and other State Revenue), for Fiscal Year 2023-24. For Fiscal Year 2024-25, the District received approximately 88.6% or \$1.06 billion general fund revenues from the State, and for Fiscal Year 2025-26, the District budgeted to receive approximately 90.7% or \$1.08 billion general fund revenues from the State. Accordingly, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may significantly affect District operations. Job losses and recession may affect State revenues and in turn, State funding of schools.

State funding is guaranteed to a minimum level for school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs under "Proposition 98," a constitutional and statutory initiative amendment adopted by the State's voters in 1988, and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution). See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO AD VALOREM PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98 and Proposition 111" herein.

The State's Proposition 98 funding mandate normally commands about 45% of all State general fund revenues. Because education funding constitutes such a large part of the State's general fund expenditures, it is at the heart of annual budget negotiations and adjustments.

*[Remainder of page intentionally left blank.]*

## **Adoption of Annual State Budget**

According to the State Constitution, the Governor of the State (the “Governor”) must propose a budget to the State Legislature no later than January 10 of each year. Under an initiative constitutional amendment approved by the State’s voters on November 2, 2010 as “Proposition 25,” a final budget must be adopted by a simple majority vote (rather than a two-third majority, as was the case prior to the passage of Proposition 25) of each house of the State Legislature no later than June 15, although this deadline has been routinely breached in the past. (Tax increases continue to require a two-thirds majority vote.) The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act (as signed, the “Budget Act”) to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget.

Prior to the passage of Proposition 25, there were instances where the State Legislature failed to pass a budget in a timely fashion, and the District cannot predict what circumstances may cause a similar failure in future years. In each year where the State budget lags adoption of the District’s budget, it will be necessary for the District’s staff to review the consequences of the changes, if any, at the State level from the proposals in the Governor’s May Revision for that year, and determine whether the District’s budget will have to be revised. The District cannot predict the final outcome of State budget negotiations, the impact future State Budgets will have on District finances and operations or what actions the State Legislature and the Governor may take to respond to changing State revenues and expenditures. Current and future State Budgets will be affected by national and State economic conditions and other factors which the District cannot control.

## **Court Decision on State Payments Pending Budget Adoption**

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each district’s State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected state officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. The Controller has posted guidance as to what can and cannot be paid during a budget impasse at its website: [www.sco.ca.gov](http://www.sco.ca.gov) (such website is not incorporated herein by reference). Should the State Legislature fail to pass the budget or emergency appropriation before the start of any Fiscal Year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the White decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the Fiscal Year. The District does not expect the White decision to have any long-term effect on its operating budgets.

## **Aggregate State Education Funding**

Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State’s share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies

from year to year and throughout the stages of any given Fiscal Year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as more accurate information regarding the various factors becomes available. The guaranteed amount will generally increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as a "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the State Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as a "maintenance factor."

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds one Fiscal Year to the next; by permanently deferring the year-end apportionment from June 30 to July 2; by suspending Proposition 98, and by proposing to amend the Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

### **Local Control Funding Formula**

**General.** The State Constitution requires that from all State revenues there will first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education. As discussed below, school districts in the State receive a significant portion of their funding from State appropriations. Accordingly, the State's economic condition can affect the economic condition of California school districts.

As part of the 2013-14 State Budget, State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97") was enacted to establish a new system for funding school districts, charter schools and county offices of education by the implementation of the Local Control Funding Formula or "LCFF," to replace the revenue limit funding system for determining State apportionments and the majority of categorical program funding. Subsequently, AB 97 was amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49). The LCFF consists primarily of base, supplemental and concentration funding that focuses resources based on a school district's student demographics. Each school district and charter school will receive a per pupil base grant used to support the basic costs of instruction and operations. The implementation of the LCFF was to occur over a period of several years (and by 2021 or earlier), beginning in Fiscal Year 2013-14 when an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the 2013-14 State Budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. The 2018-19 Budget Act fully funded the remaining LCFF gap, and Fiscal Year 2019-20 was the first year of full implementation of the LCFF.

The LCFF includes the following components:

- A uniform base grant for each local education agency based on four different grade spans of pupils, transitional kindergarten ("TK")/kindergarten ("K")-3, 4-6, 7-8, and 9-12, per unit of average daily attendance ("ADA"). The Fiscal Year 2025-26 adjusted base grant amounts for each grade span are as follows: \$11,323 per ADA for TK/K-3, \$10,411 per ADA for 4-6,

\$10,719 per ADA for 7-8, and \$12,746 per ADA for 9-12. These amounts include an adjustment to the base grant to support lowering class sizes in grades TK/K-3, and an adjustment to reflect the cost of operating career technical education programs in high schools. Unless otherwise collectively bargained for, school districts must maintain an average class enrollment of 24 or fewer students in grades TK/K-3 at each school site so as to continue receiving its adjustment to the TK/K-3 base grant.

- A 20% supplemental grant for students classified as English learners (“EL”), those eligible to receive a free or reduced price meal (“FRPM”) and foster youth, to reflect increased costs associated with educating those students. These supplemental grants are only attributed to each eligible student once, and the total student population eligible for the additional funding is known as an “unduplicated count.”
- An additional concentration grant equal to 65% of a local education agency’s base grant, based on the number of unduplicated EL, FRPM and foster youth served by the local agency that comprise more than 55% of the school district’s or charter school’s total enrollment. Because the District’s unduplicated count is above the 55% threshold, the District will be eligible for the concentration grant for eligible students above 55%.
- An “Economic Recovery Target” providing additional funding for those local education agencies that would have received a higher level of funding under revenue limits and various categorical programs, based on certain assumptions.
- An add-on to the LCFF entitlement equal to the TK add-on rate multiplied by a district’s current year TK ADA. The Fiscal Year 2025-26 TK add-on per ADA is \$5,545.

During Fiscal Year 2024-25, approximately 69.6% of the District’s General Fund revenues were derived from the LCFF/Revenue Limit. As of the Fiscal Year 2025-26 Second Interim Report, for Fiscal Year 2025-26, approximately 69.9% of the District’s General Fund revenues are budgeted to come from the LCFF, and for Fiscal Year 2026-27, approximately 72.7% of the District’s General Fund revenues are estimated to come from the LCFF. See “District Financial Information” herein. The LCFF uses unduplicated student counts for Supplemental and Concentration Grants. Accordingly, a school district will receive Supplemental Grant funds for a Targeted Disadvantaged Student once regardless of whether such student falls into one or more of the EL student, FRPM student or foster youth categories.

The following Table A-20 sets forth the estimated funding for the District pursuant to the LCFF for Fiscal Years 2025-26 and 2026-27.

*[Remainder of page intentionally left blank.]*

TABLE A-20

**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**Estimated Local Control Funding Formula<sup>(1)</sup>**  
**Fiscal Years 2025-26 and 2026-27**

Grade Span	Fiscal Year 2024-25 Total Funding	Fiscal Year 2025-26 Estimated Funding	Fiscal Year 2026-27 Estimated Funding <sup>(2)</sup>
K-3	\$239,803,397	\$245,601,407	\$249,267,042
4-6	164,807,921	161,663,293	161,595,337
7-8	115,058,471	112,674,346	113,471,722
9-12	296,330,668	285,578,617	282,036,988
Total <sup>(2)</sup>	\$816,000,457	\$805,517,663	\$806,371,089

<sup>(1)</sup> Totals do not include \$9.6 million in Targeted Instructional Improvement Block Grant funding and \$5 million in Home to School Transportation funding.

<sup>(2)</sup> As of Fiscal Year 2025-26 Second Interim reporting.  
 Source: Long Beach Unified School District.

Due to the District’s 61.9% unduplicated student count, which is used by the State to determine a district’s LCFF target funding, the District has received increased State funding, including ongoing revenues. Based on the District’s Fiscal Year 2025-26 Second Interim Report, the District anticipates receiving \$121.8 million in additional funds that will be allocated to achieve better educational outcomes for disadvantaged students, which is expected to provide additional resources to enhance the District’s financial stability.

**Local Control and Accountability Plan.** As part of the LCFF, school districts, county offices of education, and charter schools are required to develop, adopt and annually update a three-year Local Control and Accountability Plan or “LCAP,” beginning on July 1, 2014, using a template adopted by the California State Board of Education (“SBE”). The SBE is required to adopt evaluation rubrics to assist school districts and oversight entities in evaluating strengths, weaknesses, areas that require improvement, technical assistance needs, and where interventions are warranted. Subsequent revisions to the template or evaluation rubrics are required to be approved by the SBE by January 31 before the Fiscal Year when the template or rubric would be used. The LCAP is required to identify goals and measure progress for student subgroups across multiple performance indicators.

The State’s priorities include, among other things, the appropriateness of teacher assignments, ensuring that teachers are fully credentialed in the subject areas and for the pupils they are teaching, and ensuring that every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined in accordance with the Education Code. In addition, school facilities are to be maintained in good repair. The State requires proper implementation of the academic content and performance standards adopted by the State Board of Education and will measure parental involvement (e.g., efforts to seek input from parents or guardians regarding decisions for the district and the school site), pupil achievement (e.g. performance on Statewide assessments, the Academic Performance Index, readiness for college or career technical education, progress towards English proficiency, performance on advance placement examinations), pupil engagement (e.g., school attendance rates, chronic absenteeism rates, middle school dropout rates, high school dropout and graduation rates, pupil suspension and expulsion rates, etc.), access and enrollment in a broad course of study including the core subject areas and programs

and services developed and provided to Targeted Disadvantaged Students, and pupil outcomes in the subject areas comprising a broad course of study.

In November 2014, the State Board of Education adopted final regulations to govern the expenditure of the Supplemental Grant and Concentration Grant funding. These regulations require school districts, county offices of education, and charter schools to increase and improve services for Targeted Disadvantaged Students and provide authority for school districts to spend funds school-wide when significant populations of Targeted Disadvantaged Students attend a school. Pursuant to the regulations, local education agencies are required to obtain input from parents of students and the general public in connection with the development, revision and updates of LCAPs. In addition, the regulations require County superintendents to review school district LCAPs and require county offices of education to provide technical assistance if they disapprove an LCAP. The Education Code grants the State Superintendent of Public Instruction authority to intervene if a school district or charter school fails to show improvement across multiple subgroups in three out of four consecutive years.

On March 6, 2019, the State’s Joint Legislative Audit Committee approved a LCFF audit of three large, geographically disbursed school districts that have significant numbers of unduplicated pupils who are considered low income, English learners, or foster youth to review each district’s LCAPs. The audit’s scope included the following:

- LCAP goals aimed at raising student achievement and whether additional goals would have been helpful;
- Student success measurement tools and whether additional measurements would have been helpful;
- Funding spent on unduplicated pupils on a districtwide and school-by-school basis, identifying expenditures and whether they are being spent appropriately;
- Multiple school years to understand how funding and expenditures have changed under the LCFF;
- Methodology for distributing and spending funds on students or at various schools;
- Whether the most recent LCAP complies with the spirit and legal requirements of the LCAP – especially requirements associated with achievement measurements and helping chronically low-achieving students – and make recommendations regarding the LCAP to improve their achievement levels.

The audit concluded in November 2019. As a result, the State auditor recommended changes to the LCAP template for increased transparency on a State level. Pursuant to the 2020-21 State Budget, the annual LCAP requirement was replaced with a Learning Continuity and Attendance Plan (only for Fiscal Year 2020-21). The LCAP reporting requirement resumed in Fiscal Year 2021-22.

On June 18, 2025, the District Board adopted the LCAP for the District for Fiscal Year 2025-26.

**Education Revenue Augmentation Fund; Proposition 1A and Proposition 22.** Beginning in Fiscal Year 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and college districts through a local Educational Revenue Augmentation Fund (“ERAF”) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide

ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State’s voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as “Proposition 22.”

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education. Because Proposition 22 reduces the State’s authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

### **Prior Revenue Limit Funding**

Historically, school districts in the State received most of their revenues under a formula known as the “revenue limit.” Each school district’s revenue limit, which was funded by State moneys and local *ad valorem* property taxes from the general 1% *ad valorem* property tax levy, was allocated based on the ADA of each school district for either the current or preceding school year. Each school district received a portion of the local *ad valorem* property taxes that was collected from the general 1% *ad valorem* property tax levy within its district boundaries. Generally, State Aid to a school district would amount to the difference between the school district’s revenue limit and the school district’s local property tax allocation from the general 1% *ad valorem* property tax levy. See “California Constitutional and Statutory Provisions relating to *Ad Valorem* Property Taxes, District Revenues and Appropriations” herein.

### **Average Daily Attendance**

For Fiscal Year 2025-26, the District has a budgeted enrollment of 61,451 students (excluding charter schools) and an estimated ADA of 56,437. Historically the District’s ADA has averaged 91.82% of enrollment. The Fiscal Year 2025-26 Adopted Budget projects that student enrollment within the District schools will decrease by 2% during Fiscal Year 2025-26 compared to Fiscal Year 2024-25, and continue to decrease by 2.8% for Fiscal Year 2026-27.

The following Table A-21 sets forth the District’s annual ADA record for Fiscal Year 2020-21 through 2024-25 and the estimated annual ADA for Fiscal Year 2025-26.

*[Remainder of page intentionally left blank.]*

**TABLE A-21**  
**LONG BEACH UNIFIED SCHOOL DISTRICT**  
**Annual Average Daily Attendance**  
**Fiscal Years 2020-21 through 2025-26**

<u>Fiscal Year</u>	<u>K-12<sup>(1)</sup></u>	<u>Affiliated Charter Schools</u>	<u>Total</u>
2020-21	68,161	283	68,444
2021-22	59,927	271	60,198
2022-23	59,344	268	59,612
2023-24	58,550	289	58,839
2024-25	57,341	287	57,628
2025-26 <sup>(2)</sup>	56,411	287	56,698

<sup>(1)</sup> Includes non-public school special education students.

<sup>(2)</sup> Estimated.

Source: Long Beach Unified School District.

### **Charter School Funding**

A charter school is a public school authorized by a school district, county office of education or the State Board of Education. A proposed charter school submits a petition to one of these entities for approval and that petition details the operations of the charter school. State law requires that charter petitions be approved if they comply with the statutory criteria. The District has certain fiscal oversight and other responsibilities with respect to both affiliated and independent charter schools. However, independent charter schools that receive their funding directly from the State are not included in the District’s audit report and function like independent agencies, including having control over their staffing and budgets, which are received directly from the State. Affiliated charter schools receive their funding from the District and are included in the District’s budgets and audit reports. In addition, there are currently two fiscally independent charter schools within the District’s boundaries.

Charter schools generally receive funding in three broad categories. Charter schools receive a block grant that is similar to school district revenue limit funding and is based on Statewide average revenue limits for school districts within specified ranges of grades. These charter school revenues are deducted from the amount of State Aid a school district is entitled to receive each year. Charter schools also receive a block grant in lieu of many categorical programs. Charter schools may spend these block grants for any educational purpose. The third broad category of funding for charter schools is categorical funds not included in the block grant. A charter school must apply for these funds, program by program, and if received, must spend the funds in accordance with the same program requirements as traditional schools. An increase in the number of independent charter schools within a school district, or of independent charter school students in a school district who had previously been students at a traditional school in that same school district, results in a reduction of the revenue limit and, possibly, program funding for that school district.

