



Los Angeles Unified School District

Audited Annual Financial Report

For Fiscal Year Ended
June 30, 2024

Los Angeles, California

2023-24



**LOS ANGELES UNIFIED SCHOOL DISTRICT
LOS ANGELES, CALIFORNIA**

**AUDITED ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024**

MR. ALBERTO M. CARVALHO
SUPERINTENDENT OF SCHOOLS

MR. PEDRO SALCIDO
DEPUTY SUPERINTENDENT OF SCHOOLS, BUSINESS SERVICES AND OPERATIONS

MR. DAVID HART
CHIEF FINANCIAL OFFICER
(January 6, 2020 to August 3, 2024)

MR. CHRISTOPHER MOUNT-BENITES
CHIEF FINANCIAL OFFICER
(Effective August 5, 2024)

MR. V. LUIS BUENDIA
DEPUTY CHIEF FINANCIAL OFFICER
(April 8, 2020 to December 30, 2023)

MR. NOLBERTO DELGADILLO
DEPUTY CHIEF FINANCIAL OFFICER
(Effective July 23, 2023)

MS. JOY MAYOR
CONTROLLER
(April 29, 2021 to September 15, 2023)

MR. ERNIE THOMAS
CONTROLLER
(Effective January 8, 2024)



**PREPARED BY
ACCOUNTING AND DISBURSEMENTS DIVISION**

**333 S. BEAUDRY AVENUE
LOS ANGELES, CALIFORNIA 90017**

LOS ANGELES UNIFIED SCHOOL DISTRICT

Audited Annual Financial Report

Year Ended June 30, 2024

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INTRODUCTORY SECTION



Alberto M. Carvalho
Superintendent

Board of Education

Scott M. Schmerelson, President
Dr. Rocío Rivas, Vice President
Sherlett Hendy Newbill
Nick Melvoin
Karla Griego
Kelly Gonez
Tanya Ortiz Franklin

Los Angeles Unified School District

333 S. Beaudry Avenue, 24th Floor
Los Angeles, California 90017
Phone (213) 241-7000

December 16, 2024

The Honorable Board of Education
Los Angeles Unified School District
333 South Beaudry Avenue
Los Angeles, California 90017

Dear Board Members:

The Audited Annual Financial Report (AAFR) of the Los Angeles Unified School District (District), for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The report also includes a "State and Federal Compliance Information" section, which is designed to meet the reporting requirements of the Office of the California State Controller, the U.S. General Accounting Office, the U.S. Office of Management and Budget, and the Single Audit Act Amendments of 1996.

Independent Audit

Education Code Section (EC§) 41020 provides that each school district shall arrange for an audit by certified public accountants of its books and accounts, including the District's income by source of funds and expenditures by object and program. The District's contract auditor for FY2023-24 is Simpson & Simpson, CPAs. The independent auditor's report on the basic financial statements is presented in the Financial Section of this report on page 1.

Management Discussion and Analysis (MD&A)

The MD&A provides an objective and easily readable analysis of the District's financial activities on both a short-term and long-term basis. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the Los Angeles Unified School District

The District encompasses approximately 710 square miles in the western section of Los Angeles County. The District's boundaries include most of the City of Los Angeles, all of the Cities of Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Carson, Commerce, Cudahy, Culver City, Hawthorne, Inglewood, Long Beach, Los Angeles, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Santa Clarita, South Gate and Torrance. The District was formed in 1854 as the Common Schools for the City of Los Angeles and became a unified school district in 1960.

As of June 30, 2024, the District operated 435 elementary schools, 78 middle/junior high schools, 87 senior high schools, 59 options schools, 29 multi-level schools, 12 special education schools, 67 magnet schools and 264 magnet centers, 18 primary school centers, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, and 81 California State Preschools. The District is governed by a seven-member Board of Education elected by voters within the District to serve alternating five-year terms. These terms were extended to five years for members elected in 2015 and thereafter. As of June 30, 2024, the District employed 36,994 certificated, 35,622 classified, and 3,927 unclassified employees. Enrollment as of September 2023 was 412,341 students in K-12 schools, 36,329 students in adult schools and centers, and 6,566 students in early education centers.

As a reporting entity, the District is accountable for all activities related to public education in most of the western section of Los Angeles County. This report includes all funds of the District with the exception of the fiscally independent charter schools, which are required to submit their own individual audited financial statements, and the Auxiliary Services Trust Fund, which is not significant in relation to District operations. The Auxiliary Services Trust Fund was established in 1935 to receive and disburse funds for insurance premiums on student body activities and property, “all city” athletic and musical events, grants restricted for student activities, and other miscellaneous activities.

Economic Condition and Outlook

The latest UCLA Anderson Forecast published in October 2024 highlights a sub-par growth for California’s economy in 2024 but anticipates the next two years of progress to be slightly higher than the U.S. brought about by the aerospace and technology sectors. Growth rate for the Golden State in the second quarter of 2024 was 2.8 percent which was 0.2 percentage less than the nation’s 3.0 percent. The national economy is expected to continue its robust growth from the third quarter in 2024 into 2025 and 2026 driven by a rise in residential investment. However, slowdown in the fourth quarter of 2024 is foreseen because of convergence of different events, including the strike at Boeing, strike by East Coast dockworkers, and Hurricane Helene. The UCLA Forecast expects Gross Domestic Product (GDP) growth for 2025 and 2026 in the high twos after a moderate fourth quarter in 2024 of 1.2 percent seasonally adjusted annual rate (SAAR) GDP growth.

In September 2024, the Federal Reserve reduced interest rates, the first since 2020, by half a percentage point to a new range of 4.75 percent -5.0 percent. This move by the Federal Reserve is an indication of an increased confidence in the direction of inflation which is moving towards the Federal Reserve’s 2 percent goal but also of a heightened concern on the slowing labor market. Inflation is seen as ending the year at 2.6 percent and 2.2 percent next year. The table below shows the U.S. monthly inflation rates for 2019 through 2024.

Month	2019	2020	2021	2022	2023	2024
January	1.6%	2.5%	1.4%	7.5%	6.4%	3.1%
February	1.5%	2.3%	1.7%	7.9%	6.0%	3.2%
March	1.9%	1.5%	2.6%	8.5%	5.0%	3.5%
April	2.0%	0.3%	4.2%	8.3%	4.9%	3.4%
May	1.8%	0.1%	5.0%	8.6%	4.0%	3.3%
June	1.6%	0.6%	5.4%	9.1%	3.0%	3.0%
July	1.8%	1.0%	5.4%	8.5%	3.2%	2.9%
August	1.7%	1.3%	5.3%	8.3%	3.7%	2.5%
September	1.7%	1.4%	5.4%	8.2%	3.7%	2.4%
October	1.8%	1.2%	6.2%	7.7%	3.2%	2.6%
November	2.1%	1.2%	6.8%	7.1%	3.1%	2.7%
December	2.3%	1.4%	7.0%	6.5%	3.4%	N/A
Average	1.8%	1.2%	4.7%	8.0%	4.1%	N/A

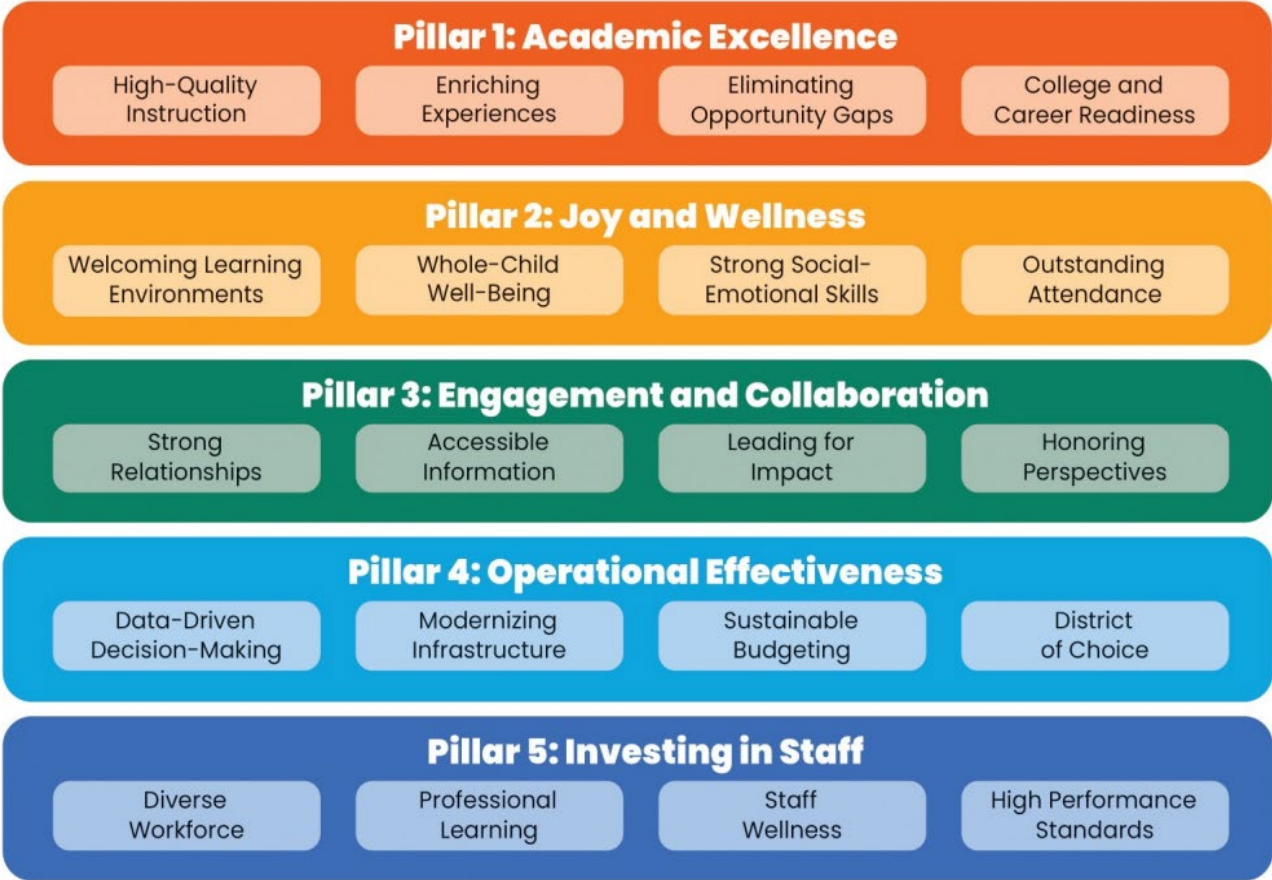
Source: Bureau of Labor Statistics / N/A Not Available

The FY25 Enacted State Budget addressed a \$47 billion deficit through a mix of solutions and included plans of \$28 billion to tackle the FY26 budget deficit as well. The Legislative Analyst’s Office (LAO), however, estimates that the FY25 Enacted State Budget closed a higher shortfall of \$55 billion. LAO’s 2025-26 Budget: California’s Fiscal Outlook report released in November 2024 estimates a roughly balanced budget in FY26. Beginning in FY27, the State faces annual operating deficits growing from about \$20 billion to about \$30 billion. Cost-of-living adjustment (COLA) is projected at 2.46 percent for FY26. The Governor has a mandatory deadline to submit a balanced FY26 budget proposal to the Legislature by the statutory deadline of January 10, 2025. At that time, the proposal shall provide details on the State’s spending plan including Proposition 98.

Superintendent’s Strategic Plan

In June 2021, the Board of Education approved a set of four goals outlining expected student outcomes by 2026. These goals establish clear expectation of excellence and growth in the primary areas of success: postsecondary preparedness, literacy, numeracy, and social-emotional wellness to ensure our students are ready for the world. The 2022-26 Strategic Plan has been built to guide a singular focus on achieving these goals, providing clear direction for collective planning and for every action taken.

The elements outlined below reflect new and inspiring approaches that will best serve students, as well as the proven work of educators, school leaders, and support staff. Strategies included in this plan will constantly evolve and adapt to exemplify the best in public education. These elements are also not intended to stand alone but to be interconnected and to influence or support one another. While the priorities and strategies may be categorized in a particular area, each piece will work together in a coherent system to provide an exceptional education program to ensure all students graduate ready for the world.



Financial Information

The District maintains internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use and disposition and to provide reliable records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes the importance of a close evaluation of costs and benefits, which requires estimates and judgments by management. The objective is to establish effective internal controls, the cost of which should not exceed the benefits derived therefrom. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

School districts in California are required by EC §41010 to follow the California School Accounting Manual in preparing reports to the State. The District utilizes a single adoption budget schedule that requires Final Budget adoption by the State mandated July 1 deadline. The District is allowed to modify its adopted budget within 45 days of the passage of the State budget.

EC §42600 mandates that a school district's expenditures may not legally exceed budgeted appropriations by major object classification, namely certificated salaries, classified salaries, employee benefits, books and supplies, services and other operating expenditures, capital outlay, other outgo, and other financing uses. EC §42600 further specifies that districts may not spend more than the amounts authorized in the Final Budget as adjusted during the fiscal year.

Encumbrance accounting is utilized to ensure effective budgetary control and accountability. Unencumbered appropriations lapse at year end and encumbrances outstanding at that time are reported as assigned fund balance for subsequent year expenditures.

Financial Results

In 2023-24, the Statement of Changes in Net Position shows that the District's Net Position increased by \$1.9 billion during the year. The Unrestricted Net Position, which is negative, improved by \$1.4 billion from -\$13.2 billion to -\$11.8 billion. The negative Unrestricted Net Position is largely the result of the District's other postemployment benefits (OPEB) liability and pension liabilities for various retirement plans. The noted improvement is primarily attributable to the receipt due to the recognition of \$0.5 billion in Federal Emergency Management Agency (FEMA) reimbursements for COVID-19 testing and vaccination costs incurred in the prior years. Additionally, a \$0.2 billion gain was recognized due to a reduction in unrealized losses on the District's cash deposited in the Los Angeles County Treasury Pool, contributing further to the fund balance increase.

In fiscal year 2023-24, the District continued to spend one-time funding for COVID-19 that helped sustain the District's operations, address student learning gaps, and sustained in-person learning in schools. For the fiscal year ended June 30, 2024, the District spent \$1.0 billion on COVID-19 funding.

Audit Results

There were 7 federal programs and 30 state compliance requirements that were audited. The examination resulted in 13 audit findings with a total *questioned costs* of \$770.1 million. The *questioned costs* mainly pertain to the District not meeting the Current Expense Formula (CEF). The District did not meet the minimum 55% threshold for spending General Fund resources on classroom teacher salaries and benefits per EC Section 41372. The District's percentage spent was only 47.08%. This is due to a significant amount of dollars spent on expenditures other than classroom teacher salaries and benefits, which were essential to ensure a safe return to campus and in-person learning to students following the COVID-19 pandemic. Additionally, the ratio is lower because of the significant increase in COVID-19 expenditures, which are part of the denominator in the formula. Examples of these expenditures include purchases of devices, connectivity solutions, instruction software licenses, and other essential items to support In-Person learning and the safety of students and staff. The District shall engage with the Los Angeles County Office of Education (LACOE) to seek a waiver request this year, as permitted under Education Code Section 41372. In 2022-23 school year, the District had the same finding and LACOE approved the waiver exempting the District from corrective action and questioned costs.

Furthermore, for the 2023-24 school year, the District failed to meet the transitional kindergarten and early enrollment average class enrollment and adult-to-pupil ratio requirements pursuant to EC Section 48000. The District's sampled school sites that offered transitional kindergarten, including those with early enrollment pupils identified with audit findings, exceeded the 24 pupils average transitional kindergarten class enrollment (*20 pupils for early enrollment child*) and the average of at least one adult for every 12 pupils for transitional kindergarten classrooms (*10 pupils for early enrollment child*). The District has implemented measures to ensure compliance with class size and adult-to-pupil ratio requirements, including the distribution of a Transitional Kindergarten Resources and Communication Toolkit to school sites and district administrators. This additional resource is designed to help maintain adherence to the required class capacity and ratio requirements.

Other audit findings noted were related to Immunization, Unduplicated Pupil Count, Independent Study, and Proposition 28 – Arts and Music. The common finding was due to the lack of supporting documents for some of the samples tested. This in effect disallows the District to claim for any revenue resulting from average daily attendance and unallowable expenditures generated by the tested samples identified as exceptions.

The District continues to remain fully committed and be compliant with Federal and State guidelines. There is a continued focus to resolve remaining audit findings, improve our internal controls and record keeping process, and ensure that compliance with State and Federal program requirements are met.

Acknowledgments

We wish to express our appreciation to the Division of Accounting and Disbursements team, the various District divisions who assisted in the preparation of this report, school based and program staff for their cooperation in providing requested audit information and their assistance in resolving potential audit findings and acknowledge the effort of our independent auditors.

Respectfully submitted,

Alberto M. Carvalho
Superintendent of Schools

Prepared by:



Nolberto Delgado
Deputy Chief Financial Officer



Christopher Mount-Benites
Chief Financial Officer

BOARD OF EDUCATION
as of December 15, 2024

Scott M. Schmerelson, President
Board District 3

Sherlett Hendy Newbill
Board District 1

Dr. Rocio Rivas
Board District 2

Nick Melvoin
Board District 4

Karla Griego
Board District 5

Kelly Gonez
Board District 6

Tanya Ortiz Franklin
Board District 7

PRINCIPAL SCHOOL DISTRICT OFFICIALS

Alberto M. Carvalho
Superintendent of Schools

Pedro Salcido
Deputy Superintendent, Business Services and Operations

Christopher Mount-Benites
Chief Financial Officer
(Effective August 5, 2024)

David Hart
Chief Financial Officer
(January 6, 2020 to August 3, 2024)

Nolberto Delgadillo
Deputy Chief Financial Officer
(Effective July 23, 2024)

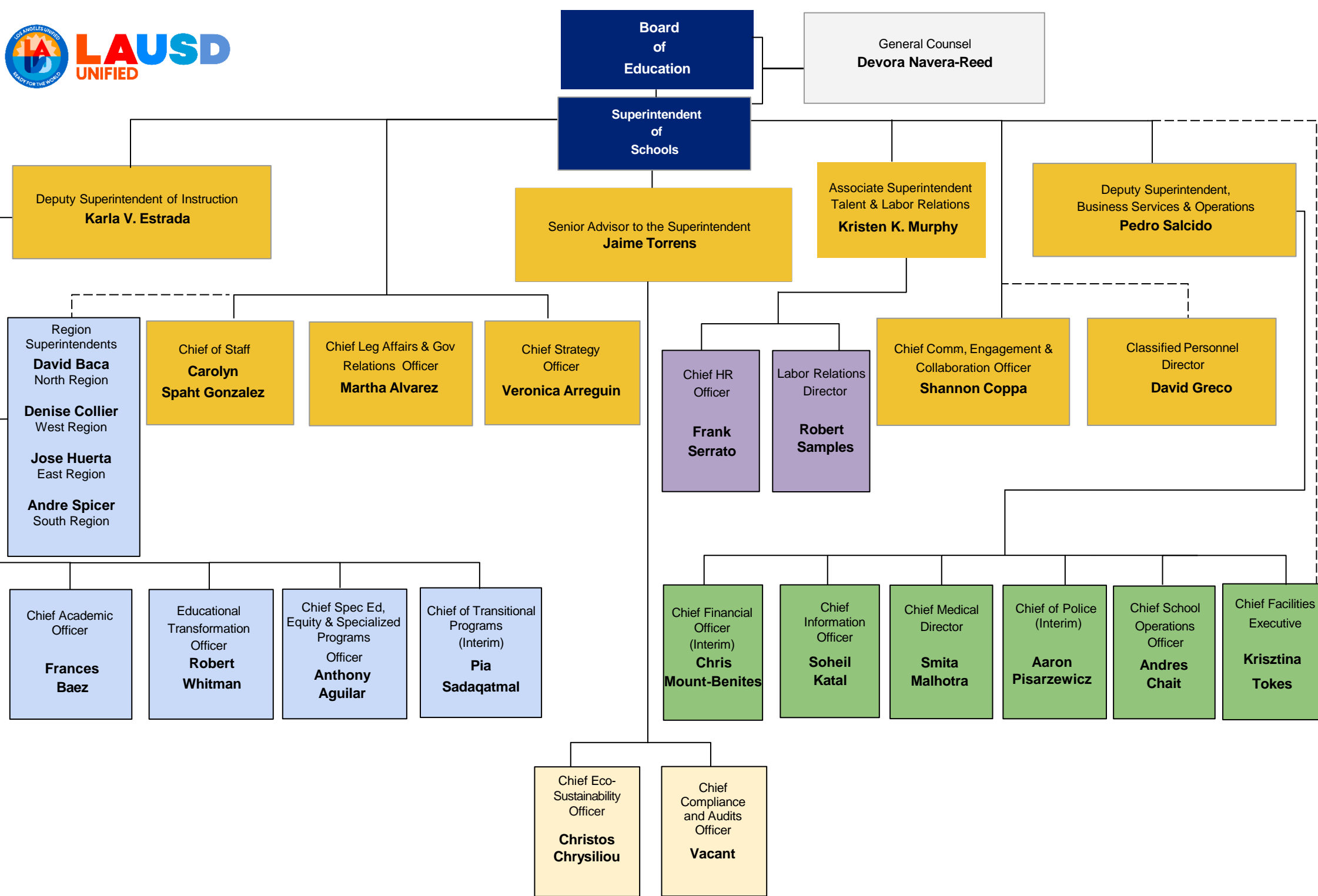
V. Luis Buendia
Deputy Chief Financial Officer
(April 8, 2020- December 30, 2023)

Ernie Thomas
Controller
(Effective January 8, 2024)

Joy Mayor
Controller
(April 29, 2021 to September 15, 2023)

REGION OFFICIALS
as of December 15, 2024

	Region Superintendent	Administrator of Instruction	Administrator of Operations	Administrator of Parent & Community Engagement
North	David Baca	Dr. Alma Flores Mylene Keipp	Jose Razo	Laura Fuentes Dr Jeremiah Gonzalez
South	Andre Spicer	Rafael Balderas Dr Afia Hemphill	Mira Pranata	Leticia Estrada de Carreon
East	Jose Huerta	Cristina Munoz Dr. Lourdes Ramirez-Ortiz	Gilberto Martinez	Megan Guerrero
West	Denise Collier	Andrew Jenkins	Dr Debra Bryant	(Vacant)



2024-2025 Organization Chart
July 1, 2024

FINANCIAL INFORMATION



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
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Independent Auditor's Report

To The Honorable Board of Education
Los Angeles Unified School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Los Angeles Unified School District** (the District) as of and for the year ended June 30, 2024, 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 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 Los Angeles Unified School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of California Code of Regulations (CCR), Title 5, Education, Section 19810. Our responsibilities under those standards are further described in the Auditor's 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.



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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 on pages 5 to 14 and the required supplementary information on pages 76 to 85 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 accompanying supplementary information on pages 86 to 113, 118 to 119, 122 to 127, and 136, and the schedule of expenditures of federal awards and related notes on pages 137 to 142, 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the supplementary information on pages 115 to 117, 120 to 121, 128 to 135, and 143 to 144 but does not include the basic financial statements and our auditor's 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 December 16, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
December 16, 2024

LOS ANGELES UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2024

As management of the Los Angeles Unified School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-ix of this report.

Financial Highlights

- As of the end of the most recent fiscal year the District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$2.4 billion, resulting a deficit net position. This negative net position is primarily comprised of an unrestricted \$11.8 billion deficit, which includes net pension liabilities for various retirement plans totaling \$6.9 billion and net other postemployment benefits (OPEB) liability totaling \$9.0 billion. The District's total net position increased by \$1.9 billion from the prior year.
- Long-term liabilities increased by \$1.1 billion primarily due to issuance of new Certificates of Participation (COPs) and changes in actuarial assumptions for self-insurance claims.
- At the close of the fiscal year 2024, the District's governmental funds reported combined ending fund balances of \$10.2 billion, reflecting an increase of \$1.3 billion from the prior fiscal year ending June 30, 2023.
- As of the end of the current fiscal year, assigned and unassigned fund balances for the General Fund, including reserve for economic uncertainties, was \$1.6 billion, or 15% of total General Fund expenditures.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these elements as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Each of the government-wide financial statements relates to functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are all related to public education.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal

LOS ANGELES UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2024

requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

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

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

The District maintains 20 individual governmental funds. In the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances, separate columns are presented for General Fund, District Bonds Fund, Bond Interest and Redemption Fund, and all other funds. Individual account data for all other nonmajor governmental funds are provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary funds. The District maintains Internal Service Funds as the only type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for Health and Welfare Benefits, Workers' Compensation-Self Insurance, and Liability-Self Insurance. Because all of these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

It is the District's practice to record estimated claim liabilities at the present value of the claims, in conformity with the accrual basis of accounting, for all its internal service funds.

The proprietary fund financial statements can be found on pages 22-24 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-74 of this report.

Combining and individual fund schedules and statements. Combining schedules and statements consisting of the budget to actual comparisons for District Bonds Fund, Bond Interest and Redemption Fund, the individual accounts within the nonmajor governmental funds, and the internal service funds are presented immediately following the required supplementary information. Combining and individual fund schedules and statements can be found on pages 86-113 of this report.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the District, liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$2.4 billion at the close of the most recent year.

The District's net position reflects its investments in capital assets (\$3.9 billion) (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's restricted net position of \$5.5 billion represents resources that are subject to external restrictions on how they may be used. The majority of this pertains to capital projects funds, debt services funds, and various programs such as Arts, Music, and Instructional Materials Discretionary Block Grant, Learning Recovery Emergency Block Grant, Kitchen Infrastructure and Training Funds, and Literacy Coaches and Reading Specialists Grant Program. The remaining negative balance in unrestricted net position (-\$11.8 billion) resulted primarily from the net pension liability for various retirement plans totaling \$6.9 billion and the net OPEB liability totaling \$9.0 billion.

At the end of the 2024 fiscal year, the District is able to report positive balances in all categories of net position except for unrestricted net position.

The \$0.6 billion increase in net capital assets primarily relates to costs incurred for school modernization projects throughout the District which is higher compared to the recognition of depreciation expense.

Long-term liabilities increased by \$1.1 billion, primarily due to issuance of new Certificates of Participation (COPs) and changes in actuarial assumptions for self-insurance claims.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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Summary Statements of Net Position (in thousands)

As of June 30, 2024 and 2023:

	Governmental Activities	
	2024	2023
Current Assets	\$ 13,034,889	\$ 11,893,489
Capital Assets, net	16,325,227	15,757,952
Total Assets	<u>29,360,116</u>	<u>27,651,441</u>
Deferred Outflows of Resources	5,711,320	5,564,111
Current Liabilities	1,822,894	2,114,406
Long-term Liabilities	13,508,101	12,409,724
Net Pension Liability	6,942,831	6,730,407
Net Other Postemployment Benefits Liability	8,991,231	8,482,271
Total Liabilities	<u>31,265,057</u>	<u>29,736,808</u>
Deferred Inflows of Resources	6,170,197	7,729,290
Net Position:		
Net investment in capital assets	3,969,958	4,141,883
Restricted for:		
Debt service	1,330,967	1,152,339
Program activities	4,136,934	3,681,025
Unrestricted	(11,801,677)	(13,225,793)
Total Net Position	<u>\$ (2,363,818)</u>	<u>\$ (4,250,546)</u>

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2024

Summary Statements of Changes in Net Position (in thousands)

Year ended June 30, 2024 and 2023:

	Governmental Activities	
	2024	2023
Revenues:		
Program Revenues:		
Charges for services	\$ 153,569	\$ 168,351
Operating grants and contributions	4,245,151	5,323,415
Capital grants and contributions	202,694	223,810
Total Program Revenues	<u>4,601,414</u>	<u>5,715,576</u>
General Revenues:		
Property taxes levied for general purposes	2,150,106	2,102,924
Property taxes levied for debt service	1,185,977	1,093,217
Property taxes levied for community redevelopment	60,653	55,694
State aid not restricted to specific purpose	4,585,386	4,491,309
Grants, entitlements, and contributions not restricted to specific programs	188,281	221,467
Unrestricted investment earnings	284,570	(23,186)
Miscellaneous	554,812	81,034
Total General Revenues	<u>9,009,785</u>	<u>8,022,459</u>
Total Revenues	<u>13,611,199</u>	<u>13,738,035</u>
Expenses:		
Instruction	\$ 5,072,381	\$ 4,558,356
Support Services:		
Support services – students	733,509	552,649
Support services – instructional staff	859,470	869,837
Support services – general administration	143,193	115,813
Support services – school administration	682,625	560,724
Support services – business	838,188	258,764
Operation and maintenance of plant services	982,270	898,066
Student transportation services	198,150	172,738
Data processing services	156,909	118,973
Operation of noninstructional services	680,183	558,572
Facilities acquisition and construction services	172,218	165,545
Other uses	8,786	6,970
Interest expense	603,781	407,889
Depreciation – unallocated	592,808	584,267
Total Expenses	<u>11,724,471</u>	<u>9,829,163</u>
Changes in Net Position	1,886,728	3,908,872
Net Position – Beginning of Year	<u>(4,250,546)</u>	<u>(8,159,418)</u>
Net Position – End of Year	<u><u>\$ (2,363,818)</u></u>	<u><u>\$ (4,250,546)</u></u>

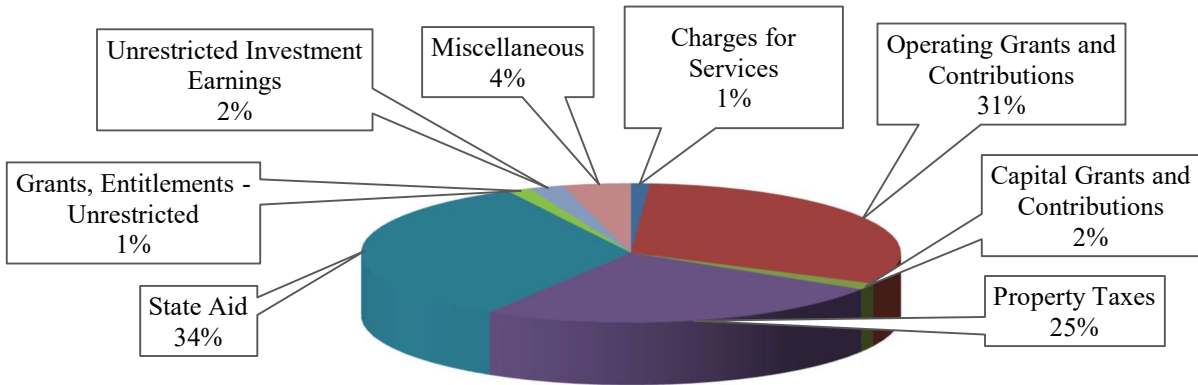
LOS ANGELES UNIFIED SCHOOL DISTRICT

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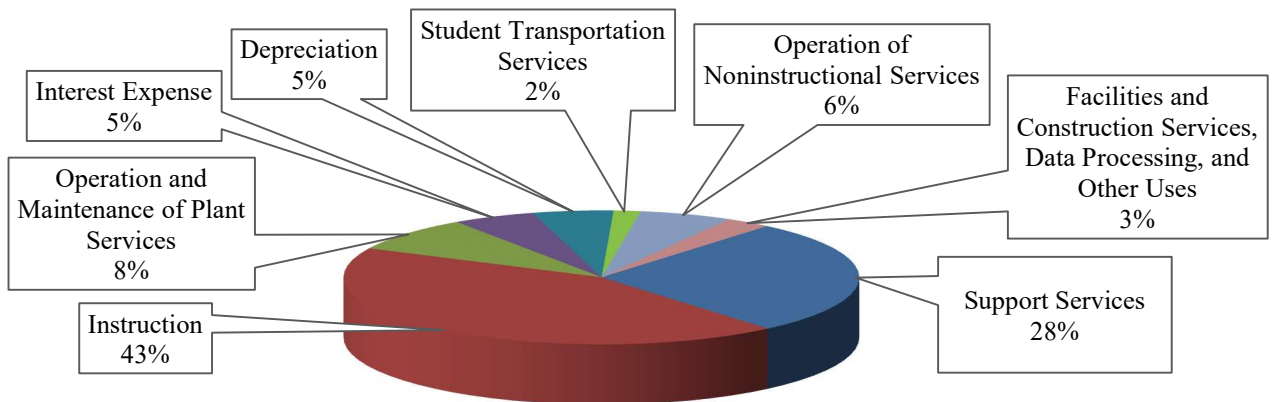
June 30, 2024

At the end of the current fiscal year, the District’s net position increased by \$1.9 billion from the prior year primarily due to the receipt of COVID-19 funding and cost savings on operating expenses due to a delayed school reopening for safety reasons.