### **Proposition 98**

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act.” Proposition 98 changed State funding of public education below the university level and the operation of the State’s appropriation limit as described in Article XIII B of the State Constitution, primarily by guaranteeing K-14 schools a minimum share of State General Fund revenues. Under Proposition 98 (as

modified by Proposition 111, which was enacted on June 5, 1990), there are currently three tests which determine the minimum level of K-14 funding. See “CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO AD VALOREM PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS” herein. Proposition 98 also contains provisions transferring certain State tax revenues in excess of the revenue limit to K-14 schools under Article XIII B of the State Constitution. See “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO AD VALOREM PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS - Proposition 98 and Proposition 111” herein.

## **State Assistance**

The District’s principal funding formulas and revenue sources are derived from the budget of the State of California. *The following information concerning the State’s budgets has been obtained from publicly available information which the District believes to be reliable; however, the State has not entered into any contractual commitment with the District, the County, the Purchasers, Bond and Disclosure Counsel nor the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the State sources of information listed above are reliable, none of the District, the County, Bond and Disclosure Counsel nor the Purchasers assume any responsibility for the accuracy of the State budget information set forth or referred to herein or incorporated by reference herein. Additional information regarding State budgets is available at various State-maintained websites including [www.dof.ca.gov](http://www.dof.ca.gov), which website is not incorporated herein by reference.*

**2025-26 State Budget.** On June 27, 2025, Governor Newsom signed into law the Fiscal Year 2025-26 State Budget (the “2025-26 Budget”). The 2025-26 Budget totals approximately \$321 billion, including \$228.3 billion of general fund spending. The 2025-26 Budget estimates that the State is facing an approximate \$11.8 billion General Fund shortfall, which is primarily led by increased costs and case load growth to core State programs like Medi-Cal. Revenue forecasts remain volatile and are generally impacted by federal policy changes, including potential broad-based federal tariffs. The 2025-26 Budget addresses the shortfall through a range of solutions including: (i) reductions to ongoing programs (\$2.8 billion in total solutions in Fiscal Year 2025-26 and \$11.9 billion by Fiscal Year 2028-29); (ii) additional revenue sources and internal borrowing (\$7.8 billion in total solutions in Fiscal Year 2025-26); and (iii) fund shifts (\$1.2 billion in total solutions in Fiscal Year 2025-26). The 2025-26 Budget reflects a combined reserve balance of \$15.7 billion, while maintaining a scheduled \$7.1 billion withdrawal from the Budget Stabilization Account (the General Fund’s “rainy day” fund, referred to herein as the “Rainy Day Fund”). The Rainy Day Fund will retain \$11.2 billion and the State’s discretionary reserve account will retain \$4.5 billion (also referred to as the Special Fund for Economic Uncertainties).

*TK-12 Funding and Proposition 98 Guarantee.* The 2025-26 Budget includes total funding of \$137.6 billion (\$80.5 billion General Fund and \$57.1 billion other funds) for all TK-12 education programs. The 2025-26 Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, TK, nutrition, and preschool. Proposition 98 funding for Fiscal Year 2025-26 is approximately \$114.6 billion for TK-12 public schools and community college districts.

The 2025-26 Budget revises estimates of General Fund revenues so that the Proposition 98 guarantee for TK-14 schools is calculated to be \$98.5 billion in Fiscal Year 2023-24, \$119.9 billion in Fiscal Year 2024-25, and \$114.6 billion in Fiscal Year 2025-26. These revised Proposition 98 levels represent an increase of approximately \$3.9 billion over the three-year period relative to the Fiscal Year 2024-25 Budget Act.

To mitigate the risk of potentially appropriating more resources to the Proposition 98 guarantee than are available in the final calculation for Fiscal Year 2024-25, the 2025-26 Budget appropriates the Fiscal Year 2024-25 Proposition 98 guarantee at \$118 billion, instead of the currently calculated level of \$119.9 billion. The difference between the appropriated and the calculated levels (referred to as “settle up”) is \$1.9 billion. The Fiscal Year 2024-25 Proposition 98 guarantee level will not be finalized until that fiscal year is certified—a process that will occur throughout 2026.

The Proposition 98 guarantee is in Test 2 for Fiscal Year 2023-24 (although suspended at \$98.5 billion) and continues to be in Test 1 for Fiscal Years 2024-25 and 2025-26. The funding level of the Proposition 98 guarantee for Fiscal Years 2024-25 and 2025-26 is equal to roughly 40% of General Fund revenues, plus local property tax revenues.

The Proposition 98 guarantee is “rebenched” to reflect the continued implementation of universal TK and property tax backfills related to the January 2025 fires in the County of Los Angeles. The resulting Test 1 percentage is then “rebenched” to increase the percentage of General Fund revenues due to the guarantee, from 39.2% to 39.6%.

*Rainy Day Fund.* The 2025-26 Budget maintains the withdrawal of the full \$8.4 billion balance in the PSSSA in Fiscal Year 2023-24. The May Revision included a mandatory deposit into the PSSSA of \$540 million in Fiscal Year 2024-25. Adjustments in capital gains revenues for the final 2025-26 Budget are projected to reduce the mandatory deposit in Fiscal Year 2024-25 to \$455 million. Additionally, a year-over-year decrease in the Proposition 98 guarantee triggers a mandatory withdrawal of \$455 million in Fiscal Year 2025-26, exhausting the remaining PSSSA balance.

*Proposition 98 Funding Split.* In prior years, 10.93% of the amount of General Fund rebenched into the Proposition 98 guarantee for the cost of TK expansion was added to the community colleges budget. Over the three-year budget window, this resulted in \$492.4 million in increased resources for community colleges, and a like amount of funding that has not been available for TK-12 schools to implement the expansion of TK. Beginning in Fiscal Year 2025-26, the 2025-26 Budget rebenches Proposition 98 for the cost of TK expansion, shifting \$232.9 million in ongoing resources from community colleges to TK-12 schools to ensure that implementation of universal TK does not create a fiscal burden on existing TK-12 programs.

*Local Control Funding Formula.* The 2025-26 Budget includes a LCFF cost-of-living adjustment (“COLA”) of 2.3% that, when combined with population growth adjustments, increases funds for local educational agencies by \$2.1 billion. The 2025-26 Budget uses \$405.3 million from the PSSSA to support the overall costs of the LCFF in Fiscal Year 2025-26.

*Deferrals.* Budgetary deferrals of \$246.6 million for TK-12 education from Fiscal Year 2024-25 are fully repaid in Fiscal Year 2025-26. To fully fund the LCFF and maintain the level of Fiscal Year 2025-26 principal apportionments, the 2025-26 Budget defers \$1.9 billion in LCFF funding from June 2026 to July 2026.

Other significant features of the 2025-26 Budget affecting TK-12 public schools include the following:

- ***Universal Transitional Kindergarten.*** In the 2025-26 school year, the 2025-26 Budget provides a total of \$2.1 billion ongoing Proposition 98 General Fund monies (inclusive of all prior years’ investments) to support the full implementation of universal TK, so that all children who turn four years old by September 1 can enroll in TK in the 2025-26 school year—providing access to roughly 51,000 additional children over the 2024-25 school year. The 2025-26 Budget also provides an additional \$1.2 billion ongoing Proposition 98 General Fund monies to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.

- ***Before School, After School, and Summer School.*** The 2025-26 Budget provides \$515.1 million ongoing for the full implementation of the Expanded Learning Opportunities Program by increasing the number of elementary schools that offer universal access to students, from all those in local educational agencies with an unduplicated pupil percentage of 75% to all those in local educational agencies with 55% unduplicated students. Additionally, the 2025-26 Budget includes \$10.4 million to increase the minimum grant amount from \$50,000 to \$100,000 per local educational agency. This increase will allow small local educational agencies to maintain expanded learning programming without redirecting funding from other local programs.
  
- ***Literacy Instruction.*** The 2025-26 Budget provides \$480 million to support literacy instruction aligned with the English Language Arts/English Language Development (“ELA/ELD”) Framework for all students, including the following investments:
  - \$215 million one-time Proposition 98 General Fund monies to expand the existing Literacy Coaches and Reading Specialists Grant Program.
  - \$200 million one-time Proposition 98 General Fund monies to support evidence-based professional learning for elementary school educators aligned with the ELA/ELD Framework.
  - \$40 million one-time Proposition 98 General Fund monies to support necessary costs, including purchasing screening materials and training for educators, to administer screenings for risk of reading difficulties to all kindergarten through second grade students beginning in the 2025-26 school year.
  - \$15 million one-time Proposition 98 General Fund monies for Literacy and Mathematics Networks, to convene literacy and mathematics lead agencies to support the implementation of evidence-based practices aligned to their respective curriculum frameworks.
  - \$10 million one-time Proposition 98 General Fund monies for a county office of education to partner with the University of California, San Francisco Dyslexia Center to support the Multitudes screener for risk of reading difficulties, which is free to California public schools, and expand capacity for educator support for those schools using Multitudes.
  
- ***Teacher Preparation and Professional Development.*** The 2025-26 Budget includes multiple investments intended to support teachers and improve access to the educator pipeline:
  - \$300 million one-time Proposition 98 General Fund monies to establish the Student Teacher Stipend Program, which will provide \$10,000 grants to teacher candidates completing the required student teaching hours beginning in the 2026-27 school year, and available through the 2028-29 school year. Of this amount, \$5 million is available to support a public outreach campaign and a grant management system to facilitate uptake and access to student teacher stipends, teacher residency funds, and national board certification dollars.
  - \$70 million one-time Proposition 98 General Fund monies to increase funding for high-quality teacher residency programs.

- \$30 million one-time Proposition 98 General Fund monies to extend the timeline of the existing National Board Certification Incentive Program to support National Board Certified teachers to teach in high poverty schools.
- ***Student Support and Professional Development Discretionary Block Grant.*** The 2025-26 Budget allocates \$1.7 billion one-time Proposition 98 General Fund monies for the Student Support and Professional Development Discretionary Block Grant, to provide local educational agencies with additional discretionary fiscal support in recognition of rising costs, as well as fund statewide priorities including: (1) professional development for teachers on the ELA/ELD Framework and the Literacy Roadmap, with a focus on strategies to support literacy for English learners; (2) professional development for teachers on the Mathematics Framework; (3) teacher recruitment and retention strategies; and (4) career pathways and dual enrollment expansion efforts consistent with the Master Plan for Career Education.
- ***State Preschool.*** The 2025-26 Budget provides \$19.3 million Proposition 98 General Fund monies and \$10.2 million non-Proposition 98 General Fund monies for the California State Preschool Program to support the cost of care. Additionally, within existing funding, the 2025-26 Budget includes authority for the Department of Education to do all of the following:
  - Expand State Preschool Program provider contracts to increase enrollment of three-year-olds by 10%.
  - Fund prospective pay for State Preschool Program providers to ensure timely payment of State contract funding.
  - Automate prospective pay for State Preschool Program providers.
- ***Learning Recovery Emergency Block Grant.*** The 2025-26 Budget provides \$378.6 million one-time Proposition 98 General Fund monies to support the Learning Recovery Emergency Block Grant. This block grant supports local educational agencies in establishing learning recovery initiatives through the 2027-28 school year.
- ***Career Technical Education.*** The 2025-26 Budget provides \$150 million one-time Proposition 98 General Fund monies for career technical education and career pathways programming, subject to pending legislation.
- ***Universal School Meals Support Grant.*** The 2025-26 Budget provides \$145 million one-time Proposition 98 General Fund monies for specialized kitchen equipment, infrastructure, training, and procurement of sustainably grown food to support schools in providing more freshly prepared meals, \$10 million one-time Proposition 98 General Fund monies to recruit and retain school food service workers, and \$5 million one-time Proposition 98 General Fund monies for a study of ultra-processed foods offered in California school meals.
- ***Special Olympics.*** The 2025-26 Budget provides \$30 million one-time Proposition 98 General Fund monies, available over three years, for the Special Olympics of Northern and Southern California.
- ***Mathematics Professional Learning Partnership.*** The 2025-26 Budget provides \$30 million one-time Proposition 98 General Fund monies for the Mathematics Professional Learning Partnership, for the Kern County Superintendent of Schools to support educator training and mathematics

coaching in local educational agencies, including expanding upon collaboration with the Rural Math Collaborative and training mathematics coaches who can be deployed in schools and local educational agencies with the highest need of support.

- ***Summer Electronic Benefits Transfer (SUN Bucks).*** The 2025-26 Budget provides \$21.9 million in additional ongoing Proposition 98 General Fund monies to support the SUN Bucks Program, which provides nutrition funding to eligible students during the summer months.
- ***Children and Youth Behavioral Health Initiative Grants.*** The 2025-26 Budget provides \$20 million one-time Proposition 98 General Fund monies to support the implementation of the Children and Youth Behavioral Health Initiative’s all-payer fee schedule.
- ***Secondary School Redesign Pilot Program.*** The 2025-26 Budget provides \$10 million one-time Proposition 98 General Fund monies for the California Collaborative of Educational Excellence to administer a pilot program to redesign middle and high schools to better serve the needs of all students and increase student outcomes, and to manage a network of grantees to support peer learning and documentation of practices.
- ***English Language Proficiency Screener for TK Students.*** The 2025-26 Budget provides \$10 million one-time Proposition 98 General Fund monies for the statewide use of English language proficiency of a list of one or more screeners to support multilingual learners in TK.
- ***TK Multilingual Learner Supplementary Funding.*** The 2025-26 Budget provides \$7.5 million one-time Proposition 98 General Fund monies, available through Fiscal Year 2026-27, to mitigate reductions in potential LCFF apportionment funding to local educational agencies resulting from the recent exemption of TK students from the English language proficiency assessment.

***Governor’s Proposed 2026-27 State Budget.*** Governor Newsom released his Proposed 2026-27 State Budget (the “Proposed 2026-27 Budget”) on January 9, 2026. The Proposed 2026-27 Budget totals approximately \$348.9 billion and relies on higher cash receipts, higher stock market levels, and an improved economic outlook. A significant portion of the revenue increase is attributable to a relatively small number of technology companies that have experienced a substantial increase in their share prices due to investor enthusiasm in artificial intelligence. However, constitutional funding requirements, the need for an adequate discretionary budget reserves, and higher program costs are additional commitments that exceed the level of increased revenues, resulting in a projected shortfall of \$2.9 billion.

Over the last two fiscal years, the State has withdrawn from the Rainy Day Fund and suspended deposits into reserves in order to solve for prior budget shortfalls. The Proposed 2026-27 Budget suspends a \$2.8 billion “true-up” deposit into the Rainy Day Fund for Fiscal Year 2025-26, although, it reflects such deposits in Fiscal Year 2026-27. In light of these actions, the State is projected to end Fiscal Year 2026-27 with available General Fund reserves that include: \$14.4 billion in the Rainy Day Fund for fiscal emergencies; \$47.1 billion in the Public School System Stabilization Account (the Proposition 98 “rainy day” fund used to lessen the impact of State revenue volatility on TK-14 schools) (“PSSSA”); and \$4.5 billion in the Special Fund for Economic Uncertainties, the State’s operating reserve.

***Proposition 98 Guarantee.*** Proposition 98 funding for Fiscal Year 2026-27 is approximately \$125.5 billion for TK-12 schools and California community colleges. Revised estimates of General Fund revenues result in an increase of approximately \$21.7 billion over the three-year period relative to the Fiscal Year 2025-26 Budget Act: \$123.8 billion in Fiscal Year 2024-25, \$121.4 billion in Fiscal Year 2025-26, and \$125.5 billion in Fiscal Year 2026-27. The Proposition 98 guarantee continues to be in a Test 1 for Fiscal Years 2024-25, 2025-26, and 2026-27. This means that the funding level of the Proposition 98

guarantee is equal to roughly 40 percent of General Fund revenues, plus local property tax revenues. Pursuant to the Proposition 98 formula, this percentage of General Fund revenues is not reduced to reflect enrollment adjustments, which further increases per pupil funding. The Proposed 2026-27 Budget includes a total funding of \$149.1 billion (\$88.7 billion in General Fund revenue and \$60.4 billion in other funds) for all TK-12 education programs. TK-12 funding per-pupil totals \$20,427 in Proposition 98 General Fund monies and \$27,418 per-pupil when accounting for all funding sources.

*Rainy Day Fund.* Adjustments in capital gains revenues require an increased deposit of \$3.8 billion in Fiscal Year 2024-25, eliminating the mandatory withdrawal of \$455 million in Fiscal Year 2025-26 and replacing it with a mandatory deposit of \$424.3 million, and requiring a mandatory withdrawal of \$407.1 million in Fiscal Year 2026-27. Additionally, the Proposed 2026-27 Budget includes a discretionary deposit of \$240 million in Fiscal Year 2025-26, further increasing the Proposition 98 safety net. At the end of the three-year budget window, the total balance in the PSSSA is \$4.1 billion. Under current law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the PSSSA is equal to or greater than 3 percent of the total TK-12 share of the Proposition 98 guarantee. The balance in the PSSSA in all years of the three-year budget window triggers school district reserve caps in Fiscal Years 2025-26 and 2026-27.

*LCFF and Costs of Living Adjustment.* The Proposed 2026-27 Budget includes a LCFF COLA of 2.41%, that combined with population growth adjustments, result in \$2 billion in additional discretionary funds for local educational agencies. Additionally, budgetary deferrals of \$1.9 billion for TK-12 education are fully repaid in Fiscal Year 2026-27.

Significant features of the Proposed 2026-27 Budget affecting TK-12 schools in California include the following:

- ***State Education Governance.*** Amendments to the Education Code to move oversight authority of the management of the California Department of Education and support of local educational agencies under the State Board of Education. The Proposed 2026-27 Budget further proposes to provide the State Superintendent of Public Instruction the ability to strengthen coordination and alignment among the bodies setting policy from early childhood through postsecondary education.
- ***Community Schools.*** \$1 billion ongoing Proposition 98 General Fund monies to expand the community school model to more school sites that have large concentrations of students from low-income families, English learners, and youth in foster care. Community schools partner with education, county, and nonprofit entities to provide integrated health, trauma-informed mental health, social services, and academic supports alongside high-quality, supportive instruction. To date approximately 2,500 schools in California have received community schools grants through the California Community Schools Partnership Program; this new funding would provide ongoing resources for these grantees and expand access to the model to thousands of additional high-need schools.
- ***Special Education.*** An increase of \$509 million ongoing Proposition 98 General Fund monies to increase special education base rates to improve instruction and services for students with disabilities. This additional funding will allow for full equalization of special education rates across the state, meaning that all local educational agencies will now receive the same rate per pupil for State special education funding.
- ***Master Plan for Career Education: TK-12 Education.*** \$100 million one-time Proposition 98 General Fund monies to increase access to college and career pathways for high school students, including expanding access to dual enrollment and dual credit opportunities, and prioritizes creation

and expansion of dual enrollment and pathways programs with funds allocated through the \$2.8 billion Student Support and Discretionary Block Grant. The master plan for career education is a cross-agency collaboration to strengthen planning and coordination across state and regional education and workforce initiatives, to make it easier for Californians to receive college credit both while in high school and based on their real-world experience, and create more pathways to in-demand careers in California.

- ***Before, After and Summer School.*** The Expanded Learning Opportunities Program is a multi-year investment plan to implement before, after, and summer school instruction and enrichment for students in grades TK-6, with a focus on local educational agencies with the highest concentrations of low-income students, English learners, and youth in foster care, otherwise known as unduplicated pupils. Currently, Tier 1 local educational agencies—agencies with TK-6 grade and 55% or more unduplicated pupils—receive \$2,750 per unduplicated pupil and Tier 2 local educational agencies—agencies with TK-6 grade and less than 55% unduplicated pupils—receive a variable amount per unduplicated pupil, based on the availability of program funding. The Proposed 2026-27 Budget includes \$62.4 million ongoing Proposition 98 General Fund monies to provide a guaranteed \$1,800 per pupil for Tier 2 local educational agencies, stabilizing the existing variable Tier 2 rate. With this increase, total ongoing program funding is \$4.7 billion Proposition 98 General Fund monies.
- ***Teacher Preparation.*** \$250 million one-time Proposition 98 General Fund monies to continue educator residency programs through Fiscal Year 2029-30. Educator residencies provide high-quality, clinically rich preparation for teachers and school counselors, with residency program participants having higher program completion and workforce retention rates than non-residency prepared teachers.
- ***Student Support and Professional Development Discretionary Block Grant.*** \$2.8 billion one-time Proposition 98 General Fund monies for a discretionary block grant to provide local educational agencies with additional fiscal support to manage attendance and enrollment declines, including those caused by federal government immigration actions, and address rising costs, as well as fund statewide priorities including: (1) professional development for teachers on the ELA/ELD Framework and the Literacy Roadmap, with a focus on strategies to support literacy for English learners; (2) professional development for teachers on the Mathematics Framework; (3) teacher recruitment and retention strategies; (4) professional development for TK teachers and site administrators on the principles and guidelines of developmentally appropriate TK instruction; and (5) career pathways and dual enrollment expansion efforts consistent with the master plan for career education.
- ***School Facilities.*** Allocates \$1.5 billion Proposition 2 – Kindergarten through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 – bond funds to support school construction projects in Fiscal Year 2026-27.
- ***Learning Recovery Emergency Block Grant.*** \$757.3 million one-time Proposition 98 General Fund monies to support the Learning Recovery Emergency Block Grant, which provides funds to local educational agencies to establish learning recovery initiatives through the 2027-28 school year. This investment is expected to be the final payment to this program, which has received multi-year investments totaling \$7.2 billion in past budgets to support schools in learning recovery efforts related to COVID-19.
- ***Home-to-School Transportation.*** \$322 million one-time and \$239.2 million ongoing Proposition 98 General Fund monies to reflect higher costs in the Home-to-School Transportation Program.

- ***Cost-of-Living Adjustments.*** \$228.2 million ongoing Proposition 98 General Fund monies to reflect a 2.41% COLA for specified categorical programs and the LCFF Equity Multiplier. The specified categorical programs include Special Education, Child Nutrition, State Preschool, Foster Youth Services Coordinating Program, Mandates Block Grant, Adults in Correctional Facilities Program, Charter School Facility Grant Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.
- ***Kitchen Infrastructure and Training.*** \$100 million one-time Proposition 98 General Fund monies for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.
- ***Reading Difficulties Risk Screening.*** \$40 million one-time Proposition 98 General Fund monies to support continued implementation of student reading difficulties screenings. The Fiscal Year 2023-24 Budget Act required local educational agencies to begin screening students in kindergarten through second grade, for risk of reading difficulties, including dyslexia, beginning in the 2025-2026 school year. Additionally, the Proposed 2026-27 Budget includes statutory changes to clarify the appropriate administration of the screeners to ensure the consistency and quality of results.
- ***L.A. County School Wildfire Recovery.*** \$22.9 million one-time Proposition 98 General Fund monies to support local educational agencies that are continuing to recover from the January 2025 Los Angeles County wildfires.
- ***Universal and Targeted Assistance.*** \$13.3 million additional ongoing Proposition 98 General Fund monies, for a total of \$131.9 million, for county offices of education to provide universal and targeted support to school districts and charter schools, including those eligible for differentiated assistance. This funding will align with updates to local educational agency assistance and intervention performance criteria that the State Board of Education is required to adopt pursuant to Chapter 8, Statutes of 2025 (Assembly Bill 121). The Proposed 2026-27 Budget includes statutory changes to allow for the updated performance criteria to target longer-term support where the demonstrated needs are greatest.
- ***County Offices of Education LCFF.*** An ongoing decrease of \$15.6 million Proposition 98 General Fund monies to reflect ADA changes applicable to the county office of education LCFF, and a 2.41% COLA.
- ***School Nutrition Programs.*** An ongoing decrease of \$67.9 million Proposition 98 General Fund monies to support the Universal School Meals program, reflecting a reduction in Fiscal Year 2025-26 estimates compared to the Fiscal Year 2025-26 Budget Act projections and an increase in meal reimbursement rates.
- ***Local Property Tax Adjustments.*** A decrease of \$18 million Proposition 98 General Fund monies for school districts and county offices of education in Fiscal Year 2025-26, and a decrease of \$1.4 billion ongoing Proposition 98 General Fund monies for school districts and county offices of education in Fiscal Year 2026-27, resulting from increased offsetting property taxes.

***Legislative Analyst’s Comments on the Proposed 2026-27 Budget.*** On January 12, 2026, the Legislative Analyst’s Office (the “LAO”) offered initial comments on the Proposed 2026-27 Budget. The LAO observes that the Governor’s budget is roughly balanced. The LAO’s November fiscal outlook report estimated a \$18 billion deficit. The Proposed 2026-27 Budget reflects roughly a \$3 billion deficit. The differences are based on two offsetting reasons. First, the administration’s revenue estimate is considerably higher than the LAO’s because it does not incorporate the strong risk of a stock market downturn. Second,

however, these higher revenues are offset by higher spending under the administration’s assumptions and estimates. The LAO suggests that the stock market is overheated and at high risk of reversing course into a downturn in the next year or so. Should a stock market downturn occur, income tax revenues would fall considerably. The LAO observes that the State’s negative fiscal situation is now chronic based on the multiyear deficits, with estimates ranging from \$20 billion to \$35 billion annually. Deficits have persisted even as the State’s economy and revenues have grown, underscoring that the problem is structural rather than cyclical. The Proposed 2026-27 Budget acknowledges these challenges but does not propose material actions to address the downside risks. The LAO recommends the State legislature incorporate the possibility of a market downturn into the revenue forecast and identify solutions that bring the budget into balance. If the State legislature uses the administration’s revenue estimates in the Proposed 2026-27 Budget, the LAO recommends (i) to maintain, rather than suspend, all required Rainy Day Fund deposits across the budget window, including the \$2.8 billion true-up deposit in Fiscal Year 2025-26, and (ii) to increase budget resilience by setting aside \$5.6 billion associated with the settle-up proposal into a reserve, rather than using these funds for other budget commitments. Lastly, the LAO recommends the State legislature address at least half of the multiyear deficits now, through a combination of spending reductions and revenue increases. Approaching the structural deficit in increments allows the State legislature to ensure those solutions ultimately improve the State’s fiscal position as intended and take subsequent action as needed.

***Future Budgets.*** The District cannot predict how State income or State education funding will vary over the term of the Bonds, and the District takes no responsibility for informing owners of the Bonds as to actions the State Legislature or Governor may take affecting the current year’s budget after its adoption. Future State budgets will be affected by national and State economic conditions, and other factors over which the District will have no control. To the extent that the State budget process results in reduced revenues, deferred revenues or increased expenses for the District, the District will be required to make adjustments to its budget and cash management practices. In the event current or future State Budgets decrease the District’s revenues or increase required expenditures by the District from the levels assumed by the District, the District will be required to generate additional revenues, curtail programs or services, or use its reserve funds to ensure a balanced budget. As the Bonds are payable from *ad valorem* property taxes, the State budget is not expected to have an impact on the payment of the Bonds.

Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov), under the heading “California Budget” or [www.ebudget.ca.gov](http://www.ebudget.ca.gov). An impartial analysis of the budget is posted by the Office of the Legislative Analyst at [www.lao.ca.gov](http://www.lao.ca.gov). The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

***Tax Relief for Disasters.*** The Internal Revenue Service (“IRS”) and California Franchise Tax Board (“FTB”) may grant individuals and businesses additional time to file or pay taxes when a major disaster in their area is declared by the federal or state government. California generally follows the IRS extended deadlines to file and pay taxes. Impacted taxpayers may also be eligible to claim a disaster loss on their tax return.

***California Wildfires and Tax Year (2024) Disasters.*** As announced by Governor Newsom, California individuals and businesses impacted by the January 2025 Los Angeles County fires qualified for an extension to file and pay taxes until October 15, 2025. This included the following for residents and businesses in Los Angeles County:

- Individuals whose tax returns and payments are normally due on April 15, 2025.
- Quarterly estimated tax payments normally due on January 15, April 15, June 15, and September 15, 2025.
- Business entities whose corporate or pass-through entity tax returns are normally due on March 15 and April 15, 2025.
- Pass-through entity (PTE) elective tax payments normally due on March 15 and June 15, 2025.
- Tax-exempt organization returns normally due on May 15, 2025.

The District is unable to predict whether the tax return filing and payment extensions will have a material adverse effect on the financial condition of the District and the local economy.

## **Federal Revenues**

The federal government provides funding for several District programs, including certain programs and grant funding. Federal revenues, most of which are restricted, comprised approximately 5.8% (or approximately \$68 million) of the District’s General Fund revenues for Fiscal Year 2025-26.

On January 27, 2025, the Office of Management and Budget (“OMB”) issued a memorandum directing federal agencies to temporarily pause all activities related to the obligation or disbursement of federal financial assistance, and other relevant activities, that may be implicated by recent executive orders issued under the Trump Administration. On January 29, 2025, OMB rescinded the memorandum. Following the rescission, the White House press secretary noted that the rescission of the memorandum was “[not] a rescission of the federal funding freeze.” The U.S. Department of Education released a letter, dated February 14, 2025, notifying schools and colleges to eliminate diversity, equity, and inclusion programs and initiatives by the end of the month or risk losing federal funding.

The District’s budget and receipt of federal funding may be further impacted by the executive order signed by President Trump on March 20, 2025 to begin dismantling the U.S. Department of Education. The Trump Administration has since faced multiple legal challenges, including lawsuits filed by the State, one of which successfully challenged the administration’s withholding of certain federal education funds and protected over \$900 million in funding for California schools.