The following graph shows that state aid, property taxes, and operating grants and contributions are the main revenue sources of the District.



The following graph shows that instruction and support services are the main expenses of the District.



LOS ANGELES UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2024

Financial Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to facilitate compliance with finance-related requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Committed, assigned, and unassigned balances comprise the unrestricted fund balances and may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$10.2 billion, reflecting a \$1.3 billion increase compared to the prior year. Approximately 60% of this total is comprised of assigned, nonspendable, and restricted fund balances. Specifically, \$0.5 billion (5.0%) is assigned, while \$5.6 billion (55.0%) is nonspendable and restricted due to laws and regulations or grantor restrictions. The committed fund balance, which represents \$3.0 billion (29.0%), is set aside by the District's governing authority for specific purposes. The remaining \$1.1 billion (10.9%) includes \$0.2 billion (2.4%) reserved for economic uncertainties and \$0.9 billion (8.5%) unassigned, representing available spendable amounts not contained in the other classifications.

The General Fund is the District's primary operating fund. At the end of the 2024 fiscal year, the unassigned fund balance was \$1.1 billion, while the total fund balance was \$6.4 billion. The fund balance of the District's General Fund increased by \$0.7 billion during the current fiscal year, primarily due to the recognition of \$0.5 billion in Federal Emergency Management Agency (FEMA) reimbursements for COVID-19 testing and vaccination costs incurred in the prior years. Additionally, a \$0.2 billion gain was recognized due to a reduction in unrealized losses on the District's cash deposited in the Los Angeles County Treasury Pool, contributing further to the fund balance increase.

Other changes in fund balances in the governmental funds are detailed as follows (in thousands):

	District Bonds	Bond Interest and Redemption	Other Governmental Funds			Total
			Special Revenue	Debt Service	Other Capital Projects	
Fund Balance, June 30, 2024:						
Nonspendable						
Revolving cash and imprest funds	\$ 500	\$ —	\$ 12	\$ —	\$ —	\$ 12
Inventories	—	—	17,861	—	—	17,861
Prepays	101	—	68	—	—	68
Restricted	1,192,626	1,422,815	421,068	502	709,873	1,131,443
Assigned	—	—	8,951	—	7,774	16,725
Unassigned	—	—	(51)	—	—	(51)
Total	1,193,227	1,422,815	447,909	502	717,647	1,166,058
Fund Balance, July 1, 2023	1,235,574	1,305,162	300,949	436	318,060	619,445
Increase (decrease) in fund balance	\$ (42,347)	\$ 117,653	\$ 146,960	\$ 66	\$ 399,587	\$ 546,613

LOS ANGELES UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis

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The fund balance decreased during the current year for the District Bonds due to the issuance of new General Obligation Bonds offset by increase in spending for school modernization projects and renovation.

The increase of \$0.1 billion in the Bond Interest and Redemption Fund was driven by a higher property tax levy for local bond debt service. The Special Revenue Fund increase was primarily due to a one-time rate adjustment of \$0.1 billion received for the Child Development Fund, and an additional \$0.4 billion in reimbursements from the Emergency Connectivity Fund for Adult Education Fund.

The increase of \$399 million for the Capital Projects was primarily due to proceeds from new COPs 2023A issuance offset by increase in spending on projects in the County School Facilities Bonds. Debt Service increased primarily due to interest earned.

Proprietary funds. The District's proprietary funds provide the same type of information found in the government-wide financial statements.

At year-end, the District's proprietary funds reported a negative unrestricted net position of \$0.05 billion. The current year's net decrease of \$0.5 billion was primarily due to higher claims in the Health and Welfare Fund and the Self-insurance Fund.

General Fund Budgetary Highlights

The District closely monitors and reviews its revenue and expenditure data to ensure maintenance of sufficient ending balance. This monitoring and review occur from the development of the budgeted data through the State-mandated first and second interim financial reports, and at year end, utilizing actual revenue and expenditure data.

Modified Final Budget vs. Original Final Budget

The District's Original Final Budget is based on assumptions from the State's May Revision Budget, while the Modified Final Budget is based not only on the State's Enacted Budget, but also on all other known State budgetary changes and changes to the District's priority of program implementations and/or planned expenditures since the Original Final Budget. Differences between the 2023-24 General Fund Original Final Budget and the Modified Final Budget resulted in a higher budgeted ending balance by \$1.0 billion, to \$5.0 billion from \$4.0 billion. Adjustments to the Original Final Budget included an increase in beginning balance of \$0.5 billion, an increase in budgeted revenues and financing sources of \$0.9 billion, and an increase in budgeted expenditures and other financing uses of \$0.4 billion.

The increase in beginning balance of \$0.5 billion was to reflect the actual ending balance as of June 30, 2023, as opposed to the estimated June 30, 2023, ending balance. The net increase in budgeted revenues and other financing sources of \$0.9 billion was mostly due to the recognition of FEMA reimbursement for COVID-19 testing and vaccination expenses of \$0.5 billion, higher state revenues of \$0.2 billion from the implementation of new grants and categorical programs, and an increase in local revenues of \$0.2 billion primarily from recognition of higher interest income and Medi-Cal Billing Option Program reimbursement

The increase in budgeted expenditures and other financing uses of \$0.4 billion was mostly attributable to the implementation of restricted programs such as Expanded Learning Opportunities Program, Medi-Cal Billing Option, Equity Multiplier totaling \$0.2 billion as well as the implementation of various federal, state, and local grants totaling \$0.2 billion.

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Actual vs. Modified Final Budget

The beginning balance remained the same for both the Actual and the Modified Final Budget. The unfavorable variance of \$0.1 billion in revenues and other financing sources between the Actual and Modified Final Budget was mostly due to adjustments on multi-year grants and COVID-related funds which are budgeted in their entirety but earned only to the extent of actual expenditures incurred.

The favorable variance of \$1.5 billion in expenditures and other financing uses between the Actual and the Modified Final Budget was mostly from school carryover and COVID-related accounts. The unspent portion of these accounts shall carry over into the next fiscal year for further program implementation and/or to pay future obligations. The largest decreases in expenditures were in Books and Supplies (\$0.9 billion), Certificated Salaries (\$0.3 billion) and Services and Other Operating Expenditures (\$0.1 billion).

Differences between the Actual and Modified Final Budget resulted in a higher ending balance by \$1.4 billion, to \$6.4 billion from \$5.0 billion.

Capital Assets and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$16.3 billion (net of accumulated depreciation), a 3.6% increase from the prior year. The investment in capital assets includes sites, improvement of sites, buildings and improvements, equipment, construction in progress, lease assets and subscription assets, net of any related accumulated depreciation. The increase is primarily due to comprehensive and major modernization projects, heating, ventilation, and air conditioning (HVAC) projects, improvement at school sites, Cyber and Campus Security projects, School Network System Upgrades, and increase in subscription assets.

Summary of capital assets (net of accumulated depreciation) is as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Sites	\$ 3,101,510	\$ 3,101,518
Improvement of sites	333,225	323,162
Buildings and improvements	9,102,846	9,098,155
Equipment	383,687	367,061
Construction in progress	3,302,103	2,777,727
Lease assets	50,174	54,970
Subscription assets	51,682	35,359
Total	<u>\$ 16,325,227</u>	<u>\$ 15,757,952</u>

Additional information on the District’s capital assets can be found in Note 7 on pages 39-40 of this report.

Debt Administration

Long-term obligations. At the close of the current fiscal year, the District’s total long-term obligations amounted to \$29.4 billion. Of this, \$11.7 billion consists of debt to be repaid through voter-approved property taxes, and the District’s General Fund. The total long-term obligations increased by \$1.8 billion during the fiscal year, primarily due to issuance of new Certificates of Participation (COPs) and changes in actuarial assumptions for self-insurance claims.

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Management's Discussion and Analysis

June 30, 2024

Summary of long-term obligations is as follows (in thousands):

	Governmental Activities	
	2024	2023
General Obligation (GO) Bonds	\$ 11,651,806	\$ 11,448,075
Certificates of Participation (COPs)	511,478	101,109
Capital Lease Obligations	51,824	55,818
Subscription-based Information Technology Agreements	43,514	32,296
Liability for Compensated Absences	108,995	90,932
Liability for Other Employee Benefits	24,177	24,891
Self-insurance Claims	1,113,152	656,603
Net Pension Liability	6,942,831	6,730,407
Other Postemployment Benefits (OPEB)	8,991,231	8,482,271
Arbitrage Payable	3,155	—
Total	<u>\$ 29,442,163</u>	<u>\$ 27,622,402</u>

Long-Term Credit Ratings

Below are the District's long-term credit ratings as of June 30, 2024 from the rating agencies that carry ratings on all or some of the District's outstanding GO bonds and COPs:

1. Moody's Investors Service (Moody's) rated the District's GO bonds and COPs "Aa2" and "A1", respectively, with a Stable Outlook. In addition, Moody's assigned an "Aa3" issuer rating to the District.
2. Fitch Ratings (Fitch) rated the District's GO bonds and COPs "AAA" and "A+", respectively, with a Stable Outlook. In addition, Fitch assigned the District an Issuer Default Rating of "AA-".
3. Standard & Poor's (S&P) rated the District's GO bonds as "AA-" with a Stable Outlook.
4. Kroll Bond Rating Agency (KBRA) rated the District's GO bonds as "AAA" with a Stable Outlook.

State statutes limit the issuance of general obligation bond debt by a unified school district if the outstanding general obligation bonds are more than 2.5% of its total taxable property. The debt limitation for the District as of June 30, 2024, is \$23.2 billion, which is in excess of the District's outstanding general obligation bond debt.

Additional information on the District's long-term obligations can be found in Notes 11 and 12 on pages 64-67 of this report.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. This report is available on the District's website, under the Office of the Chief Financial Officer homepage (<https://www.lausd.org/Page/1679>). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, Los Angeles Unified School District, P.O. Box 513307-1307, Los Angeles, California 90051-1307.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Statement of Net Position

June 30, 2024

(in thousands)

	Governmental Activities
Assets:	
Cash in county treasury, in banks, and on hand	\$ 10,863,147
Cash held by trustee	800,940
Investments	13,735
Lease Receivable	13,935
Property taxes receivable	111,498
Accounts receivable, net	1,042,251
Accrued interest receivable	106,040
Prepays	18,847
Inventories	56,455
Accounts receivable, non current	1,829
Other assets	6,212
Capital assets:	
Sites	3,101,510
Improvement of sites	937,907
Buildings and improvements	18,207,631
Equipment	2,739,378
Construction in progress	3,302,103
Lease Assets	65,550
Subscription Assets	97,036
Less accumulated depreciation	<u>(12,125,888)</u>
Total Capital Assets, Net of Depreciation	<u>16,325,227</u>
Total Assets	<u>29,360,116</u>
Deferred Outflows of Resources	<u>5,711,320</u>
Liabilities:	
Vouchers and accounts payable	564,104
Contracts payable	135,702
Accrued payroll	582,622
Accrued interest	205,539
Other payables	281,628
Unearned revenue	53,299
Long-term liabilities:	
Portion due within one year	1,249,813
Portion due after one year	12,258,288
Net Pension Liability	6,942,831
Net other post-employment liabilities	<u>8,991,231</u>
Total Liabilities	<u>31,265,057</u>
Deferred Inflows of Resources	<u>6,170,197</u>
Net Position:	
Net investment in capital assets	3,969,958
Restricted for:	
Debt service	1,330,967
Program activities	4,136,934
Unrestricted	<u>(11,801,677)</u>
Total Net Position	<u><u>\$ (2,363,818)</u></u>

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Statement of Activities Year Ended June 30, 2024 (in thousands)

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 5,072,381	\$ 20,913	\$ 1,876,055	\$ —	\$ (3,175,413)
Support Services – students	733,509	447	444,969	—	(288,093)
Support Services – instructional staff	859,470	85	495,811	—	(363,574)
Support Services – general administration	143,193	—	9	—	(143,184)
Support Services – school administration	682,625	—	228,744	—	(453,881)
Support Services – business	838,188	12,553	147,627	—	(678,008)
Operation and maintenance of plant services	982,270	34,464	154,422	—	(793,384)
Student transportation services	198,150	—	10,526	—	(187,624)
Data processing services	156,909	—	1,712	—	(155,197)
Operation of non-instructional services	680,183	1,196	724,656	—	45,669
Facilities acquisition and construction services*	172,218	83,911	150,312	89,042	151,047
Other Uses	8,786	—	1,614	—	(7,172)
Interest expense	603,781	—	8,694	113,652	(481,435)
Depreciation – unallocated**	592,808	—	—	—	(592,808)
Total Governmental Activities	\$ 11,724,471	\$ 153,569	\$ 4,245,151	\$ 202,694	\$ (7,123,057)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					2,150,106
Property taxes, levied for debt service					1,185,977
Property taxes, levied for community redevelopment					60,653
State aid not restricted to specific purpose					4,585,386
Grants, entitlements, and contributions not restricted to specific programs					188,281
Unrestricted investment earnings					284,570
Miscellaneous					554,812
Total General Revenues					9,009,785
Change in Net Position					1,886,728
Net Position – Beginning of Year					(4,250,546)
Net Position – End of Year					\$ (2,363,818)

* This amount represents expenses incurred in connection with activities related to capital projects that are not otherwise capitalized and included as part of capital assets (for example, project manager fees).

** This amount excludes the depreciation that is included in the direct expenses of the various programs.

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2024
(in thousands)

	<u>General</u>	<u>District Bonds</u>	<u>Bond Interest and Redemption</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
Assets:					
Cash in county treasury, in banks, and on hand	\$ 6,731,919	\$ 1,388,800	\$ 1,046,282	\$ 637,676	\$ 9,804,677
Cash held by trustee	44	—	378,225	422,671	800,940
Investments	—	—	—	13,735	13,735
Lease receivable	11,781	—	—	2,154	13,935
Taxes receivable	—	—	111,498	—	111,498
Accounts receivable – net	850,965	—	—	128,347	979,312
Accrued interest receivable	71,329	17,046	—	7,418	95,793
Due from other funds	30,000	—	—	—	30,000
Prepays	8,338	101	—	68	8,507
Inventories	38,594	—	—	17,861	56,455
Other assets	—	—	—	48	48
Total Assets	<u>7,742,970</u>	<u>1,405,947</u>	<u>1,536,005</u>	<u>1,229,978</u>	<u>11,914,900</u>
Deferred Outflows of Resources	—	—	—	—	—
Total Assets and Deferred Outflows of Resources	<u>\$ 7,742,970</u>	<u>\$ 1,405,947</u>	<u>\$ 1,536,005</u>	<u>\$ 1,229,978</u>	<u>\$ 11,914,900</u>
Liabilities and Fund Balances:					
Vouchers and accounts payable	\$ 460,810	\$ 65,056	\$ —	\$ 21,431	\$ 547,297
Contracts payable	4,380	129,703	—	1,619	135,702
Accrued payroll	561,745	7,207	—	17,562	586,514
Other payables	241,154	10,754	—	9,022	260,930
Unearned revenue	41,167	—	—	12,132	53,299
Total Liabilities	<u>1,309,256</u>	<u>212,720</u>	<u>—</u>	<u>61,766</u>	<u>1,583,742</u>
Deferred Inflows of Resources:					
Property taxes	—	—	111,498	—	111,498
Build America Bond Subsidy	—	—	1,692	—	1,692
Leases	11,781	—	—	2,154	13,935
Total Deferred Inflows of Resources	<u>11,781</u>	<u>—</u>	<u>113,190</u>	<u>2,154</u>	<u>127,125</u>
Fund Balances:					
Nonspendable	49,852	601	—	17,941	68,394
Restricted	1,794,588	1,192,626	1,422,815	—	4,410,029
Restricted, reported in:					
Special revenue funds	—	—	—	421,068	421,068
Debt service funds	—	—	—	502	502
Capital projects funds	—	—	—	709,873	709,873
Committed	2,972,038	—	—	—	2,972,038
Assigned	491,522	—	—	—	491,522
Assigned, reported in:					
Special revenue funds	—	—	—	8,951	8,951
Capital projects funds	—	—	—	7,774	7,774
Unassigned:					
Reserved for economic uncertainties	244,900	—	—	—	244,900
Unassigned	869,033	—	—	(51)	868,982
Total Fund Balances	<u>6,421,933</u>	<u>1,193,227</u>	<u>1,422,815</u>	<u>1,166,058</u>	<u>10,204,033</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,742,970</u>	<u>\$ 1,405,947</u>	<u>\$ 1,536,005</u>	<u>\$ 1,229,978</u>	<u>\$ 11,914,900</u>

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT
 Reconciliation of the Governmental Funds Balance Sheet to
 the Statement of Net Position
 June 30, 2024
 (in thousands)

Total Fund Balances – Governmental Funds	\$ 10,204,033
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$28,451,115 and the accumulated depreciation is \$12,125,888.	16,325,227
Prepaid subscription software expenditures are reported as subscription assets in the governmental activities.	(3,575)
Property taxes receivable will be collected this year, but are not available soon enough to pay the current period’s expenditures and therefore are unearned in the funds.	111,498
Federal subsidies for debt service expenditures are recognized in the governmental funds only when the corresponding interest expenditure is recognized.	1,692
Receivables that will be collected in the following year and thereafter are not available soon enough to pay the current period's expenditures and therefore are not reported in the governmental funds.	1,829
An internal service fund is used by the District’s management to charge the costs of health and welfare, workers’ compensation and liability self-insurance premiums and claims to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.	(50,492)
Long-term liabilities, including bonds and lease payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	(12,596,451)
Deferred outflow/inflow of resources – refunding charges are not reported in the governmental funds.	(89,919)
Proportionate share of net pension liability and related deferred inflow/outflow of resources are not reported in the governmental funds.	(5,251,368)
Net other post-employment benefits liability and related deferred inflow/outflow of resources are not reported in the governmental funds.	<u>(11,016,292)</u>
Total Net Position – Governmental Activities	<u><u>\$ (2,363,818)</u></u>

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024
(in thousands)

	<u>General</u>	<u>District Bonds</u>	<u>Bond Interest and Redemption</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
Revenues:					
Local Control Funding Formula sources	\$ 6,735,477	\$ —	\$ —	\$ —	\$ 6,735,477
Federal revenues	2,121,516	—	69,549	415,510	2,606,575
Other state revenues	1,778,356	—	3,127	667,903	2,449,386
Other local revenues	582,333	83,305	1,225,337	256,349	2,147,324
Total Revenues	<u>11,217,682</u>	<u>83,305</u>	<u>1,298,013</u>	<u>1,339,762</u>	<u>13,938,762</u>
Expenditures:					
Current:					
Certificated salaries	3,877,706	—	—	129,424	4,007,130
Classified salaries	1,516,258	51,639	—	251,476	1,819,373
Employee benefits	2,919,796	29,805	—	249,910	3,199,511
Books and supplies	602,821	3,395	—	217,230	823,446
Services and other operating expenditures	1,506,077	48,861	—	36,913	1,591,851
Capital outlay	113,063	950,718	—	170,069	1,233,850
Debt service – principal	25,763	3	706,023	11,109	742,898
Debt service – bond issuance cost	—	—	6,797	—	6,797
Debt service – bond, COPs, and capital leases interest	1,105	—	524,166	14,509	539,780
Other outgo	7,168	—	—	1,618	8,786
Transfers of indirect costs – interfund	(20,118)	—	—	20,118	—
Total Expenditures	<u>10,549,639</u>	<u>1,084,421</u>	<u>1,236,986</u>	<u>1,102,376</u>	<u>13,973,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>668,043</u>	<u>(1,001,116)</u>	<u>61,027</u>	<u>237,386</u>	<u>(34,660)</u>
Other Financing Sources (Uses):					
Transfers in	32,346	110,925	—	26,679	169,950
Transfers out	(25,052)	(2,156)	—	(142,742)	(169,950)
Premium on bonds issued	—	—	49,829	—	49,829
Payment to refunded COPs escrow agent	—	—	—	(201)	(201)
Proceeds on refunding bonds issued	—	—	2,974,945	—	2,974,945
Payment to refunding bond escrow agent	—	—	(3,331,662)	—	(3,331,662)
Premium on refunding bonds issued	—	—	363,514	—	363,514
Premium on COPs issued	—	—	—	41,231	41,231
Capital leases	18	—	—	—	18
Proceeds from COPs issued	—	—	—	384,260	384,260
Proceeds from SBITAs	38,327	—	—	—	38,327
Proceeds from sale of bonds	—	850,000	—	—	850,000
Total Other Financing Sources (Uses)	<u>45,639</u>	<u>958,769</u>	<u>56,626</u>	<u>309,227</u>	<u>1,370,261</u>
Net Changes in Fund Balances	<u>713,682</u>	<u>(42,347)</u>	<u>117,653</u>	<u>546,613</u>	<u>1,335,601</u>
Fund Balances, July 1, 2023	5,708,251	1,235,574	1,305,162	619,445	8,868,432
Fund Balances, June 30, 2024	<u>\$ 6,421,933</u>	<u>\$ 1,193,227</u>	<u>\$ 1,422,815</u>	<u>\$ 1,166,058</u>	<u>\$ 10,204,033</u>

See accompanying notes to basic financial statements.

LOS ANGELES 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, 2024
(in thousands)

Net Changes in Fund Balances – Governmental Funds	\$	1,335,601
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		566,379
Proceeds of new debt and repayment of debt principal are reported as other financing sources and uses in the governmental funds, but constitute additions and reductions to liabilities in the statement of net position.		(168,003)
Premiums, discounts, and refunding charges are reported as other financing sources and uses in the governmental funds, but constitute additions and reductions to liabilities in the statement of net position.		(403,840)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered “available” revenues for this year.		1,744
In the statement of activities, compensated absences and other retirement benefits are measured by the amounts the employees earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(16,670)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of financial resources. In the statement of activities, however, interest expense is recognized as interest accrues, regardless of when it is due.		(104,141)
Some expenses, including legal settlements and rebatable arbitrage, are recognized in the government wide statements as soon as the underlying event has occurred but not until due and payable in the governmental funds.		
An internal service fund is used by the District's management to charge the costs of health and welfare, workers’ compensation and liability self-insurance premiums and claims to the individual funds. The net revenue of the internal service fund is reported with governmental activities.		(3,155)
Legal settlement gains are recognized in the government wide statements as soon as the underlying event has occurred but not until collected in the governmental funds.		(1,879)
Adoption of GASB 68 recognizes actuarial pension expense in the government wide statements and reclassify actual pension contribution in the current year as deferred outflow of resources.		285,705
Adoption of GASB 75 recognizes actuarial OPEB expense in the government wide statements and reclassify actual pension contribution in the current year as deferred outflow of resources.		812,088
Change in Net Position of Governmental Activities	\$	1,886,728

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
General Fund
Year Ended June 30, 2024
(in thousands)

	Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local Control Funding Formula sources	\$ 6,738,270	\$ 6,734,406	\$ 6,735,477	\$ 1,071
Federal revenues	1,840,519	2,325,413	2,121,516	(203,897)
Other state revenues	1,678,012	1,833,635	1,778,356	(55,279)
Other local revenues	274,203	500,381	582,333	81,952
Total Revenues	<u>10,531,004</u>	<u>11,393,835</u>	<u>11,217,682</u>	<u>(176,153)</u>
Expenditures:				
Current:				
Certificated salaries	3,730,390	4,153,997	3,877,706	276,291
Classified salaries	1,433,966	1,552,634	1,516,258	36,376
Employee benefits	2,820,171	3,008,518	2,919,796	88,722
Books and supplies	1,893,115	1,519,928	602,821	917,107
Services and other operating expenditures	1,718,465	1,637,737	1,506,077	131,660
Capital outlay	53,569	170,378	113,063	57,315
Debt service – principal	3,795	26,156	25,763	393
Debt service – bond, COPs, and capital leases interest	956	1,106	1,105	1
Other outgo	5,828	7,234	7,168	66
Transfers of indirect costs – interfund	(20,039)	(19,511)	(20,118)	607
Total Expenditures	<u>11,640,216</u>	<u>12,058,177</u>	<u>10,549,639</u>	<u>1,508,538</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,109,212)</u>	<u>(664,342)</u>	<u>668,043</u>	<u>1,332,385</u>
Other Financing Sources (Uses):				
Transfers in	30,000	32,346	32,346	—
Contributions	—	—	—	—
Transfers out	(27,192)	(25,057)	(25,052)	5
Capital leases	—	—	18	18
Proceeds from sale of capital assets	10	—	—	—
Proceeds from SBITAs	—	—	38,327	38,327
Total Other Financing Sources (Uses)	<u>2,818</u>	<u>7,289</u>	<u>45,639</u>	<u>38,350</u>
Net Changes in Fund Balances	<u>(1,106,394)</u>	<u>(657,053)</u>	<u>713,682</u>	<u>1,370,735</u>
Fund Balances, July 1, 2023	5,179,256	5,708,251	5,708,251	—
Fund Balances, June 30, 2024	<u>\$ 4,072,862</u>	<u>\$ 5,051,198</u>	<u>\$ 6,421,933</u>	<u>\$ 1,370,735</u>

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Statement of Net Position

Proprietary Funds

Governmental Activities – Internal Service Funds

June 30, 2024

(in thousands)

Assets:

Cash in county treasury, in banks, and on hand	\$ 1,058,470
Accounts receivable – net	62,939
Accrued interest and dividends receivable	10,248
Prepays	13,911
Other assets	6,165
Total Assets	<u>1,151,733</u>

Deferred Outflows of Resources	<u>7,910</u>
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Liabilities:

Current:

Vouchers and accounts payable	16,804
Accrued payroll	1,057
Other payables	19,786
Due to other funds	30,000
Estimated liability for self-insurance claims	380,240
Total Current Liabilities	<u>447,887</u>

Noncurrent:

Estimated liability for self-insurance claims	732,912
Net other postemployment benefits liability	10,837
Net pension liability	12,108
Total Noncurrent Liabilities	<u>755,857</u>

Total Liabilities	<u>1,203,744</u>
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Deferred Inflows of Resources	<u>6,392</u>
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Total Net Position – Unrestricted	<u>\$ (50,493)</u>
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See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Governmental Activities – Internal Service Funds
Year Ended June 30, 2024
(in thousands)

Operating Revenues:	
In-District premiums	\$1,506,966
Others	11,950
Total Operating Revenues	<u>1,518,916</u>
Operating Expenses:	
Classified salaries	8,063
Employee benefits	4,202
Supplies	317
Premiums and claims expenses	1,951,636
Claims administration	15,719
Other contracted services	1,514
Total Operating Expenses	<u>1,981,451</u>
Operating Income (Loss)	<u>(462,535)</u>
Nonoperating Revenues (Expenses):	
Investment income	45,482
Miscellaneous expense	(49)
Total Nonoperating Revenues	<u>45,433</u>
Changes in Net Position	<u>(417,102)</u>
Total Net Position, July 1, 2023	<u>366,609</u>
Total Net Position, June 30, 2024	<u><u>\$ (50,493)</u></u>

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
Governmental Activities – Internal Service Funds
Year Ended June 30, 2024
(in thousands)

Cash Flows from Operating Activities:	
Cash payments to employees for services	\$ (12,959)
Cash payments for goods and services	(1,509,939)
Receipts from assessment to other funds	1,506,966
Receipts from other operating revenue	11,950
Net Cash Used by Operating Activities	<u>(3,982)</u>
Cash Flows from Non-Capital Financing Activities:	
Loan from other funds	30,000
Cash Provided by Non-Capital Financing Activities	<u>30,000</u>
Cash Flows from Investing Activities:	
Earnings on investments	44,458
Cash Provided by Investing Activities	<u>44,458</u>
Net Increase in Cash and Cash Equivalents	70,476
Cash and Cash Equivalents, July 1	987,994
Cash and Cash Equivalents, June 30	<u>\$ 1,058,470</u>
Reconciliation of Operating Income to Net Cash Used by Operating Activities:	
Operating Income (Loss)	<u>\$ (462,535)</u>
Adjustments to reconcile operating income to net cash used by operating activities:	
Net decrease in pension and other postemployment benefits expense from actuarial valuation	(293)
Change in Assets: Decrease (Increase)	
Accounts receivable	(2,017)
Prepays	(271)
Other assets	(1,390)
Change in Liabilities: Increase (Decrease)	
Vouchers and accounts payable	7,609
Accrued payroll	(400)
Other payables	(1,234)
Estimated liability for self-insurance claims – current	147,939
Estimated liability for self-insurance claims – noncurrent	308,610
Total Adjustments	<u>458,553</u>
Net Cash Used by Operating Activities	<u>\$ (3,982)</u>

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

(1) Summary of Significant Accounting Policies

The Los Angeles Unified School District (District) accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The following summary of the more significant accounting policies of the District is provided to assist the reader in interpreting the basic financial statements presented in this section. These policies, as presented, should be viewed as an integral part of the accompanying basic financial statements.

(a) Reporting Entity

The District is primarily responsible for all activities related to K-12 public education in most of the western section of Los Angeles County, State of California. The governing authority, as designated by the State Legislature, consists of seven elected officials who together constitute the Board of Education (Board). Those organizations, functions, and activities (component units) for which the Board has accountability comprise the District's reporting entity.

The District's Audited Annual Financial Report includes all funds of the District and its component units with the exception of the fiscally independent charter schools, which are required to submit audited financial statements individually to the State, and the Auxiliary Services Trust Fund, which is not significant in relation to District operations. This fund was established in 1935 to receive and disburse funds for insurance premiums on student body activities and property, "all city" athletic and musical events, and grants restricted for student related activities. The District has certain oversight responsibilities for these operations but there is no financial interdependency between the financial activities of the District and the fiscally independent charter schools or the Auxiliary Services Trust Fund.

Blended Component Units

The LAUSD Financing Corporation and the LAUSD Administration Building Finance Corporation (the Corporations) were formed in 2000 and 2001, respectively, to finance properties leased by the District. The Corporations have a financial and operational relationship which meets the reporting entity definition criteria of GASB for inclusion of the Corporations as blended component units of the District. These Corporations are nonprofit public benefit corporations and they were formed to provide financing assistance to the District for construction and acquisition of major capital facilities. The District currently occupies all completed Corporation facilities under lease purchase agreements. At the end of the lease terms, or pursuant to relevant transaction documents with the District, or upon dissolution of the Corporations, title to all Corporations property passes to the District.

On July 1, 2014, the District entered into a joint venture agreement with Los Angeles Trust for Children's Health as the original participant to form Los Angeles Unified School District Risk Management Authority (LAUSDRMA). LAUSDRMA was formed to permit the participants to jointly exercise their common powers to self-insure, pool, and jointly fund and purchase insurance, and to establish insurance programs for a variety of risks. This joint venture also meets GASB's reporting definition criteria of a blended component unit. Detailed information about LAUSDRMA's Financial Statements is available in a separately issued financial report. Copies of the said report may be obtained by written request to General Manager/Secretary, LAUSDRMA, 333 S. Beaudry Avenue, 28th Floor, Los Angeles, CA 90017.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements Year Ended June 30, 2024

(b) Government-wide and Fund Financial Statements

The District's basic financial statements consist of fund financial statements and government-wide statements which are intended to provide an overall viewpoint of the District's finances. The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all District funds excluding the effect of interfund activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are primarily supported by fees and service charges. The District does not conduct any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements on pages 17 and 19. Nonmajor funds are aggregated in a single column.

(c) Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and trust funds. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the fiscal period. "Available" means collectible within the current period or soon enough thereafter to pay current liabilities. Application of the "susceptibility to accrual" criteria requires consideration of the materiality of the item in question and due regard for the practicality of accrual, as well as consistency in application.