No representation can be made that the District will continue to receive or be eligible for federal funding of education programs, including as a result of current efforts and proposals to reduce the size of the federal workforce, eliminate government programs and/or eliminate or merge governmental agencies. The District is unable to predict the extent of such impact at this time and whether any such impact will materially affect its finances and operations.

## **CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS**

**Limitations on Revenues.** On June 6, 1978, State voters approved Proposition 13 (“Proposition 13”), which added Article XIII A to the State Constitution (“Article XIII A”). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation

of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Other amendments to the California Constitution have implemented and modified limits on reassessment of property value upon transfers. Most recently, Proposition 19 limits people who inherit family properties from keeping a low property tax base resulting from the 2% restriction on increases, unless they use the home as their primary residence, but it also allows homeowners who are over 55 years of age, disabled, or victims of a wildfire or natural disaster to transfer their assessed value of their primary home to a newly purchased or newly constructed replacement primary residence up to three times.

**County of Orange v. Orange County Assessment Appeals Board No. 3.** Section 51 of the State Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

**Legislation Implementing Article XIII A.** Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed at \$4 per \$100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

**Article XIII B of the State Constitution.** An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979, thereby adding Article XIII B to the State Constitution (“Article XIII B”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds)

in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District’s Fiscal Year 2025-26 preliminary “appropriations limit” is \$556.5 million. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State’s allowable limit.

**Articles XIII C and XIII D of the California Constitution.** On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles XIII C and XIII D (“Article XIII C” and “Article XIII D,” respectively), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the State Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

**Statutory Limitations.** On November 4, 1986, State voters approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute: (a) requires new or higher general taxes to be approved by two-thirds of the local agency’s governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld

Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

**Proposition 98 and Proposition 111.** On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the State Budget.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for the State and the K-14 school Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, State voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the State Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the "change in the cost of living" by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State's spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the "excess" tax revenues, determined based on a two-year cycle, would be transferred to K-14 school districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts' minimum funding level), and that any such transfer to K-14 school districts would not be built into the school districts' base expenditures for calculating their entitlement for State aid in the following year and would not increase the State's appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain "qualified capital outlay projects" and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 school districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost

of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (“Test 2”). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test (“Test 3”), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in the State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a “credit” to schools (also referred to as a “maintenance factor”) which will be paid in future years when State general fund revenue growth exceeds personal income growth.

**Proposition 30 and Proposition 55.** On November 6, 2012, voters approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State’s income taxpayers by one to three percent for a period of seven years from January 1, 2012 through the end of 2018, and (b) increased the sales and use tax by one-quarter percent for a period of four years from January 1, 2013 through the end of 2016. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see “CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO AD VALOREM PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98 and Proposition 111” herein). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the “Education Protection Account”), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative (“Proposition 55”), approved by voters on November 8, 2016, extends by twelve years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales tax increases imposed by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

**Applications of Constitutional and Statutory Provisions.** The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see “State Funding of Education—State Budget” herein.

**Proposition 2.** Proposition 2, which included certain constitutional amendments to the Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

**Rainy Day Fund.** The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year’s deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year’s deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the “Public School System Stabilization Account”) to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has

paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to Fiscal Year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

**SB 858.** Senate Bill 858 (“SB 858”) became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Public School System Stabilization Account, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the State Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the State Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 2% of its General Fund expenditures and other financing uses.

**SB 751.** Senate Bill 751 (“SB 751”), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Bonds as and when due.

**Proposition 2 (2024).** The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024 (also known as Proposition 2 and referred to herein as “Proposition 2 (2024)”) is a voter initiative that was approved by voters on November 5, 2024. Proposition 2 (2024) authorizes the sale and issuance of \$10 billion in general obligation bonds for the repair, upgrade, and construction of facilities at K-12 public schools (including charter schools), community colleges, and career technical education programs, including for the improvement of health and safety conditions and classroom upgrades.

**K-12 School Facilities.** Proposition 2 (2024) includes \$3.3 billion for the new construction of K-12 facilities and an additional \$4 billion for the modernization of existing K-12 facilities, up to 10% of each allocated amount to be reserved for small school districts with an enrollment of fewer than 2,501 students. Of the \$4 billion available in modernization funds, up to \$115 million is available to be used for reducing lead levels in water at school facilities. Generally, K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. However, some school districts that have lower assessed property values and meet certain other socio-economic criteria will be required to pay as low as 45% and 35% of new construction costs and modernization costs, respectively. In addition, a total of \$1.2 billion will be available for the modernization and new construction of charter school (\$600 million) and technical education (\$600 million) facilities. The State will award funds to career

technical education and charter schools through an application process, and charter schools must be deemed financially sound before project approval.

***Community College Facilities.*** Proposition 2 (2024) includes \$1.5 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must prepare a plan listing their Statewide project priorities. The Governor and State Legislature will select specific projects to fund.

The District makes no guarantees that it will either pursue or qualify for Proposition 2 (2024) State facilities funding.

### **FUTURE INITIATIVES**

Article XIII A, Article XIII B, Article XIII C, Article XIII D and Propositions 1A, 2, 2 (2024), 22, 30, 39, 55, 98 and 111, were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

*[Remainder of page intentionally left blank.]*

## REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION

The District’s boundaries include the Cities of Long Beach and Signal Hill, Avalon and Twin Harbors on Santa Catalina Island, a portion of the City of Lakewood (collectively, the “ Cities”) and a portion of the unincorporated area of the County. The following economic and demographic information pertains to the Cities and the County of Los Angeles. The Bonds are general obligations of the District, but they are not general obligations of the Cities or the County.

### Population

The following Table A-22 sets forth the estimates of the population of the City of Long Beach, the County and the State in calendar years 2021 through 2025.

**TABLE A-22**

**Population Estimates  
2021 through 2025<sup>(1)</sup>**

Year	City of Long Beach	County of Los Angeles	State of California
2021	460,902	9,966,353	39,369,530
2022	461,265	9,870,212	39,179,680
2023	460,575	9,834,286	39,228,444
2024	460,545	9,848,643	39,420,663
2025	462,561	9,876,811	39,529,101

<sup>(1)</sup> Population statistics are as of January 1.  
Source: California State Department of Finance.

### Income

The following Table A-23 summarizes the median household income for the City of Long Beach, the County, the State and the United States for calendar years 2020 through 2024.

**TABLE A-23**

**Median Household Income<sup>(1)</sup>  
2020 through 2024<sup>(2)</sup>**

Year	City of Long Beach	County of Los Angeles	State of California	United States
2020	66,410	71,358	78,672	64,994
2021	73,905	77,456	84,907	69,717
2022	80,493	82,516	91,551	74,755
2023	81,606	86,587	95,521	77,719
2024	91,318	90,845	100,149	81,604

<sup>(1)</sup> Estimated. In inflation-adjusted dollars.

<sup>(2)</sup> For 2021, 2022, 2023 and 2024, from 1-Year Estimates Detailed Tables. For 2020, from 5-Year Estimates Detailed Tables.  
Source: U.S. Census Bureau - Economic Characteristics - American Community Survey.

Set forth in Table A-24 below is the distribution of income by certain income groupings per household for the City of Long Beach, the County, the State and the United States for calendar year 2024.

**TABLE A-24**

**Income Groupings 2024<sup>(1)(2)</sup>  
(Percent of Households)**

<b>Income Per Household</b>	<b>City of Long Beach</b>	<b>County of Los Angeles</b>	<b>State of California</b>	<b>United States</b>
\$24,999 & Under	12.6%	14.3%	12.6%	14.4%
\$25,000-49,999	14.5	13.9	12.8	16.2
\$50,000 & Over	72.9	71.7	74.6	69.4

<sup>(1)</sup> Estimated. In 2024 inflation-adjusted dollars.

<sup>(2)</sup> From 1-Year Estimates Subject Tables.

Source: U.S. Census Bureau - Economic Characteristics - American Community Survey.

**Employment**

The District is within the Los Angeles-Long Beach Primary Metropolitan Statistical Area Labor Market (Los Angeles County). Table A-25 below summarizes wage and salary employment in the County from calendar years 2020 through 2024.

*[Remainder of page intentionally left blank.]*

**TABLE A-25****Labor Force and Employment in Los Angeles County<sup>(1)</sup>**

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Civilian Labor Force	4,972,600	4,999,700	5,021,800	5,055,300	5,109,800
Employment	4,363,200	4,551,600	4,771,700	4,799,000	4,812,600
Unemployment	609,400	448,100	250,100	256,200	297,200
Unemployment Rate	12.3%	9.0%	5.0%	5.1%	5.8%
Wage and Salary Employment					
Farm	4,400	4,600	4,800	4,700	4,800
Mining and Logging	1,700	1,600	1,700	1,700	1,700
Construction	146,600	149,000	151,300	151,200	150,900
Manufacturing	315,400	313,100	321,700	318,400	310,800
Trade, Transportation and Utilities	784,600	814,000	833,500	822,900	814,000
Information	191,100	208,800	234,900	193,100	189,800
Financial Activities	213,200	213,200	215,700	210,900	208,700
Professional and Business Services	601,000	630,800	666,900	656,800	657,800
Private Education and Health Services	821,700	844,400	871,100	920,300	969,400
Leisure and Hospitality	393,700	434,200	512,400	534,100	537,400
Other Services	128,800	135,700	153,000	157,400	158,400
Government	570,200	560,200	570,000	582,200	591,100
Total <sup>(1)</sup>	4,172,500	4,309,700	4,536,900	4,553,700	4,594,700

<sup>(1)</sup> Totals may not equal sum of component parts due to rounding. All data are annual averages and updated per March 2024 Benchmark.

Source: State Employment Development Department, Labor Market Information Division.

*[Remainder of page intentionally left blank.]*

Table A-26 below sets forth taxable sales in the County for the calendar years 2020 through 2024.

**TABLE A-26**  
**County of Los Angeles**  
**Taxable Transactions**  
**Calendar Years 2020 through 2024**

<b>Type of Business</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Motor Vehicle and Parts Dealers	\$18,534,325,790	\$23,563,564,765	\$25,275,154,063	\$23,452,326,653	\$22,342,072,957
Home Furnishings and Appliance Stores	6,608,481,868	8,191,431,025	7,731,033,293	6,977,305,008	6,828,450,250
Building Materials and Garden Equipment and Supplies	9,556,946,133	10,456,967,177	11,019,289,406	10,678,778,454	10,598,631,328
Food and Beverage Stores	7,650,293,876	7,870,931,683	8,267,218,988	8,344,481,521	8,470,792,976
Gasoline Stations	8,132,306,788	12,411,546,399	16,168,371,270	14,257,026,906	13,272,921,435
Clothing and Clothing Accessories Stores	9,498,705,309	13,981,730,889	14,430,221,202	14,020,074,358	14,129,936,435
General Merchandise Stores	12,263,783,822	14,456,028,655	15,079,135,401	14,523,908,822	14,407,505,489
Food Services and Drinking Places	17,006,158,406	23,626,064,760	28,099,665,133	29,529,325,777	30,112,123,848
Other Retail Group	24,164,972,130	24,442,108,064	24,552,534,881	24,380,860,690	23,658,600,645
Total Retail and Food Services	<u>\$113,415,974,122</u>	<u>\$139,000,373,417</u>	<u>\$150,622,623,637</u>	<u>\$146,164,088,189</u>	<u>\$143,821,035,363</u>
All Other Outlets	<u>\$44,322,010,334</u>	<u>\$53,523,829,593</u>	<u>\$63,093,985,701</u>	<u>\$62,338,747,137</u>	<u>\$61,989,033,372</u>
<b>TOTAL ALL OUTLETS</b>	<u><b>\$157,737,984,456</b></u>	<u><b>\$192,524,203,010</b></u>	<u><b>\$213,716,609,338</b></u>	<u><b>\$208,502,835,326</b></u>	<u><b>\$205,810,068,735</b></u>

Source: California Department of Tax and Fee Administration.

### Principal Employers

The economic bases of the County and the City of Long Beach are diverse with no one sector being dominant. Some of the leading activities include government (including education), business/professional management services (including engineering), health services (including training and research), tourism, distribution, and entertainment. The major employers in the County and the principal employers in the City of Long Beach are set forth below in Table A-27 and Table A-28, respectively.

*[Remainder of page intentionally left blank.]*

**TABLE A-27**

**County of Los Angeles  
Principal Employers  
2024**

**County of Los Angeles  
Principal Public Sector Employers 2024<sup>(1)</sup>**

	<b>Employer</b>	<b>Number of Los Angeles County Employees</b>
1.	Federal Executive Board <sup>(2)</sup>	260,000
2.	County of Los Angeles	116,571
3.	Los Angeles Unified School District	74,741
4.	University of California, Los Angeles (UCLA)	54,148
5.	City of Los Angeles <sup>(3)</sup>	35,206
6.	Los Angeles Department of Water and Power	11,500
7.	Long Beach Unified School District	11,000
8.	City of Long Beach	6,000
9.	California State University – Long Beach	5,000
10.	California State University – Northridge	4,163 <sup>(4)</sup>

<sup>(1)</sup> Data as of August 26, 2024.

<sup>(2)</sup> Excludes law enforcement and judiciary employees.

<sup>(3)</sup> Excludes proprietary departments (LADWP, LAWA, Port of L.A.).

<sup>(4)</sup> Estimate.

Source: Los Angeles Business Journal.

**County of Los Angeles  
Principal Private Sector Employers 2024<sup>(1)</sup>**

	<b>Employer</b>	<b>Number of Los Angeles County Employees</b>
1.	Kaiser Permanente	47,438
2.	University of Southern California	24,099
3.	Northrop Grumman Corp.	18,708
4.	The Walt Disney Co.	13,400
5.	Home Depot	12,000
6.	UPS	11,542
7.	Boeing Co.	10,783
8.	Providence Health & Services Southern California	10,153
9.	Target Corp.	10,020
10.	NBC Universal	8,576

<sup>(1)</sup> Data as of August 26, 2024.

Source: Los Angeles Business Journal.

**TABLE A-28**

**City of Long Beach  
Principal Employers 2024**

<b><u>Employer</u></b>	<b><u>Product/Service</u></b>	<b><u>Employees</u></b>
1. Long Beach Unified School District	Education	12,587
2. City of Long Beach	Government	5,847
3. Long Beach Memorial Medical Center	Medical center	5,352
4. Veteran Affairs Medical Center	Medical center	3,954
5. California State University Long Beach (CSULB)	Education	3,597
6. Long Beach City College	Education	2,179
7. St. Mary Medical Center	Medical center	1,560
8. CSULB Research Foundation	Education and research	1,740
9. The Boeing Company	Integrated aerospace and defense systems	1,641
10. Molina Healthcare Inc	Healthcare	594

---

Source: City of Long Beach, Annual Comprehensive Financial Report, 2024.

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX B

### FORM OF BOND COUNSEL OPINION

*Upon issuance and delivery of the Bonds, Norton Rose Fulbright US LLP, Bond Counsel, proposes to deliver its final approving opinion with respect to the Bonds substantially in the following form:*

[Closing Date]

Board of Education  
Long Beach Unified School District  
1515 Hughes Way  
Long Beach, CA 90810

Re: Long Beach Unified School District (County of Los Angeles, California) Election of 2008 General Obligation Bonds, Series H (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Long Beach Unified School District (County of Los Angeles, California) Election of 2016 General Obligation Bonds, Series D (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Long Beach Unified School District (County of Los Angeles, California) Election of 2022 General Obligation Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Long Beach Unified School District (the “District”), in connection with the issuance by the District of \$ \_\_\_\_\_ aggregate principal amount of its Election of 2008 General Obligation Bonds, Series H (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series H Bonds”), \$ \_\_\_\_\_ aggregate principal amount of Election of 2016 General Obligation Bonds, Series D (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series D Bonds”) and \$ \_\_\_\_\_ aggregate principal amount of Election of 2022 General Obligation Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series B Bonds,” and collectively with the Series H Bonds and the Series D Bonds, the “Bonds”). The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as amended, Article XIII A of the California Constitution, and the resolution adopted by the Board of Education of the District on February 18, 2026 (the “District Resolution”). All terms used herein and not otherwise defined shall have the meanings given to them in the District Resolution.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Bonds, including the District Resolution and the Tax Exemption Certificate of the District dated the date hereof (the “Tax Certificate”). Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the District Resolution, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, the defeasance of the Bonds) may be taken or omitted under the

circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the District Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the District Resolution and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security or the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding obligations of the District, payable as to principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

2. The District Resolution has been duly adopted and constitutes a valid and binding obligation of the District.

3. It is further our opinion, based upon the foregoing, that pursuant to section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance with the provisions of the District Resolution and the Tax Certificate and in reliance upon representations and certifications of the District made in the Tax Certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, when the Bonds are delivered to and paid for by the initial purchasers thereof, interest on the Bonds for federal income tax purposes (1) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

In our opinion, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California.

We express no other opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of an interest in a financial asset securitization investment trust, individuals otherwise qualifying for the earned income tax credit, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service or the State of California; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

[THIS PAGE INTENTIONALLY LEFT BLANK]

**APPENDIX C**

**AUDITED FINANCIAL STATEMENTS  
OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

[THIS PAGE INTENTIONALLY LEFT BLANK]

**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**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](http://CLAconnect.com)

**LONG BEACH UNIFIED SCHOOL DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>5</b>
<b>FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>13</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>14</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>15</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET     TO THE STATEMENT OF NET POSITION</b>	<b>16</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCES – GOVERNMENTAL FUNDS</b>	<b>17</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF     REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO     THE STATEMENT OF ACTIVITIES</b>	<b>18</b>
<b>STATEMENT OF FUND NET POSITION – PROPRIETARY FUND</b>	<b>20</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET     POSITION – PROPRIETARY FUND</b>	<b>21</b>
<b>STATEMENT OF CASH FLOWS – PROPRIETARY FUND</b>	<b>22</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>23</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND</b>	<b>62</b>
<b>SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND     RELATED RATIOS</b>	<b>63</b>
<b>SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET     PENSION LIABILITY</b>	<b>64</b>
<b>SCHEDULE OF DISTRICT CONTRIBUTIONS</b>	<b>66</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>68</b>

**LONG BEACH UNIFIED SCHOOL DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025**

**SUPPLEMENTARY INFORMATION**

<b>SCHEDULE OF AVERAGE DAILY ATTENDANCE(ADA)</b>	<b>71</b>
<b>SCHEDULE OF INSTRUCTIONAL TIME</b>	<b>72</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>73</b>
<b>SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS</b>	<b>75</b>
<b>SCHEDULE OF CHARTER SCHOOLS</b>	<b>76</b>
<b>RECONCILIATION OF THE ANNUAL FINANCIAL AND BUDGET REPORT WITH THE AUDITED FINANCIAL STATEMENTS</b>	<b>77</b>
<b>NOTES TO SUPPLEMENTARY INFORMATION</b>	<b>78</b>

**OTHER INFORMATION**

<b>LEA ORGANIZATION STRUCTURE</b>	<b>81</b>
<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>82</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b>	<b>84</b>
<b>INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE</b>	<b>87</b>

**FINDINGS AND QUESTIONED COSTS**

<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS – SUMMARY OF AUDITORS' RESULTS</b>	<b>92</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO THE FINANCIAL STATEMENTS</b>	<b>92</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS</b>	<b>92</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO STATE AWARDS</b>	<b>93</b>
<b>SCHEDULE OF PRIOR AUDIT FINDINGS</b>	<b>94</b>



## 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.



**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 Amounts	Variance with Revised Final Budget Positive/(Negative)
	Original	Revised Final		
<b>Revenues:</b>				
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
<b>Total Revenues</b>	<b>1,168,251,012</b>	<b>1,218,704,806</b>	<b>1,196,394,090</b>	<b>(22,310,716)</b>
<b>Expenditures:</b>				
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
<b>Total Expenditures</b>	<b>1,255,296,645</b>	<b>1,299,462,017</b>	<b>1,243,142,039</b>	<b>58,398,690</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(87,045,633)</b>	<b>(80,757,211)</b>	<b>(46,747,949)</b>	<b>36,087,974</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
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)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,200,000)</b>	<b>(12,200,000)</b>	<b>(17,199,754)</b>	<b>(4,999,754)</b>
<b>Net change in fund balance</b>	<b>\$ (96,245,633)</b>	<b>\$ (92,957,211)</b>	<b>(63,947,703)</b>	<b>\$ 31,088,220</b>
<b>Fund balance - July 1, 2024</b>			<b>645,275,096</b>	
<b>Fund balance - June 30, 2025</b>			<b>\$ 581,327,393</b>	

**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
<b>ASSETS</b>	
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	3,772,324,810
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
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	316,916,908
<b>LIABILITIES</b>	
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	3,313,203,644
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows - Other Postemployment Benefits	63,329,843
Deferred Inflows - Pension	106,705,782
Total Deferred Inflows of Resources	170,035,625
<b>NET POSITION</b>	
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	\$ 606,002,449

See accompanying Notes to Financial Statements.

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

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total
<b>Governmental Activities:</b>					
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)
<b>Total District</b>	<b>\$ 1,521,510,820</b>	<b>\$ 8,928,633</b>	<b>\$ 520,357,055</b>	<b>\$ 20,033,216</b>	<b>(972,191,916)</b>
<b>General Revenues:</b>					
Property Taxes Levied for:					
General Purposes					
Debt Service					
Other Specific Purposes					
Federal and State Aid Not Restricted to Specific Purposes					
Interest and Investment Earnings					
Miscellaneous					
Total General Revenues and Special Items					
					218,143,453
					158,842,145
					14,269,214
					633,621,032
					28,846,856
					10,089,576
					<u>1,063,812,276</u>
<b>CHANGE IN NET POSITION</b>					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					<u>514,382,089</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 606,002,449</u>

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
<b>ASSETS</b>					
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>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
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>
<b>FUND BALANCES</b>					
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
<b>REVENUES</b>					
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
<b>EXPENDITURES</b>					
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
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(46,747,949)	(250,688,235)	(8,415,873)	38,370,306	(267,481,751)
<b>OTHER FINANCING SOURCES (USES)</b>					
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)
<b>NET CHANGES IN FUND BALANCE</b>	(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
<b>FUND BALANCE - END OF YEAR</b>	<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**

<p>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:</p>	1,770,086
<p>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:</p>	42,612,558
<p>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.</p>	(10,414,526)
<p>An internal service fund is used by the District to manage the Self-Insurance Fund. The net income is reported with governmental activities.</p>	<u>(1,596,948)</u>
<p>Change in net position of governmental activities</p>	<u><u>\$ 91,620,360</u></u>

See accompanying Notes to Financial Statements.

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

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

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

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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
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)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from Other Funds	18,200,000
Net Cash Provided by Noncapital Financing Activities	18,200,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Income	2,344,594
Net Cash Provided by Investing Activities	2,344,594
<b>NET DECREASE IN CASH</b>	7,475,917
Cash and Cash Equivalents - Beginning of Year	92,400,273
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 99,876,190
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
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)
<b>CASH BALANCES CONSISTED OF THE FOLLOWING</b>	
Cash in County Treasury	\$ 98,876,190
Cash in Revolving Fund	1,000,000
Total Cash	\$ 99,876,190

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	<u>\$ 18,907,452</u>

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>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
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	2,329,296	1,203,180	-	2,052,870	5,585,346
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	150,668,285	270,202,531.00	144,653,193	169,186,273	734,710,282
Assigned:					
Future Noncapital Projects	51,742,121	-	-	-	51,742,121
Total Assigned	51,742,121	-	-	-	51,742,121
Unassigned:					
Economic Uncertainties	-	-	-	-	-
Unassigned	376,587,691	-	-	-	376,587,691
Total Unassigned	376,587,691	-	-	-	376,587,691
Total Fund Balance	\$ 581,327,393	\$ 271,405,711	\$ 144,653,193	\$ 171,239,143	\$ 1,168,625,440

**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	<u>664,737,685</u>	<u>268,820,036</u>	<u>(204,272,823)</u>	<u>729,284,898</u>
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	<u>2,050,146,820</u>	<u>213,689,731</u>	<u>(4,698,304)</u>	<u>2,259,138,247</u>
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	<u>(668,593,210)</u>	<u>(41,745,253)</u>	<u>4,301,740</u>	<u>(706,036,723)</u>
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	<u>2,574,064</u>	<u>(374,815)</u>	<u>-</u>	<u>2,199,249</u>
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	<u>5,565,002</u>	<u>(1,781,505)</u>	<u>-</u>	<u>3,783,497</u>
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	<u>\$1,948,033,918</u>	<u>\$ 9,108,439</u>	<u>\$ 119,807,428</u>	<u>\$1,837,334,929</u>	<u>\$ 138,943,985</u>

\* 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:

<u>General Obligation Bonds</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate Percent</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2025</u>
<b>Measure A:</b>					
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				<u>29,995,606</u>	<u>43,790,000</u>
<b>Refunding Bonds:</b>					
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				<u>350,985,000</u>	<u>167,000,000</u>
<b>Measure K:</b>					
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				<u>1,035,425,096</u>	<u>816,035,000</u>
<b>Measure E:</b>					
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				<u>900,000,000</u>	<u>713,060,000</u>
<b>Measure Q:</b>					
Series A	5/23/2023	8/01/2026	4.00-5.00	100,000,000	56,430,000
Total				<u>\$ 2,416,405,702</u>	<u>\$ 1,796,315,000</u>

**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	7,128

**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 Date	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**

	<u>Total OPEB Liability</u>
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:

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

**Contributions**

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age 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:

	<u>Balance</u>
	<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	241,282,144
Total	<u>\$ 767,168,434</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	\$ 213,678,563	\$ 94,938,188

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 STRP for the June 30, 2024 measurement date is seven years.

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

Year Ending June 30,	Amortization
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	\$ 22,718,039

**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	2% at 55	2% at 62
Benefit Formula	5 Years of Service	5 Years of Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life
Benefit Payments	55	62
Retirement Age	1.1% - 2.5%	1.0% - 2.5%
Monthly Benefits as a Percentage of Eligible Compensation	7.00%	8.00%
Required Employee Contribution Rate	27.05%	27.05%
Required Employer Contribution Rate		

**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	\$ 75,237,270	\$ 11,767,594

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:

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

**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	\$ 572,716,632	\$ -	\$ (58,334,543)	\$ 514,382,089
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	(a) Fund Basis	Actual
	Original	Final	Amounts Fund Basis	to GAAP	Amounts GAAP Basis
<b>REVENUES</b>					
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
<b>EXPENDITURES</b>					
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
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(87,045,633)</b>	<b>(80,757,211)</b>	<b>(48,764,013)</b>	<b>2,016,064</b>	<b>(46,747,949)</b>
<b>OTHER FINANCING SOURCES (Uses)</b>					
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)	<b>(9,200,000)</b>	<b>(12,200,000)</b>	<b>(14,199,754)</b>	<b>(3,000,000)</b>	<b>(17,199,754)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (96,245,633)</b>	<b>\$ (92,957,211)</b>	<b>\$ (62,963,767)</b>	<b>\$ (983,936)</b>	<b>\$ (63,947,703)</b>
Fund Balance - Beginning of Year			592,549,039	52,726,057	645,275,096
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 529,585,272</b>	<b>\$ 51,742,121</b>	<b>\$ 581,327,393</b>

(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%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
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>				
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>				
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>
<b>United States Department of Agriculture</b>				
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			<u>5,161,359</u>	<u>-</u>
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			<u>25,094,601</u>	<u>-</u>
Summer Food Service Program for Children	10.559	13004	458,349	-
Fresh Fruits and Vegetables	10.582	14968	221,547	-
Subtotal: Child Nutrition Cluster			<u>30,935,856</u>	<u>-</u>
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			<u>3,406,428</u>	<u>-</u>
Total: United States Department of Agriculture			<u>34,342,284</u>	<u>-</u>
 <b>United States Department of Defense</b>				
Reserve Officer Training Corp (ROTC)				
Total: United States Department of Defense	12.000	(1)	343,462	-
			<u>343,462</u>	<u>-</u>
 <b>United States Department of Education</b>				
Indian Education				
Subtotal: Direct Programs	84.060	(1)	8,388	-
			<u>8,388</u>	<u>-</u>
 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			<u>15,349,655</u>	<u>-</u>
Federal Preschool Grant	84.173	13430	309,334	-
Alternative Dispute Resolution	84.173	13007	15,157	-
Subtotal: Assistance Listing # 84.173			<u>324,491</u>	<u>-</u>
Subtotal: Special Education Cluster			<u>15,674,146</u>	<u>-</u>
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			<u>527,839</u>	<u>-</u>
 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			<u>31,072,524</u>	<u>-</u>

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>
<b>United States Department of Education (Continued)</b>				
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>
<b>United States Department of Health and Human Services</b>				
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>
<b>Reconciliation to Federal Revenue</b>				
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			<u>873,446</u>	<u>-</u>
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**

	<u>2026 (Budgeted)</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
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)	<u>(1,500,000)</u>	<u>(14,199,754)</u>	<u>(502,738)</u>	<u>829,441</u>
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**

<b><u>Member</u></b>	<b><u>Office</u></b>	<b><u>Term Expires</u></b>
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.



**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 <sup>2</sup>
K. GANN Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not Applicable <sup>2</sup>
N. Middle or Early College High Schools	Yes
O. K-3 Grade Span Adjustment	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Not Applicable <sup>2</sup>
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable <sup>2</sup>
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 <sup>2</sup>
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 <sup>1</sup>
BB. Mode of Instruction	No <sup>1</sup>
CC. Nonclassroom-Based Instruction/Independent Study	No <sup>1</sup>
DD. Determination of Funding for Nonclassroom-Based Instruction	No <sup>1</sup>
EE. Annual Instructional Minutes - Classroom Based	No <sup>1</sup>
FF. Charter School Facility Grant Program	No <sup>1</sup>

<sup>1</sup> Testing for Charter Schools was done by each school’s respective auditor.