Federal revenues and State apportionments and allowances are determined to be available and measurable when entitlement occurs or related eligible expenditures are incurred. Secured and unsecured property taxes related to debt service and community redevelopment purposes that are estimated to be collectible and receivable within 60 days of the current period are recorded as revenue. Investment income is accrued when earned. All other revenues are not considered susceptible to accrual.

Expenditures for the governmental funds are generally recognized when the related fund liability is incurred, except debt service expenditures and expenditures related to compensated absences which are recognized when payment is due.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements Year Ended June 30, 2024

(d) *Financial Statement Presentation*

The District's audited annual financial report includes the following:

- Management's Discussion and Analysis is a narrative introduction and analytical overview of the District's financial activities as required by GASB Statement No. 34. This narrative overview is in a format similar to that in the private sector's corporate annual reports.
- Government-wide financial statements are prepared using full accrual accounting for all of the District's activities. Therefore, current assets and liabilities, deferred outflow and inflow of resources, capital and other long-term assets, and long-term liabilities are included in the financial statements.
- Statement of net position displays the financial position of the District including all capital assets and related accumulated depreciation, long-term liabilities, and net pension and other postemployment benefits (OPEB) liabilities.
- Statement of activities focuses on the cost of functions and programs and the effect of these on the District's net position. This financial report is also prepared using the full accrual basis and includes depreciation expense.

(e) *Fund Accounting*

The District's accounting system is organized and operated on the basis of funds. Fund Accounting emphasizes accountability rather than profitability. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A description of the activities of the various funds is provided below:

Major Governmental Funds

The District has the following major governmental funds for the fiscal year 2023-24:

General Fund – The General Fund is used to account for all financial resources relating to educational activities and the general business operations of the District, including educational programs funded by other governmental agencies. The General Fund consists of unrestricted and restricted funds.

District Bond Funds – This category represents the total of the following building accounts: Building Account – Measure K, established to account for bond proceeds received by the passage of such measure in the Election of 2002; Building Account – Measure R, established to account for bond proceeds received by the passage of such measure in the Election of 2004; Building Account – Measure Y, established to account for bond proceeds received by the passage of such measure in the Election of 2005; Building Account – Measure Q, established to account for bond proceeds received by the passage of such measure in the Election of 2008; and Building Account - Measure RR, established to account for bond proceeds received by the passage of such measure in the Election of 2020.

Bond Interest and Redemption Fund – This Debt Service Fund is used to account for the payment of principal and interest on the general obligation bond issues (Measure K, Measure R, Measure Y, Measure Q, and Measure RR). Revenues are derived from ad valorem taxes levied upon all taxable property in the District.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements Year Ended June 30, 2024

Other Governmental Funds

The District has the following nonmajor governmental funds:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for the specific purpose (other than debt service or capital projects) of the individual funds. The District maintains the following Special Revenue Funds: Student Activity Special Revenue, Adult Education, Child Development, and Cafeteria.

Debt Service Funds – Debt Service Funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for the repayment of general long-term debt principal and interest. The District maintains the following nonmajor Debt Service Funds: Tax Override and Capital Services. The Bond Interest and Redemption Fund is reported separately as a major fund in fiscal year 2023-24.

Capital Projects Funds – Capital Projects Funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities and equipment other than those financed by the General and Special Revenue Funds. The District maintains the following nonmajor Capital Projects Funds: Building, Capital Facilities Account, County School Facilities Bonds, Special Reserve – Community Redevelopment Agency, Special Reserve, Special Reserve – FEMA – Earthquake, and Special Reserve – FEMA – Hazard Mitigation. The District Bond Funds (Measure K, Measure R, Measure Y, Measure Q, and Measure RR) is reported separately as a major fund in fiscal year 2023-24.

Proprietary Funds

The District has the following Proprietary Funds:

Internal Service Funds – Internal Service Funds are used to account for all financial resources intended to provide self-insurance services to other operating funds of the District on a cost-reimbursement basis. The District maintains the following Internal Service Funds: Health and Welfare Benefits, Workers' Compensation Self-insurance, and Liability Self-Insurance. The Health and Welfare Benefits Fund was established to pay for claims, administrative costs, insurance premiums, and related expenditures; the Workers' Compensation Self-Insurance Fund and the Liability Self-Insurance Fund were established to pay for claims, excess insurance coverage, administrative costs, and related expenditures.

Under the full accrual basis of accounting that is generally accepted for Internal Service Funds, total estimated liabilities for self-insurance are recorded based on estimated claims liabilities, including the estimated liability for incurred but not reported claims. For the Workers' Compensation Self-Insurance and Liability Self-Insurance Funds, the estimates are determined by applying an appropriate discount rate to estimated future claim payments. No discount is applied to estimated Health and Welfare Benefits Fund claims because they are generally paid within a short period of time after the claims are filed.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other operating funds for self-insurance services. Operating expenses include the cost of services including insurance premiums, claims, and administrative costs. All revenues and expenses not meeting this definition are nonoperating revenues and expenses.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

(f) Budgetary Control and Encumbrances

School districts in California are required by Education Code Section 41010 to follow the *California School Accounting Manual* in preparing reports to the State. The District utilizes a single-adoption budget schedule that requires Final Budget adoption by the State-mandated July 1 deadline. The District is allowed to modify its adopted budget within 45 days of the passage of the State budget. In addition, the District revises the budget during the year to give consideration to unanticipated revenues and expenditures (see Note 4 – Budgetary Appropriation Amendments).

In accordance with the District’s Board policy, management has the authority to make routine transfers of budget appropriations among major categories within a fund. Routine budget transfers are summarized and periodically reported to the Board for ratification. Nonroutine transfers may not be processed without prior Board approval.

During the year, several supplementary appropriations were necessary. The original and final revised budgets are presented in the financial statements. Budgets for all governmental fund types are adopted on a basis consistent with generally accepted accounting principles. Budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, and Internal Service Funds.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds. The District employs budgetary control by minor (sub) object and by individual program accounts. Expenditures may not legally exceed budgeted appropriations by major object level as follows: Certificated Salaries, Classified Salaries, Employee Benefits, Books and Supplies, Services and Other Operating Expenditures, Capital Outlay, Other Outgo, and Other Financing Uses.

The District utilizes an encumbrance system for all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid or liabilities are incurred. All encumbrances expire at June 30. Appropriation authority lapses at the end of the fiscal year.

(g) Cash and Investments

Cash includes amounts in demand deposits with the Los Angeles County Treasury and various financial institutions, imprest funds for schools and offices, and cafeteria change funds. The District maintains some cash deposits with various banking institutions for collection clearing, check clearing, or revolving fund purposes. The District also maintains deposit accounts held by various trustees for the acquisition or construction of capital assets, for the repayment of long-term debts, and for the payment of other postemployment benefits.

In accordance with State Education Code Section 41001, the District deposits virtually all of its cash with the Treasurer of the County of Los Angeles. The District’s deposits, along with funds from other local agencies such as the county government, other school districts, and special districts, make up a pool, which the County Treasurer manages for investment purposes. Earnings from the pooled investments are allocated to participating funds based on average investment in the pool during the allocation period.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

All District-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made. All District investments are stated at fair value based on quoted market prices.

(h) *Short-term Interfund Receivables/Payables*

Occasionally, a fund will not have sufficient cash to meet its financial obligations and a cash transfer will be required to enable that fund to pay its outstanding invoices and other obligations. These temporary borrowings between funds are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet. Interfund balances within governmental activities are eliminated on the government-wide statement of net position. At June 30, 2024, Health and Welfare Benefits fund has a balance of \$30.0 million due to General Fund. The balance is anticipated to be returned within the fiscal year 2024-25.

(i) *Inventories*

Inventories consist of expendable materials and supplies held for consumption, which are valued at cost, using the average-cost method. Inventories are recorded as expenditures when shipped to schools and offices. Balances of inventory accounts are offset by corresponding reservations of fund balance, which indicate that these amounts are not available for appropriation and expenditure.

(j) *Capital Assets*

Capital assets, which include sites, improvement of sites, buildings and improvements, equipment, the right to use leased equipment, subscription assets, and construction in progress, are reported in the government-wide financial statements. Such assets are valued at historical cost or estimated historical cost unless obtained by annexation or donation, in which case they are recorded at estimated market value at the date of receipt. The District utilizes a capitalization threshold of \$5,000.

Projects under construction are recorded at cost as construction in progress and transferred to the appropriate asset account when substantially complete. Costs of major improvements and rehabilitation of buildings are capitalized. Repair and maintenance costs are charged to expense when incurred. Equipment disposed of, or no longer required for its existing use, is removed from the records at actual or estimated historical cost, net of accumulated depreciation. All capital assets, except land and construction in progress, are depreciated using the Straight-line method over the following estimated useful lives. A full month's depreciation is applied on the date the asset is placed in service.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Assets	Years
Buildings	50
Portable buildings	20
Building improvements	20
Improvement of sites	20
Furniture and fixtures	20
Playground equipment	20
Food services equipment	15
Transportation equipment	15
Telephone system	10
Reprographics equipment	10
Broadcasting equipment	10
Vehicles	8
Computer system and equipment	5
Office equipment	5

(k) Contracts Payable

Contracts payable includes only the portion applicable to work completed and unpaid as of June 30, 2024.

(l) Compensated Absences

All vacation leaves are accrued in the government-wide statements when they are incurred. A liability is reported in the governmental funds only for vested or accumulated vacation leave of employees who have separated from the District as of June 30 and whose vacation benefits are payable within 60 days from the end of the fiscal year. The District, as a practice, does not accrue a liability for unused sick leave since accumulated sick leave is not a vested benefit. Employees who retire after January 1, 1999, who are members of the Public Employees' Retirement System (PERS) may use accumulated sick leave to increase their service years in the calculation of retirement benefits.

In 1995, pursuant to the District/UTLA Agreement (Article XIV, Section 1.2), the District agreed to compensate eligible employees for furlough days taken during the 1992-93 fiscal year to be paid in a lump-sum bonus upon retirement. The amount of bonus corresponds to the percentage that the employee's compensation was reduced in the 1992-93 school year based on the employee's salary band for that year. Liability is accrued in the government-wide statements for all unpaid balances. A liability is reported in the governmental funds only for employees who have separated from the District as of June 30.

(m) Pensions

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

(n) Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as expense in the period incurred. Gains and losses on refunding related to bonds redeemed by proceeds from the issuance of new bonds are reported as either deferred inflows of resources or deferred outflows of resources and are amortized as an adjustment to interest expense using the effective-interest method over the shorter of the life of the new bonds or the remaining term of the bonds refunded.

In the fund financial statements, debt issuances including any related premiums or discounts as well as issuance costs are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

(o) Local Control Funding Formula (LCFF) Sources/Property Taxes/Education Protection Account (EPA)

LCFF sources are the basic financial support for District activities. The District's LCFF is received from a combination of local property taxes, EPA, and state apportionments. For the fiscal year 2023-24, the District received \$1.8 billion of local property taxes, \$0.6 billion of EPA, and \$4.3 billion of State aid.

Implementation of the LCFF began in fiscal year 2013-14 with a projected eight-year transition period. For school districts and charter schools, the LCFF creates base, supplemental, and concentration grants in place of most previously existing K-12 funding streams, including revenue limits and most state categorical programs. Until full implementation, local educational agencies (LEAs) will receive roughly the same amount of funding they received in fiscal year 2012-13 plus an additional amount each year to bridge the gap between current funding levels and the new LCFF target levels. As of 2023-24, the LCFF is funded at target for the District. Funding is calculated based on data reported by each LEA including pupil attendance, local revenue, and other demographic factors, in accordance with the LCFF. Allocations are made through the Principal Apportionment system.

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding March 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1) and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distributions prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately on October 1 of each year. The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as LCFF sources by the District.

Another funding component to the total LCFF is the Education Protection Account (EPA). The EPA provides LEAs with general purpose state aid funding pursuant to Proposition 30, The Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012. Proposition 30 temporarily increases the state's sales tax rate for all taxpayers until the end of 2016 and the personal income tax rates for upper-

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

income taxpayers until the end of 2018. Proposition 55 was passed on November 8, 2016, extending the temporary personal income tax increases enacted in 2012 by 12 years. A portion of the revenues generated by the measure's temporary tax increases is deposited into the EPA which is used to support increased school funding.

The California Department of Education reduces the District's entitlement by the District's local property tax revenue and EPA entitlement. The balance is paid from the State General Fund, and is known as the State Apportionment. As a result, a receivable has not been recorded for the related property taxes in the General Fund as any receivable is offset by a payable on the state apportionment.

(p) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses in the accompanying basic financial statements. Actual results may differ from those estimates.

(q) New Pronouncement

The GASB has issued Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, effective for periods after June 15, 2023. This addresses accounting and financial reporting requirements for certain types of accounting changes and error corrections. For the fiscal year ended June 30, 2024, the District did not implement any accounting changes or correct any errors to previously issued financial statements. Therefore, the adoption had no impact on the District's current financial statements.

(2) Tax and Revenue Anticipation Notes

Tax and Revenue Anticipation Notes (TRANS) are short-term debt instruments used to finance temporary cash flow deficits attributable to the uneven receipt of property taxes and other revenues during the fiscal year.

The District did not have any TRANS issuance in fiscal year 2023-24.

(3) Reconciliation of Government-wide and Fund Financial Statements

(a) Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The accompanying governmental fund balance sheet includes reconciliation between *total fund balances – governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.” The details of the \$12,596,451 difference are as follows (in thousands):

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Bonds payable	\$ (11,651,806)
Certificates of Participation (COPs)	(511,478)
Arbitrage	(3,155)
Lease obligations	(51,824)
Liability for compensated absences	(105,778)
Liability for other employee benefits	(22,446)
Subscription-based Information Technology Arrangements (SBITAs)	(43,514)
Accrued interest	(205,539)
Other	<u>(911)</u>
Adjustment to reduce <i>total fund balances</i> – <i>governmental funds</i> to arrive at <i>net position</i> – <i>governmental activities</i>	<u><u>\$ (12,596,451)</u></u>

(b) Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *total net changes in fund balances – governmental funds* and *changes in net position of governmental activities* as reported in the accompanying government-wide statement of activities. One element of that reconciliation explains that “Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.” Moreover, in the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital asset sold. The details of this \$566,379 difference are as follows (in thousands):

Capital related expenditures	\$ 1,233,852
Cost of the capital assets sold	(644)
Depreciation expense	<u>(666,829)</u>
Net adjustment to decrease net changes in <i>total</i> <i>fund balances – governmental funds</i> to arrive at <i>changes in net position – governmental activities</i>	<u><u>\$ 566,379</u></u>

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Another element of that reconciliation states that, “Proceeds of new debt and repayment of debt principal are reported as other financing sources and uses in the governmental funds, but constitute additions and reductions to liabilities in the statement of net position.” The details of this \$168,003 difference are as follows (in thousands):

Debt issued or incurred:	
General Obligation (GO) Bonds	\$ (3,824,945)
Certificates of Participation (COPs)	(384,260)
Lease Obligations	(449)
Subscription based information technolog arrangements (SBITAs)	(33,110)
Principal repayments:	
GO Bonds	706,224
COPs	10,540
Lease Obligations	4,443
SBITAs	21,892
Payments to escrow agent for refunding:	
Refunding GO Bonds	2,775,459
Deposit to Escrow Fund for Refunding GO Bonds	556,203
Net adjustment to increase net changes in <i>total</i>	
fund balances – governmental funds to arrive at	
changes in net position – governmental activities	\$ (168,003)

(4) Budgetary Appropriation Amendments

During the fiscal year, modifications were necessary to increase appropriations for expenditures and other financing uses for the General Fund by \$416 million.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

(5) Cash and Investments

Cash and investments as of June 30, 2024, are classified in the accompanying basic financial statements as follows (in thousands):

Statement of net position:

Cash	\$ 10,863,147
Investments	13,735
Cash held by trustee	800,940
Total cash and investments	<u>\$ 11,677,822</u>

Cash and investments as of June 30, 2024, consist of the following (in thousands):

Cash on hand (cafeteria change funds)	\$ 26
Deposits with financial institutions and Los Angeles County Pool	11,664,061
Investments	13,735
Total cash and investments	<u>\$ 11,677,822</u>

Deposits with financial institutions include: (1) cash in the Los Angeles County Pooled Surplus Investment Fund with fair market adjustment (\$10,818.3 million); (2) cash held by fiscal agents or trustees (\$800.9 million); (3) cash deposited with various other financial institutions for imprest funds of schools and offices (\$11.4 million); and cash in the Student Activity Special Revenue Fund (\$33.4 million).

School districts are required by Education Code Section 41001 to deposit their funds with the county treasury. Cash in county treasury refers to the fair value of the District's share of the Los Angeles County (County) Pooled Surplus Investment (PSI) Fund.

Except for investments by trustees of Certificates of Participation (COPs) proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from the website at <https://ttc.lacounty.gov/>.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

The table below identifies some of the investment types permitted in the County’s investment policy:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Total Par Value</u>	<u>Maximum Par Value per Issuer</u>
A. Obligations of the U.S. government, its agencies and instrumentalities	None	None	None
B. Approved Municipal Obligations	5 to 30 years	10% of PSI portfolio	None
C. Asset-Backed Securities with highest ratings	5 years	20% of PSI portfolio	with credit rating limits
D. Bankers’ Acceptances Domestic and Foreign	180 days	40% of PSI portfolio	with credit rating limits
E. Negotiable Certificates of Deposits – Domestic	3 years	30% of PSI portfolio	with credit rating limits
E. Negotiable Certificates of Deposits – Euro	1 year	10% of PSI portfolio	with credit rating limits
F. Corporate and Depository Notes	3 years	30% of PSI portfolio	with credit rating limits
G. Floating Rate Notes	7 years	10% of PSI portfolio	with credit rating limits
H. Commercial Paper of “prime” quality of the highest ranking or of the highest letter or number ranking as provided for by a nationally recognized statistical-rating organization (NRSRO)	270 days	40% of PSI portfolio	Lesser of 10% of PSI portfolio or credit rating limits
I. Shares of Beneficial Interest	None	Money Market Funds: 15% of PSI portfolio with no more than 10% in any one fund	None
J. Repurchase Agreement	30 days	\$1 billion	\$500 million/ dealer
K. Reverse Repurchase Agreement	1 year	\$500 million	\$250 million/ broker
L. Forwards, Futures and Options	90 days	\$100 million	\$50 million/ counterparty
M. Interest Rate Swaps in conjunction with approved bond sales with high credit ratings	None	None	None
N. Securities Lending Agreement	180 days	20% of base portfolio value (combined total value of reverse repurchase agreements and securities lending)	None
O. Supranationals in accordance with Gov. Code 53601(q)	5 years	30% of PSI portfolio	with credit rating limits

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Interest rate risk is the risk involved with fluctuations of interest rates that may adversely affect the fair value of the investments. The County's investment guidelines target the weighted average maturity of its portfolio to a range between 1.0 and 4.0 years. As of June 30, 2024, 61.61% of district funds in the County PSI Fund does not exceed one year. The weighted Average Days to Maturity of its portfolio was 668 days.

Credit risk means the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment, as measured by assignment of a rating by a nationally recognized statistical rating organization. This County's investment guidelines establish minimum acceptable credit ratings issued by any three nationally recognized statistical rating organizations. The investment limit varies by credit rating, but the rating must be no less than A-1/A from Standard & Poor's (S&P), P-1/A from Moody's Investors Service (Moody's), or F-1/A from Fitch Ratings (Fitch). The County PSI Fund is not rated.

Concentration of credit risk means the risk of loss attributed to the magnitude of an investment in a single issuer. For District funds in the County pool, the County's investment policy has concentration limits that provide sufficient diversification. As of June 30, 2024, the County did not exceed these limitations.

Custodial credit risk for deposits is the risk that in the event of failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Cash in the county treasury is not exposed to custodial credit risk since all county deposits are either covered by federal depository insurance or collateralized with securities held by the County. Deposits other than those with the County are also covered by federal depository insurance or collateralized at the rate of 110% of the deposits, although the collateral may not be held specifically in the District's name.

For COPs debt proceeds held by trustees, these may be placed in permitted investments outlined in the provisions of the trust agreements, as follows:

- A. Direct obligations of the United States of America; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by specified federal agencies and backed by full or non-full faith and credit of USA;
- B. Money market mutual funds registered under Federal Investment Company Act of 1940 and Federal Securities Act of 1933 and subject to credit rating limits;
- C. Certificates of deposit and other forms of deposit with collateralization, fully insured by FDIC and subject to issuers' credit rating limits;
- D. Investment agreements and commercial papers subject to credit rating limits;
- E. Bonds or notes issued by any state or municipality and pre-refunded municipal bonds, subject to credit rating limits;
- F. Federal funds, bank deposits or bankers' acceptances with full FDIC insurance or subject to credit rating limits;
- G. Repurchase agreements subject to specified criteria and credit rating limits; and
- H. Los Angeles County Investment Pool.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

(6) Accounts Receivable, net

Receivables by Fund at June 30, 2024, consist of the following (in thousands):

	<u>General</u>	<u>Other Governmental</u>	<u>Internal Service Funds</u>	<u>Total</u>
Accrued grants and entitlements	\$ 812,949	\$ 85,812	\$ —	\$ 898,761
Other	38,016	42,535	62,939	143,490
Total Accounts Receivable, Net	<u>\$ 850,965</u>	<u>\$ 128,347</u>	<u>\$ 62,939</u>	<u>\$ 1,042,251</u>

(7) Capital Assets

A summary of changes in capital asset activities as follows (in thousands):

	<u>Balance, June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2024</u>
Governmental activities:				
Capital assets, not being depreciated:				
Sites	\$ 3,101,518	\$ 16	\$ (24)	\$ 3,101,510
Construction in progress	2,777,727	1,156,244	(631,868)	3,302,103
Total capital assets, not being depreciated	<u>5,879,245</u>	<u>1,156,260</u>	<u>(631,892)</u>	<u>6,403,613</u>
Capital assets, being depreciated:				
Improvement of sites	896,849	41,156	(98)	937,907
Buildings and improvements	17,691,090	516,541	-	18,207,631
Equipment	2,636,623	110,445	(7,690)	2,739,378
Lease Assets	65,532	18	-	65,550
Subscription Assets*	55,256	42,249	(469)	97,036
Total capital assets, being depreciated	<u>21,345,350</u>	<u>710,409</u>	<u>(8,257)</u>	<u>22,047,502</u>
Less accumulated depreciation for:				
Improvement of sites	(573,687)	(30,977)	(18)	(604,682)
Buildings and improvements	(8,592,935)	(511,870)	20	(9,104,785)
Equipment	(2,269,562)	(93,595)	7,466	(2,355,691)
Lease Assets	(10,562)	(4,814)	-	(15,376)
Subscription Assets*	(19,897)	(25,573)	116	(45,354)
Total accumulated depreciation	<u>(11,466,643)</u>	<u>(666,829)</u>	<u>7,584</u>	<u>(12,125,888)</u>
Total capital assets, being depreciated, net	<u>9,878,707</u>	<u>43,580</u>	<u>(674)</u>	<u>9,921,614</u>
Governmental activities capital assets, net	<u>\$ 15,757,952</u>	<u>\$ 1,199,839</u>	<u>\$ (632,566)</u>	<u>\$ 16,325,227</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Depreciation expense was charged to the following functions (in thousands):

Governmental activities:	
Facilities Acquisition and construction	\$ 592,809
Instruction	22,173
Data processing services	18,649
Operation and maintenance of plant services	10,845
Student transportation services	9,866
Support services - business	7,035
Operation of noninstructional services	1,050
Support services - instructional staff	2,893
Support services - school administration	915
Support services - students	566
Support services - general administration	28
Total depreciation expense – governmental activities	\$ 666,829

(8) Deferred Outflows and Inflows of Resources

District's deferred outflows and inflows of resources as of June 30, 2024, are comprised of the following (in thousands):

	Deferred Outflows	Deferred Inflows
Debt refunding charges	\$ 13,425	\$ 103,344
Lease - GASB 87	-	13,935
Pension and OPEB contributions subsequent to measurement date	1,683,830	-
Difference in contribution	84,707	82,674
Unamortized differences between projected and actual earnings on plan investments	1,796,792	1,446,308
Unamortized differences between expected and actual experience	414,064	1,542,109
Unamortized differences arising from changes of assumptions	1,413,192	2,548,132
Unamortized differences arising from change in proportion of net pension liability	137,042	309,294
Unamortized differences arising from change in proportion of deferred outflow	162,408	7,660
Unamortized differences arising from change in proportion of deferred inflow	5,860	116,741
Total	\$ 5,711,320	\$ 6,170,197

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

(9) Retirement, Termination and Other Postemployment Benefit Plans

The District provides a number of benefits to its employees including retirement, termination, and postemployment health care benefits.

Retirement Plans

Qualified District employees are covered under either multiple-employer defined benefit retirement plans maintained by agencies of the State of California, or a multiple-employer defined contribution retirement plan administered under a Trust. The retirement plans maintained by the State are 1) the California Public Employees' Retirement System (CalPERS), 2) the California State Teachers' Retirement System (CalSTRS), and 3) the Public Agency Retirement Services (PARS) which is administered under a Trust. In general, certificated employees are members of CalSTRS and classified employees are members of CalPERS. Part-time, seasonal, temporary, and other employees who are not members of CalPERS or CalSTRS are members of PARS.

The District's total net pension liability at June 30, 2024, is summarized in the following table (in thousands):

CalPERS – Safety Plan	\$ 127,967
CalPERS – Miscellaneous Plan	2,804,142
CalSTRS	<u>4,010,722</u>
Total	<u>\$ 6,942,831</u>

(a) California Public Employees' Retirement System (CalPERS)

Safety Plan

Plan Description and Benefits Provided

The District contributes to an agent multiple-employer plan for the Public Employees' Retirement Fund (PERF) – Safety Plan, a defined benefit pension plan administered by CalPERS. The plan provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Benefit provisions are established by state statutes, as legislatively amended, within the California Public Employees' Retirement Law.

The Safety Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

	<u>Safety</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hiring date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age: minimum	50	57
Monthly benefit, as a % of eligible compensation	3.0%	2.70%
Required employee contribution rates	9.00%	14.75%
Required employer contribution rates	53.680%	53.680%

Employees Covered

At June 30, 2024, the following employees were covered by the benefit terms for the Safety Plan:

	<u>Safety</u>
Inactive employees or beneficiaries currently receiving the benefits	424
Inactive employees entitled to, but not yet receiving benefits	266
Active employees	<u>233</u>
Total	<u><u>923</u></u>

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 July 1 following notice of a change in the rate. The total plan contributions are determined through 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended.

For the year ended June 30, 2024, the contributions to the Safety Plan amounted to \$14.2 million.

Net Pension Liability

The District’s net pension liability for the Safety Plan of \$128.0 million at June 30, 2024, is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Safety Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability of the Safety Plan is shown on the next page.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, actuarial valuations were determined using the following actuarial assumptions:

	<u>Safety</u>
Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry-Age Normal in accordance with the requirements of GASB 68
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90%
Mortality rate table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Change of Assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. 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. In addition, demographic assumptions and the price inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, 7.65% for measurement dates June 30, 2015, through June 30, 2016, and 7.50% for measurement date June 30, 2014.

Change in Benefit Terms

The figures include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary. In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Discount Rate

The discount rate used to measure the total pension liability of the Safety Plan was 6.90%. 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 of 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 the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The expected real rates of return by asset class are as follows:

	Safety	
Asset Class	Assumed Asset Allocation	Real Return ^(a,b)
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed securities	5.00	0.50
Investment grade corporates	10.00	1.56
High yield	5.00	2.27
Emerging market debt	5.00	2.48
Private debt	5.00	3.57
Real assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Changes in the Net Pension Liability

The changes in the net pension liability for the Safety Plan are as follows (in thousands):

	Safety		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2023	\$ 495,342	\$ 377,105	\$ 118,237
Changes recognized for the measurement period:			
Service cost	8,345	–	8,345
Interest on the total pension liability	34,206	–	34,206
Differences between expected and actual experience	7,911	–	7,911
Changes of assumptions	–	–	–
Contributions from the employer	–	15,153	(15,153)
Contributions from employees	–	2,517	(2,517)
Net investment income	–	23,339	(23,339)
Benefit payments, including refunds of employee contributions	(23,385)	(23,385)	–
Administrative expense	–	(277)	277
Net changes	27,077	17,347	9,730
Balance at June 30, 2024	\$ 522,419	\$ 394,452	\$ 127,967

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period. Differences between expected and actual experience and changes in assumptions are amortized, but the amortization period varies from year to year.

Sensitivity of the District's Net Pension Liability to Changes in the Discount Rate

The following presents the District's net pension liability for the Safety plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate (in thousands):

	Safety		
	1.00% Decrease 5.90%	Current Discount Rate (6.90%)	1.00% Increase (7.90%)
	District's net pension liability	\$ 202,609	\$ 127,967

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports. Copies of the CalPERS annual financial report may be obtained from CalPERS Fiscal Services Division, P.O. Box 942703, Sacramento, CA 94229-2703, or by calling (888) CalPERS (225-7377).

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

For the year ended June 30, 2024, the District recognized pension expense \$17.5 million for the Safety Plan. As of June 30, 2024, the District reported deferred outflows and deferred inflows of resources related to pensions (Safety Plan) as follows (in thousands):

	<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ 2,944	\$ —
Differences between expected and actual experience	4,485	3,883
Net difference between projected and actual earnings on pension plan investments	17,864	—
District contributions subsequent to the measurement date	14,210	—
Total	<u>\$ 39,503</u>	<u>\$ 3,883</u>

The amounts above are net of outflows and inflows recognized in 2023-24 measurement period expense.

The \$14.2 million reported as 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 ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows (in thousands):

	<u>Safety</u>
<u>Year ended June 30</u>	<u>Deferred Outflows of Resources</u>
2025	\$ 5,672
2026	2,839
2027	12,411
2028	488

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements
Year Ended June 30, 2024

Payable to the Pension Plan

The District’s contribution for all members to the Safety Plan for the fiscal year ended June 30, 2024, was in accordance with the required contribution rate calculated by the CalPERS actuary. Hence, no payable to the pension plan is recognized for the fiscal year ended June 30, 2024.

Miscellaneous Plan

Plan Description and Benefits Provided

The District contributes to a cost-sharing multiple-employer plan, the Public Employees’ Retirement Fund (PERF) Miscellaneous Plan, a defined benefit pension plan administered by CalPERS. The plan provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees’ Retirement Law.

The Miscellaneous Plan’s provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	
	<u>Prior to</u>	<u>On or after</u>
	<u>January 1, 2013</u>	<u>January 1, 2013</u>
Hiring date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age: Minimum	50	52
Monthly benefit, as a % of eligible compensation	1.10%	1.00%
Required employee contribution rates	7.00%	8.00%
Required employer contribution rates	26.680%	26.680%

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 July 1 following notice of a change in the rate. The total plan contributions are determined through 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended.

For the year ended June 30, 2024, the contributions to the Miscellaneous Plan amounted to \$438.8 million.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

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

At June 30, 2024, the District reported a net pension liability of \$2.8 billion for its proportionate share of the net pension liability of the Miscellaneous Plan. The net pension liability of the Miscellaneous Plan was measured as of June 30, 2023, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. The District’s proportion of the net pension liability was based on the 2022-23 fiscal year employer contributions calculated by CalPERS. At June 30, 2023, the District’s proportion rate was 7.746488%.

For the year ended June 30, 2024, the District recognized pension expense of \$418.3 million for the Miscellaneous Plan. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions (Miscellaneous Plan) from the following sources (in thousands):

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 102,347	\$ 43,473
Difference between projected and actual earnings		
on pension plan investments	641,545	340,882
Change of assumption	130,385	—
Change in NPL proportion	—	22,419
Change in proportion of deferred outflow	—	7,660
Change in proportion of deferred inflow	5,860	—
Difference in contribution	16,026	—
District contributions subsequent to the measurement date	438,819	—
Total	<u>\$ 1,334,982</u>	<u>\$ 414,434</u>

The \$438.8 million reported as deferred outflows of resources related to District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows (in thousands):

	<u>Miscellaneous</u>
<u>Year ended June 30</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2025	\$ 134,377
2026	107,548
2027	230,483
2028	9,321

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry-Age Actuarial Cost Method
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90%
Mortality rate table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. 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, combined with risk estimates, and 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. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Discount Rate

The discount rate used to measure the total pension liability of the Miscellaneous Plan was 6.90%. 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 of 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 the total pension liability.

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The Expected real rates of return by asset class are as follows:

Asset Class	Miscellaneous	
	Assumed Target Allocation	Real Return Years 1-10 ^{(a),(b)}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed securities	5.00	0.50
Investment grade corporates	10.00	1.56
High yield	5.00	2.27
Emerging market debt	5.00	2.48
Private debt	5.00	3.57
Real assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	100.00%	

^(a) An expected inflation of 2.30% used for this period.

^(b) Figures are based on the 2021-22 Asset Liability Management study

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is seven years as of June 30, 2023. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Miscellaneous plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate (in thousands):

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

	Miscellaneous		
	Decrease (5.90%)	Current Discount Rate (6.90%)	Increase (7.90%)
District's proportionate share of the net pension liability	\$ 4,054,065	\$ 2,804,142	\$ 1,771,110

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports. Copies of the CalPERS annual financial report may be obtained from CalPERS Fiscal Services Division, P.O. Box 942703, Sacramento, CA 94229-2703, or by calling (888) CalPERS (225-7377).

Payable to the Pension Plan

The District’s contribution for all members to the Miscellaneous Plan for the fiscal year ended June 30, 2024, was in accordance with the required contribution rate calculated by the CalPERS actuary. Hence, no payable to the pension plan is recognized for the fiscal year ended June 30, 2024.

(b) California State Teachers’ Retirement System (CalSTRS)

Plan Description and Benefits Provided

The District contributes to the CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan and a tax-deferred supplemental program established and administered by the State Teachers’ Retirement Law (Section 22000 et seq.) of the California Education Code. The Teachers’ Retirement Fund (TRF) is a defined benefit pension plan under the CalSTRS. The State of California is a non-employer contributor to the TRF.

The Plan provides defined retirement benefits based on members’ final compensation, age, and years of credited service. In addition, the retirement program provides benefits to members upon disability and to survivors upon the death of eligible members. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers’ Retirement Law.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

The Plan’s provisions and benefits in effect at June 30, 2024, are summarized as follows:

	CalSTRS	
	On or before December 31, 2012	On or after January 1, 2013
Hiring date		
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age: Minimum	50 (30 years of service credit) or 55 (5 years of service credit)	55 (5 years of service credit)
Monthly benefit, as a % of eligible compensation	1.1% - 2.4%	1.16% - 2.4%
Required employee contribution rates	10.25%	10.205%
Required employer contribution rates	19.10%	19.10%

Contributions

The District is required to contribute based on an actuarially determined rate using the entry age normal actuarial cost method. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers’ Retirement Board (Board). Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers’ Retirement Law. Both the member and employer contributions are set as a percentage of employees’ earnings.

CALSTRS Funding Plan enacted by Chapter 47, Statutes of 2014 (Assembly Bill 1469 - Bonta) is projected to fully fund the CalSTRS Defined Benefit (DB) Program in 22 years through incremental shared contribution among CalSTRS members, employers, and the State of California. Contribution increases will be phased in over several years with the first increases taking effect on July 1, 2014. Effective July 1, 2020, the Board cannot adjust the employer rate by more than 1% in a fiscal year, and the increase to the contribution rate above the 8.25% base contribution rate cannot exceed 12% for a maximum of 20.25%. The Board has limited authority to adjust state contribution rates annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure.

In May 2023, the Board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2023-24 for a total employer contribution rate of 19.10%.

For the year ended June 30, 2024, the contributions to the CalSTRS’ TRF amounted to \$740.7 million.

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

At June 30, 2024, the District reported a net pension liability of \$4.0 billion for its proportionate share of the CalSTRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the 2022-23 fiscal year employer contributions calculated by CalSTRS with consideration given to separately financed and irregular employer contributions relative to the projected contributions of all participating employer and non-employer contributing entities. At June 30, 2023, the District’s proportion rate was 5.133%.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

For the year ended June 30, 2024, the District recognized pension expense of \$145.4 million. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	CalSTRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 307,232	\$ 224,278
Difference between projected and actual earnings	1,103,308	1,105,426
Change of assumption	23,827	—
Change in NPL proportion	137,042	286,875
Change in proportion of deferred outflow	162,408	—
Change in proportion of deferred inflow	—	116,741
Difference in contribution	68,680	82,674
District contributions subsequent to the measurement date	740,659	—
Total	<u>\$ 2,543,156</u>	<u>\$ 1,815,994</u>

The \$740.7 million reported as 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 ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows:

Year ended June 30	CalSTRS
	Deferred Outflows/ (Inflows) of Resources
2025	\$ (155,512)
2026	(213,584)
2027	325,590
2028	2,785
2029	1,522
Thereafter	25,702

Actuarial Methods and Assumptions

The total pension liability for the CalSTRS' TRF was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Valuation date	June 30, 2022
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return*	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Post-retirement benefit increases	2.00% simple for defined benefit (annually) maintain 85% purchasing power level for defined benefit, not applicable for defined benefit supplement/ cash balance benefit programs

*Net of investment expenses, but gross of administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability of the CalSTRS' TRF was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions and benefit payments and administrative expenses occur mid-year. Based on those assumptions, the CalSTRS' TRF 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 long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS' general investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the Board in January 2020 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. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	CalSTRS	
	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Public equity	38.00 %	5.25 %
Real estate	15.00	4.05
Private equity	14.00	6.75
Fixed income	14.00	2.45
Risk mitigating strategies	10.00	2.25
Inflation sensitive	7.00	3.65
Cash/liquidity	2.00	0.05
	<u>100.00 %</u>	

* 20-year average. Real rates of return are net of assumed 2.75% inflation.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is seven years as of June 30, 2023. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate (in thousands):

	CalSTRS		
	Decrease (6.10%)	Current Discount Rate	Increase (8.10%)
		(7.10%)	
District's proportionate share of the net pension liability	\$ 6,557,613	\$ 4,010,722	\$ 1,709,648

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report. Copies of the CalSTRS annual financial report may be obtained from California State Teachers’ Retirement System, P.O. Box 15275, Sacramento, CA 95851-0275.

Payable to the Pension Plan

The District’s contribution for all members to the CalSTRS’ TRF for the fiscal year ended June 30, 2024, was in accordance with the required contribution rate calculated by the CalSTRS actuary. Hence, no payable to the pension plan is recognized for the fiscal year ended June 30, 2024.

(c) Public Agency Retirement System (PARS)

Plan Description

The Omnibus Budget Reconciliation Act of 1990 requires state and local public agencies to provide a retirement plan for all employees not covered under existing employer pension plans and/or Social Security. These employees are primarily part-time, seasonal, and temporary employees (PSTs). This Act also requires that contributions for PSTs be vested immediately and permits any split of the minimum contributions between employee and employer.

On July 1, 1992, the District joined the PARS, a multiple employer retirement trust established by a coalition of public employers. The plan covers the District’s part-time, seasonal, temporary, and other employees not covered under CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax. As of June 30, 2024, there are 58,422 District employees covered under PARS.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Benefit terms and other requirements are established by District management based on agreements with various bargaining units. PARS is a defined contribution qualified retirement plan under Section 401 (a) of the Internal Revenue Code.

The minimum total contribution is 7.50% of employees' salaries, of which the District and the employees contribute 3.75% each. For the year ended June 30, 2024, the District recognized pension expense of \$7.4 million. The District does not have any forfeited amounts.

The District's contributions for all members for the fiscal years ended June 30, 2024, 2023, and 2022 were in accordance with the required contributions.

Employees are vested 100% in both employer and employee contributions from the date of membership. When separated from employment, all employees can choose to receive their funds in lump sum or leave it on deposit until the mandatory age of 73 when they must get a distribution.

Postemployment Benefits – Health and Welfare for Retirees

Plan Description

The District contributes to an agent multiple-employer plan. The plan provides other postemployment health care benefits in accordance with collective bargaining unit agreements and Board rules. Certificated and classified employees who retire from the District receiving a CalSTRS/CalPERS retirement allowance (for either age or disability) may be eligible to continue coverage under the District sponsored hospital/medical, dental, and vision plans which cover both active and retired members and their eligible dependents. The following are the eligibility requirements:

- a. Those hired prior to March 11, 1984, must have served a minimum of five consecutive qualifying years immediately prior to retirement.
- b. Those hired from March 11, 1984, through June 30, 1987, must have served a minimum of 10 consecutive qualifying years immediately prior to retirement.
- c. Those hired from July 1, 1987, through May 31, 1992, must have served a minimum of 15 consecutive qualifying years immediately prior to retirement, or served 10 consecutive qualifying years immediately prior to retirement plus an additional previous 10 years which are not consecutive.
- d. Those hired from June 1, 1992, through February 28, 2007, must have at least 80 years combined total of qualifying service and age. For those employees that have a break in service, this must include 10 consecutive years immediately prior to retirement.
- e. Those hired from March 1, 2007, through March 31, 2009, must have at least 80 years combined total of qualifying service and age. In addition, the employee must have 15 consecutive years of qualifying service immediately prior to retirement.
- f. Those hired on or after April 1, 2009, except School Police, must have at least 85 years combined total of qualifying service and age. In addition, the employee must have a minimum of 25 consecutive years of qualifying service immediately prior to retirement.

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- g. School Police (sworn personnel) hired on or after April 1, 2009, must have at least 80 years combined total of qualifying service and age. In addition, the employee must have a minimum of 20 consecutive years of qualifying service immediately prior to retirement.
- h. Associated Administrators of Los Angeles (AALA), Service Employees International Union (SEIU) excluding Unit F/G employees hired on or after July 1, 2018, and California School Employees Association (CSEA) members hired on or after September 1, 2018, must have at least 87 years combined total of qualifying service and age. In addition, the employee must have a minimum of 30 consecutive years of qualifying service immediately prior to retirement.

Qualifying years of service consist of school years in which an employee was in “paid status” for at least 100 full-time days and eligible for District-sponsored health care benefits.

To receive retiree health care benefits, an individual must meet the eligibility requirements in accordance with the collective bargaining agreements and:

- a. Be eligible for active health care benefits at the date of retirement.
- b. Retire in accordance with the eligibility rules of the applicable retirement system (CalSTRS or CalPERS).
- c. Receive a monthly pension payment from the state retirement system (CalSTRS or CalPERS).
- d. Comply with the Medicare requirements of the District plans. Lack of Medicare does not impact dental or vision coverage.

Eligible dependents are also covered for the life of the retiree. Upon the retiree’s death, eligible dependents may continue coverage under the plan but will generally have to pay 100% of premium and plan costs.

Employees Covered

As of June 30, 2024, the following current and former employees were covered by the benefit terms under the District’s OPEB Plan:

Active employees	61,692
Inactive employees or beneficiaries currently receiving benefits	39,777
Inactive employees entitled to, but not yet receiving benefits	<u>183</u>
Total	<u><u>101,652</u></u>

Contributions

The District’s contribution obligation for the fiscal year for the health and welfare benefits of District personnel, including the cost of term life insurance coverage and employee assistance for active employees and coverage under health plans for dependents and retirees, generally is subject to an aggregate contribution limit. Determination of this fiscal year contribution obligation limit occurs through discussions with the relevant collective bargaining units and recommendation by the Districtwide Health and Welfare Committee and is subject to approval by the Board of Education.

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Moreover, the District established in fiscal year 2013-14 an irrevocable other postemployment benefits (OPEB) trust with CalPERS – California Employers’ Retiree Benefit Trust (CERBT) to address its fiscal obligation in relation to its OPEB liability. Contributions to the OPEB trust will be calculated annually and are governed by the District’s Budget and Finance Policy wherein such contributions will be subject to maintaining an Unrestricted General Fund balance of 5.00% of the unrestricted revenue.

Detailed information about the CERBT is available in the separately issued CalPERS financial reports. Copies of the CalPERS annual financial report may be obtained from CalPERS Fiscal Services Division, P.O. Box 942703, Sacramento, CA 94229-2703, or by calling (888) CalPERS (225-7377).

For fiscal year 2023-24, the District contributed a total of \$490.1 million to the OPEB Plan.

Net OPEB Liability

The District’s net OPEB liability of \$9.0 billion at June 30, 2024, is measured as the total OPEB liability, less the OPEB plan’s fiduciary net position. All information provided is based on the census data, actuarial assumptions, and plan provisions used in the June 30, 2023, actuarial valuation report (dated April 2024). The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Actuarial cost method	Entry Age Normal Cost
Discount rate	3.80%
Payroll growth	2.80% per annum
Salary increases	2000-2019 CalPERS Experience Study
Investment rate of return	6.20%
Mortality rate	Based on the Pub-2010 headcount-weighted tables for general employees, teachers and safety employees, with generational future improvement scale MP-2021
Pre-retirement turnover ¹	Turnover rates used in the most recent CalSTRS valuation and developed in the 2000-2019 CalPERS Experience Study, as applicable.
Healthcare trend rate	Non-Medicare Advantage Plans Pre-65 [7.39% - 4.50%]; Post 65 [8.03% - 4.50%] Medicare Advantage Plans Post 65 Kaiser [8.60% - 4.50%]; Anthem PPO [7.57% - 4.50%]; Health Net/Anthem EPO [8.60% - 4.50%] Dental & Vision - 5.00%

⁽¹⁾The Experience Study reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

Changes of Assumptions

During the measurement period ended June 30, 2023, the following assumptions were changed from the prior valuation:

1. Assets - \$499,889,641 as of June 30, 2023, measurement date.

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2. Municipal Bond Rate - 3.65% as of June 30, 2023 (3.54% as of June 30, 2022), based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.
3. Contributions - Ad hoc additional pre-funding contribution schedules currently include \$33.3 million for fiscal year ended June 30, 2023, to be made in fiscal year ended June 30, 2024, \$211 million for fiscal year ended June 30, 2024, and \$40 million for all future fiscal years.
4. Expected Return on Assets - 6.20% as of June 30, 2023 (6.10% as of June 30, 2022), per District's revised expectation for CalPERS' CERBT Strategy 1 asset allocation.
5. Discount Rate - 3.80% as of June 30, 2023 (3.70% as of July 1, 2022), after reassessment based on updated assets and municipal bond rate as of June 30, 2023.
6. Participation - assumption was updated from 95% to 90% to better reflect anticipated experience.

Discount Rate

The discount rate is based on a single equivalent rate that reflects a blend of expected return on assets during the period such that assets are projected to be sufficient to pay benefits of current participants; and 20-year municipal bond yields/index for periods beyond the depletion of the assets.

Based on the District's current funding policy, projected cash flows, and the assumed asset return, the plan assets are projected to be depleted in fiscal year ending June 30, 2036. This results in a single equivalent rate of 3.80% (rounded down to 10 basis points) as of July 1, 2023, which reflects the assumed asset return until asset depletion and municipal bond rates thereafter. The municipal bond rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index and the rate was 3.65% as of July 1, 2023.

The long-term expected rate of return on OPEB plan investments was based on CalPERS' expected return for California Employers' Retirement Benefit Trust Strategy 1.

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The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate.

<u>Asset Classification</u>	<u>Assumed asset allocation</u>
Global equity	49.00%
Fixed income	23.00
REITs	20.00
TIPS	5.00
Commodities	3.00
Total	<u>100.00%</u>
1-5 Year Projected Compound Return ¹	6.10%
6-20 Year Projected Compound Return ²	6.60%
1-20 Year Projected Compound Return ¹	6.40%
Expected Volatility (Standard Deviation)	11.50%

¹ Adopted by the CalPERS Board of Administration in November 2021.

² Implied Returns and Inflation for Years 6-20 are calculated from the Board Approved Values for Years 1-5 and Years 1-20.

Changes in the OPEB Liability

The changes in the net OPEB liability for the plan are as follows (in thousands):

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Beginning Balance, June 30, 2023 (Based on 06/30/2022 Measurement Date)	\$ 8,952,211	\$ 469,940	\$ 8,482,271
Changes recognized for the measurement period:			
Service cost	294,791	—	294,791
Interest on the total OPEB liability	337,814	—	337,814
Changes of benefit terms	—	—	—
Changes of assumptions	377,218	—	377,218
Differences between expected and actual experience	(234,984)	—	(234,984)
Benefit payments	(235,929)	(235,929)	—
Contributions – employer	—	235,929	(235,929)
Net investment income	—	30,185	(30,185)
Other expenses – administrative expense	—	(235)	235
Net changes	<u>538,910</u>	<u>29,950</u>	<u>508,960</u>
Ending Balance, June 30, 2024 (Based on 06/30/2023 Measurement Date)	<u>\$ 9,491,121</u>	<u>\$ 499,890</u>	<u>\$ 8,991,231</u>

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Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability of the District if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for fiscal year ended June 30, 2024 (in thousands):

	Decrease <u>(2.80%)</u>	Current Discount Rate <u>(3.80%)</u>	Increase <u>(4.80%)</u>
Net OPEB liability	\$ 10,479,378	\$ 8,991,231	\$ 7,775,877

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate, for measurement period ended June 30, 2024 (in thousands):

	1.00% <u>Decrease</u>	Trend Rate <u>Rate</u>	1.00% <u>Increase</u>
Net OPEB liability	\$ 7,559,866	\$ 8,991,231	\$ 10,829,341

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

For the fiscal year ended June 30, 2024, the District recognized a decrease in OPEB expense of \$812.4 million. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual earnings on OPEB plan investments	\$ 34,075	\$ —
Changes of assumptions	1,256,036	2,548,132
Difference between expected and actual experience	—	1,270,475
District contributions subsequent to the measurement date	490,142	—
Total	<u>\$ 1,780,253</u>	<u>\$ 3,818,607</u>

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The table below lists the amortization bases included in the deferred outflows/inflows as of June 30, 2024 (in thousands):

Date Established	Type of Base	Period		Balance		Annual Amortization
		Original	Remaining	Original	Remaining	
6/30/2023	Liability (gain)/loss	7.95	6.95	\$ (234,984)	\$ (205,426)	\$ (29,558)
6/30/2023	Asset (gain)/loss	5.00	4.00	(1,526)	(1,220)	(305)
6/30/2023	Assumptions	7.95	6.95	377,218	329,769	47,449
6/30/2022	Asset (gain)/loss	5.00	3.00	110,605	66,363	22,121
6/30/2022	Assumptions	7.44	5.44	(2,240,059)	(1,637,893)	(301,083)
6/30/2021	Liability (gain)/loss	7.78	4.78	1,143,508	(702,567)	(146,981)
6/30/2021	Asset (gain)/loss	5.00	2.00	(86,000)	(34,400)	(17,200)
6/30/2021	Assumptions	7.78	4.78	(93,876)	(57,677)	(12,066)
6/30/2020	Asset (gain)/loss	5.00	1.00	16,664	3,333	3,333
6/30/2020	Assumptions	7.16	3.16	2,098,757	926,267	293,122
6/30/2019	Liability (gain)/loss	7.25	2.25	(1,167,998)	(362,482)	(161,103)
6/30/2019	Asset (gain)/loss	5.00	0.00	4,258	-	852
6/30/2019	Assumptions	7.25	2.25	(1,965,158)	(609,877)	(271,056)
6/30/2018	Assumptions	7.33	1.33	(580,167)	(105,269)	(79,150)
6/30/2017	Assumptions	7.50	0.50	(2,061,247)	(137,417)	(274,833)
	Total charges				<u>\$ (2,528,496)</u>	<u>\$ (926,458)</u>

The \$490.1 million reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025.

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows (in thousands):

<u>Year ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	\$ (789,893)
2026	(602,779)
2027	(235,340)
2028	(395,644)
2029	(407,249)
Thereafter	(97,591)

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(10) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; job-related illness or injury to employees; and natural disasters. The District has established the following self-insured programs (Internal Service Funds): Workers' Compensation, Liability, and Health and Welfare Benefits. These funds account for the uninsured risk of loss and pay for insurance premiums, management fees, and related expenses. Further, premium payments to Health Maintenance Organizations for medical benefits and to outside carriers for vision services, dental services, and optional life insurance are paid from the Health and Welfare Benefits Fund.

Excess Insurance. Excess insurance has been purchased for physical property loss damages, which provides \$500 million limit above a \$2.5 million self-insured retention. Excess insurance has been purchased for general liability, which currently provides \$30 million limit above a \$5 million self-insurance retention (SIR).

Owner Controlled Insurance Program (OCIP). The District implemented an Owner Controlled Insurance Program (OCIP) covering new construction. Under an OCIP, the District provides general liability, workers' compensation, and excess liability. The General liability has a SIR of \$0.5 million and limits of \$2 million and Workers' Compensation has an SIR of \$0.5 million and limit of \$1 million. The Excess Liability program is underwritten by eight major carriers offering up to \$75 million. Additionally, five different carriers provide coverage for special bonded projects with limits based on the value of the project. These policies have a \$25,000 SIR.

Pollution. Pollution liability insurance coverage has been procured for the construction program. The policy protects contractors and the District from losses resulting from pollution liability-related incidents occurring during construction. The policy provides optional coverage to ensure that site cleanup cost overruns are not borne by the District. The limits of coverage on the cleanup cost-cap policy are variable by specific project.

Liability. Liabilities for loss and loss adjustment expenses under school operations workers' compensation and general liability are based on the estimated present value of the ultimate cost of settling the claims including the accumulation of estimates for losses reported prior to the balance sheet date, estimates of losses incurred but not reported, and estimates of expenses for investigating and adjusting reported and unreported losses. Such liabilities are estimates of the future expected settlements 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. The amount of the total claims liabilities recorded for health and welfare, workers' compensation, and liability self-insurance was \$1,113.2 million.

The District's Internal Service Funds reported a decrease in net position of \$417.1 million for the fiscal year ended June 30, 2024, reflecting a decrease from a positive net position of \$366.6 million to a negative net position of \$50.5 million. The decrease is primarily due to a significant increase in claims reported in the Liability Self-Insurance Fund. Most of these claims will be funded through the issuance of Judgement Obligation Bonds.

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The amount of the total claims liabilities recorded for health and welfare, workers' compensation, and liability self-insurance was \$1,113.2 million. Changes in the reported liabilities since July 1, 2022, are summarized as follows (in thousands):

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2023-2024				
Health and welfare benefits	\$ 21,743	\$ 311,592	\$ (302,641)	\$ 30,694
Workers' compensation self-insurance	359,148	86,039	(88,128)	357,059
Liability self-insurance	275,712	577,036	(127,349)	725,399
Total	<u>\$ 656,603</u>	<u>\$ 974,667</u>	<u>\$ (518,118)</u>	<u>\$ 1,113,152</u>
2022-2023				
Health and welfare benefits	\$ 23,307	\$ 284,375	\$ (285,939)	\$ 21,743
Workers' compensation self-insurance	383,450	56,614	(80,916)	359,148
Liability self-insurance	318,330	97,454	(140,072)	275,712
Total	<u>\$ 725,087</u>	<u>\$ 438,443</u>	<u>\$ (506,927)</u>	<u>\$ 656,603</u>

(11) Certificates of Participation

The District has entered into Certificates of Participation (COPs) for the acquisition of the new administration building, warehouse, school sites, relocatable classroom buildings, furniture and equipment; modernization, rehabilitation and repair of certain facilities; replacement of the legacy financial and procurement systems; automation of certain business processes; cybersecurity improvements, upgrades of the campus security and student information systems, and modernization of enrollment and student support applications. The COPs outstanding as of June 30, 2024, are as follows (in thousands):

<u>COP Issue</u>	<u>Sale Date</u>	<u>Original Principal Amount</u>	<u>Outstanding June 30, 2024</u>	<u>Interest Rates to Maturity</u>		<u>Final Maturity</u>
				<u>Min</u>	<u>Max</u>	
2020A Refunding	10/27/2020	\$ 28,390	\$ 21,850	2.250	5.000	2034
2022 Refunding	8/30/2022	73,730	65,480	3.095	3.095	2030
2023A	8/31/2023	384,260	384,260	5.000	5.000	2038
			<u>\$ 471,590 *</u>			

* The total amount shown above excludes net unamortized premium of \$39.9 million.

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Year Ended June 30, 2024

(12) Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2024 (in thousands):

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Other Changes**</u>	<u>Balance, June 30, 2024</u>	<u>Due Within One Year</u>	<u>Interest Expense</u>
General Obligation Bonds*	\$ 11,448,075	\$3,824,945	\$3,874,579	\$ 253,365	\$ 11,651,806	\$ 802,374	\$ 415,215
Certificates of Participation*	101,109	384,260	10,540	36,649	511,478	33,712	14,371
Lease obligations	55,818	18	4,012	—	51,824	4,421	1,097
Liability for compensated absences	90,932	130,011	111,948	—	108,995	4,371	—
Liability for other employee benefits	24,891	—	714	—	24,177	2,409	—
Self-Insurance claims (Note 10)	656,603	974,667	518,118	—	1,113,152	380,239	—
SBITAs Liability	32,296	33,110	21,892	—	43,514	22,287	1,511
Arbitrage	—	3,155	—	—	3,155	—	—
Total	<u>\$ 12,409,724</u>	<u>\$5,350,166</u>	<u>\$4,541,803</u>	<u>\$ 290,014</u>	<u>\$ 13,508,101</u>	<u>\$ 1,249,813</u>	<u>\$ 432,194</u>

* The amounts shown above include unamortized premiums and discounts.

** Premium on bonds and premium and discount amortization.

Future annual payments on long-term debt obligations are as follows (in thousands):

<u>Year Ending June 30</u>	<u>General Obligation Bonds</u>		<u>Certificates of Participation</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 655,815	\$ 437,242	\$ 28,550	\$ 21,627	\$ 684,365	\$ 458,869
2026	915,160	451,832	29,835	20,332	944,995	472,164
2027	950,760	425,551	31,190	18,976	981,950	444,527
2028	626,670	371,275	32,615	17,556	659,285	388,831
2029	561,190	341,887	34,095	16,069	595,285	357,955
2030-2034	3,400,070	1,260,291	152,645	58,176	3,552,715	1,318,467
2035-2039	1,715,870	580,368	162,660	20,960	1,878,530	601,328
2040-2044	1,263,075	274,772	—	—	1,263,075	274,772
2045-2049	634,775	55,042	—	—	634,775	55,042
	<u>\$ 10,723,385</u>	<u>\$ 4,198,260</u>	<u>\$ 471,590</u>	<u>\$ 173,695</u>	<u>\$ 11,194,975</u>	<u>\$ 4,371,955</u>

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The General Obligation (GO) Bonds outstanding balance as of June 30, 2024, consists of the following (in thousands):

Bond Issue	Sale Date	Original Principal Amount	Outstanding June 30, 2023	Interest Rates to Maturity		Final Maturity
				Min	Max	
Election of 2005, H (2009)	10/15/2009	\$ 318,800	\$ 318,800	1.540%	1.540%	2025
Election of 2005, J-1 (2010) ^(b)	5/6/2010	190,195	190,195 ^(a)	5.981	5.981	2027
Election of 2005, J-2 (2010) ^(b)	5/6/2010	100,000	100,000 ^(a)	5.720	5.720	2027
2014B Refunding	6/26/2014	323,170	30,165	5.000	5.000	2024
2014C Refunding	6/26/2014	948,795	86,100	3.000	5.000	2024
2014D Refunding	6/26/2014	153,385	15,600	5.000	5.000	2024
2015A Refunding	5/28/2015	326,045	51,055	5.000	5.000	2025
Election of 2008, A (2016)	4/5/2016	648,955	320,505	3.500	5.000	2040
2016A Refunding	4/5/2016	577,400	168,185	5.000	5.000	2030
2016B Refunding	9/15/2016	500,855	498,240	2.000	5.000	2032
2017A Refunding	5/25/2017	1,080,830	698,660	4.000	5.000	2027
Election of 2005, Series M-1 (2018)	3/8/2018	117,005	101,735	3.000	5.250	2042
Election of 2008, Series B-1 (2018)	3/8/2018	1,085,440	949,510	4.000	5.250	2042
2019A Refunding	5/29/2019	594,605	453,100	3.000	5.000	2034
Series RYQ (2020)	4/30/2020	942,940	735,215	4.000	5.000	2044
2020A Refunding	10/6/2020	302,000	283,785	3.000	5.000	2033
Measure Q, Series C (2020)	11/10/2020	1,057,060	855,585	3.000	5.000	2045
2021A Refunding	4/29/2021	196,310	185,650	4.000	5.000	2032
Series RYRR (2021)	11/10/2021	494,140	413,795	2.625	5.000	2046
2021B Refunding	11/10/2021	48,855	47,015	1.245	1.888	2028
Series QRR (2022)	11/22/2022	500,000	444,015	5.000	5.250	2047
Series QRR (2023)	11/7/2023	850,000	801,530	5.000	5.250	2048
2024A Refunding	4/30/2024	2,974,945	2,974,945	5.000	6.000	2034
			\$ 10,723,385			*

* The total amount shown above excludes unamortized premium and discount of \$996.7 million

(a) Includes accumulated set-aside deposits for Qualified School Construction Bonds totaling \$378.23 million representing \$206.44 million for Election of 2005, H (2009) (Tax Credit Bonds) and \$171.79 million for Election of 2005, J-1 and J-2 (2010) (Federally Taxable Direct Subsidy Bonds).

(b) Issued as Qualified School Construction Bonds, a taxable bond program in which the federal government initially subsidized interest as if such bonds bore interest at the applicable federal rate for such bonds of 5.72% per annum.

In August 2023, Moody's Investor Services and Fitch Ratings affirmed the District's general obligation bond ratings at Aa3 (Positive) and Aaa (Stable) and assigned ratings to the District's 2023 Series A Certificates of Participation ("the COPs") of A2 and A-, respectively. The District then successfully sold \$384.26 million of new money COPs on August 17. The COPs were issued to finance cybersecurity-related projects, student enrollment, information and support, data analytics and reporting, campus security systems, the acquisition of electric buses, and the electrification of bus yards. This sale was also the District's second issuance of Sustainability Bonds. The 2023 Series A COPs were sold at a true interest cost of 3.59 percent over 15 years, and the transaction closed on August 31, 2023.

In October 2023, Moody's Investor Services, Fitch Ratings, and KBRA assigned ratings to the District's General Obligation Bonds, Series QRR (2023) ("the Bonds") of Aa3, AAA and AAA, respectively. The District then successfully sold \$850 million of the new money Bonds on October 24, which were issued to finance school

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Notes to Basic Financial Statements

Year Ended June 30, 2024

facilities projects and included \$525 million of Measure Q Bonds and \$325 million of Measure RR Bonds. The sale was also the District's third issuance of Sustainability Bonds. The 2023 Series QRR General Obligation Bonds were sold at a true interest cost of 4.55 percent over 25 years, and the transaction closed on November 7, 2023.

On April 2024, the District successfully sold \$2.97 billion of its 2024 General Obligation Refunding Bonds Series A (the "Refunding Bonds"), which received ratings of Aa2, AAA, and AAA from Moody's Investor Services, Fitch Ratings, and KBRA, respectively. The transaction refunded the District's 2014 General Obligation Refunding Bonds Series B, C, and D (the "Refunded 2014 GOs"), as well as the District's Federally Taxable Build America Bonds: General Obligation Bonds Series KRY (2009) and Series RY (2010) (the "Refunded BABs"). The refunding generated taxpayer savings totaling \$173.9 million over the life of the bonds. The transaction closed on April 30, 2024, with a true interest cost of 3.04% over ten years.

The arbitrage payable balance reflects amounts due to the United States Treasury in order to comply with Internal Revenue Code Section 148(f). When the District issues tax-exempt debt, Internal Revenue Service (IRS) regulations limit the yield that the District can earn on the bond proceeds. If the District earns an amount in excess of the bond yield and does not qualify for a spending exception, the District must remit the excess earnings to the United States Treasury. Payments equal to 90% of the calculated excess earnings are due on each fifth anniversary of a bond's issuance date. When a bond issue is retired, all of the remaining excess earnings must be remitted. As of June 30, 2024, there were no arbitrage rebate payments due to the IRS.