<sup>2</sup> 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.

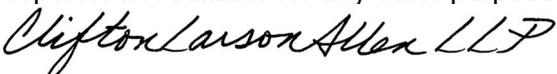
**Report on Internal Control Over Compliance**

*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***

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.027 and 84.173 84.425	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      Home-to-School Transportation Reimbursement      40000**

**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
		\$ 2,150,912

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.

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

**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.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLGlobal.com/disclaimer](http://CLGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Disclosure Undertaking”) is executed and delivered by Long Beach Unified School District (the “District”) as of [\_\_\_\_], 2026 in connection with the execution and delivery of its Election of 2008 General Obligation Bonds, Series H (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series H Bonds”), Election of 2016 General Obligation Bonds, Series D (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series D Bonds”), and Election of 2022 General Obligation Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the “Series B Bonds,” and collectively with the Series H Bonds and the Series D Bonds, the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on February 18, 2026 (the “District Resolution”). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the District Resolution.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Purchaser described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the District for the benefit of the Bondholders and in order to assist the Purchaser in complying with Rule 15c2-12(b)(5) (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the District Resolution, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Undertaking.

“Bondholder” or “Holder” means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

“Commission” means the Securities and Exchange Commission.

“Dissemination Agent” shall mean Keygent LLC, or, any alternate or successor dissemination agent, designated in writing by the Superintendent of Schools or the Chief Business and Financial Officer (or otherwise by the District), which Dissemination Agent has evidenced its acceptance in writing.

“Financial Obligation” as used in this Disclosure Undertaking is defined in the Rule as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Event” means any of the events listed in Section 6 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access (“EMMA”) website located at <http://emma.msrb.org>, or any other entity designated or authorized by the Commission.

“Purchaser” shall mean the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated [\_\_\_\_], 2026.

SECTION 4. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent (if other than the District), not later than 9 months after the end of the District’s fiscal year (currently ending June 30), commencing with the report for the fiscal year ending June 30, 2026 (which is due not later than March 31, 2027), to provide to the MSRB, in a format prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 5 of this Disclosure Undertaking. As of the date of this Certificate, the format prescribed by the MSRB is the Electronic Municipal Market Access system. Information regarding requirement for submissions to EMMA is available at <http://emma.msrb.org>.

The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Undertaking; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report. If the District does not have audited financial statements available when it submits the relevant Annual Report, it shall submit unaudited financial statements, as described in Section 5(a) below.

(b) Not later than 15 Business Days prior to the filing date required in paragraph (a) above for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in paragraph (a) above, the District shall send a timely notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent (if other than the District) shall:

- (i) determine each year prior to the date for providing the Annual Report the format for filing with the MSRB; and
- (ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided to the MSRB.

SECTION 5. Content of Annual Report. The District’s Annual Report shall contain or incorporate by reference the following:

(a) Financial information including the general purpose financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the MSRB as soon as practical after it has been made available to the District.

(b) Operating data, including the following information with respect to the District’s preceding fiscal year (to the extent not included in the audited financial statements described in paragraph (a) above):

- (i) State funding received by the District for the last completed fiscal year
  - (ii) District average daily attendance for the last completed fiscal year;
  - (iii) outstanding District indebtedness;
  - (iv) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;
  - (v) information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County;
  - (vi) information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County; and
  - (vii) information regarding the largest local secured taxpayers.
- (c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or to the Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Designated Listed Events.

- (a) The District agrees to provide or cause to be provided to the MSRB notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event:
- (i) Principal and interest payment delinquencies;
  - (ii) Unscheduled draws on any debt service reserves reflecting financial difficulties;
  - (iii) Unscheduled draws on any credit enhancements reflecting financial difficulties;
  - (iv) Substitution of credit or liquidity providers, or their failure to perform;
  - (v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
  - (vi) Tender offers;
  - (vii) Defeasances;
  - (viii) Rating changes;
  - (ix) Bankruptcy, insolvency, receivership or similar event of the District; or
  - (x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For purposes of item (ix) above, the described event shall be deemed to occur when any of the following shall occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or other governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority have supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten (10) business days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) Modifications to rights of Owners;

(iii) Optional, unscheduled or contingent Bond calls;

(iv) Release, substitution or sale of property securing repayment of the Bonds, if applicable;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent; or

(viii) Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) If the District determines that the occurrence of a Listed Event described in Section 6(b) hereof is material under applicable federal security laws, the District shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(vii) or (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the District Resolution.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Undertaking shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The Superintendent of Schools or the Chief Business & Financial Officer may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is no other designated Dissemination Agent in place, the District shall act as the Dissemination Agent.

The Dissemination Agent, if other than the District, shall be paid compensation for its services provided hereunder, and reimbursement for its costs and expenses. The Dissemination Agent shall not be responsible for the form or content of any document provided by the District hereunder.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Undertaking, the District may amend this Disclosure Undertaking under the following conditions, provided no amendment to this Disclosure Undertaking shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person, or type of business conducted;

(b) This Disclosure Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as the Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Undertaking, the District shall have no obligation under this Disclosure Undertaking to update such information or to include it in any future disclosure or notice of occurrence of a Designated Material Event.

Nothing in this Disclosure Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Designated Material Event, in addition to that which is required by this Disclosure Undertaking.

SECTION 11. Default. The District shall give notice to the MSRB of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Undertaking, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this

Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the District Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the District to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, the Purchaser and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Record Keeping. The District shall maintain records of all Annual Reports and notices of material Listed Events including the content of such disclosure, the names of the entities with whom the such disclosure were filed and the date of filing such disclosure.

SECTION 14. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of California, applicable to contracts made and performed in such State of California.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, Long Beach Unified School District has executed this Continuing Disclosure Undertaking as of the date first set forth herein.

LONG BEACH UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
Chief Business & Financial Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Long Beach Unified School District

Name of Issue: \$[ ] Long Beach Unified School District (County of Los Angeles, California) Election of 2008 General Obligation Bonds, Series H (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

\$[ ] Beach Unified School District (County of Los Angeles, California) Election of 2016 General Obligation Bonds, Series D (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

\$[ ] Long Beach Unified School District (County of Los Angeles, California) Election of 2022 General Obligation Bonds, Series B (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Date of Issuance: [ ], 2026

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Disclosure Undertaking dated as of [ ], 2026. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

[ISSUER/DISSEMINATION AGENT]

By: \_\_\_\_\_

## APPENDIX E

### BOOK-ENTRY ONLY SYSTEM

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

*The Paying Agent, the District, the County and the Purchaser of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, or interest in the Bonds.*

#### **General**

The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). *The foregoing internet address is included for reference only, and the information on this internet site is not incorporated by reference herein.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Paying Agent on behalf thereof) as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying

Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered in such principal amount or amounts, in authorized denominations, and registered in whatever name or names DTC shall designate.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In that event, printed certificates for the Bonds will be printed and delivered in such principal amount or amounts, in authorized denominations, and registered in whatever name or names DTC shall designate.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

#### **Discontinuation of Book-Entry Only System; Payment to Beneficial Owners**

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the Paying Agent, initially U.S. Bank Trust Company, National Association, located in Los Angeles, California. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered owner of at least \$1,000,000 in aggregate principal, payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of any authorized denomination of the same tenor, maturity and principal amount upon presentation and surrender at the principal corporate trust office of the Paying Agent, initially U.S. Bank Trust Company, National Association, located in Los Angeles, California, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmaturing principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the Record Date through the next Interest Payment Date.

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX F

### THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS

*The following information concerning the Los Angeles County Treasury Pool (the “Treasury Pool”) has been provided by the Treasurer and Tax Collector (the “Treasurer”) of Los Angeles County (the “County”) and has not been confirmed or verified by either the District or the Purchasers (each as defined in the forepart of this Official Statement). Moreover, neither the District nor the Purchasers make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.*

*The Treasury Pool general information and portfolio statistics can be found at <https://ttc.lacounty.gov/monthly-reports/>. The foregoing internet address is included for reference only, and the information on such internet site is not incorporated by reference herein.*

*In accordance with California Government Code Section 53600 et seq., the Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Section 53635 et seq. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the California Government Code.*

*All investments in the Treasurer’s investment portfolio conform to the statutory requirements of California Government Code Section 53635 et seq., authorities delegated by the County Board of Supervisors and the Treasurer’s investment policy.*

*Neither the District nor the Purchasers have made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described as attached hereto.*

[THIS PAGE INTENTIONALLY LEFT BLANK]

## THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS

The Treasurer and Tax Collector (Treasurer) of Los Angeles County has the delegated authority to invest funds on deposit in the County Treasury (Treasury Pool). As of January 31, 2026, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

<u>Local Agency</u>	<u>Invested Funds (in billions)</u>
County of Los Angeles and Special Districts	\$25.198
Schools and Community Colleges	28.212
Discretionary Participants	<u>3.543</u>
Total	\$56.953

The Treasury Pool participation composition is as follows:

Non-discretionary Participants	93.77%
Discretionary Participants:	
Independent Public Agencies	6.11%
County Bond Proceeds and Repayment Funds	<u>0.12%</u>
Total	100.00%

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 11, 2025, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Report of Investments dated February 28, 2026, the January 31, 2026, book value of the Treasury Pool was approximately \$56.953 billion, and the corresponding market value was approximately \$55.764 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer's Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor's staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County's outside independent auditor (External Auditor) reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of January 31, 2026:

<b><u>Type of Investment</u></b>	<b><u>% of Pool</u></b>
Certificates of Deposit	3.86
U.S. Government and Agency Obligations	66.73
Bank Acceptances	0.00
Commercial Paper	29.38
Municipal Obligations	0.03
Corporate Notes & Deposit Notes	0.00
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	<u>0.00</u>
	100.00

The Treasury Pool is highly liquid. As of January 31, 2026, approximately 44.98% of the investments mature within 60 days, with an average of 376 days to maturity for the entire portfolio.



**ELIZABETH BUENROSTRO GINSBERG**  
TREASURER AND TAX COLLECTOR

**COUNTY OF LOS ANGELES**  
**TREASURER AND TAX COLLECTOR**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 437  
Los Angeles, California 90012  
Telephone: (213) 974-2101 Fax: (213) 626-1812  
ttc.lacounty.gov and propertytax.lacounty.gov

**Board of Supervisors**

**HILDA L. SOLIS**  
First District

**HOLLY J. MITCHELL**  
Second District

**LINDSEY P. HORVATH**  
Third District

**JANICE HAHN**  
Fourth District

**KATHRYN BARGER**  
Fifth District

March 11, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

18 March 11, 2025

Dear Supervisors:

**DELEGATION OF AUTHORITY TO INVEST AND  
ANNUAL ADOPTION OF THE TREASURER AND TAX COLLECTOR  
INVESTMENT POLICY  
(ALL DISTRICTS) (3-VOTES)**

**SUBJECT**

Delegation of authority to invest and reinvest County funds and funds of other depositors in the County Treasury to the Treasurer and Tax Collector (Treasurer), and adoption of the Treasurer and Tax Collector Investment Policy.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Delegate the authority to the Treasurer to invest and reinvest County funds and funds of other depositors in the County Treasury.
2. Adopt the attached Treasurer and Tax Collector Investment Policy (Investment Policy).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The requested actions allow the Treasurer to continue to invest County funds and funds of other depositors in the County Treasury pursuant to the Investment Policy. On March 19, 2024, pursuant to Government Code (GC) Section 27000.1, and subject to GC Section 53607, your Board delegated to the Treasurer the annual authority to invest and reinvest funds of the County and funds of other depositors in the County Treasury. GC Section 27000.1 states that subsequent to your Board's delegation, the Treasurer shall thereafter assume full responsibility for those transactions until your Board either revokes its delegation of authority, by ordinance, or decides not to renew the annual delegation, as provided in GC Section 53607. This action requests renewal of the annual delegation.

GC Section 53646 permits your Board to annually approve the Investment Policy. The primary objectives of the Investment Policy, in priority order, are to maintain the safety of principal, to provide liquidity, and to achieve a return on funds invested. These objectives align with those in State law. Each year, my office reviews the Investment Policy to incorporate changes deemed necessary to meet our primary objectives and to ensure that it aligns with any changes in the GC.

Based on our analysis and in consideration of current market conditions, we recommend no changes to the Investment Policy for 2025. However, we have provided the annual update to the limitation calculation for intermediate-term, medium-term, and long-term holdings (Attachment III).

#### Update on Environmental, Social and Corporate Governance (ESG)

On March 9, 2021, your Board approved changes to the Investment Policy in areas related to the consideration of Environmental, Social and Corporate Governance (ESG). Consistent with the 2021 Investment Policy, we incorporated Sustainalytics ESG scores as part of our analysis of investment issuers and have taken action to reduce investments if an issuer's composite ESG score is weaker than the median score for its industry. To date, the consideration of ESG scores in determining our issuers' investment limits has not impacted the County Treasury's return on investments.

In Fiscal Year (FY) 2023-24, the percentage of approved issuers with ESG scores increased to 58%, from 57% the prior year. Our purchase volume from issuers with ESG scores increased, from \$30.3 billion in FY 2022-23, to \$33.2 billion in FY 2023-24. This increase is largely attributable to the growth in the investment pool size.

#### **Implementation of Strategic Plan Goals**

The recommended action supports County Strategic Plan North Star 3, Realize tomorrow's government today; Focus Area Goal G, Internal Controls and Processes; Strategy ii. Manage and Maximize County Assets.

#### **FISCAL IMPACT/FINANCING**

The investment of surplus County funds and funds of other depositors allows these funds to earn a return which is credited to the depositor, net of administrative expenses.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to GC Section 27000.1, your Board may delegate by ordinance the authority to invest and reinvest funds of the County and funds of other depositors in the County Treasury to the Treasurer. On January 23, 1996, your Board adopted Ordinance 96-0007 adding Los Angeles County Code Section 2.52.025, which delegated such authority to the Treasurer, subject to annual renewal pursuant to GC Section 53607. GC 53646 permits the Treasurer to render annually to your Board a statement of Investment Policy, to be reviewed and approved at a public meeting. This GC Section also requires that any change in the Investment Policy be submitted to your Board for review and approval at a public meeting.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There is no impact on current services.

The Honorable Board of Supervisors

3/11/2025

Page 3

Respectfully submitted,

A handwritten signature in cursive script that reads "Elizabeth B. Ginsberg". The signature is written in black ink and is positioned above the printed name.

ELIZABETH BUENROSTRO GINSBERG

Treasurer and Tax Collector

EBG:LP:DJJ:JK:bp

Enclosures

c: Chief Executive Officer  
Executive Officer, Board of Supervisors  
Auditor-Controller  
County Counsel

**COUNTY OF LOS ANGELES  
TREASURER AND TAX COLLECTOR  
INVESTMENT POLICY**

**Authority to Invest**

Pursuant to Government Code Section 27000.1 and Los Angeles County Code 2.52.025, the Los Angeles County Board of Supervisors has delegated to the Treasurer the authority to invest and reinvest the funds of the County and the funds of other depositors in the County Treasury.