Debt Liquidation

Payments on the General Obligation Bonds and Certificates of Participation are made through the debt service funds. The employee benefits liability for retirement bonus are all paid out of the General Fund, while the compensated absences portion are liquidated from different governmental funds and proprietary funds. In fiscal year 2024, approximately 93% of compensated absences has been paid by the General Fund, 6% by the District Bond Funds, and 1% from Proprietary Funds.

The self-insurance claims and other postemployment benefits are generally liquidated through the internal service funds, which finance the payment of those claims and benefits by charging user funds. The General Fund assumes 100% of liability self-insurance claims. For workers' compensation and health benefit claims, including retiree health benefits, the General Fund currently bears approximately 90% of the cost, the Cafeteria Fund carries 5%; and the Child Development Fund carries 3%; no other individual fund is charged more than 3% of the total amount.

(13) Leases

Lessee: The District is a lessee for noncancellable leases of buildings, antenna spaces, and equipment. The District recognizes lease liability and intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payment made at or before the lease commencement date, plus certain direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate, if available. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price, if any, that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Lessor: The District is a lessor for noncancellable leases of buildings. The District recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The District as Lessee

The District, as a lessee, has entered into lease agreements involving buildings, parking lots, antenna spaces, and computer equipment. The opening balance of the lease liability was recorded in the amount of \$56 million. During the year, the District entered into new agreements for an addition of \$0.02 million. Fiscal year 2023-24 amortization was \$4 million. As of June 30, 2024, the total value of the lease liability was \$52 million. As of June 30, 2024, the total value of the right-to-use asset was recorded at a cost of \$66 million with accumulated depreciation of \$15 million.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

The future lease payments under lease agreements are as follows (in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,421	\$ 1,017	\$ 5,438
2026	1,263	958	2,221
2027	396	949	1,345
2028	408	941	1,349
2029	442	932	1,374
2030 - 2034	2,353	4,517	6,870
2035 - 2039	2,609	4,261	6,870
2040 - 2044	2,893	3,976	6,869
2045 - 2049	3,208	3,661	6,869
2050 - 2054	3,558	3,312	6,870
2055 - 2059	3,945	2,924	6,869
2060 - 2064	4,375	2,494	6,869
2065 - 2069	4,852	2,018	6,870
2070 - 2074	5,381	1,489	6,870
2075 - 2079	5,967	903	6,870
2080 - 2084	5,753	259	6,012
	<u>\$ 51,824</u>	<u>\$ 34,611</u>	<u>\$ 86,435</u>

The District as Lessor

The District, as a lessor, has entered into lease agreements involving building spaces, office spaces, and parking lots. Total initial lease receivable was recorded in the amount of \$15 million. During the year, the District entered renewals for an addition of \$0.2 million. The District recognized the total of \$0.8 million in lease revenue and \$0.3 million in interest revenue during the fiscal year 2023-24. Also, the District has a deferred inflow of resources associated with leases that will be recognized over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$14 million.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

(14) Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The District contracts SBITAs of remote learning platforms, student information systems, records management systems, email services, eBooks, cloud storage, data backup, and enterprise resource planning software. The District recognizes subscription liability and intangible right-to-use subscription asset in the government-wide financial statements.

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the District determines: (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The District uses the interest rate charged by the lessor as the discount rate, if available. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price, if any, that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

The District has entered into subscription agreements involving remote learning platforms, student information systems, records management systems, email services, eBooks, cloud storage, data backup, and enterprise resource planning software. The beginning balance of the subscription liability was recorded in the amount of \$32 million. During the year, the District entered into new agreements, for an addition of \$33 million. Fiscal year 2023-24 amortization was \$22 million. As of June 30, 2024, the total value of the subscription liability was \$44 million. As of June 30, 2024, the total value of the right-to-use asset was recorded at a cost of \$97 million with accumulated depreciation of \$45 million.

The future subscription payments under subscription agreements are as follows (in thousands):

Year Ending June 30	Principal	Interest	Total
2025	\$ 22,287	\$ 1,031	\$ 23,318
2026	11,067	484	11,551
2027	6,804	220	7,024
2028	3,356	0	3,356
	\$ 43,514	\$ 1,735	\$ 45,249

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

(15) Interfund Transfers

Interfund transfers are eliminated on the government-wide statement of activities but are reported on the fund financial statements. These consist of transfers for exchange of services or reimbursement of expenditures. In addition, interfund transactions are also made to move revenue collected in one fund to another fund where the resources are spent or accounted for, in accordance with budgetary authorization through which resources are to be expended. Transfers between funds for the year ended June 30, 2024, were as follows (in thousands):

From	To	Purpose	Amount
General Fund	Building Fund – Measure K	Reimbursement of capital expenditures	\$ 14
General Fund	Building Fund – Measure Q	Reimbursement of capital expenditures	10
General Fund	Special Reserve Fund	Reimbursement of capital expenditures	4
General Fund	Capital Services Fund	Debt service	25,024
Building Fund – Measure R	General Fund	Reimbursement of capital expenditures	12
Building Fund – Measure R	Building Fund – Measure K	Reimbursement of capital expenditures	120
Building Fund – Measure R	Building Fund – Measure Q	Reimbursement of capital expenditures	1
Building Fund – Measure R	Building Fund – Measure RR	Reimbursement of capital expenditures	1
Building Fund	Building Fund – Measure K	Reimbursement of capital expenditures	1
Building Fund	Building Fund – Measure Q	Reimbursement of capital expenditures	55
Building Fund – Measure K	Building Fund – Measure R	Reimbursement of capital expenditures	1
Building Fund – Measure K	Building Fund – Measure Q	Reimbursement of capital expenditures	3
Building Fund – Measure K	Building Fund – Measure RR	Reimbursement of capital expenditures	2
Building Fund – Measure Y	Adult Fund	Reimbursement of capital expenditures	1
Building Fund – Measure Y	Building Fund – Measure R	Reimbursement of capital expenditures	133
Building Fund – Measure Y	Building Fund – Measure K	Reimbursement of capital expenditures	158
Building Fund – Measure Y	Building Fund – Measure Q	Reimbursement of capital expenditures	9
Building Fund – Measure Y	Building Fund – Measure RR	Reimbursement of capital expenditures	38
Building Fund – Measure Q	General Fund	Reimbursement of capital expenditures	244
Building Fund – Measure Q	Building Fund – Measure R	Reimbursement of capital expenditures	17
Building Fund – Measure Q	Building Fund – Measure K	Reimbursement of capital expenditures	1,035
Building Fund – Measure Q	Building Fund – Measure Y	Reimbursement of capital expenditures	14
Building Fund – Measure Q	Building Fund – Measure RR	Reimbursement of capital expenditures	2
Building Fund – Measure Q	County School Facilities - Prop 47	Reimbursement of capital expenditures	1
Building Fund – Measure RR	General Fund	Reimbursement of capital expenditures	99
Building Fund – Measure RR	Building Fund – Measure R	Reimbursement of capital expenditures	245
Building Fund – Measure RR	Building Fund – Measure Q	Reimbursement of capital expenditures	20
Capital Facilities Fund	General Fund	Reimbursement of capital expenditures	1
County School Facilities – Prop 47	Building Fund – Measure R	Reimbursement of capital expenditures	183
County School Facilities – Prop 47	Building Fund – Measure K	Reimbursement of capital expenditures	26
County School Facilities – Prop 47	Building Fund – Measure Q	Reimbursement of capital expenditures	103,698
County School Facilities – Prop 47	Capital Facilities Fund	Reimbursement of capital expenditures	1,649
Special Reserve Fund – CRA	General Fund	Reimbursement of capital expenditures	30,000
Special Reserve Fund	General Fund	Reimbursement of capital expenditures	1,990
Special Reserve Fund	Building Fund – Measure R	Reimbursement of capital expenditures	1
Special Reserve Fund	Building Fund – Measure K	Reimbursement of capital expenditures	1,146
Special Reserve Fund	Building Fund – Measure Y	Reimbursement of capital expenditures	1,981
Special Reserve Fund	Building Fund – Measure Q	Reimbursement of capital expenditures	2,011
Total			<u><u>\$ 169,950</u></u>

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

(16) Fund Balances

The following is a summary of non-spendable, restricted, assigned, and unassigned fund balances at June 30, 2024 (in thousands):

	<u>General</u>	<u>District Bonds</u>	<u>Bond Interest and Redemption</u>	<u>Other Governmental</u>
Nonspendable:				
Revolving cash and imprest funds	\$ 2,920	\$ 500	\$ —	\$ 12
Inventories	38,594	—	—	17,861
Prepays	8,338	101	—	68
Total Nonspendable Balances	<u>49,852</u>	<u>601</u>	<u>—</u>	<u>17,941</u>
Restricted for:				
Child Nutrition: School Programs	—	—	—	225,821
Child Development	—	—	—	11,813
Child Development - Other State	—	—	—	87,081
FEMA Public Assistance Funds	2	—	—	601
CA Learning Communities for School Success Program	13,753	—	—	—
A-G Completion Improvement Grant	37,660	—	—	—
Educator Effectiveness	82,833	—	—	—
Arts, Music & Instructional Block Grant	243,222	—	—	—
Learning Recovery Block Grant	637,266	—	—	—
Special Education	4,922	—	—	—
Special Education: Early Education Individuals with Exceptional Needs (Infant Program)	26,641	—	—	—
Classified Employee Professional Development Block Grant	1,527	—	—	—
State School Facilities Projects	—	—	—	38,003
County School Facilities	—	—	—	12,192
Capital Facilities	—	—	—	40,391
LCFF Equity Multiplier	21,227	—	—	—
Literacy Coaches & Reading Specialist Grant	120,758	—	—	—
Child Nutrition: Kitchen Infrastructure	65,863	—	—	—
Adult Education	—	—	—	35,889
Adult Education - Other State	—	—	—	10,440
Calworks	—	—	—	3,740
Debt Service Reserve	—	—	1,422,815	—
District Bonds	—	1,192,626	—	—
Dual Enrollment Opportunities	5,217	—	—	—
Expanded Learning Opportunities Program	362,617	—	—	—
Expanded Learning Opportunities Grant	36	—	—	—
Expanded Learning Opportunities Paraprofessional	13	—	—	—
Other Federal	14,068	—	—	—
Other Local	124,704	—	—	—
Other State	2,703	—	—	—
Proposition 28 Arts and Music	29,556	—	—	—
Special Reserve - Other Local	—	—	—	448,481
Special Reserve - FEMA Other State	—	—	—	1,867
Student Activity Funds	—	—	—	46,284
Tax Override	—	—	—	434
Special Reserve - Community Redevelopment Agency	—	—	—	168,338
Capital Services	—	—	—	68
Total Restricted Balances	<u>1,794,588</u>	<u>1,192,626</u>	<u>1,422,815</u>	<u>1,131,443</u>
Committed to:				
Ongoing program needs	2,972,038	—	—	—
Assigned to:				
Subsequent year expenditures	491,522	—	—	16,725
Unassigned:				
Reserved for economic uncertainties	244,900	—	—	—
Unassigned	869,033	—	—	(51)
Total Fund Balances	<u>\$6,421,933</u>	<u>\$ 1,193,227</u>	<u>\$ 1,422,815</u>	<u>\$ 1,166,058</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

Nonspendable fund balances represent amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balances represent amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed fund balances represent amounts that can be used only for specific purposes determined by a formal action of the governing board through the adoption of a resolution. The governing board is the highest level of decision-making authority for the District. These committed amounts cannot be used for any other purpose unless the governing board removes or changes the specific use through formal action. Governing board action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30. The amount which will be committed can be determined subsequently but prior to the release of the District's financial statements.

Assigned fund balances represent amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The District's adopted policy delegates the authority to assign amounts for specific purposes to the Superintendent or designated executive committee.

Unassigned fund balances represent all other spendable amounts.

General Fund is the only fund that reports a positive unassigned fund balance, as it is not appropriate to report a positive unassigned fund balance in other governmental funds except where expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned for those purposes. In such case, a negative unassigned fund balance may be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers assigned amounts to be reduced first, before the unassigned amounts.

Minimum Fund Balance Policy

As part of the Budget and Finance Policy, the governing board has adopted a minimum fund balance policy for the General Fund in order to avoid the need for service level reductions in the event that an economic downturn causes revenues to be substantially lower than what was budgeted. The policy requires the District to maintain a reserve for economic uncertainty consisting of unassigned amounts equal to at least 2% of total General Fund expenditures and other financing uses. In the event that the District must expend all or part of this reserve, the District will identify and implement a budgetary plan to replenish this reserve the following year. This reserve may be adjusted based on changes to legal requirement.

It is also a policy that the total General Fund balance be maintained at a minimum level of 5% of total General Fund expenditures and Other Financing Uses. In the event that the General Fund balance falls below this level, all one-time monies will be set-aside until the 5% minimum reserve threshold is met. In addition, other recommendations may be developed to restore reserve balances.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2024

(17) Contingencies and Commitments

(a) General

The District, as well as current and former Board Members and employees to whom the District has defense and indemnification responsibilities under the Government Code, has been named as defendants in numerous lawsuits, administrative proceedings, and arbitrations. These seek, among other things, to require the District to cease its Covid mitigating measures (e.g., vaccine mandate, masking, testing, etc.), to reinstate terminated and suspended employees, to remedy alleged noncompliance regarding special education services/schools, and to change existing instructional programs, pupil integration methods, and employment and administration procedures. In many proceedings, monetary damages are sought including, for example, claims for retroactive pay and benefits and future pay and benefits. Based on the opinion of counsel, management believes that the ultimate outcome of such lawsuits will not have a material effect on the District's financial condition.

(b) Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, management believes that any required reimbursement will not be material to the financial statements.

(c) Construction Contracts

The District has entered into various contracts for the construction of facilities throughout the campuses. During fiscal year 2023-24 the District entered into approximately 84 contracts with a combined value of \$477.8 million. The durations of the contracts range from 110 days to four years.

(18) Subsequent Events

On June 4, 2024, the Board of Education approved the formation of a captive insurance company (the Captive) to help manage and control escalating insurance costs, enhance the management of risk, and improve the District's financial stability. The Captive was created on June 10, 2024, and the District secured regulatory approval, determined governance structure, and identified initial funding sources. In October 2024, the district transferred funds to the Captive for its capital contributions, loss portfolio transfers, and premiums. The Captive provides coverage for general liability, automobile liability and workers' compensation. More coverage may be added later.

The District successfully sold \$1.1 billion of new money General Obligation Bonds, Series QRR (2024) ("the Bonds") on September 25, 2024. The transaction was rated Aa2, AAA, and AAA by Moody's Investor Services, Fitch Ratings, and KBRA, respectively. The Bonds were issued to finance school facilities projects and included \$525 million of Measure Q Bonds and \$575 million of Measure RR Bonds. The Bonds sold at a true interest cost of 3.72 percent over 25 years, and the transaction closed on October 8th.

On November 22, 2024, the County, on behalf of the District, issued a series of the Notes designated the "Los Angeles Unified School District 2024-2025 Tax and Revenue Anticipation Notes, Series A," in the aggregate principal amount of \$54,563,613. Additional Notes may be issued during the course of Fiscal Year 2024-2025 in a principal amount which, when combined with the principal amount of all series of Notes previously issued, is not in excess of \$250,000,000.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

LAUSD UNIFIED

LOS ANGELES UNIFIED SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios*
For the Year Ended June 30, 2024
(Dollar amounts in thousands)
(Unaudited)

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>
Total OPEB liability			
Service cost	\$ 634,089	\$ 523,203	\$ 380,844
Interest on the total OPEB liability	490,582	561,040	460,486
Differences between expected and actual experience	—	—	(1,167,998)
Changes of benefit terms	—	(3,842,546)	(1)
Changes of assumptions	(2,061,247)	(580,166)	(1,965,158)
Benefit payments	(264,763)	(305,521)	(287,040)
Net change in total OPEB liability	(1,201,339)	(3,643,990)	(2,578,867)
Total OPEB liability – beginning	16,413,979	15,212,640	11,568,650
Total OPEB liability – ending (a)	<u>\$ 15,212,640</u>	<u>\$ 11,568,650</u>	<u>\$ 8,989,783</u>
Plan fiduciary net position			
Contributions – employer	\$ 342,763	\$ 425,521	\$ 287,040
Net investment income/(loss)	20,995	23,893	23,970
Benefit payments	(264,763)	(305,521)	(287,040)
Administrative expense	(103)	(172)	(190)
Net change in plan fiduciary net position	98,892	143,721	23,780
Plan fiduciary net position – beginning	145,238	244,130	387,851
Plan fiduciary net position – ending (b)	244,130	387,851	411,631
Net OPEB liability – ending (a) - (b)	<u>\$ 14,968,510</u>	<u>\$ 11,180,799</u>	<u>\$ 8,578,152</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.60%	3.35%	4.58%
Covered – employee payroll	\$ 3,905,000	\$ 3,728,000	\$ 4,062,000
Net OPEB liability as percentage of covered – employee payroll	383.32%	299.91%	211.18%

* Fiscal year 2017-18 was the first year of implementation, therefore only seven years are shown.

Schedule of Contributions
For the Year Ended June 30, 2024

Not applicable – Funding is not based on actuarially determined contributions and contributions are neither statutorily or contractually established.

See accompanying independent auditor’s report.

<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
\$ 291,399	\$ 437,026	\$ 450,849	\$ 294,791
330,177	271,654	243,430	337,814
—	(1,143,508)	—	(234,984)
—	—	—	—
2,098,757	(93,876)	(2,240,059)	377,218
(221,166)	(231,192)	(231,063)	(235,929)
2,499,167	(759,896)	(1,776,843)	538,910
8,989,783	11,488,950	10,729,054	8,952,211
<u>\$ 11,488,950</u>	<u>\$ 10,729,054</u>	<u>\$ 8,952,211</u>	<u>\$ 9,491,121</u>

\$ 221,166	\$ 231,192	\$ 231,063	\$ 235,929
14,563	117,080	(72,625)	30,185
(221,166)	(231,192)	(231,063)	(235,929)
(205)	(240)	(264)	(235)
14,358	116,840	(72,889)	29,950
411,631	425,989	542,829	469,940
425,989	542,829	469,940	499,890
<u>\$ 11,062,961</u>	<u>\$ 10,186,225</u>	<u>\$ 8,482,271</u>	<u>\$ 8,991,231</u>

3.71%	5.06%	5.25%	5.27%
\$ 4,174,000	\$ 4,192,000	\$ 4,307,000	\$ 4,614,000
265.04%	242.99%	196.94%	194.87%

LOS ANGELES UNIFIED SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Agent Multiple-Employer Defined Benefit Pension Plan
California Public Employees' Retirement System (CalPERS) – Safety Plan
For the Year Ended June 30, 2024
(Dollar amounts in thousands)
(Unaudited)

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
Total pension liability			
Service cost	\$ 8,284	\$ 8,240	\$ 8,861
Interest on total pension liability	22,121	23,128	25,394
Differences between expected and actual experience	—	(4,558)	11,191
Changes of assumptions	—	(5,860)	—
Changes of benefits terms	—	—	—
Benefit payments, including refunds of employee contributions	(12,325)	(12,853)	(13,653)
Net change in total pension liability	18,080	8,097	31,793
Total pension liability – beginning	296,973	315,053	323,150
Total pension liability – ending (a)	<u>\$ 315,053</u>	<u>\$ 323,150</u>	<u>\$ 354,943</u>
Plan fiduciary net position			
Contributions – employer	\$ 8,341	\$ 9,347	\$ 8,701
Contributions – employee	2,717	2,825	3,064
Net investment income/(loss) (net of administrative expenses)	37,066	5,185	1,196
Benefit payments	(12,325)	(12,853)	(13,653)
Plan to plan resource movement	—	1	(3)
Net change in plan fiduciary net position	35,799	4,505	(695)
Plan fiduciary net position – beginning	213,160	248,959	253,464
Plan fiduciary net position – ending (b)	248,959	253,464	252,769
Net pension liability – ending (a) - (b)	<u>\$ 66,094</u>	<u>\$ 69,686</u>	<u>\$ 102,174</u>
Plan fiduciary net position as a percentage of the total pension liability	79.02%	78.44%	71.21%
Covered – employee payroll	\$ 26,213	\$ 27,384	\$ 31,786
Net pension liability as percentage of covered – employee payroll	252.14%	254.48%	321.45%

See accompanying independent auditor's report.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
\$	10,331	\$ 10,073	\$ 10,054	\$ 11,066	\$ 10,479	\$ 9,325	\$ 8,345
	26,815	27,428	28,862	30,547	32,058	32,354	34,206
	(1,831)	(2,039)	(1,660)	536	(2,306)	(12,925)	7,911
	23,771	(11,622)	—	—	—	11,355	—
	—	—	—	211	—	—	—
	(14,041)	(15,498)	(16,060)	(17,165)	(18,587)	(21,132)	(23,385)
	45,045	8,342	21,196	25,195	21,644	18,977	27,077
	354,943	399,988	408,330	429,526	454,721	476,365	495,342
\$	<u>399,988</u>	<u>\$ 408,330</u>	<u>\$ 429,526</u>	<u>\$ 454,721</u>	<u>\$ 476,365</u>	<u>\$ 495,342</u>	<u>\$ 522,419</u>
\$	9,711	\$ 10,746	\$ 12,751	\$ 14,619	\$ 14,984	\$ 14,583	\$ 15,153
	3,352	3,291	3,505	3,348	2,936	2,307	2,517
	28,500	22,418	19,647	15,665	76,690	(31,572)	23,062
	(14,041)	(15,498)	(16,060)	(17,165)	(18,587)	(21,132)	(23,385)
	(15)	(176)	(307)	(164)	—	—	—
	27,507	20,781	19,536	16,303	76,023	(35,814)	17,347
	252,769	280,276	301,057	320,593	336,896	412,919	377,105
	280,276	301,057	320,593	336,896	412,919	377,105	394,452
\$	<u>119,712</u>	<u>\$ 107,273</u>	<u>\$ 108,933</u>	<u>\$ 117,825</u>	<u>\$ 63,446</u>	<u>\$ 118,237</u>	<u>\$ 127,967</u>
	70.07%	73.73%	74.64%	74.09%	86.68%	76.13%	75.50%
\$	33,239	\$ 33,381	\$ 33,097	\$ 34,582	\$ 29,289	\$ 31,588	\$ 36,077
	360.16%	321.36%	329.14%	340.72%	216.62%	374.31%	354.71%

LOS ANGELES UNIFIED SCHOOL DISTRICT
Required Supplementary Information
Schedule of Contributions
Agent Multiple-Employer Defined Benefit Pension Plan
California Public Employees' Retirement System (CalPERS) – Safety Plan
For the Year Ended June 30, 2024
(Dollar amounts in thousands)
(Unaudited)

	2014-2015	2015-2016	2016-2017	2017-2018
Actuarially determined contribution	\$ 9,342	\$ 10,397	\$ 11,392	\$ 11,057
Contributions in relation to the actuarially determined contributions	(9,342)	(10,397)	(11,392)	(11,057)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —
Covered – employee payroll	\$ 39,837	\$ 42,476	\$ 43,788	\$ 43,799
Contributions as a percentage of covered – employee payroll	23.45%	24.48%	26.02%	25.24%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions are as follows:

Valuation date	6/30/2012	6/30/2013	6/30/2014	6/30/2015
Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Asset valuation method	15 Year Smoothed Market	Market Value of Assets	Market Value of Assets	Market Value of Assets
Inflation	2.75% compounded annually	2.75% compounded annually	2.75% compounded annually	2.75% compounded annually
Salary increases	Varies by entry age and service	3.3% to 14.2% depending on age, service and type of employment	Varies by entry age and service	Varies by entry age and service
Payroll growth	3.0%	3.0%	3.0%	3.0%
Investment rate of return	7.5% net of pension plan investment and administrative expenses; includes inflation.	7.5%	7.5%	7.5%
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.	The probabilities of retirement are based on the 2014 CalPERS Experience Study.	The probabilities of retirement are based on the 2014 CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using scale AA published by the Society of Actuaries. There is no margin for future mortality improvement beyond the valuation date.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 20 years of projected on-going mortality improvements using Scale BB published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 20 years of projected on-going mortality improvements using Scale BB published by the Society of Actuaries.

See accompanying independent auditor's report.

2018-2019	2019-2020	2020-2021	2021-2022	2022-23	2023-24
\$ 12,992	\$ 14,611	\$ 13,900	\$ 12,215	\$ 12,359	\$ 14,210
(12,992)	(14,611)	(13,900)	(12,215)	(12,359)	(14,210)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$ 46,849	\$ 45,139	\$ 34,583	\$ 29,289	\$ 31,588	\$ 36,077
27.73%	32.37%	40.19%	41.71%	39.13%	39.39%

6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Dollar	Level Dollar	Level Dollar
Market Value of Assets	Market Value of Assets	Market Value of Assets	Market Value of Assets	Market Value of Assets	Market Value of Assets
2.75% compounded annually	2.63% compounded annually	2.50% compounded annually	2.50% compounded annually	2.50% compounded annually	2.30% compounded annually
Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service
3.0%	2.9%	2.75%	2.75%	2.75%	2.80%
7.5%	7.25%	7.00%	7.00%	7.00%	6.80%

The probabilities of retirement are based on the 2014 CalPERS Experience Study.

The probabilities of retirement are based on the 2017 CalPERS Experience Study.

The probabilities of retirement are based on the 2017 CalPERS Experience Study.

The probabilities of retirement are based on the 2017 CalPERS Experience Study.

The probabilities of retirement are based on the 2017 CalPERS Experience Study.

The probabilities of retirement are based on the 2017 CalPERS Experience Study.

Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 20 years of projected on-going mortality improvements using Scale BB published by the Society of Actuaries.

Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Required Supplementary Information

Schedule of District Proportionate Share of the Net Pension Liability and Related Ratios and District Contributions
 Cost Sharing Multiple Employer Defined Benefit Pension Plan
 California Public Employees' Retirement System (CalPERS) – Miscellaneous Plan
 For the Year Ended June 30, 2024
 (Dollar amounts in thousands)
 (Unaudited)

1. Schedule of District Proportionate Share of the Net Pension Liability and Related Ratios

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
District's proportion of the net pension liability (asset)	9.3936%	8.7047%	8.3405%	8.1507%
District's proportionate share of the net pension liability (asset)	\$ 1,066,402	\$ 1,283,081	\$ 1,647,254	\$ 1,945,775
District's covered-employee payroll	\$ 839,116	\$ 1,016,759	\$ 1,078,634	\$ 1,108,784
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	127.09%	126.19%	152.72%	175.49%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.90%	71.87%

2. Schedule of District Contributions

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Contractually required contribution				
District contributions	\$ 113,398	\$ 119,193	\$ 144,467	\$ 166,342
Contributions in relation to the contractually required contribution	113,398	119,193	144,467	166,342
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —
District's covered-employee payroll	\$ 1,016,759	\$ 1,078,634	\$ 1,108,784	\$ 1,116,870
Contributions as a percentage of covered-employee payroll	11.15%	11.05%	13.03%	14.89%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions are as follows:

Valuation date	6/30/2013	6/30/2014	6/30/2015	6/30/2016
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	20-year period	Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.
Asset valuation method	Actuarial value of Assets	Market value of Assets	Market value of Assets	Market value of Assets
Inflation	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service
Investment rate of return	7.50%	7.50%	7.50%	7.50%
Retirement age	CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study
Mortality	The probabilities of mortality are based on the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the 6/30/09 Valuation. Post-retirement mortality rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.	The probabilities of mortality are based on the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the 6/30/09 Valuation. Post-retirement mortality rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.	The probabilities of mortality are based on the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the 6/30/15 Valuation. Post-retirement mortality rates include 20 years of projected on-going mortality improvements using Scale BB published by the Society of Actuaries.	The probabilities of mortality are based on the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the 6/30/15 Valuation. Post-retirement mortality rates include 20 years of projected on-going mortality improvements using Scale BB published by the Society of Actuaries.

See accompanying independent auditor's report.

	2018-2019		2019-2020		2020-2021		2021-2022		2022-23		2023-24
	7.9678%		8.0858%		7.8905%		7.8531%		7.8184%		7.7465%
\$	2,124,474	\$	2,356,549	\$	2,421,053	\$	1,596,877	\$	2,690,237	\$	2,804,142
\$	1,116,870	\$	1,228,585	\$	1,221,081	\$	1,256,381	\$	1,449,675	\$	1,595,725
	190.22%		191.81%		198.27%		127.10%		185.58%		175.73%
	70.85%		70.05%		70.00%		80.97%		69.76%		69.96%
	2018-2019		2019-2020		2020-2021		2021-2022		2022-2023		2023-2024
\$	205,346	\$	224,546	\$	243,447	\$	286,190	\$	357,900	\$	438,819
	205,346		224,546		243,447		286,190		357,900		438,819
\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
\$	1,228,585	\$	1,221,081	\$	1,256,381	\$	1,449,675	\$	1,595,725	\$	1,808,927
	16.71%		18.39%		19.38%		19.74%		22.43%		24.26%

6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Dollar	Level Dollar	Level Dollar
Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.
Market value of Assets	Market value of Assets	Market value of Assets	Market value of Assets	Market value of Assets	Market value of Assets
2.75%	2.63%	2.50%	2.50%	2.30%	2.30%
Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service
7.15%	7.15%	7.15%	7.15%	6.90%	6.80%
CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study
The probabilities of mortality are based on the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the 6/30/15 Valuation. Post-retirement mortality rates include 20 years of projected on-going mortality improvements using Scale BB published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvements using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvements using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include fully generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include fully generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include fully generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Required Supplementary Information

Schedule of District Proportionate Share of the Net Pension Liability and Related Ratios and District Contributions
 Cost-Sharing Multiple Employer Defined Benefit Pension Plan
 California State Teachers' Retirement System (CalSTRS)
 For the Year Ended June 30, 2024
 (Dollar amounts in thousands)
 (Unaudited)

1. Schedule of District Proportionate Share of the Net Pension Liability and Related Ratios

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
District's proportion of the net pension liability	5.7380%	5.9320%	5.5890%	5.3050%
District's proportionate share of the net pension liability	\$ 3,353,000	\$ 3,993,660	\$ 4,520,439	\$ 4,906,064
District's covered-employee payroll	\$ 2,585,154	\$ 2,771,643	\$ 2,834,892	\$ 2,865,305
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	129.70%	144.09%	159.46%	171.22%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%

2. Schedule of District Contributions

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Contractually required contribution				
District contributions	\$ 245,474	\$ 302,716	\$ 358,073	\$ 407,198
Contributions in relation to the contractually required contribution	245,474	302,716	358,073	407,198
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —
District's covered-employee payroll	\$ 2,771,643	\$ 2,834,892	\$ 2,865,305	\$ 2,833,461
Contributions as a percentage of covered-employee payroll	8.86%	10.68%	12.50%	14.37%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions are as follows:

	6/30/2013	6/30/2014	6/30/2015	6/30/2016
Valuation date	6/30/2013	6/30/2014	6/30/2015	6/30/2016
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	30 years	32 years	31 years	30 years
Asset valuation method	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value
Inflation	3.00%	3.00%	3.00%	2.75%
Salary increases	3.75%	3.75%	3.75%	3.50%
Investment rate of return	7.50%	7.50%	7.50%	7.25%
Retirement age	Experience Tables	Experience Tables	Experience Tables	Experience Tables
Mortality	RP-2000 Series Table	RP-2000 Series Table	RP-2000 Series Table	110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table

See accompanying independent auditor's report.