**Fundamental Investment Policy**

The Treasurer, a trustee, is inherently a fiduciary and subject to the prudent investor standard. Accordingly, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing investments, the investment decisions SHALL be made with the care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity would use with like aims.

All investments SHALL be governed by the Government Code and comply with the specific limitations set forth within this Investment Policy. Periodically, it may be necessary and prudent to make investment decisions beyond the limitations set forth in the Investment Policy that are otherwise permissible by California Government Code. In these special circumstances, ONLY the Treasurer is permitted to give written approval to operate outside the limitations set forth within this Investment Policy.

**Pooled Surplus Investment Portfolio**

The Treasurer SHALL establish and maintain a Pooled Surplus Investment (PSI) portfolio. The PSI portfolio SHALL be used to provide safe, liquid investment opportunities for pooled surplus funds deposited into the County Treasury.

The investment policies of the PSI portfolio SHALL be directed by and based on three prioritized objectives. The primary objective SHALL be to ensure the safety of principal. The secondary objective SHALL be to meet the liquidity needs of the PSI participants, which might be reasonably anticipated. The third objective SHALL be to achieve a return on funds invested, without undue compromise of the first two objectives.

PSI revenue/loss distribution SHALL be shared on a pro-rata basis with the PSI participants. PSI revenue/loss distribution will be performed monthly, net of administrative costs authorized by Government Code Section 27013 which includes employee salaries and benefits and services and supplies, for investing, depositing or handling funds, and the distribution of interest income, based on the PSI participants' average daily fund balance as recorded on the Auditor-Controller's accounting records. Administrative costs SHALL be deducted from the monthly PSI revenue/loss distribution on the basis of one-twelfth of the budgeted costs and adjusted periodically to actual costs.

Investments purchased with the intent to be held to maturity SHALL be accounted for in the Non-Trading partition of the PSI portfolio. Investments purchased with the intent to be sold prior to maturity SHALL be accounted for in the Trading partition of the PSI portfolio. The investments in the Trading partition SHALL NOT exceed \$500 million without specific written approval of the Treasurer.

In the event that a decision is made to transfer a given security from one partition to another, it MAY be transferred at cost; however, the difference between the market value, exclusive of accrued interest, at the time of transfer and the purchase price, exclusive of accrued interest, SHALL be computed and disclosed as unrealized profit or loss.

All PSI investments SHALL be categorized according to the period of time from settlement date to maturity date as follows:

- SHORT-TERM investments are for periods of up to ONE YEAR.
- INTERMEDIATE-TERM investments are for periods of ONE YEAR to THREE YEARS.
- MEDIUM-TERM investments are for periods of over THREE YEARS to FIVE YEARS.
- LONG-TERM investments are for periods of over FIVE YEARS.

PSI investments SHALL be limited to the short-term category except that the Investment Office of the Treasurer's Office MAY make PSI investments in accordance with the limitations imposed in Attachments I, II, III, and IV (all of which are attached hereto and incorporated by this reference.)

The weighted average maturity target of the PSI portfolio is a range between 1.0 and 4.0 years. For purposes of maturity classification, the maturity date SHALL be the nominal maturity date or the unconditional put option date, if one exists.

The total PSI portfolio investments with maturities in excess of one year SHALL NOT exceed 75% of the last 24 months' average total cash and investments, after adjustments, as indicated in Attachment III.

### **Business Continuity Plan**

The Treasurer's Business Continuity Plan (BCP) serves to sustain the performance of mission-critical Treasury functions in the event of a local or widespread emergency. The BCP includes written guidelines to perform critical Treasury functions, contact

information for key personnel, authorized bank representatives and broker/dealers. The Treasurer's Office implemented its BCP in 2007.

### **Liquidity of PSI Investments**

Short-term liquidity SHALL further be maintained and adjusted monthly so that sufficient anticipated cash is available to fully meet unanticipated withdrawals of discretionary deposits, adjusted for longer-term commitments, within 90 days.

Such liquidity SHALL be monitored where, at the beginning of each month, the par value for maturities in the next 90 days plus projected PSI deposits for 90 days, divided by the projected PSI withdrawals for 90 days plus discretionary PSI deposits, is equal to or greater than one.

The liquidation of investments is not required solely because the discretionary liquidity withdrawal ratio is less than one; however, investments SHALL be limited to a maximum maturity of 30 days until such time as the discretionary liquidity withdrawal ratio is equal to or greater than one.

The sale of any PSI instrument purchased in accordance with established policies is not required solely because an institution's credit rating is lowered after the purchase of the instrument.

### **Specific Purpose Investment Portfolio**

The Treasurer SHALL maintain a Specific Purpose Investment (SPI) portfolio to manage specific investment objectives of the SPI participants. Specific investments may be made with the approval of the requesting entity's governing body and the approval of the Treasurer. Revenue/loss distribution of the SPI portfolio SHALL be credited to the specific entity for which the investment was made. The Treasurer reserves the right to establish and charge the requesting entity fees for maintaining the entity's SPI portfolio.

Investments SHALL be limited to the short-term category, as defined above in the previous section for PSI investments, except when requested by a depositing entity and with the approval of the Treasurer, a longer term investment MAY be specifically made and held in the SPI portfolio.

The sale of any SPI instrument purchased in accordance with established policies is not required solely because an institution's credit rating is lowered after the purchase of the instrument.

### **Execution, Delivery, and Monitoring of Investments**

The Treasurer SHALL designate, in writing, personnel authorized to execute investment transactions.

All transactions SHALL be executed on a delivery versus payment basis.

The Treasurer or his authorized designees, in purchasing or obtaining any securities in a negotiable, bearer, registered, or nonregistered format, requires delivery of the securities to the Treasurer or designated custodial institution, by book entry, physical delivery, or by third party custodial agreement.

All investment transactions made by the Investment Office SHALL be reviewed by the Internal Controls Branch to assure compliance with this Investment Policy.

### **Reporting Requirements**

The Treasurer SHALL provide the Board of Supervisors with a monthly report consisting of, but not limited to, the following:

- All investments detailing each by type, issuer, date of maturity, par value, historical cost, market value and the source of the market valuation.
- Month-end bank balances for accounts under the control of the Treasurer.
- A description of funds, investments, or programs that are under the management of contracted parties, including lending programs for the Treasurer.
- A description of all investment exceptions, if any, to the Investment Policy.
- A statement denoting the ability of the PSI portfolio to meet the anticipated cash requirements for the participants for the next six months.

### **Discretionary Treasury Deposits and Withdrawal of Funds**

At the sole discretion of the Treasurer, PSI deposits may be accepted from local agencies not required to deposit their funds with the Los Angeles County Treasurer, pursuant to Government Code Section 53684.

At the time such deposits are made, the Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Such projections may be adjusted periodically as prescribed by the Treasurer but in no event less than semi-annually.

In accordance with Government Code Section 27136, all requests for withdrawal of such funds, for the purpose of investing or depositing these funds elsewhere SHALL be evaluated, prior to approving or disapproving the request, to ensure that the proposed withdrawal will not adversely affect the principal deposits of the other PSI participants.

If it is determined that the proposed withdrawal will negatively impact the principal deposits of the other PSI participants, the Treasurer may delay such withdrawals until the impact can be mitigated.

### **Broker/Dealers Section**

Broker/Dealers SHALL be limited to primary government dealers as designated by the Federal Reserve Bank or institutions meeting one of the following:

- A. Broker/Dealers with minimum capitalization of \$500 million and who meet all five of the below listed criteria:
  - 1. Be licensed by the State as a Broker/Dealer, as defined in Section 25004 of the Corporations Code, or a member of a Federally regulated securities exchange and;
  - 2. Be a member of the Financial Industry Regulatory Authority and;
  - 3. Be registered with the Securities and Exchange Commission and;
  - 4. Have been in operation for more than five years; and
  - 5. Have a minimum annual trading volume of \$100 billion in money market instruments or \$500 billion in United States (U.S.) Treasuries and Agencies.
  
- B. Emerging firms that meet all of the following:
  - 1. Be licensed by the State as a Broker/Dealer, as defined in Section 25004 of the Corporations Code, or a member of a Federally regulated securities exchange and;
  - 2. Maintain office(s) in California and;
  - 3. Maintain a minimum capitalization of \$250,000 and, at the time of application, have a maximum capitalization of no more than \$10 million.

Commercial Paper and Negotiable Certificates of Deposit may be purchased directly from issuers approved by the Treasurer.

An approved Treasurer Broker/Dealer list SHALL be maintained. Firms SHALL be removed from the approved Broker/Dealer list and trading suspended with firms failing to accurately and timely provide the following information:

- A. Confirmation of daily trade transactions and all open trades in effect at month-end.
- B. Response to auditor requests for confirmation of investment transactions.
- C. Response to the Internal Controls Branch requests for needed information.

### **Honoraria, Gifts, and Gratuities Limitations**

The Treasurer, Chief Deputy Treasurer and Tax Collector and designated Treasurer and Tax Collector employees SHALL be governed by the provision of the State's Political Reform Act, the Los Angeles County Code relating to Lobbyists, and the Los Angeles County Code relating to post government employment of County officials.

### **Investment Limitations**

The Investment Office SHALL NOT invest in inverse floating rate notes, range notes, or interest only strips that are derived from a pool of mortgages.

The Investment Office SHALL NOT invest in any security that could result in zero interest if held to maturity.

For investment transactions in the PSI portfolio, the Investment Office SHALL obtain approval of the Treasurer before recognizing any loss exceeding \$100,000 per transaction, calculated using amortized cost.

Proceeds from the sale of notes or funds set aside for the repayment of notes SHALL NOT be invested for a term that exceeds the term of the notes. Funds from bond proceeds may be invested in accordance with Government Code Section 53601(m), which permits investment according to the statutory provisions governing the issuance of those bonds, or in lieu of any statutory provisions to the contrary, in accordance with the approved financing documents for the issuance.

### **Consideration of Environmental, Social, and Corporate Governance (ESG) Scores**

The Treasurer considers that environmental, social and governance (ESG) factors may financially impact the safety, liquidity and yield of investment opportunities. The Treasurer therefore may pursue pragmatic and cost-effective means to consider such factors to fulfill the objectives set forth for the PSI Portfolio.

The Treasurer may also seek to further the County's sustainability goals and enhance the transition to a green economy, consistent with the County's Sustainability Plan, Our County, in its investment decisions, as long as such investments achieve substantially equivalent safety, liquidity and yield compared to other investment opportunities.

### **Permitted Investments**

Permitted Investments SHALL be limited to the following:

#### **A. Obligations of the U.S. Government, its agencies and instrumentalities**

1. Maximum maturity: None.
2. Maximum total par value: None.
3. Maximum par value per issuer: None.
4. Federal agencies: Additional limits in Section G apply if investments are Floating Rate Instruments.

#### **B. Municipal Obligations from the approved list of municipalities (Attachment IV)**

1. Maximum maturity: As limited in Attachment IV.
2. Maximum total par value: 10% of the PSI portfolio.

#### **C. Asset-Backed Securities**

1. Maximum maturity: Five years.
2. Maximum total par value: 20% of the PSI portfolio.
3. Maximum par value per issuer: Per limits outlined in Attachment I for issuer's current credit rating.
4. All Asset-Backed securities must be rated in a rating category of "AA" or its equivalent or better rating and the issuer's corporate debt rating must be in a rating category of "A" or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO).

**D. Bankers' Acceptance Domestic and Foreign**

1. Maximum maturity: 180 days and limits outlined in Attachment I for issuer's current credit rating.
2. Maximum total par value: 40% of the PSI portfolio.
3. Maximum par value per issuer: Per limits outlined in Attachment I for the issuer's current credit rating.
4. The aggregate total of Bankers' Acceptances and Negotiable Certificates of Deposits SHALL NOT exceed:
  - a) The total shareholders' equity of depository bank.
  - b) The total net worth of depository bank.

**E. Negotiable Certificates of Deposit (CD)**

1. Maximum maturity: Three years and limits outlined in Attachment I for issuer's current credit rating.
2. Maximum total par value: Aggregate total of Domestic and Euro CD's are limited to 30% of the PSI portfolio.
3. Maximum par value per issuer: Per limits outlined in Attachment I for the issuer's current credit rating.
4. Must be issued by:
  - a) National or State-chartered bank, or
  - b) Savings association or Federal association, or
  - c) Federal or State credit union, or
  - d) Federally licensed or State-licensed branch of a foreign bank.
5. Euro CD's:
  - a) Maximum maturity: One year and limits outlined in Attachment I for issuer's current credit rating.

- b) Maximum total par value: 10% of the PSI portfolio.
  - c) Maximum par value per issuer: Per limits outlined in Attachment I for issuer's current credit rating.
  - d) Limited to London branch of National or State-chartered banks.
6. The aggregate total of Bankers Acceptances and Negotiable Certificates of Deposits SHALL NOT exceed:
- a) The total shareholders' equity of depository bank.
  - b) The total net worth of the depository bank.

#### **F. Corporate and Depository Notes**

- 1. Maximum maturity: Three years and limits outlined in Attachment I for the issuer's current credit rating.
- 2. Maximum total par value: 30% of the PSI portfolio.
- 3. Maximum par value per issuer: Per limits outlined in Attachment I for the issuer's current credit rating.
- 4. Notes MUST be issued by:
  - a) Corporations organized and operating within the U.S.
  - b) Depository institutions licensed by the U.S or any State and operating within the U.S.
- 5. Additional limits in Section G apply if note is a Floating Rate Note Instrument.

#### **G. Floating Rate Notes**

Floating Rate Notes included in this category are defined as any instrument that has a coupon or interest rate that is adjusted periodically due to changes in a base or benchmark rate.

- 1. Maximum maturity: Seven years, provided that Board of Supervisors' authorization to exceed maturities in excess of five years is in effect, of which a maximum of \$100 million par value may be greater than five years to maturity.

2. Maximum total par value: 10% of the PSI portfolio.
3. Maximum par value per issuer: Per limits outlined in Attachment I for the issuer's current credit rating.
4. Benchmarks SHALL be limited to commercially available U.S. dollar denominated indexes.
5. The Investment Office SHALL obtain the prospectus or the issuer term sheet prior to purchase for all Floating Rate Notes and SHALL include the following on the trade ticket:
  - a) Specific basis for the benchmark rate.
  - b) Specific computation for the benchmark rate.
  - c) Specific reset period.
  - d) Notation of any put or call provisions.