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	5.1840%	5.3820%	5.4030%	5.5680%	5.4970%	5.1330%
\$	4,764,511	\$ 4,980,791	\$ 5,396,309	\$ 2,651,352	\$ 3,921,933	\$ 4,010,722
\$	2,833,461	\$ 3,052,549	\$ 2,825,924	\$ 3,093,726	\$ 3,385,125	\$ 3,342,646
	168.15%	163.17%	190.96%	85.70%	115.86%	119.99%
	70.99%	72.56%	71.82%	87.21%	81.20%	80.62%

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
\$	483,163	\$ 508,985	\$ 497,701	\$ 563,921	\$ 663,868	\$ 740,659
	483,163	508,985	497,701	563,921	663,868	740,659
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —
\$	3,052,549	\$ 2,825,924	\$ 3,093,726	\$ 3,385,125	\$ 3,342,646	\$ 4,062,578
	15.83%	18.01%	16.09%	16.66%	19.86%	18.23%

6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
29 years	28 years	27 years	26 years	25 years	24 years
Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value
2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
7.10%	7.10%	7.10%	7.10%	7.00%	7.00%
Experience Tables	Experience Tables	Experience Tables	Experience Tables	Experience Tables	Experience Tables
110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table	110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table	110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table	110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table	110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table	110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table

LOS ANGELES UNIFIED SCHOOL DISTRICT
District Bonds Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended June 30, 2024
(in thousands)

	Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
	Original	Final		
Revenues:				
Other local revenues	\$ 21,185	\$ 21,185	\$ 83,305	\$ 62,120
Total Revenues	<u>21,185</u>	<u>21,185</u>	<u>83,305</u>	<u>62,120</u>
Expenditures:				
Current:				
Classified salaries	53,242	75,781	51,639	24,142
Employee benefits	41,810	40,712	29,805	10,907
Books and supplies	1,931	164,448	3,395	161,053
Services and other operating expenditures	1,584	208,711	48,861	159,850
Capital outlay	1,086,162	951,624	950,718	906
Debt service – principal	—	3	3	—
Debt service – bond, COPs, and capital leases interest	—	—	—	—
Total Expenditures	<u>1,184,729</u>	<u>1,441,279</u>	<u>1,084,421</u>	<u>356,858</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(1,163,544)</u>	<u>(1,420,094)</u>	<u>(1,001,116)</u>	<u>418,978</u>
Other Financing Sources (Uses):				
Transfers in	—	110,925	110,925	—
Transfers out	—	(2,156)	(2,156)	—
Proceeds from sale of bonds	750,000	850,000	850,000	—
Total Other Financing Sources (Uses)	<u>750,000</u>	<u>958,769</u>	<u>958,769</u>	<u>—</u>
Net Changes in Fund Balances	<u>(413,544)</u>	<u>(461,325)</u>	<u>(42,347)</u>	<u>418,978</u>
Fund Balances, July 1, 2023	1,186,653	1,235,574	1,235,574	—
Fund Balances, June 30, 2024	<u>\$ 773,109</u>	<u>\$ 774,249</u>	<u>\$ 1,193,227</u>	<u>\$ 418,978</u>

See accompanying independent auditor's report.

LOS ANGELES UNIFIED SCHOOL DISTRICT
 Bond Interest and Redemption Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 Year Ended June 30, 2024
 (in thousands)

	Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
	Original	Final		
Revenues:				
Federal revenues	\$ 69,549	\$ 69,549	\$ 69,549	\$ —
Other state revenues	—	—	3,127	3,127
Other local revenues	1,042,970	1,042,970	1,225,337	182,367
Total Revenues	<u>1,112,519</u>	<u>1,112,519</u>	<u>1,298,013</u>	<u>185,494</u>
Expenditures:				
Debt service – principal	379,558	706,023	706,023	—
Debt service – bond issuance cost	—	6,797	6,797	—
Debt service – bond, COPs, and capital leases interest	602,086	524,166	524,166	—
Total Expenditures	<u>981,644</u>	<u>1,236,986</u>	<u>1,236,986</u>	<u>—</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>130,875</u>	<u>(124,467)</u>	<u>61,027</u>	<u>185,494</u>
Other Financing Sources (Uses):				
Proceeds on refunding bonds issued	—	2,974,945	2,974,945	—
Premium on bonds issued	—	—	49,829	49,829
Premium on refunding bonds issued	—	363,514	363,514	—
Payment to refunded bond escrow agent	—	(3,331,662)	(3,331,662)	—
Total Other Financing Sources (Uses)	<u>—</u>	<u>6,797</u>	<u>56,626</u>	<u>49,829</u>
Net Changes in Fund Balances	130,875	(117,670)	117,653	235,323
Fund Balances, July 1, 2023	<u>1,073,035</u>	<u>1,305,162</u>	<u>1,305,162</u>	<u>—</u>
Fund Balances, June 30, 2024	<u>\$ 1,203,910</u>	<u>\$ 1,187,492</u>	<u>\$ 1,422,815</u>	<u>\$ 235,323</u>

See accompanying independent auditor's report.

LAUSD **UNIFIED**

LOS ANGELES UNIFIED SCHOOL DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

The Student Activity Special Revenue Fund is used to account for the transactions of student organizations that are established to raise and spend money on behalf of the students.

The Adult Education Fund is used to account for resources committed to the operation of Community Adult Schools including educational programs funded by other government agencies. This Fund was established as authorized by State Education Code Section 42238. Revenues are primarily derived from State apportionments, federal subventions, investment income, and adult education fees.

The Child Development Fund is used to account for resources committed to the operation of the District's child development programs. Revenues are primarily derived from federal and state grants and apportionments, early education center fees, and investment income.

The Cafeteria Fund is used to account for resources designated for the operation of the District's food services programs. Revenues are primarily derived from federal and state subsidies, food sales, and investment income. Since the primary source of revenues is from federal and state subsidies rather than food sales, this fund is classified as a Special Revenue Fund rather than as an Enterprise Fund.

Debt Service Funds

The Tax Override Fund is used to account for the accumulation of resources from ad valorem tax levies for the repayment of State School Building Aid Fund apportionments. The loan was paid in full in May 2010.

The Capital Services Fund is used to account for the accumulation of resources for the repayment of principal and interest on Certificates of Participation and long-term capital lease agreements. Revenues are derived primarily from operating transfers from user funds and investment income.

Capital Projects Funds

The Building Fund is used to account for revenue from rentals and leases of real property and other resources designated for facility expansion.

The Capital Facilities Account Fund was established on January 1, 1987, in accordance with Section 53080 of the California Government Code and is used to account for resources received from fees levied upon new residential, commercial, or industrial development projects within the District's boundaries in order to obtain funds for the construction or acquisition of school facilities to relieve overcrowding.

The County School Facilities Bonds Fund is used to account for State grant apportionments received from the School Facility Program (SFP) which was established by the Leroy F. Greene School Facilities Act of 1998 (Senate Bill 50). The SFP was funded by the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 (Proposition 1A), and subsequently funded by the Kindergarten-University Public Education Facilities Bond Act of 2002 (Proposition 47), the Kindergarten-University Public Education Facilities Bond Act of 2004 (Proposition 55), the Kindergarten-University Public Education Facilities Bond Act of 2006 (Proposition 1D), and the Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51).

LOS ANGELES UNIFIED SCHOOL DISTRICT

Nonmajor Governmental Funds

The Special Reserve Fund – Community Redevelopment Agency is used to account for reimbursements of tax increment revenues from certain community redevelopment agencies based on agreements between the District and the agencies. These reimbursements are to be used for capital projects within the respective redevelopment areas covered in the agreements.

The Special Reserve Fund is used to account for District resources designated for capital outlay purposes such as land purchases, ground improvements, facilities construction and improvements, new acquisitions, and related expenditures.

The Special Reserve Fund – FEMA – Earthquake is used to account for funds received from the Federal Emergency Management Agency (FEMA) for capital outlay projects resulting from the January 17, 1994, Northridge Earthquake.

The Special Reserve Fund – FEMA – Hazard Mitigation was established on April 15, 1996, to account for funds received from FEMA and for the 25% District-matching funds for the retrofit/replacement of pendant lighting and suspended ceilings in selected buildings at schools, offices, and children's centers.

LAUSD **UNIFIED**

LOS ANGELES UNIFIED SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Balance Sheet (Continued)

June 30, 2024

(in thousands)

	Special Revenue		
	Student Activity	Adult Education	Child Development
Assets:			
Cash in county treasury, in banks, and on hand	\$ 33,445	\$ 35,750	\$ 116,049
Cash held by trustee	—	—	—
Investments	13,735	—	—
Lease receivable	—	—	—
Accounts receivable – net	335	30,796	1,346
Accrued interest receivable	—	491	1,713
Prepays	—	—	17
Inventories	4,496	—	—
Other Assets	48	—	—
Total Assets	52,059	67,037	119,125
Deferred Outflows of Resources	—	—	—
Total Assets and Deferred Outflows of Resources	\$ 52,059	\$ 67,037	\$ 119,125
Liabilities and Fund Balances:			
Vouchers and accounts payable	\$ —	\$ 3,322	\$ 1,426
Contracts payable	—	15	—
Accrued payroll	—	3,649	7,201
Other payables	1,279	1,014	2,774
Unearned revenue	—	5	8,864
Total Liabilities	1,279	8,005	20,265
Deferred Inflows of Resources	—	—	—
Fund Balances:			
Nonspendable	4,496	12	17
Restricted	46,284	50,069	98,894
Assigned	—	8,951	—
Unassigned	—	—	(51)
Total Fund Balances	50,780	59,032	98,860
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 52,059	\$ 67,037	\$ 119,125

See accompanying independent auditors' report.

Special Revenue		Debt Service		
Cafeteria	Total	Tax Override	Capital Services	Total
\$ 185,227	\$ 370,471	\$ 429	\$ 38	\$ 467
—	—	—	29	29
—	13,735	—	—	—
—	—	—	—	—
57,220	89,697	—	—	—
1,825	4,029	5	1	6
51	68	—	—	—
13,365	17,861	—	—	—
—	48	—	—	—
<u>257,688</u>	<u>495,909</u>	<u>434</u>	<u>68</u>	<u>502</u>
<u>\$ 257,688</u>	<u>\$ 495,909</u>	<u>\$ 434</u>	<u>\$ 68</u>	<u>\$ 502</u>
\$ 7,252	\$ 12,000	\$ —	\$ —	\$ —
—	15	—	—	—
6,459	17,309	—	—	—
1,477	6,544	—	—	—
3,263	12,132	—	—	—
<u>18,451</u>	<u>48,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
—	—	—	—	—
13,416	17,941	—	—	—
225,821	421,068	434	68	502
—	8,951	—	—	—
—	(51)	—	—	—
<u>239,237</u>	<u>447,909</u>	<u>434</u>	<u>68</u>	<u>502</u>
<u>\$ 257,688</u>	<u>\$ 495,909</u>	<u>\$ 434</u>	<u>\$ 68</u>	<u>\$ 502</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2024

(in thousands)

	Capital		
	Building	Capital Facilities Account	County School Facilities Bonds
Assets:			
Cash in county treasury, in banks, and on hand	\$ 7,533	\$ 42,448	\$ 5,932
Cash held by trustee	—	—	—
Investments	—	—	—
Lease receivable	70	—	—
Accounts receivable – net	—	5,980	32,237
Accrued interest receivable	89	457	379
Prepays	—	—	—
Inventories	—	—	—
Other Assets	—	—	—
Total Assets	<u>7,692</u>	<u>48,885</u>	<u>38,548</u>
Deferred Outflows of Resources	—	—	—
Total Assets and Deferred Outflows of Resources	<u>\$ 7,692</u>	<u>\$ 48,885</u>	<u>\$ 38,548</u>
Liabilities and Fund Balances:			
Vouchers and accounts payable	\$ 356	\$ 6,156	\$ 48
Contracts payable	—	620	17
Accrued payroll	—	37	—
Other payables	214	1,681	480
Unearned revenue	—	—	—
Total Liabilities	<u>570</u>	<u>8,494</u>	<u>545</u>
Deferred Inflows of Resources	<u>70</u>	<u>—</u>	<u>—</u>
Fund Balances:			
Nonspendable	—	—	—
Restricted	—	40,391	38,003
Assigned	7,052	—	—
Unassigned	—	—	—
Total Fund Balances	<u>7,052</u>	<u>40,391</u>	<u>38,003</u>
Balances	<u>\$ 7,692</u>	<u>\$ 48,885</u>	<u>\$ 38,548</u>

See accompanying independent auditors' report.

Projects

Special Reserve – Community Redevelopment Agency	Special Reserve	Special Reserve – FEMA – Earthquake	Special Reserve – FEMA – Hazard Mitigation	Total	Total Nonmajor Governmental Funds
\$ 166,480	\$ 41,142	\$ 2,639	\$ 564	\$ 266,738	\$ 637,676
—	422,642	—	—	422,642	422,671
—	—	—	—	—	13,735
—	2,084	—	—	2,154	2,154
—	433	—	—	38,650	128,347
1,940	480	30	8	3,383	7,418
—	—	—	—	—	68
—	—	—	—	—	17,861
—	—	—	—	—	48
<u>168,420</u>	<u>466,781</u>	<u>2,669</u>	<u>572</u>	<u>733,567</u>	<u>1,229,978</u>
—	—	—	—	—	—
<u>\$ 168,420</u>	<u>\$ 466,781</u>	<u>\$ 2,669</u>	<u>\$ 572</u>	<u>\$ 733,567</u>	<u>\$ 1,229,978</u>
\$ —	\$ 2,871	\$ —	\$ —	\$ 9,431	\$ 21,431
60	856	—	51	1,604	1,619
18	198	—	—	253	17,562
4	99	—	—	2,478	9,022
—	—	—	—	—	12,132
<u>82</u>	<u>4,024</u>	<u>—</u>	<u>51</u>	<u>13,766</u>	<u>61,766</u>
—	2,084	—	—	2,154	2,154
—	—	—	—	—	17,941
168,338	460,673	2,468	—	709,873	1,131,443
—	—	201	521	7,774	16,725
—	—	—	—	—	(51)
<u>168,338</u>	<u>460,673</u>	<u>2,669</u>	<u>521</u>	<u>717,647</u>	<u>1,166,058</u>
<u>\$ 168,420</u>	<u>\$ 466,781</u>	<u>\$ 2,669</u>	<u>\$ 572</u>	<u>\$ 733,567</u>	<u>\$ 1,229,978</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2024
(in thousands)

	Special Revenue			
	Student Activity	Adult Education	Child Development	Cafeteria
Revenues:				
Federal revenues	\$ —	\$ 21,874	\$ 12,372	\$ 380,514
Other state revenues	—	146,612	303,265	129,001
Other local revenues	39,386	4,886	1,925	5,785
Total Revenues	39,386	173,372	317,562	515,300
Expenditures:				
Current:				
Certificated salaries	—	65,812	63,612	—
Classified salaries	—	22,625	71,871	152,973
Employee benefits	—	42,822	79,634	125,245
Books and supplies	31,274	7,435	5,768	172,252
Services and other operating expenditures	7,600	16,257	5,243	2,567
Capital outlay	173	1,781	1,222	175
Debt service – principal	—	465	104	—
Debt service – bond, COPs, and capital leases interest	—	13	2	—
Other outgo	—	1,618	—	—
Transfers of indirect costs – interfund	—	4,031	7,096	8,991
Total Expenditures	39,047	162,859	234,552	462,203
Excess (Deficiency) of Revenues Over (Under) Expenditures	339	10,513	83,010	53,097
Other Financing Sources (Uses):				
Transfers in	—	1	—	—
Transfers out	—	—	—	—
Payment to refunded COPs escrow agent	—	—	—	—
Premium on COPs issued	—	—	—	—
Proceeds from COPs issued	—	—	—	—
Total Other Financing Sources (Uses)	—	1	—	—
Net Changes in Fund Balances	339	10,514	83,010	53,097
Fund Balances, July 1, 2023	50,441	48,518	15,850	186,140
Fund Balances, June 30, 2024	\$ 50,780	\$ 59,032	\$ 98,860	\$ 239,237

See accompanying independent auditor's report.

Debt Service

<u>Total</u>	<u>Tax Override</u>	<u>Capital Services</u>	<u>Total</u>
\$ 414,760	\$ —	\$ —	\$ —
578,878	—	—	—
51,982	18	259	277
<u>1,045,620</u>	<u>18</u>	<u>259</u>	<u>277</u>
129,424	—	—	—
247,469	—	—	—
247,701	—	—	—
216,729	—	—	—
31,667	—	—	—
3,351	—	—	—
569	—	10,540	10,540
15	—	14,494	14,494
1,618	—	—	—
20,118	—	—	—
<u>898,661</u>	<u>—</u>	<u>25,034</u>	<u>25,034</u>
<u>146,959</u>	<u>18</u>	<u>(24,775)</u>	<u>(24,757)</u>
1	—	25,024	25,024
—	—	—	—
—	—	(201)	(201)
—	—	—	—
—	—	—	—
<u>1</u>	<u>—</u>	<u>24,823</u>	<u>24,823</u>
146,960	18	48	66
300,949	416	20	436
<u>\$ 447,909</u>	<u>\$ 434</u>	<u>\$ 68</u>	<u>\$ 502</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2024
(in thousands)

	Capital			
	Building	Capital Facilities Account	County School Facilities Bonds	Special Reserve – Community Redevelopment Agency
Revenues:				
Federal revenues	\$ —	\$ —	\$ —	\$ —
Other state revenues	—	—	86,890	—
Other local revenues	1,623	86,062	6,319	67,036
Total Revenues	<u>1,623</u>	<u>86,062</u>	<u>93,209</u>	<u>67,036</u>
Expenditures:				
Current:				
Certificated salaries	—	—	—	—
Classified salaries	1,075	770	—	229
Employee benefits	610	420	—	121
Books and supplies	445	39	—	—
Services and other operating expenditures	1,766	2,732	3	17
Capital outlay	24	83,062	37,655	57
Debt service – principal	—	—	—	—
Debt service – bond, COPs, and capital leases interest	—	—	—	—
Other outgo	—	—	—	—
Transfers of indirect costs – interfund	—	—	—	—
Total Expenditures	<u>3,920</u>	<u>87,023</u>	<u>37,658</u>	<u>424</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(2,297)</u>	<u>(961)</u>	<u>55,551</u>	<u>66,612</u>
Other Financing Sources (Uses):				
Transfers in	—	1,649	1	—
Transfers out	(56)	(1)	(105,556)	(30,000)
Payment to refunded COPs escrow agent	—	—	—	—
Premium on COPs issued	—	—	—	—
Proceeds from COPs issued	—	—	—	—
Total Other Financing Sources (Uses)	<u>(56)</u>	<u>1,648</u>	<u>(105,555)</u>	<u>(30,000)</u>
Net Changes in Fund Balances	<u>(2,353)</u>	<u>687</u>	<u>(50,004)</u>	<u>36,612</u>
Fund Balances, July 1, 2023	9,405	39,704	88,007	131,726
Fund Balances, June 30, 2024	<u>\$ 7,052</u>	<u>\$ 40,391</u>	<u>\$ 38,003</u>	<u>\$ 168,338</u>

See accompanying independent auditor's report.

Projects

Special Reserve	Special Reserve – FEMA – Earthquake	Special Reserve – FEMA – Hazard Mitigation	Total	Total Nonmajor Governmental Funds
\$ 750	\$ —	\$ —	\$ 750	\$ 415,510
2,135	—	—	89,025	667,903
42,852	154	44	204,090	256,349
<u>45,737</u>	<u>154</u>	<u>44</u>	<u>293,865</u>	<u>1,339,762</u>
—	—	—	—	129,424
1,933	—	—	4,007	251,476
1,058	—	—	2,209	249,910
17	—	—	501	217,230
728	—	—	5,246	36,913
45,666	—	254	166,718	170,069
—	—	—	—	11,109
—	—	—	—	14,509
—	—	—	—	1,618
—	—	—	—	20,118
<u>49,402</u>	<u>—</u>	<u>254</u>	<u>178,681</u>	<u>1,102,376</u>
<u>(3,665)</u>	<u>154</u>	<u>(210)</u>	<u>115,184</u>	<u>237,386</u>
4	—	—	1,654	26,679
(7,129)	—	—	(142,742)	(142,742)
—	—	—	—	(201)
41,231	—	—	41,231	41,231
384,260	—	—	384,260	384,260
<u>418,366</u>	<u>—</u>	<u>—</u>	<u>284,403</u>	<u>309,227</u>
414,701	154	(210)	399,587	546,613
45,972	2,515	731	318,060	619,445
<u>\$ 460,673</u>	<u>\$ 2,669</u>	<u>\$ 521</u>	<u>\$ 717,647</u>	<u>\$ 1,166,058</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT

Special Revenue Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended June 30, 2024
(in thousands)

	Student Activity Special Revenue			Variance with Final Budget – Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Revenues:				
Federal revenues	\$ —	\$ —	\$ —	\$ —
Other state revenues	—	—	—	—
Other local revenues	24,314	24,314	39,386	15,072
Total Revenues	<u>24,314</u>	<u>24,314</u>	<u>39,386</u>	<u>15,072</u>
Expenditures:				
Current:				
Certificated salaries	—	—	—	—
Classified salaries	—	—	—	—
Employee benefits	—	—	—	—
Books and supplies	18,776	66,899	31,274	35,625
Services and other operating expenditures	5,031	7,630	7,600	30
Capital outlay	226	226	173	53
Debt Service – principal	—	—	—	—
Debt service – bond, COPs, and capital leases interest	—	—	—	—
Other outgo	—	—	—	—
Transfers of indirect costs – interfund	—	—	—	—
Total Expenditures	<u>24,033</u>	<u>74,755</u>	<u>39,047</u>	<u>35,708</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>281</u>	<u>(50,441)</u>	<u>339</u>	<u>50,780</u>
Other Financing Sources (Uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Total Other Financing Sources (Uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Changes in Fund Balances	281	(50,441)	339	50,780
Fund Balances, July 1, 2023	50,716	50,441	50,441	—
Fund Balances, June 30, 2024	<u>\$ 50,997</u>	<u>\$ —</u>	<u>\$ 50,780</u>	<u>\$ 50,780</u>

See accompanying independent auditor's report.

Adult Education				Child Development			
Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)	Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
Original	Final			Original	Final		
\$ 19,726	\$ 18,589	\$ 21,874	\$ 3,285	\$ 13,054	\$ 17,062	\$ 12,372	\$ (4,690)
140,294	146,689	146,612	(77)	184,894	258,258	303,265	45,007
1,530	2,050	4,886	2,836	2,673	2,918	1,925	(993)
161,550	167,328	173,372	6,044	200,621	278,238	317,562	39,324
63,218	73,136	65,812	7,324	49,285	64,073	63,612	461
20,578	25,082	22,625	2,457	72,469	74,875	71,871	3,004
41,312	49,781	42,822	6,959	72,118	80,096	79,634	462
21,674	21,688	7,435	14,253	4,541	6,054	5,768	286
15,794	19,562	16,257	3,305	1,159	6,128	5,243	885
—	3,717	1,781	1,936	—	1,500	1,222	278
—	487	465	22	—	104	104	—
—	13	13	—	—	96	2	94
—	1,618	1,618	—	—	—	—	—
3,989	5,185	4,031	1,154	6,851	7,189	7,096	93
166,565	200,269	162,859	37,410	206,423	240,115	234,552	5,563
(5,015)	(32,941)	10,513	43,454	(5,802)	38,123	83,010	44,887
—	1	1	—	1,500	3	—	(3)
—	(43)	—	43	—	—	—	—
—	(42)	1	43	1,500	3	—	(3)
(5,015)	(32,983)	10,514	43,497	(4,302)	38,126	83,010	44,884
42,312	48,518	48,518	—	4,101	15,850	15,850	—
\$ 37,297	\$ 15,535	\$ 59,032	\$ 43,497	\$ (201)	\$ 53,976	\$ 98,860	\$ 44,884

LOS ANGELES UNIFIED SCHOOL DISTRICT

Special Revenue Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended June 30, 2024
(in thousands)

	Cafeteria			
	Budget			Variance with Final Budget – Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Federal revenues	\$ 321,744	\$ 380,340	\$ 380,514	\$ 174
Other state revenues	85,756	127,766	129,001	1,235
Other local revenues	1,897	4,855	5,785	930
Total Revenues	<u>409,397</u>	<u>512,961</u>	<u>515,300</u>	<u>2,339</u>
Expenditures:				
Current:				
Certificated salaries	—	—	—	—
Classified salaries	142,032	153,313	152,973	340
Employee benefits	129,293	126,613	125,245	1,368
Books and supplies	182,818	186,652	172,252	14,400
Services and other operating expenditures	5,847	4,186	2,567	1,619
Capital outlay	430	178	175	3
Debt Service – principal	—	—	—	—
Debt service – bond, COPs, and capital leases interest	—	—	—	—
Other outgo	—	—	—	—
Transfers of indirect costs – interfund	9,199	9,338	8,991	347
Total Expenditures	<u>469,619</u>	<u>480,280</u>	<u>462,203</u>	<u>18,077</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(60,222)</u>	<u>32,681</u>	<u>53,097</u>	<u>20,416</u>
Other Financing Sources (Uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Total Other Financing Sources (Uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Changes in Fund Balances	<u>(60,222)</u>	<u>32,681</u>	<u>53,097</u>	<u>20,416</u>
Fund Balances, July 1, 2023	163,787	186,140	186,140	—
Fund Balances, June 30, 2024	<u>\$ 103,565</u>	<u>\$ 218,821</u>	<u>\$ 239,237</u>	<u>\$ 20,416</u>

See accompanying independent auditor's report.

Total

Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
Original	Final		
\$ 354,524	\$ 415,991	\$ 414,760	\$ (1,231)
410,944	532,713	578,878	46,165
30,414	34,137	51,982	17,845
<u>795,882</u>	<u>982,841</u>	<u>1,045,620</u>	<u>62,779</u>
112,503	137,209	129,424	7,785
235,079	253,270	247,469	5,801
242,723	256,490	247,701	8,789
227,809	281,293	216,729	64,564
27,831	37,506	31,667	5,839
656	5,621	3,351	2,270
—	591	569	22
—	109	15	94
—	1,618	1,618	—
20,039	21,712	20,118	1,594
<u>866,640</u>	<u>995,419</u>	<u>898,661</u>	<u>96,758</u>
<u>(70,758)</u>	<u>(12,578)</u>	<u>146,959</u>	<u>159,537</u>
1,500	4	1	(3)
—	(43)	—	43
<u>1,500</u>	<u>(39)</u>	<u>1</u>	<u>40</u>
(69,258)	(12,617)	146,960	159,577
260,916	300,949	300,949	—
<u>\$ 191,658</u>	<u>\$ 288,332</u>	<u>\$ 447,909</u>	<u>\$ 159,577</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT

Debt Service Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended June 30, 2024

(in thousands)

	Tax Override			Variance with Final Budget – Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Revenues:				
Other local revenues	\$ —	\$ —	\$ 18	\$ 18
Total Revenues	—	—	18	18
Expenditures:				
Debt service – principal	—	—	—	—
Debt service – bond, COPs, and capital leases interest	—	—	—	—
Total Expenditures	—	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	—	—	18	18
Other Financing Sources (Uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Payment to refunded COPs escrow agent	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—
Net Changes in Fund Balances	—	—	18	18
Fund Balances, July 1, 2023	405	416	416	—
Fund Balances, June 30, 2024	<u>\$ 405</u>	<u>\$ 416</u>	<u>\$ 434</u>	<u>\$ 18</u>

See accompanying independent auditor’s report.

Capital Services				Total			
Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)	Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
Original	Final			Original	Final		
\$ —	\$ 202	\$ 259	\$ 57	\$ —	\$ 202	\$ 277	\$ 75
—	202	259	57	—	202	277	75
10,540	10,541	10,540	1	10,540	10,541	10,540	1
15,152	14,495	14,494	1	15,152	14,495	14,494	1
25,692	25,036	25,034	2	25,692	25,036	25,034	2
(25,692)	(24,834)	(24,775)	59	(25,692)	(24,834)	(24,757)	77
25,691	25,026	25,024	(2)	25,691	25,026	25,024	(2)
—	—	—	—	—	—	—	—
—	(201)	(201)	—	—	(201)	(201)	—
25,691	24,825	24,823	(2)	25,691	24,825	24,823	(2)
(1)	(9)	48	57	(1)	(9)	66	75
17	20	20	—	422	436	436	—
\$ 16	\$ 11	\$ 68	\$ 57	\$ 421	\$ 427	\$ 502	\$ 75

LOS ANGELES UNIFIED SCHOOL DISTRICT

Capital Projects Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended June 30, 2024
(in thousands)

	Building			Variance with Final Budget – Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Revenues:				
Federal revenues	\$ —	\$ —	\$ —	\$ —
Other state revenues	—	—	—	—
Other local revenues	1,121	1,215	1,623	408
Total Revenues	<u>1,121</u>	<u>1,215</u>	<u>1,623</u>	<u>408</u>
Expenditures:				
Current:				
Classified salaries	709	1,083	1,075	8
Employee benefits	433	612	610	2
Books and supplies	—	453	445	8
Services and other operating expenditures	—	1,766	1,766	—
Capital outlay	370	1,059	24	1,035
Total Expenditures	<u>1,512</u>	<u>4,973</u>	<u>3,920</u>	<u>1,053</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(391)</u>	<u>(3,758)</u>	<u>(2,297)</u>	<u>1,461</u>
Other Financing Sources (Uses):				
Transfers in	—	—	—	—
Transfers out	—	(56)	(56)	—
Premium on COPs issued	—	—	—	—
Proceeds from COPs issued	—	—	—	—
Total Other Financing Sources (Uses)	<u>—</u>	<u>(56)</u>	<u>(56)</u>	<u>—</u>
Net Changes in Fund Balances	<u>(391)</u>	<u>(3,814)</u>	<u>(2,353)</u>	<u>1,461</u>
Fund Balances, July 1, 2023	9,888	9,405	9,405	—
Fund Balances, June 30, 2024	<u>\$ 9,497</u>	<u>\$ 5,591</u>	<u>\$ 7,052</u>	<u>\$ 1,461</u>

See accompanying independent auditor's report.

Capital Facilities Account

Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
Original	Final		
\$ —	\$ —	\$ —	\$ —
—	—	—	—
112,130	112,130	86,062	(26,068)
<u>112,130</u>	<u>112,130</u>	<u>86,062</u>	<u>(26,068)</u>
659	907	770	137
331	475	420	55
87	73	39	34
31,478	15,633	2,732	12,901
91,419	83,062	83,062	—
<u>123,974</u>	<u>100,150</u>	<u>87,023</u>	<u>13,127</u>
<u>(11,844)</u>	<u>11,980</u>	<u>(961)</u>	<u>(12,941)</u>
—	1,649	1,649	—
—	(1)	(1)	—
—	—	—	—
—	—	—	—
<u>—</u>	<u>1,648</u>	<u>1,648</u>	<u>—</u>
<u>(11,844)</u>	<u>13,628</u>	<u>687</u>	<u>(12,941)</u>
65,175	39,704	39,704	—
<u>\$ 53,331</u>	<u>\$ 53,332</u>	<u>\$ 40,391</u>	<u>\$ (12,941)</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT

Capital Projects Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended June 30, 2024

(in thousands)

County School Facilities Bonds

	Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
	Original	Final		
Revenues:				
Federal revenues	\$ —	\$ —	\$ —	\$ —
Other state revenues	107,318	111,777	86,890	(24,887)
Other local revenues	4,228	4,228	6,319	2,091
Total Revenues	<u>111,546</u>	<u>116,005</u>	<u>93,209</u>	<u>(22,796)</u>
Expenditures:				
Current:				
Classified salaries	—	12	—	12
Employee benefits	—	4	—	4
Books and supplies	—	—	—	—
Services and other operating expenditures	—	12,925	3	12,922
Capital outlay	126,638	38,137	37,655	482
Total Expenditures	<u>126,638</u>	<u>51,078</u>	<u>37,658</u>	<u>13,420</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,092)</u>	<u>64,927</u>	<u>55,551</u>	<u>(9,376)</u>
Other Financing Sources (Uses):				
Transfers in	—	1	1	—
Transfers out	—	(105,556)	(105,556)	—
Premium on COPs issued	—	—	—	—
Proceeds from COPs issued	—	—	—	—
Total Other Financing Sources (Uses)	<u>—</u>	<u>(105,555)</u>	<u>(105,555)</u>	<u>—</u>
Net Changes in Fund Balances	<u>(15,092)</u>	<u>(40,628)</u>	<u>(50,004)</u>	<u>(9,376)</u>
Fund Balances, July 1, 2023	172,470	88,007	88,007	—
Fund Balances, June 30, 2024	<u>\$ 157,378</u>	<u>\$ 47,379</u>	<u>\$ 38,003</u>	<u>\$ (9,376)</u>

See accompanying independent auditor’s report.

Special Reserve – Community Redevelopment Agency

Special Reserve

Special Reserve – Community Redevelopment Agency				Special Reserve			
Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)	Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
Original	Final			Original	Final		
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 715	\$ 750	\$ 35
—	—	—	—	—	2,135	2,135	—
60,362	60,362	67,036	6,674	13,345	13,347	42,852	29,505
60,362	60,362	67,036	6,674	13,345	16,197	45,737	29,540
243	256	229	27	—	3,883	1,933	1,950
114	126	121	5	—	2,016	1,058	958
196	194	—	194	—	324,076	17	324,059
21,352	9,883	17	9,866	—	91,038	728	90,310
(13,606)	551	57	494	32,239	45,666	45,666	—
8,299	11,010	424	10,586	32,239	466,679	49,402	417,277
52,063	49,352	66,612	17,260	(18,894)	(450,482)	(3,665)	446,817
—	—	—	—	—	4	4	—
(30,000)	(30,000)	(30,000)	—	—	(7,129)	(7,129)	—
—	—	—	—	—	41,231	41,231	—
—	—	—	—	—	384,260	384,260	—
(30,000)	(30,000)	(30,000)	—	—	418,366	418,366	—
22,063	19,352	36,612	17,260	(18,894)	(32,116)	414,701	446,817
129,014	131,726	131,726	—	32,750	45,972	45,972	—
\$ 151,077	\$ 151,078	\$ 168,338	\$ 17,260	\$ 13,856	\$ 13,856	\$ 460,673	\$ 446,817

LOS ANGELES UNIFIED SCHOOL DISTRICT

Capital Projects Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

Year Ended June 30, 2024

(in thousands)

	Special Reserve – FEMA – Earthquake			
	Budget			Variance with Final Budget – Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Federal revenues	\$ —	\$ —	\$ —	\$ —
Other state revenues	—	—	—	—
Other local revenues	—	—	154	154
Total Revenues	<u>—</u>	<u>—</u>	<u>154</u>	<u>154</u>
Expenditures:				
Current:				
Classified salaries	—	—	—	—
Employee benefits	—	—	—	—
Books and supplies	—	—	—	—
Services and other operating expenditures	—	—	—	—
Capital outlay	2,325	2,306	—	2,306
Total Expenditures	<u>2,325</u>	<u>2,306</u>	<u>—</u>	<u>2,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,325)</u>	<u>(2,306)</u>	<u>154</u>	<u>2,460</u>
Other Financing Sources (Uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Premium on COPs issued	—	—	—	—
Proceeds from COPs issued	—	—	—	—
Total Other Financing Sources (Uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Changes in Fund Balances	<u>(2,325)</u>	<u>(2,306)</u>	<u>154</u>	<u>2,460</u>
Fund Balances, July 1, 2023	2,533	2,515	2,515	—
Fund Balances, June 30, 2024	<u>\$ 208</u>	<u>\$ 209</u>	<u>\$ 2,669</u>	<u>\$ 2,460</u>

See accompanying independent auditor's report.

Special Reserve – FEMA – Hazard Mitigation				Total			
Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)	Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
Original	Final			Original	Final		
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 715	\$ 750	\$ 35
—	—	—	—	107,318	113,912	89,025	(24,887)
—	—	44	44	191,186	191,282	204,090	12,808
—	—	44	44	298,504	305,909	293,865	(12,044)
—	2	—	2	1,611	6,143	4,007	2,136
—	1	—	1	878	3,234	2,209	1,025
—	—	—	—	283	324,796	501	324,295
—	315	—	315	52,830	131,560	5,246	126,314
—	413	254	159	239,385	171,194	166,718	4,476
—	731	254	477	294,987	636,927	178,681	458,246
—	(731)	(210)	521	3,517	(331,018)	115,184	446,202
—	—	—	—	—	1,654	1,654	—
—	—	—	—	(30,000)	(142,742)	(142,742)	—
—	—	—	—	—	41,231	41,231	—
—	—	—	—	—	384,260	384,260	—
—	—	—	—	(30,000)	284,403	284,403	—
—	(731)	(210)	521	(26,483)	(46,615)	399,587	446,202
2,167	731	731	—	413,997	318,060	318,060	—
\$ 2,167	\$ —	\$ 521	\$ 521	\$ 387,514	\$ 271,445	\$ 717,647	\$ 446,202

LAUSD **UNIFIED**

LOS ANGELES UNIFIED SCHOOL DISTRICT

Internal Service Funds

The Health and Welfare Benefits Fund was established pursuant to Education Code 39602 to pay for claims, administrative costs, insurance premiums, and related expenditures for the District's Health and Welfare Benefits program. Medical and dental claims for the self-insured portion of the Fund are administered by outside claims administrators. Premium payments to health maintenance organizations for medical benefits and to outside carriers for vision services, dental services, and optional life insurance are also paid out of this Fund.

The Workers' Compensation Self-Insurance Fund was established pursuant to Education Code 39602 to pay for claims, excess insurance coverage, administrative costs, and related expenditures. Workers' compensation claims are administered for the District by an outside claims administrator.

The Liability Self-Insurance Fund was established pursuant to Education Code 39602 to pay claims, excess insurance coverage, administrative costs and related expenditures, and to provide funds for insurance deductible amounts. Liability claims are administered for the District by an outside claims administrator.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Internal Service Funds

Combining Statement of Net Position

June 30, 2024

(in thousands)

	Health and Welfare Benefits	Workers' Compensation Self-Insurance	Liability Self-Insurance	Total
Assets:				
Cash in county treasury, in banks, and on hand	\$ 3,099	\$ 709,203	\$ 346,168	\$ 1,058,470
Accounts receivable – net	62,939	—	—	62,939
Accrued interest and dividends receivable	718	7,775	1,755	10,248
Prepays	13,911	—	—	13,911
Other assets	6,165	—	—	6,165
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	86,832	716,978	347,923	1,151,733
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred Outflows of Resources	3,191	1,651	3,068	7,910
	<hr/>	<hr/>	<hr/>	<hr/>
Liabilities:				
Current:				
Vouchers and accounts payable	8,859	1,446	6,499	16,804
Accrued payroll	338	211	508	1,057
Other payables	10,122	1,445	8,219	19,786
Due to other funds	30,000	—	—	30,000
Estimated liability for self-insurance claims	30,694	99,402	250,144	380,240
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	80,013	102,504	265,370	447,887
	<hr/>	<hr/>	<hr/>	<hr/>
Noncurrent:				
Estimated liability for self-insurance claims	—	257,657	475,255	732,912
Net other postemployment benefits liability	4,598	2,380	3,859	10,837
Net pension liability	4,790	2,479	4,839	12,108
	<hr/>	<hr/>	<hr/>	<hr/>
Total Noncurrent Liabilities	9,388	262,516	483,953	755,857
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	89,401	365,020	749,323	1,203,744
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources	2,661	1,377	2,354	6,392
	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Position – Unrestricted	\$ (2,039)	\$ 352,232	\$ (400,686)	\$ (50,493)
	<hr/>	<hr/>	<hr/>	<hr/>

See accompanying independent auditor's report.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2024
(in thousands)

	Health and Welfare Benefits	Workers' Compensation Self-Insurance	Liability Self-Insurance	Total
Operating Revenues:				
In-District premiums	\$ 1,152,373	\$ 143,483	\$ 211,110	\$ 1,506,966
Others	11,950	—	—	11,950
Total Operating Revenues	<u>1,164,323</u>	<u>143,483</u>	<u>211,110</u>	<u>1,518,916</u>
Operating Expenses:				
Classified salaries	2,983	1,496	3,584	8,063
Employee benefits	1,368	599	2,235	4,202
Supplies	284	23	10	317
Premiums and claims expenses	1,273,313	86,038	592,285	1,951,636
Claims administration	3,648	11,310	761	15,719
Other contracted services	1,028	468	18	1,514
Total Operating Expenses	<u>1,282,624</u>	<u>99,934</u>	<u>598,893</u>	<u>1,981,451</u>
Operating Income (Loss)	<u>(118,301)</u>	<u>43,549</u>	<u>(387,783)</u>	<u>(462,535)</u>
Nonoperating Revenues (Expenses):				
Investment income	8,405	32,347	4,730	45,482
Miscellaneous expense	—	(49)	—	(49)
Total Nonoperating Revenues	<u>8,405</u>	<u>32,298</u>	<u>4,730</u>	<u>45,433</u>
Income (Loss) before Transfers	<u>(109,896)</u>	<u>75,847</u>	<u>(383,053)</u>	<u>(417,102)</u>
Changes in Net Position	<u>(109,896)</u>	<u>75,847</u>	<u>(383,053)</u>	<u>(417,102)</u>
Total Net Position, July 1, 2023	<u>107,857</u>	<u>276,385</u>	<u>(17,633)</u>	<u>366,609</u>
Total Net Position, June 30, 2024	<u>\$ (2,039)</u>	<u>\$ 352,232</u>	<u>\$ (400,686)</u>	<u>\$ (50,493)</u>

See accompanying independent auditor's report.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Internal Service Funds

Combining Statement of Cash Flows

Year Ended June 30, 2024

(in thousands)

	Health and Welfare Benefits	Workers' Compensation Self-Insurance	Liability Self-Insurance	Total
Cash Flows from Operating Activities:				
Cash payments to employees for services	\$ (4,960)	\$ (2,604)	\$ (5,395)	\$ (12,959)
Cash payments for goods and services	(1,278,648)	(98,301)	(132,990)	(1,509,939)
Receipts from assessment to other funds	1,152,373	143,483	211,110	1,506,966
Other operating revenue	11,950	—	—	11,950
Cash Provided (Used) by Operating Activities	<u>(119,285)</u>	<u>42,578</u>	<u>72,725</u>	<u>(3,982)</u>
Cash Flows from Non-Capital Financing Activities:				
Loan from other funds	30,000	—	—	30,000
Cash Used by Non-Capital Financing Activities	<u>30,000</u>	<u>—</u>	<u>—</u>	<u>30,000</u>
Cash Flows from Investing Activities:				
Earnings on investments	8,501	31,088	4,869	44,458
Net Cash Provided by Investing Activities	<u>8,501</u>	<u>31,088</u>	<u>4,869</u>	<u>44,458</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(80,784)</u>	<u>73,666</u>	<u>77,594</u>	<u>70,476</u>
Cash and Cash Equivalents, July 1	83,883	635,537	268,574	987,994
Cash and Cash Equivalents, June 30	<u>\$ 3,099</u>	<u>\$ 709,203</u>	<u>\$ 346,168</u>	<u>\$ 1,058,470</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (118,301)	\$ 43,549	\$ (387,783)	\$ (462,535)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Net increase in pension and other postemployment benefits expense from actuarial valuation	(378)	(409)	494	(293)
Change in Assets: Decrease (Increase)				
Accounts receivable	(2,017)	—	—	(2,017)
Prepays	(277)	6	—	(271)
Other assets	(1,390)	—	—	(1,390)
Change in Liabilities: Increase (Decrease)				
Vouchers and accounts payable	734	518	6,357	7,609
Accrued payroll	(230)	(100)	(70)	(400)
Other payables	(6,377)	1,104	4,039	(1,234)
Estimated liability for self-insurance claims – current	8,951	9,001	129,987	147,939
Estimated liability for self-insurance claims – noncurrent	—	(11,091)	319,701	308,610
Total Adjustments	<u>(984)</u>	<u>(971)</u>	<u>460,508</u>	<u>458,553</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (119,285)</u>	<u>\$ 42,578</u>	<u>\$ 72,725</u>	<u>\$ (3,982)</u>

See accompanying independent auditor's report.

LAUSD **UNIFIED**

SUPPLEMENTARY INFORMATION

LOS ANGELES UNIFIED SCHOOL DISTRICT
Assessed Value of Taxable Property
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal Year	Secured*	Unsecured*	Total Assessed Value	Total District Tax Rates	Increase (Decrease) Over Preceding Year		Total A.D.A.**	Assessed Value per Unit of A.D.A.
					Amount	Rate		
2014-2015	\$ 510,371,502	\$ 22,562,705	\$ 532,934,207	1.146881	\$ 29,256,287	5.81	516,229	\$ 1,032
2015-2016	546,807,059	23,362,405	570,169,464	1.129709	37,235,257	6.99	503,367	1,133
2016-2017	581,473,213	24,495,794	605,969,007	1.131096	35,799,543	6.28	491,856	1,232
2017-2018	619,162,082	25,342,665	644,504,747	1.122192	38,535,740	6.36	478,591	1,347
2018-2019	665,355,078	27,377,547	692,732,625	1.123226	48,227,878	7.48	454,010	1,526
2019-2020	710,954,606	28,442,486	739,397,092	1.125520	46,664,467	6.74	454,905 ^{acd}	1,625 ^a
2020-2021	759,004,740	28,679,271	787,684,011	1.139929	48,286,919	6.53	454,905 ^{bd}	1,732 ^b
2021-2022	790,822,215	27,581,052	818,403,267	1.113228	30,719,256	3.90	380,709	2,150
2022-2023	848,435,713	29,196,328	877,632,041	1.121072	59,228,774	7.24	384,010	2,285
2023-2024	898,345,149	31,634,928	929,980,077	1.124219	52,348,036	5.96	381,289	2,439

* Source: Los Angeles County Auditor-Controller "Taxpayers' Guide." Taxes which constitute a lien on real property are referred to as "secured".

Almost all real property taxes are secured. Most personal property taxes are "unsecured." Some taxes on personal property may also be secured to the real property of the assessee, upon request and subject to certain conditions.

** Source: A.D.A. – Average Daily Attendance, Annual Report

^a Condensed reporting period. Due to the COVID-19 pandemic, the California Department of Education reduced the school year for ADA purposes and included only the full school months that ended on or before February 29, 2020.

^b To ensure funding stability in light of the COVID-19 pandemic, the 2020-21 State Budget included a hold-harmless provision for the purpose of calculating apportionments in fiscal year 2020-21. The provision provided that apportionment be based on fiscal year 2019-20 ADA. As a result, ADA reported is the same as prior year.

^c Adjusted for fiscal year 2019-20 audit finding.

^d The data presented is based on the latest ADA information submitted to CDE for school year 2019-20. During fiscal year 2020-21, CDE credited additional ADA to the District for the closure of two independent charter school, Excelencia Charter Academy and Animo College Preparatory Academy. The ADA credits for these two schools which closed on 6/30/2020, totaling 86.54 and 343.72 for K-3 and 9-12, respectively, are not included in the above table.

See accompanying independent auditor's report.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Largest 2023-24 Local Secured Taxpayers ⁽¹⁾
 Current Year and Nine Years Ago
 (in thousands)
 (Unaudited)

2024				2015			
Rank	Property Owner	Assessed Valuation	% of Total ⁽²⁾	Rank	Property Owner	Assessed Valuation	% of Total ⁽³⁾
1	Universal Studios LLC	\$ 3,119,828	0.35%	1	Douglas Emmett LLC	\$ 2,480,014	0.49%
2	Douglas Emmett LLC	2,976,973	0.33%	2	Universal Studios LLC	1,917,592	0.38%
3	Essex Portfolio LP	2,702,865	0.30%	3	Anheuser Busch Inc.	850,273	0.17%
4	Rexford Industrial Realty LP	2,285,203	0.25%	4	Donald T. Sterling	736,409	0.14%
5	Century City Mall LLC	1,110,574	0.12%	5	BRE Properties Inc.	615,459	0.12%
6	Next Century Partners LLC	1,097,659	0.12%	6	One Hundred Towers LLC	608,019	0.12%
7	FSP South Flower Street	1,003,714	0.11%	7	Tishman Speyer Archstone Smith	573,604	0.11%
8	CJDB LLC	967,010	0.11%	8	Paramount Pictures Corp.	536,612	0.11%
9	Rochelle H. Sterling	898,095	0.10%	9	Olympic and Georgia Partners LLC	524,838	0.10%
10	Hanjin International Corp.	891,027	0.10%	10	Duesenberg Investment Company	510,012	0.10%
11	Anheuser Busch Commercial	843,163	0.09%	11	Century City Mall LLC	502,013	0.10%
12	One Hundred Towers LLC	715,390	0.08%	12	LA Live Properties LLC	490,311	0.10%
13	Trizec 333 LA LLC	701,019	0.08%	13	Taubman Beverly Center	479,464	0.09%
14	Onni Wilshire Courtyard LLC	673,343	0.07%	14	Casden Park La Brea LLC	469,531	0.09%
15	Maguire Partners 355 S. Grand LLC	655,597	0.07%	15	Trizec 333 LA LLC	468,870	0.09%
16	BRE HH Property Owner LLC	650,561	0.07%	16	Westfield Topanga Owner LP	463,297	0.09%
17	Olympic and Georgia Partners LLC	625,520	0.07%	17	Wilshire Courtyard LP	422,409	0.08%
18	Tishman Speyer Archstone Smith	623,996	0.07%	18	Twentieth Century Fox Film Corp.	395,962	0.08%
19	LA Live Properties LLC	582,532	0.06%	19	Tyjade Ranch LLC	394,238	0.08%
20	Maguire Properties 555 W. Fifth	574,760	0.06%	20	Trizec 601 Figueroa LLC	379,372	0.07%
		\$ 23,698,829	2.61%			\$ 13,818,299	2.71%

(1) Excludes taxpayers with values derived from mineral rights or a possessory interest. Historically, among the top 10 taxpayers within the District are landowners with primary land use of oil and gas production, including Marathon Petroleum Corporation, Phillips 66 Company and Valero Energy Corporation, which are not reflected in the table above.

(2) 2023-24 Local Secured Assessed Valuation: \$898,233,957

(3) 2014-15 Local Secured Assessed Valuation: \$510,242,136

LOS ANGELES UNIFIED SCHOOL DISTRICT

Property Tax Levies and Collections

Last Ten Fiscal Years

(in thousands)

(Unaudited)

Fiscal Year	Total Tax Levy	ERAF Funds ⁽¹⁾	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections ⁽²⁾	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2014-2015	\$ 1,779,935	\$ 35,339	\$ 1,798,657	99.08%	\$ 38,226	\$ 1,836,883	101.19%
2015-2016	1,799,477	171,532	1,959,111	99.40	31,529	1,990,640	101.00
2016-2017	1,904,567	232,966	2,107,292	98.59	25,977	2,133,269	99.80
2017-2018	1,985,501	255,167	2,184,304	97.48	49,404	2,233,708	99.69
2018-2019	2,134,918	234,519	2,347,069	99.06	61,128	2,408,197	101.64
2019-2020	2,305,773	216,281	2,467,267	97.83	40,975	2,508,242	99.45
2020-2021	2,564,883	256,204	2,756,243	97.70	66,318	2,822,562	100.05
2021-2022	2,440,344	246,520	2,588,512	96.34	78,480	2,666,992	99.26
2022-2023	2,670,569	298,516	2,916,949	98.24	124,633	3,041,582	102.44
2023-2024	2,873,873	288,669	3,099,401	98.00	65,920	3,165,321	100.09

⁽¹⁾ Educational Revenue Augmentation Funds (ERAF) are added to tax levies received by the District.

⁽²⁾ Includes prior years' delinquencies. The Auditor-Controller has determined that they cannot provide delinquent tax information by levy year.

See accompanying independent auditor's report.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Instructional Time Offered

Year Ended June 30, 2024

Non-Charter Schools Grade Level	Minutes Requirements	2023-24 Actual Minutes Offered ⁽³⁾	Actual Number of Instructional Days	Credited Instructional Day ⁽²⁾	Number of Instructional Days Offered ⁽²⁾	Complied with Instructional Minutes Provisions	Complied with Instructional Days Provisions
Kindergarten	36,000	56,029	182	1	183	Yes	Yes
Grades 1 to 3	50,400	56,029	182	1	183	Yes	Yes
Grades 4 to 6 ⁽¹⁾	54,000	56,029	182	1	183	Yes	Yes
Grades 7 to 8	54,000	66,449	182	1	183	Yes	Yes
Grades 9 to 12	64,800	66,449	182	1	183	Yes	Yes

Affiliated Charter Schools Grade Level	Minutes Requirements	2023-24 Actual Minimum Minutes Offered ⁽⁴⁾	Actual Number of Instructional Days		Number of Instructional Days Offered	Complied with Instructional Minutes Provisions	Complied with Instructional Days Provisions
Kindergarten	36,000	55,746	182		182	Yes	Yes
Grades 1 to 3	50,400	55,746	182		182	Yes	Yes
Grades 4 to 6 ⁽¹⁾	54,000	55,746	182		182	Yes	Yes
Grades 7 to 8	54,000	66,066	182		182	Yes	Yes
Grades 9 to 12	64,800	66,066	182		182	Yes	Yes

(1) Elementary schools only.

(2) All LAUSD schools, including affiliated charter schools, had a one day emergency closure in August 2023. LAUSD submitted a J-13A for this closure for non-charter schools in order to confirm compliance with the penalty waiver provision to offer 183 instructional days for the 2023-24 and 2024-25 school years. LAUSD received approval for the J-13A in November 2024.

(3) Julie Korenstein Elementary offered 56,029 instructional minutes; all other elementary schools offered at least 56,069 minutes. All middle and high schools offered a minimum of 66,449 minutes.

(4) Annual instructional minutes of affiliated charter schools reflect a reduced offering due to the one day emergency closure. These are the minimum minutes offered by the affiliated charter schools for the grade spans indicated.

Note: LAUSD received incentive funding for increasing instructional time pursuant to the Longer Year/Longer Instructional Day.

See accompanying independent auditor's report and notes to supplementary information.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Average Daily Attendance

Year Ended June 30, 2024

	Second Period Report	Annual Report	Audited Second Period Report*	Audited Annual Report*
District				
Kindergarten-Grade 3	113,096.25	113,844.94	113,070.59	113,820.95
Grades 4-6	81,486.66	81,611.88	81,486.04	81,611.39
Grades 7-8	49,052.35	49,019.23	49,050.02	49,016.98
Grades 9-12	101,584.89	100,862.38	101,584.58	100,862.14
Total District	<u>345,220.15</u>	<u>345,338.43</u>	<u>345,191.23</u>	<u>345,311.46</u>
County				
Kindergarten-Grade 3	0.00	0.00	0.00	0.00
Grades 4-6	0.00	0.00	0.00	0.00
Grades 7-8	2.62	2.87	2.62	2.87
Grades 9-12	361.32	360.61	361.32	360.61
Total County	<u>363.94</u>	<u>363.48</u>	<u>363.94</u>	<u>363.48</u>
Affiliated Charter Schools				
Kindergarten-Grade 3	11,968.92	11,997.20	11,967.11	11,995.56
Grades 4-6	8,331.65	8,317.16	8,331.65	8,317.16
Grades 7-8	5,499.44	5,470.49	5,499.44	5,470.49
Grades 9-12	9,889.28	9,801.83	9,889.28	9,801.83
Total Affiliated Charter Schools	<u>35,689.29</u>	<u>35,586.68</u>	<u>35,687.48</u>	<u>35,585.04</u>
Total Average Daily Attendance	<u><u>381,273.38</u></u>	<u><u>381,288.59</u></u>	<u><u>381,242.65</u></u>	<u><u>381,259.98</u></u>

See accompanying independent auditor's report and notes to supplementary information.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Average Daily Attendance

Annual Report

Last Ten Fiscal Years

(Unaudited)

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
District:				
Kindergarten-Grade 3	163,499.69	158,998.06	155,262.38	149,197.07
Grades 4-6	112,259.91	111,544.08	109,051.67	107,018.53
Grades 7-8	68,537.63	65,595.68	64,118.24	62,336.66
Grades 9-12	131,352.82	127,103.24	121,861.09	119,450.52
Total District	<u>475,650.05</u>	<u>463,241.06</u>	<u>450,293.38</u>	<u>438,002.78</u>
County:				
Kindergarten-Grade 3	0.00	0.00	0.00	0.00
Grades 4-6	1.38	1.23	0.00	0.00
Grades 7-8	5.12	3.18	2.71	2.42
Grades 9-12	628.23	489.84	417.13	354.29
Total County	<u>634.73</u>	<u>494.25</u>	<u>419.84</u>	<u>356.71</u>
Affiliated Charter Schools:				
Kindergarten-Grade 3	15,913.38	15,866.33	15,792.20	15,305.84
Grades 4-6	10,505.83	10,545.58	10,552.33	10,481.51
Grades 7-8	6,070.36	6,000.47	6,037.96	5,923.43
Grades 9-12	7,454.27	7,219.75	8,760.14	8,521.18
Total Affiliated Charter Schools	<u>39,943.84</u>	<u>39,632.13</u>	<u>41,142.63</u>	<u>40,231.96</u>
Total Average Daily Attendance	<u><u>516,228.62</u></u>	<u><u>503,367.44</u></u>	<u><u>491,855.85</u></u>	<u><u>478,591.45</u></u>

(a) The District's 2022-2023 ADA is updated to reflect additional attendance data reported in Regular ADA and Nonpublic School ADA. It was also reduced for the following audit findings: S-2023-001, S-2023-003, S-2023-004, and S-2023-009.

(b) The Affiliated Charter Schools' 2022-2023 ADA is updated to reflect reduction in ADA due to audit findings for Kenter Canyon Elementary Charter (S-2023-009) and University High School Charter (S-2023-012).

See accompanying independent auditor's report and notes to supplementary information.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Average Daily Attendance

Annual Report

Last Ten Fiscal Years

(Unaudited)

<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
141,934.03	139,028.46	139,028.46	111,075.81	113,587.76 ^(a)	113,844.94
100,538.16	99,037.56	99,037.56	82,974.91	83,254.76 ^(a)	81,611.88
60,529.29	60,142.80	60,142.80	49,804.14	49,026.74 ^(a)	49,019.23
111,755.74	115,393.98	115,393.98	101,703.61	102,786.71 ^(a)	100,862.38
<u>414,757.22</u>	<u>413,602.80</u>	<u>413,602.80</u>	<u>345,558.47</u>	<u>348,655.97 ^(a)</u>	<u>345,338.43</u>
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.19	0.00
3.70	2.14	2.14	1.79	1.27	2.87
<u>339.53</u>	<u>359.98</u>	<u>359.98</u>	<u>335.28</u>	<u>348.76</u>	<u>360.61</u>
<u>343.23</u>	<u>362.12</u>	<u>362.12</u>	<u>337.07</u>	<u>350.22</u>	<u>363.48</u>
13,313.03	13,473.52	13,473.52	11,198.11	11,723.47 ^(b)	11,997.20
9,222.72	9,714.50	9,714.50	8,254.14	8,298.40	8,317.16
5,770.32	6,925.51	6,925.51	5,887.65	5,749.23	5,470.49
10,603.83	10,826.92	10,826.92	9,702.86	9,694.05 ^(b)	9,801.83
<u>38,909.90</u>	<u>40,940.45</u>	<u>40,940.45</u>	<u>35,042.76</u>	<u>35,465.15</u>	<u>35,586.68</u>
<u>454,010.35</u>	<u>454,905.37</u>	<u>454,905.37</u>	<u>380,938.30</u>	<u>384,471.34</u>	<u>381,288.59</u>

^(a) The District's 2022-2023 ADA is updated to reflect additional attendance data reported in Regular ADA and Nonpublic School ADA. It was also reduced for the following audit findings: S-2023-001, S-2023-003, S-2023-004, and S-2023-009.

^(b) The Affiliated Charter Schools' 2022-2023 ADA is updated to reflect reduction in ADA due to audit findings for Kenter Canyon Elementary Charter (S-2023-009) and University High School Charter (S-2023-012).

See accompanying independent auditor's report and notes to supplementary information.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Average Daily Attendance – Affiliated Charter Schools
Year Ended June 30, 2024

TK/K to Grade 3 ADA

Name of Affiliated Charter School	CDS Code	Total		Classroom-based	
		Second Period Report	Annual Report	Second Period Report	Annual Report
1 Alfred B. Nobel Charter Middle School	19 64733 6061543	0.00	0.00	0.00	0.00
2 Beckford Charter for Enriched Studies	19 64733 6015986	398.41	398.80	398.41	398.80
3 Calabash Charter Academy	19 64733 6016240	271.19	272.22	271.19	272.22
4 Calvert Charter for Enriched Studies	19 64733 6016265	199.74	198.96	199.74	198.96
5 Canyon Charter Elementary School	19 64733 6016323	242.10	242.68	242.10	242.68
6 Carpenter Community Charter School	19 64733 6016356	536.70	538.04	536.70	538.04
7 Castlebay Lane Charter School	19 64733 6071435	404.34	405.62	404.34	405.62
8 Chatsworth Charter High School	19 64733 1931708	0.00	0.00	0.00	0.00
9 Colfax Charter Elementary School	19 64733 6016562	491.85	491.98	491.85	491.98
10 Community Magnet Charter Elementary School	19 64733 6094726	267.96	268.16	267.96	268.16
11 Dearborn Elementary Charter Academy	19 64733 6016729	342.87	343.18	342.87	343.18
12 Dixie Canyon Community Charter School	19 64733 6016778	427.10	427.69	427.10	427.69
13 Dr. Theodore T. Alexander Jr. Science Center	19 64733 0102491	387.94	386.96	387.94	386.96
14 El Oro Way Charter For Enriched Studies	19 64733 6016869	277.77	278.86	277.77	278.86
15 Emerson Community Charter School	19 64733 6057988	0.00	0.00	0.00	0.00
16 Enadia Way Technology Charter	19 64733 0117036	120.35	120.56	120.35	120.56
17 Encino Charter Elementary School	19 64733 6016935	370.86	370.60	370.86	370.60
18 Gaspar de Portola Charter Middle	19 64733 6061584	0.00	0.00	0.00	0.00
19 George Ellery Hale Charter Academy	19 64733 6061477	0.00	0.00	0.00	0.00
20 Grover Cleveland Charter High School	19 64733 1931864	0.00	0.00	0.00	0.00
21 Hamlin Charter Academy	19 64733 6017438	189.50	190.33	189.50	190.33
22 Haynes Charter For Enriched Studies	19 64733 6017529	251.82	253.69	251.82	253.69
23 Hesby Oaks Leadership Charter	19 64733 0112060	187.73	188.11	187.73	188.11
24 Justice Street Academy Charter School	19 64733 6017693	277.65	279.54	277.65	279.54
25 Kenter Canyon Elementary Charter	19 64733 6017701	307.36	307.61	307.36	307.61
26 Knollwood Preparatory Academy	19 64733 6017743	234.02	234.42	234.02	234.42
27 Lockhurst Drive Charter Elementary	19 64733 6017891	291.22	292.07	291.22	292.07
28 Louis Armstrong Middle	19 64733 6058150	0.00	0.00	0.00	0.00
29 Marquez Charter School	19 64733 6018063	194.14	193.72	194.14	193.72
30 Nestle Avenue Charter School	19 64733 6018287	267.97	269.45	267.97	269.45
31 Open Charter Magnet School	19 64733 6097927	250.03	249.74	250.03	249.74
32 Palisades Charter Elementary	19 64733 6018634	248.82	248.83	248.76	248.76
33 Paul Revere Charter Middle	19 64733 6058267	0.00	0.00	0.00	0.00
34 Plainview Academic Charter Academy	19 64733 6018725	166.36	166.60	166.36	166.60
35 Pomelo Community Charter School	19 64733 6018774	363.58	365.87	363.58	365.87
36 Reseda Charter High School	19 64733 1937226	0.00	0.00	0.00	0.00
37 Riverside Drive Charter School	19 64733 6018923	252.57	254.31	252.57	254.31
38 Serrania Avenue Charter School for Enriched Studies	19 64733 6019111	340.05	341.59	340.05	341.59
39 Sherman Oaks Elementary Charter School	19 64733 6019186	328.95	331.33	328.95	331.33
40 Superior Street Elementary	19 64733 6019392	271.57	272.63	271.57	272.63
41 Sylmar Charter High School	19 64733 1938554	0.00	0.00	0.00	0.00
42 Taft Charter High School	19 64733 1938612	0.00	0.00	0.00	0.00
43 Topanga Elementary Charter School	19 64733 6019525	156.71	157.85	156.71	157.85
44 Topeka Charter School for Advanced Studies	19 64733 6019533	378.00	377.05	378.00	377.05
45 University High School Charter	19 64733 1938885	0.00	0.00	0.00	0.00
46 Van Gogh Charter School	19 64733 6019673	273.99	274.89	273.99	274.89
47 Welby Way Charter Elementary School and Gifted-High Ability Magnet Center	19 64733 6019855	458.18	458.12	458.18	458.12
48 Westwood Charter Elementary School	19 64733 6019939	399.44	402.36	399.39	402.30
49 Wilbur Charter for Enriched Academics	19 64733 6019954	365.88	365.54	365.88	365.54
50 Woodlake Elementary Community Charter	19 64733 6020036	368.64	370.41	368.64	370.41
51 Woodland Hills Elementary Charter for Enriched Studies	19 64733 6020044	405.56	406.83	405.56	406.83
Total Affiliated Charter Schools Average Daily Attendance		11,968.92	11,997.20	11,968.81	11,997.07

See accompanying independent auditor's report and notes to supplementary information.