#### **H. Commercial Paper**

1. Maximum maturity: 270 days and limits outlined in Attachment I for the issuer's current credit rating.
2. Maximum total par value: 40% of the PSI portfolio.
3. Maximum par value per issuer: The lesser of 10% of the PSI portfolio or the limits outlined in Attachment I for the issuer's current credit rating.
4. Credit: Issuing Corporation - Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):
  - a) The entity meets the following criteria:
    - 1) Is organized and operating in the U.S. as a general corporation.
    - 2) Has total assets in excess of \$500 million.
    - 3) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO.

b) The entity meets the following criteria:

- 1) Is organized in the U.S. as a Limited Liability Company or Special Purpose Corporation.
- 2) Has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
- 3) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

#### **I. Shares of Beneficial Interest**

1. Money Market Fund (MMF) - Shares of beneficial interest issued by diversified management companies known as money market mutual funds, registered with the Securities and Exchange Commission in accordance with Section 270.2a-7 of Title 17 of the Code of Federal Regulation. The company SHALL have met either of the following criteria:

- a) Attained the highest possible rating by not less than two NRSROs.
- b) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized in Government Code Section 53601 and with assets under management in excess of five hundred million dollars (\$500,000,000).

Maximum total par value: 15% of the PSI portfolio. However, no more than 10% of the PSI may be invested in any one fund.

2. State of California's Local Agency Investment Fund (LAIF) pursuant to Government Code Section 16429.1.

3. Trust Investments – Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in securities and obligations authorized in Section 53601 (a) to (o) of the Government Code. To be eligible, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- a) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- b) The adviser has not less than five years of experience investing in the

securities and obligations authorized in Section 53601 (a) to (o) of the Government Code.

- c) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

#### **J. Repurchase Agreement**

1. Maximum maturity: 30 days.
2. Maximum total par value: \$1 billion.
3. Maximum par value per dealer: \$500 million.
4. Agreements must be in accordance with approved written master repurchase agreement.
5. Agreements must be fully secured by obligations of the U.S. Government, its agencies and instrumentalities. The market value of these obligations that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities and the value shall be adjusted no less than monthly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. If a repurchase agreement matures the next business day after purchase, the repurchase agreement is not out of compliance with this collateralization requirement if the value of the collateral falls below the 102% requirement at the close of business on settlement date.

#### **K. Reverse Repurchase Agreement**

1. Maximum term: One year.
2. Maximum total par value: \$500 million. Maximum par value is limited to a combined total of reverse repurchase agreements and securities lending agreements of 20% of the base value of the portfolio.
3. Maximum par value per broker: \$250 million.
4. Dealers limited to those primary dealers or those Nationally or State chartered banks that have a significant banking relationship with the County as defined in Government Code Section 53601(j)(4)(B) approved specifically by the

Treasurer.

5. Agreements SHALL only be made for the purpose of enhancing investment revenue.
6. Agreements must be in accordance with approved written master repurchase agreement.
7. Securities eligible to be sold with a simultaneous agreement to repurchase SHALL be limited to obligations of the U.S. Government and its agencies and instrumentalities.
8. The security to be sold on a reverse repurchase agreement SHALL have been owned and fully paid for by the Treasurer for a minimum of 30 days prior to sale.
9. The proceeds of the reverse repurchase agreement SHALL be invested in authorized instruments with a maturity less than 92 days unless the agreement includes a codicil guaranteeing a minimum earning or spread to maturity.
10. The proceeds of the reverse repurchase agreement SHALL be invested in instruments with maturities occurring at or before the maturity of the reverse repurchase agreement.
11. In no instance SHALL the investment from the proceeds of a reverse repurchase agreement be sold as part of a subsequent reverse repurchase agreement.

#### **L. Forwards, Futures and Options**

Forward contracts are customized contracts traded in the Over The Counter Market where the holder of the contract is OBLIGATED to buy or sell a specific amount of an underlying asset at a specific price on a specific future date.

Future contracts are standardized contracts traded on recognized exchanges where the holder of the contract is OBLIGATED to buy or sell a specific amount of an underlying asset at a specific price on a specific future date.

Option contracts are those traded in either the Over The Counter Market or recognized exchanges where the purchaser has the RIGHT but not the obligation to buy or sell a specific amount of an underlying asset at a specific price within a specific time period.

1. Maximum maturity: 90 days.
2. Maximum aggregate par value: \$100 million.
3. Maximum par value per counterparty: \$50 million. Counterparties for Forward and Option Contracts limited to those on the approved Treasurer and Tax Collector list and must be rated "A" or better from at least one nationally recognized rating agency.
4. The underlying securities SHALL be an obligation of the U.S. Government and its agencies and instrumentalities.
5. Premiums paid to an option seller SHALL be recognized as an option loss at the time the premium is paid and SHALL not exceed \$100,000 for each occurrence or exceed a total of \$250,000 in any one quarter. Premiums received from an option purchase SHALL be recognized as an option gain at the time the premium is received.
6. Complex or hybrid forwards, futures or options defined as agreements combining two or more categories are prohibited unless specific written approval of the Treasurer is obtained PRIOR to entering into the agreement.
7. Open forward, future, and option contracts SHALL be marked to market weekly and a report SHALL be prepared by the Internal Controls Branch.
8. In conjunction with the sale of bonds, the Treasurer MAY authorize exceptions to maturity and par value limits for forwards, futures and options.

#### **M. Interest Rate Swaps**

Interest Rate Swaps SHALL be used only in conjunction with the sale of bonds approved by the Board of Supervisors. In accordance with Government Code Section 53534, these agreements SHALL be made only if all bonds are rated in one of the three highest rating categories by two nationally recognized rating agencies and only upon receipt, from any rating agency rating the bonds, of written evidence that the agreement will not adversely affect the rating. Further, the counterparty to such an agreement SHALL be rated "A" or better from at least one nationally recognized rating agency selected by the Treasurer, or the counterparty SHALL provide an irrevocable letter of credit from an institution rated "A" or better from at least one nationally recognized rating agency acceptable to the Treasurer.

## **N. Securities Lending Agreement**

Securities lending agreements are agreements under which the Treasurer agrees to transfer securities to a borrower who, in turn agrees to provide collateral to the Treasurer. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the Treasurer in return for the collateral.

1. Maximum term: 180 days.
2. Maximum par value: Maximum par value is limited to a combined total of reverse repurchase agreements and securities lending agreements of 20% of the base value of the portfolio.
3. Dealers limited to those primary dealers or those Nationally or State chartered banks that have a significant banking relationship with the County as defined in Government Code Section 53601(j)(4)(B) approved specifically by the Treasurer.
4. Agreements SHALL only be made for the purpose of enhancing investment revenue.
5. Securities eligible to be sold with a simultaneous agreement to repurchase SHALL be limited to obligations of the U.S. Government and its agencies and instrumentalities.
6. The security to be sold on securities lending agreement SHALL have been owned and fully paid for by the Treasurer for a minimum of 30 days prior to sale.
7. The proceeds of the securities lending agreement SHALL be invested in authorized instruments with a maturity less than 92 days unless the agreement includes a codicil guaranteeing a minimum earning or spread to maturity.
8. In no instance SHALL the investment from the proceeds of a securities lending agreement be sold as part of a subsequent reverse repurchase agreement or securities lending agreement.

## **O. Supranationals**

Supranationals are multilateral lending institutions that provide development financing, advisory services and other financial services to their member

countries to promote improved living standards through sustainable economic growth.

Supranational investments are U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by any of the supranational institutions identified in Government Code Section 53601(q), with a maximum remaining maturity of five years or less, and which are eligible for purchase and sale within the United States. Supranational investments shall be rated in a rating category of "AA" or its equivalent or better by a NRSRO and shall not exceed 30% of the PSI portfolio.

1. Maximum maturity: Five years and limits outlined in Attachment I for issuer's current credit rating.
2. Maximum total par value: 30% of the PSI portfolio.
3. Maximum par value per issuer: Per limits outlined in Attachment I for issuer's current credit rating.

Permitted Investments are also subject to limitation based on the ESG score of individual issuers in comparison to the ESG score of the issuer's business sector, as rated by Sustainalytics. The limitation methodology is shown in Attachment II.

**MINIMUM CREDIT RATING  
DOMESTIC ISSUERS**

Investment Type	Maximum Maturity	Issuer Rating (1)			Investment Limit
		S&P Global	Moody's Analytics	Fitch Ratings	
Bankers' Acceptance	180 days	A-1/AAA	P-1/Aaa	F1/AAA	\$750MM
		A-1/AA	P-1/Aa	F1/AA	\$600MM
		A-1/A	P-1/A	F1/A	\$450MM, of which 50% may be over 90 days to a maximum of 180 days
Certificates of Deposit	3 years	A-1/AAA	P-1/Aaa	F1/AAA	\$750MM, of which 50% may be over 180
		A-1/AA	P-1/Aa	F1/AA	\$600MM, of which 50% may be over 180
		A-1/A	P-1/A	F1/A	\$450MM, of which 50% may be over 90 days to a maximum of 180 days
Corporate Notes, Asset Backed Securities (ABS) and Floating Rate Notes (FRN)	Corporate: 3 years ABS: 5 years FRN: 5 years (2)	A-1/AAA	P-1/Aaa	F1/AAA	\$750MM, of which 50% may be over 180
		A-1/AA	P-1/Aa	F1/AA	\$600MM, of which 50% may be over 180
		A-1/A	P-1/A	F1/A	\$450MM, of which 50% may be over 90 days to a maximum of 180 days

Notes:

- (1) All issuers must attain the required ratings from at least two of the three Nationally Recognized Statistical Rating Organizations (S&P Global, Moody's Analytics, and Fitch Ratings).
- (2) Seven years, if Board of Supervisors' authorization to exceed maturities in excess of five years is in effect, of which a maximum of \$100 MM (million) par value may be greater than five years to maturity.

**MINIMUM CREDIT RATING  
FOREIGN ISSUERS**

Investment Type	Maximum Maturity	Issuer Rating (1)			Investment Limit
		S&P Global	Moody's Analytics	Fitch Ratings	
Bankers' Acceptance	180 days	A-1/AAA	P-1/Aaa	F1/AAA	\$600MM
		A-1/AA	P-1/Aa	F1/AA	\$450MM
		A-1/A	P-1/A	F1/A	\$300MM, of which 50% may be over 90 days to a maximum of 180 days.
Certificates of Deposit	3 years	A-1/AAA	P-1/Aaa	F1/AAA	\$600MM, of which 50% may be over 180
		A-1/AA	P-1/Aa	F1/AA	\$450MM, of which 50% may be over 180
		A-1/A	P-1/A	F1/A	\$300MM, of which 50% may be over 90 days to a maximum of 180 days
Corporate Notes, Asset Backed Securities (ABS) and Floating Rate Notes (FRN)	Corporate: 3 years ABS: 5 years FRN: 5 years (2)	A-1/AAA	P-1/Aaa	F1/AAA	\$600MM, of which 50% may be over 180
		A-1/AA	P-1/Aa	F1/AA	\$450MM, of which 50% may be over 180
		A-1/A	P-1/A	F1/A	\$300MM, of which 50% may be over 90 days to a maximum of 180 days

Notes:

- (1) All issuers must attain the required ratings from at least two of the three Nationally Recognized Statistical Rating Organizations (S&P Global, Moody's Analytics, and Fitch Ratings).
- (2) Seven years, if Board of Supervisors' authorization to exceed maturities in excess of five years is in effect, of which a maximum of \$100 MM (million) par value may be greater than five years to maturity.

County of Los Angeles  
 Treasurer and Tax Collector  
 Investment Policy  
 ATTACHMENT I-c.

**MINIMUM CREDIT RATING  
 SUPRANATIONAL ISSUERS**

<b>Issuer Rating (1)</b>			<b>Investment Limit (2)</b>
<b>S&amp;P Global</b>	<b>Moody's Analytics</b>	<b>Fitch Ratings</b>	
AAA	Aaa	aaa	30% of PSI Portfolio, of which 20% of the PSI Portfolio may be between 2 and 5 years.
AA	Aa	aa	20% of PSI Portfolio, of which 10% of the PSI Portfolio may be between 2 and 5 years.

Notes:

- (1) The issuer must attain the required ratings from at least two of the three Nationally Recognized Statistical Rating Organizations (S&P Global, Moody's Analytics, and Fitch Ratings).
- (2) Maximum combined par value for all issuers is limited to 30% of the PSI portfolio.

County of Los Angeles  
Treasurer and Tax Collector  
Investment Policy  
ATTACHMENT I-d.

**MINIMUM CREDIT RATING  
COMMERCIAL PAPER**

<b>Maximum Maturity</b>	<b>Issuer Rating (1) (2)</b>			<b>Investment Limit (3)</b>
	<b>S&amp;P Global</b>	<b>Moody's Analytics</b>	<b>Fitch Ratings</b>	
270 days	A-1	P-1	F1	\$1.5 Billion

Notes:

- (1) The issuer must attain the required ratings from at least two of the three Nationally Recognized Statistical Rating Organizations (S&P Global, Moody's Analytics, and Fitch Ratings).
- (2) If an issuer has a long-term rating, it must be rated in a rating category of "A" or its equivalent or higher.
- (3) Maximum combined par value for all issuers is limited to 40% of the PSI portfolio.

**ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE (ESG) SCORE  
IMPACT ON INVESTMENT LIMITS**

If an issuer's Sustainalytics ESG score is weaker than the median Sustainalytics ESG score of its business sector, investment limits will be subject to the following investment limit reductions:

<b>Score Differential</b>	<b>Percentage Reduction of Investment Limit</b>
≤ 5 points weaker	0%
5 ≤ 10 points weaker	15%
10 ≤ 20 points weaker	30%
> 20 points weaker	50%

**LIMITATION CALCULATION FOR  
INTERMEDIATE-TERM, MEDIUM-TERM AND LONG-TERM HOLDINGS  
(Actual \$)**

Average Investment Balance and Available Cash (1)	\$54,855,027,336
Less:	
▪ 50% of Discretionary Deposits (1)	(\$1,780,447,842)
Average Available Balance	\$53,074,579,494
Multiplied by the Percent Available for Investment Over One Year	75%
Equals the Available Balance for Investment Over One Year	\$39,805,934,621
Intermediate-Term (From 1 to 3 Years) ▪ One-third of the Available Balance for Investment	\$13,268,644,874
Medium-Term and Long-Term (Greater Than 3 Years) ▪ Two-thirds of Available Balance for Investment (2)	\$26,537,289,747

(1) 24 Month Average from December 2022 to November 2024.

(2) Any unused portion of the Medium-Term and Long-Term available balance may be used for Intermediate-Term investments.

### **APPROVED LIST OF MUNICIPAL OBLIGATIONS**

1. Any obligation issued or caused to be issued by the County of Los Angeles on its behalf or on behalf of other Los Angeles County affiliates. If on behalf of other Los Angeles County affiliates, the affiliate must have a minimum rating of “A3” (Moody’s Analytics) or “A-” (S&P Global or Fitch Ratings). The maximum maturity is limited to 30 years.
2. Any short- or medium-term obligation issued by the State of California or a California local agency with a minimum Moody’s Analytics rating of “MIG-1” or “A2” or a minimum S&P Global rating of “SP-1” or “A.” Maximum maturity limited to five years.