LOS ANGELES UNIFIED SCHOOL DISTRICT
 Schedule of Average Daily Attendance – Affiliated Charter Schools
 Year Ended June 30, 2024

Grades 4-6 ADA

Grades 7-8 ADA

Total		Classroom-based		Total		Classroom-based	
Second Period Report	Annual Report	Second Period Report	Annual Report	Second Period Report	Annual Report	Second Period Report	Annual Report
568.90	567.63	568.90	567.63	1,175.53	1,173.48	1,175.53	1,173.48
173.58	173.67	173.58	173.67	0.00	0.00	0.00	0.00
118.63	118.40	118.63	118.40	0.00	0.00	0.00	0.00
88.77	88.42	88.77	88.42	0.00	0.00	0.00	0.00
110.96	111.26	110.96	111.26	0.00	0.00	0.00	0.00
271.21	270.91	271.21	270.91	0.00	0.00	0.00	0.00
178.06	177.90	178.06	177.90	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
212.94	212.84	212.94	212.84	0.00	0.00	0.00	0.00
157.28	157.36	157.28	157.36	0.00	0.00	0.00	0.00
135.30	135.46	135.30	135.46	0.00	0.00	0.00	0.00
157.96	158.63	157.96	158.63	0.00	0.00	0.00	0.00
173.09	172.50	173.09	172.50	0.00	0.00	0.00	0.00
141.00	141.46	141.00	141.46	0.00	0.00	0.00	0.00
173.87	173.07	173.87	173.07	303.32	301.47	303.32	301.47
61.78	61.84	61.78	61.84	0.00	0.00	0.00	0.00
148.66	148.13	148.66	148.13	0.00	0.00	0.00	0.00
460.48	459.76	460.48	459.76	852.43	850.23	852.43	850.23
547.65	543.46	547.65	543.46	1,114.08	1,105.84	1,114.08	1,105.84
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
89.22	90.06	89.22	90.06	0.00	0.00	0.00	0.00
108.73	108.23	108.73	108.23	0.00	0.00	0.00	0.00
185.83	185.10	185.83	185.10	127.84	127.19	127.84	127.19
113.87	114.25	113.87	114.25	0.00	0.00	0.00	0.00
133.35	133.85	133.35	133.85	0.00	0.00	0.00	0.00
117.85	117.65	117.85	117.65	0.00	0.00	0.00	0.00
128.98	128.37	128.98	128.37	0.00	0.00	0.00	0.00
363.67	361.62	363.67	361.62	763.56	758.43	763.56	758.43
100.23	100.31	100.23	100.31	0.00	0.00	0.00	0.00
127.20	127.32	127.20	127.32	0.00	0.00	0.00	0.00
131.15	130.75	131.15	130.75	0.00	0.00	0.00	0.00
118.92	118.63	118.92	118.63	0.00	0.00	0.00	0.00
552.05	548.77	552.05	548.77	1,063.48	1,054.45	1,063.48	1,054.45
85.58	85.18	85.58	85.18	0.00	0.00	0.00	0.00
160.31	160.20	160.31	160.20	0.00	0.00	0.00	0.00
73.28	73.88	73.28	73.88	99.20	99.40	99.20	99.40
116.90	117.62	116.90	117.62	0.00	0.00	0.00	0.00
168.68	169.09	168.68	169.09	0.00	0.00	0.00	0.00
120.97	120.92	120.97	120.92	0.00	0.00	0.00	0.00
153.50	154.13	153.50	154.13	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55.27	55.43	55.27	55.43	0.00	0.00	0.00	0.00
182.11	181.98	182.11	181.98	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
126.99	126.87	126.99	126.87	0.00	0.00	0.00	0.00
272.45	271.97	272.45	271.97	0.00	0.00	0.00	0.00
193.23	192.64	193.23	192.61	0.00	0.00	0.00	0.00
148.56	147.26	148.56	147.26	0.00	0.00	0.00	0.00
154.78	154.51	154.78	154.51	0.00	0.00	0.00	0.00
167.87	167.87	167.87	167.87	0.00	0.00	0.00	0.00
8,331.65	8,317.16	8,331.51	8,317.02	5,499.44	5,470.49	5,499.44	5,470.49

LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Average Daily Attendance – Affiliated Charter Schools
Year Ended June 30, 2024

Grades 9-12 ADA

Name of Affiliated Charter School	CDS Code	Total		Classroom-based	
		Second Period Report	Annual Report	Second Period Report	Annual Report
1 Alfred B. Nobel Charter Middle School	19 64733 6061543	0.00	0.00	0.00	0.00
2 Beckford Charter for Enriched Studies	19 64733 6015986	0.00	0.00	0.00	0.00
3 Calabash Charter Academy	19 64733 6016240	0.00	0.00	0.00	0.00
4 Calvert Charter for Enriched Studies	19 64733 6016265	0.00	0.00	0.00	0.00
5 Canyon Charter Elementary School	19 64733 6016323	0.00	0.00	0.00	0.00
6 Carpenter Community Charter School	19 64733 6016356	0.00	0.00	0.00	0.00
7 Castlebay Lane Charter School	19 64733 6071435	0.00	0.00	0.00	0.00
8 Chatsworth Charter High School	19 64733 1931708	1,570.66	1,550.69	1,570.66	1,550.69
9 Colfax Charter Elementary School	19 64733 6016562	0.00	0.00	0.00	0.00
10 Community Magnet Charter Elementary School	19 64733 6094726	0.00	0.00	0.00	0.00
11 Dearborn Elementary Charter Academy	19 64733 6016729	0.00	0.00	0.00	0.00
12 Dixie Canyon Community Charter School	19 64733 6016778	0.00	0.00	0.00	0.00
13 Dr. Theodore T. Alexander Jr. Science Center	19 64733 0102491	0.00	0.00	0.00	0.00
14 El Oro Way Charter For Enriched Studies	19 64733 6016869	0.00	0.00	0.00	0.00
15 Emerson Community Charter School	19 64733 6057988	0.00	0.00	0.00	0.00
16 Enadia Way Technology Charter	19 64733 0117036	0.00	0.00	0.00	0.00
17 Encino Charter Elementary School	19 64733 6016935	0.00	0.00	0.00	0.00
18 Gaspar de Portola Charter Middle	19 64733 6061584	0.00	0.00	0.00	0.00
19 George Ellery Hale Charter Academy	19 64733 6061477	0.00	0.00	0.00	0.00
20 Grover Cleveland Charter High School	19 64733 1931864	2,535.90	2,516.05	2,535.90	2,516.05
21 Hamlin Charter Academy	19 64733 6017438	0.00	0.00	0.00	0.00
22 Haynes Charter For Enriched Studies	19 64733 6017529	0.00	0.00	0.00	0.00
23 Hesby Oaks Leadership Charter	19 64733 0112060	0.00	0.00	0.00	0.00
24 Justice Street Academy Charter School	19 64733 6017693	0.00	0.00	0.00	0.00
25 Kenter Canyon Elementary Charter	19 64733 6017701	0.00	0.00	0.00	0.00
26 Knollwood Preparatory Academy	19 64733 6017743	0.00	0.00	0.00	0.00
27 Lockhurst Drive Charter Elementary	19 64733 6017891	0.00	0.00	0.00	0.00
28 Louis Armstrong Middle	19 64733 6058150	0.00	0.00	0.00	0.00
29 Marquez Charter School	19 64733 6018063	0.00	0.00	0.00	0.00
30 Nestle Avenue Charter School	19 64733 6018287	0.00	0.00	0.00	0.00
31 Open Charter Magnet School	19 64733 6097927	0.00	0.00	0.00	0.00
32 Palisades Charter Elementary	19 64733 6018634	0.00	0.00	0.00	0.00
33 Paul Revere Charter Middle	19 64733 6058267	0.00	0.00	0.00	0.00
34 Plainview Academic Charter Academy	19 64733 6018725	0.00	0.00	0.00	0.00
35 Pomelo Community Charter School	19 64733 6018774	0.00	0.00	0.00	0.00
36 Reseda Charter High School	19 64733 1937226	1,067.01	1,056.62	1,067.01	1,056.62
37 Riverside Drive Charter School	19 64733 6018923	0.00	0.00	0.00	0.00
38 Serrania Avenue Charter School for Enriched Studies	19 64733 6019111	0.00	0.00	0.00	0.00
39 Sherman Oaks Elementary Charter School	19 64733 6019186	0.00	0.00	0.00	0.00
40 Superior Street Elementary	19 64733 6019392	0.00	0.00	0.00	0.00
41 Sylmar Charter High School	19 64733 1938554	1,372.33	1,364.16	1,372.33	1,364.16
42 Taft Charter High School	19 64733 1938612	2,056.08	2,044.99	2,056.08	2,044.99
43 Topanga Elementary Charter School	19 64733 6019525	0.00	0.00	0.00	0.00
44 Topeka Charter School for Advanced Studies	19 64733 6019533	0.00	0.00	0.00	0.00
45 University High School Charter	19 64733 1938885	1,287.30	1,269.32	1,287.30	1,269.32
46 Van Gogh Charter School	19 64733 6019673	0.00	0.00	0.00	0.00
47 Welby Way Charter Elementary School and Gifted-High Ability Magnet Center	19 64733 6019855	0.00	0.00	0.00	0.00
48 Westwood Charter Elementary School	19 64733 6019939	0.00	0.00	0.00	0.00
49 Wilbur Charter for Enriched Academics	19 64733 6019954	0.00	0.00	0.00	0.00
50 Woodlake Elementary Community Charter	19 64733 6020036	0.00	0.00	0.00	0.00
51 Woodland Hills Elementary Charter for Enriched Studies	19 64733 6020044	0.00	0.00	0.00	0.00
Total Affiliated Charter Schools Average Daily Attendance		9,889.28	9,801.83	9,889.28	9,801.83

See accompanying independent auditor's report and notes to supplementary information.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Average Daily Attendance – Affiliated Charter Schools
Year Ended June 30, 2024

Totals

Total ADA		Classroom-based ADA	
Second Period Report	Annual Report	Second Period Report	Annual Report
1,744.43	1,741.11	1,744.43	1,741.11
571.99	572.47	571.99	572.47
389.82	390.62	389.82	390.62
288.51	287.38	288.51	287.38
353.06	353.94	353.06	353.94
807.91	808.95	807.91	808.95
582.40	583.52	582.40	583.52
1,570.66	1,550.69	1,570.66	1,550.69
704.79	704.82	704.79	704.82
425.24	425.52	425.24	425.52
478.17	478.64	478.17	478.64
585.06	586.32	585.06	586.32
561.03	559.46	561.03	559.46
418.77	420.32	418.77	420.32
477.19	474.54	477.19	474.54
182.13	182.40	182.13	182.40
519.52	518.73	519.52	518.73
1,312.91	1,309.99	1,312.91	1,309.99
1,661.73	1,649.30	1,661.73	1,649.30
2,535.90	2,516.05	2,535.90	2,516.05
278.72	280.39	278.72	280.39
360.55	361.92	360.55	361.92
501.40	500.40	501.40	500.40
391.52	393.79	391.52	393.79
440.71	441.46	440.71	441.46
351.87	352.07	351.87	352.07
420.20	420.44	420.20	420.44
1,127.23	1,120.05	1,127.23	1,120.05
294.37	294.03	294.37	294.03
395.17	396.77	395.17	396.77
381.18	380.49	381.18	380.49
367.74	367.46	367.74	367.28
1,615.53	1,603.22	1,615.53	1,603.22
251.94	251.78	251.94	251.78
523.89	526.07	523.89	526.07
1,239.49	1,229.90	1,239.49	1,229.90
369.47	371.93	369.47	371.93
508.73	510.68	508.73	510.68
449.92	452.25	449.92	452.25
425.07	426.76	425.07	426.76
1,372.33	1,364.16	1,372.33	1,364.16
2,056.08	2,044.99	2,056.08	2,044.99
211.98	213.28	211.98	213.28
560.11	559.03	560.11	559.03
1,287.30	1,269.32	1,287.30	1,269.32
400.98	401.76	400.98	401.76
730.63	730.09	730.63	730.09
592.67	595.00	592.62	594.91
514.44	512.80	514.44	512.80
523.42	524.92	523.42	524.92
573.43	574.70	573.43	574.70
35,689.29	35,586.68	35,689.04	35,586.41

LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Financial Trends and Analysis
Year Ended June 30, 2024
(in thousands)

	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
	Budgeted	Actual	Actual	Actual	Actual
General Fund:					
Revenues	\$ 9,407,336	\$ 11,217,682	\$ 11,776,524	\$ 9,672,924	\$ 8,744,994
Other Financing Sources	30,000	70,691	91,870	108,571	265,007
Total Revenues and Other Financing Sources	<u>9,437,336</u>	<u>11,288,373</u>	<u>11,868,394</u>	<u>9,781,495</u>	<u>9,010,001</u>
Expenditures	11,163,550	10,549,639	9,472,906	9,294,057	8,166,021
Other Financing Uses	50,171	25,052	15,560	14,404	38,165
Total Expenditures and Other Financing Uses	11,213,721	10,574,691	9,488,466	9,308,461	8,204,186
Change in Fund Balance	(1,776,385)	713,682	2,379,928	473,034	805,815
Beginning Fund Balance	6,356,924	5,708,251	3,328,323	2,855,289	2,049,474
Ending Fund Balance	<u>\$ 4,580,539</u>	<u>\$ 6,421,933</u>	<u>\$ 5,708,251</u>	<u>\$ 3,328,323</u>	<u>\$ 2,855,289</u>
Available Reserves*	<u>\$ 337,018</u>	<u>\$ 1,113,933</u>	<u>\$ 385,925</u>	<u>\$ 1,140,017</u>	<u>\$ 1,533,263</u>
Unassigned Reserve for Economic Uncertainties	<u>\$ 112,240</u>	<u>\$ 244,900</u>	<u>\$ 238,780</u>	<u>\$ 199,860</u>	<u>\$ 91,990</u>
Unassigned Fund Balance	<u>\$ 224,778</u>	<u>\$ 869,033</u>	<u>\$ 147,145</u>	<u>\$ 940,157</u>	<u>\$ 1,441,273</u>
Available Reserves as a Percentage of Total Expenditures and Other Financing Uses	3.01%	10.53%	4.07%	12.25%	18.69%
Total Long-Term Obligations	\$ 27,726,284	\$ 29,442,163	\$ 27,622,402	\$ 27,136,289	\$ 31,658,402
Average Daily Attendance (ADA) funded at P-2	386,348	410,914	433,929	449,937	455,356 ^a

The General Fund has maintained a positive ending fund balance for the past four fiscal years presented in this schedule.

For a district this size, the State has recommended available reserves to be at least 2% of total General Fund expenditures and other financing uses.

The District has been able to meet these requirements for the past four fiscal years.

*Available reserves consist of all unassigned fund balances and unassigned reserve for economic uncertainties.

^a To ensure funding stability in light of the COVID-19 pandemic, the 2020-21 State Budget and California Education Code section EC Section 2575(g) (2) included a hold-harmless provision for the purpose of calculating apportionments in fiscal year 2020-21. The provision provided that apportionment be based on fiscal year 2019-20 ADA. As such, the District's ADA data presented for fiscal year 2020-21 is 2019-20 annual ADA plus credits and growth adjustments received in 2020-21.

See accompanying independent auditor's report and notes to supplementary information.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule to Reconcile the Annual Financial Budget Report (SACS)
Year Ended June 30, 2024
(in thousands)

	<u>General Fund</u>	<u>District Bonds</u>	<u>Other Governmental *</u>	<u>Proprietary Funds</u>
June 30, 2024 Unaudited Actual Financial Reports				
Fund Balances	\$ 6,413,619	\$ 1,260,419	\$ 1,167,255	\$ 82,788
Adjustments:				
To accrue expenditures	(6,559)	(48,393)	(1,212)	(133,281)
To accrue grant revenue - Emergency Connectiviy	14,958	—	—	—
To accrue grant revenues	—	—	14	—
To adjust prepaid account	(137)	(18,734)	—	—
To adjust interfund transaction related to the bonds	64	(65)	1	—
Other	(12)	—	—	—
June 30, 2024 Audited Financial Statement				
Fund Balances	<u>\$ 6,421,933</u>	<u>\$ 1,193,227</u>	<u>\$ 1,166,058</u>	<u>\$ (50,493)</u>

* The net adjustment in the Other Governmental includes the following funds:

Adult Education Fund (Fund 110)	\$ (58)
Child Development Fund (Fund 120)	(73)
Cafeteria Fund (Fund 130)	(17)
Building Fund (Fund 212)	(110)
Capital Facilities Fund (Fund 250)	(323)
County School Facilities Fund (Fund 351)	(1)
Special Reserve (Fund 401)	(605)
Special Reserve - FEMA Hazard Mitigation (Fund 403)	(10)
	<u>\$ (1,197)</u>

There were no adjustments to fund balances for funds not presented above.
See accompanying independent auditor's report and notes to supplementary information.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2024

(Unaudited)

SCHOOL	LOC CODE	STATE CHARTER NO.	CDS CODE	Affiliated	Included in the District Audit
1 Alfred B. Nobel Charter Middle School	8272	1480	19 64733 6061543	x	Yes
2 Beckford Charter for Enriched Studies	2335	1344	19 64733 6015986	x	Yes
3 Calabash Charter Academy	2704	1345	19 64733 6016240	x	Yes
4 Calvert Charter for Enriched Studies	2712	1585	19 64733 6016265	x	Yes
5 Canyon Charter Elementary School	2795	0226	19 64733 6016323	x	Yes
6 Carpenter Community Charter School	2822	1235	19 64733 6016356	x	Yes
7 Castlebay Lane Charter School	2881	1477	19 64733 6071435	x	Yes
8 Chatsworth Charter High School	8583	1581	19 64733 1931708	x	Yes
9 Colfax Charter Elementary School	3164	1041	19 64733 6016562	x	Yes
10 Community Magnet Charter Elementary School	2741	0957	19 64733 6094726	x	Yes
11 Dearborn Elementary Charter Academy	3377	1481	19 64733 6016729	x	Yes
12 Dixie Canyon Community Charter School	3438	1469	19 64733 6016778	x	Yes
13 Dr. Theodore T. Alexander Jr. Science Center	5111	0604	19 64733 0102491	x	Yes
14 El Oro Way Charter For Enriched Studies	3545	1466	19 64733 6016869	x	Yes
15 Emerson Community Charter School	8123	1688	19 64733 6057988	x	Yes
16 Enadia Way Technology Charter	3610	1474	19 64733 0117036	x	Yes
17 Encino Charter Elementary School	3616	1471	19 64733 6016935	x	Yes
18 Gaspar de Portola Charter Middle	8107	2074	19 64733 6061584	x	Yes
19 George Ellery Hale Charter Academy	8169	1346	19 64733 6061477	x	Yes
20 Grover Cleveland Charter High School	8590	1571	19 64733 1931864	x	Yes
21 Hamlin Charter Academy	4349	1472	19 64733 6017438	x	Yes
22 Haynes Charter For Enriched Studies	4473	1470	19 64733 6017529	x	Yes
23 Hesby Oaks Leadership Charter	4521	1468	19 64733 0112060	x	Yes
24 Justice Street Academy Charter School	4692	1487	19 64733 6017693	x	Yes
25 Kenter Canyon Elementary Charter	4699	0227	19 64733 6017701	x	Yes
26 Knollwood Preparatory Academy	4762	1486	19 64733 6017743	x	Yes
27 Lockhurst Drive Charter Elementary	4887	1478	19 64733 6017891	x	Yes
28 Louis Armstrong Middle	8238	1473	19 64733 6058150	x	Yes
29 Marquez Charter School	5164	0228	19 64733 6018063	x	Yes
30 Nestle Avenue Charter School	5452	1465	19 64733 6018287	x	Yes
31 Open Charter Magnet School	5889	0012	19 64733 6097927	x	Yes
32 Palisades Charter Elementary	5959	0229	19 64733 6018634	x	Yes
33 Paul Revere Charter Middle	8356	0225	19 64733 6058267	x	Yes
34 Plainview Academic Charter Academy	6096	1435	19 64733 6018725	x	Yes
35 Pomelo Community Charter School	6140	1347	19 64733 6018774	x	Yes
36 Reseda Charter High School	8814	2005	19 64733 1937226	x	Yes
37 Riverside Drive Charter School	6315	1362	19 64733 6018923	x	Yes
38 Serrania Avenue Charter School for Enriched Studies	6606	1484	19 64733 6019111	x	Yes
39 Sherman Oaks Elementary Charter School	6699	1348	19 64733 6019186	x	Yes
40 Superior Street Elementary	7007	1476	19 64733 6019392	x	Yes

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2024

(Unaudited)

SCHOOL	LOC CODE	STATE CHARTER NO.	CDS CODE	Affiliated	Included in the District Audit
41 Sylmar Charter High School	8878	1834	19 64733 1938554	x	Yes
42 Taft Charter High School	8880	1580	19 64733 1938612	x	Yes
43 Topanga Elementary Charter School	7198	0230	19 64733 6019525	x	Yes
44 Topeka Charter School for Advanced Studies	7201	1475	19 64733 6019533	x	Yes
45 University High School Charter	8886	2006	19 64733 1938885	x	Yes
46 Van Gogh Charter	7422	1479	19 64733 6019673	x	Yes
47 Welby Way Charter Elementary School and Gifted-High Ability Magnet Center	7637	1349	19 64733 6019855	x	Yes
48 Westwood Charter Elementary School	7740	0031	19 64733 6019939	x	Yes
49 Wilbur Charter for Enriched Academics	7774	1482	19 64733 6019954	x	Yes
50 Woodlake Elementary Community Charter	7877	1483	19 64733 6020036	x	Yes
51 Woodland Hills Elementary Charter for Enriched Studies	7890	1485	19 64733 6020044	x	Yes

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2024

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Fiscally Independent	Included in the District Audit
1 Academia Moderna	1101	19 64733 0120097	x	No
2 Accelerated	0045	19 64733 6112536	x	No
3 Accelerated Charter Elementary (ACES)	0539	19 64733 0100743	x	No
4 Alain Leroy Locke College Preparatory Academy	1050	19 64733 0118588	x	No
5 Alliance Cindy and Bill Simon Technology Academy High	1161	19 64733 0121285	x	No
6 Alliance College-Ready Middle Academy 12	1533	19 64733 0128058	x	No
7 Alliance College-Ready Middle Academy 4	1096	19 64733 0120030	x	No
8 Alliance College-Ready Middle Academy 8	1531	19 64733 0128033	x	No
9 Alliance Collins Family College-Ready High	0718	19 64733 0108936	x	No
10 Alliance Dr. Olga Mohan High School	0790	19 64733 0111500	x	No
11 Alliance Gertz-Ressler Richard Merkin 6-12 Complex	0645	19 64733 0106864	x	No
12 Alliance Jack H. Skirball Middle	0779	19 64733 0111518	x	No
13 Alliance Judy Ivie Burton Technology Academy High	0714	19 64733 0108894	x	No
14 Alliance Kory Hunter Middle	1532	19 64733 0128041	x	No
15 Alliance Leichtman-Levine Family Foundation Environmental Science High	0929	19 64733 0117606	x	No
16 Alliance Marc & Eva Stern Math and Science(CA State Univ. L.A. Campus)	0788	19 64733 0111658	x	No
17 Alliance Margaret M. Bloomfield Technology Academy High	1356	19 64733 0124941	x	No
18 Alliance Marine - Innovation and Technology 6-12 Complex	1738	19 64733 0132084	x	No
19 Alliance Morgan McKinzie High	0928	19 64733 0116509	x	No
20 Alliance Ouchi-O'Donovan 6-12 Complex	0784	19 64733 0111641	x	No
21 Alliance Patti And Peter Neuwirth Leadership Academy	0789	19 64733 0111492	x	No
22 Alliance Piera Barbaglia Shaheen Health Services Academy	0927	19 64733 0117598	x	No
23 Alliance Renee and Meyer Luskin Academy High	1343	19 64733 0124891	x	No
24 Alliance Susan and Eric Smidt Technology High	1163	19 64733 0123133	x	No
25 Alliance Ted K. Tajima High	1164	19 64733 0123141	x	No
26 Alliance Tennenbaum Family Technology High (PSC)	1162	19 64733 0121293	x	No
27 Alliance Virgil Roberts Leadership Academy	1530	19 64733 0128009	x	No
28 Anahuacalmecac International University Preparatory of North America	1685	19 64733 0132928	x	No
29 Animo Ellen Ochoa Charter Middle	1286	19 64733 0123992	x	No
30 Animo Florence-Firestone Charter Middle	1794	19 64733 0134023	x	No
31 Animo Jackie Robinson High	0793	19 64733 0111583	x	No
32 Animo James B. Taylor Charter Middle	1287	19 64733 0124008	x	No
33 Animo Jefferson Charter Middle	1216	19 64733 0122481	x	No
34 Animo Legacy Charter Middle School (Clay Campus) (PSC)	1288	19 64733 0124016	x	No
35 Animo Mae Jemison Charter Middle	1624	19 64733 0129270	x	No
36 Animo Pat Brown	0649	19 64733 0106849	x	No
37 Animo Ralph Bunche Charter High	0781	19 64733 0111575	x	No
38 Animo South Los Angeles Charter	0602	19 64733 0102434	x	No

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2024

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Fiscally Independent	Included in the District Audit
39 Animo Venice Charter High	0648	19 64733 0106831	x	No
40 Animo Watts College Preparatory Academy	0783	19 64733 0111625	x	No
41 Ararat Charter	1156	19 64733 0121079	x	No
42 Arts In Action Community Charter	1218	19 64733 0123158	x	No
43 Arts in Action Community Middle School	1806	19 64733 0134205	x	No
44 Aspire Centennial College Preparatory Academy	1436	19 64733 0126797	x	No
45 Aspire Firestone Academy (PSC)	1214	19 64733 0122622	x	No
46 Aspire Gateway Academy Charter (PSC)	1213	19 64733 0122614	x	No
47 Aspire Inskeep Academy Charter (PSC)	1332	19 64733 0124800	x	No
48 Aspire Juanita Tate Academy Charter (PSC)	1331	19 64733 0124792	x	No
49 Aspire Junior Collegiate Academy	1551	19 64733 0114884	x	No
50 Aspire Pacific Academy	1230	19 64733 0122721	x	No
51 Aspire Slauson Academy Charter (PSC)	1330	19 64733 0124784	x	No
52 Aspire Titan Academy	1550	19 64733 0120477	x	No
53 Bert Corona Charter	0654	19 64733 0106872	x	No
54 Bert Corona Charter High	1724	19 64733 0132126	x	No
55 Birmingham Community Charter High	1119	19 64733 1931047	x	No
56 California Creative Learning Academy	0827	19 64733 0112235	x	No
57 California Creative Learning Academy Middle School	1960	19 64733 0137463	x	No
58 Camino Nuevo Charter Academy 2 (Kayne Siart)	1231	19 64733 0122861	x	No
59 Camino Nuevo Charter Academy 4 (Cisneros) (PSC)	1334	19 64733 0124826	x	No
60 Camino Nuevo Charter Academy (Burlington)	0293	19 64733 6117667	x	No
61 Camino Nuevo Elementary School 3 (Eisner) (PSC)	1212	19 64733 0122564	x	No
62 Camino Nuevo High 2 (Dalzell Lance)	1540	19 64733 0127910	x	No
63 CATCH Prep Charter High, Inc.	0570	19 64733 0101659	x	No
64 Center for Advanced Learning	0937	19 64733 0115139	x	No
65 Central City Value	0534	19 64733 0100800	x	No
66 CHAMPS - Charter HS of Arts-Multimedia & Performing	0712	19 64733 0108878	x	No
67 CHIME Institute's Schwarzenegger Community	0417	19 64733 6119531	x	No
68 Citizens of the World Charter School East Valley	2081	19 64733 0140749	x	No
69 Citizens of the World Charter School West Valley	2082	19 64733 0139832	x	No
70 Citizens of the World Charter School Hollywood	1200	19 64733 0122556	x	No
71 Citizens of the World Charter School Mar Vista (Gateway)	1414	19 64733 0126193	x	No
72 Citizens of the World Charter School Silver Lake	1413	19 64733 0126177	x	No
73 City Language Immersion Charter	1538	19 64733 0127886	x	No
74 Collegiate Charter High School of Los Angeles	1722	19 64733 0131821	x	No
75 Crete Academy	1854	19 64733 0135616	x	No
76 Crown Preparatory Academy	1187	19 64733 0121848	x	No

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2024

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Fiscally Independent	Included in the District Audit	
77	Discovery Charter Preparatory School 2	0949	19 64733 0115253	x	No
78	Downtown Value	0448	19 64733 6119903	x	No
79	Ednovate - Brio College Prep	1843	19 64733 0135723	x	No
80	Ednovate - East College Prep	1702	19 64733 0132282	x	No
81	Ednovate - Esperanza College Prep	1842	19 64733 0135715	x	No
82	Ednovate - South LA College Prep	2087	19 64733 0140129	x	No
83	Ednovate - USC Hybrid High College Prep	1401	19 64733 0125864	x	No
84	El Camino Real Charter High	1314	19 64733 1932623	x	No
85	El Rio Community School	2080	19 64733 0140004	x	No
86	Equitas Academy 2	1402	19 64733 0126169	x	No
87	Equitas Academy 3 Charter	1669	19 64733 0129650	x	No
88	Equitas Academy 4	1785	19 64733 0133686	x	No
89	Equitas Academy 5	2040	19 64733 0139121	x	No
90	Equitas Academy 6	2030	19 64733 0138883	x	No
91	Equitas Academy Charter	1093	19 64733 0119982	x	No
92	Everest Value	1638	19 64733 0129858	x	No
93	Extera Public	1300	19 64733 0124198	x	No
94	Extera Public School No. 2	1562	19 64733 0128132	x	No
95	Fenton Avenue Charter	0030	19 64733 6017016	x	No
96	Fenton Charter Leadership Academy	1613	19 64733 0131722	x	No
97	Fenton Primary Center	0911	19 64733 0115048	x	No
98	Fenton STEM Academy: Elementary Center for Science Technology Engineering and Mathematics	1605	19 64733 0131466	x	No
99	Gabriella Charter	0713	19 64733 0108886	x	No
100	Gabriella Charter 2	1853	19 64733 0135509	x	No
101	Girls Athletic Leadership School Los Angeles	1791	19 64733 0133710	x	No
102	Global Education Academy	0934	19 64733 0114967	x	No
103	Global Education Academy 2	1641	19 64733 0129833	x	No
104	Goethe International Charter	1036	19 64733 0117978	x	No
105	Granada Hills Charter	0572	19 64733 1933746	x	No
106	High Tech LA	0537	19 64733 0100677	x	No
107	High Tech LA Middle	1929	19 64733 0137471	x	No
108	ICEF Innovation Los Angeles Charter	1037	19 64733 0117952	x	No
109	ICEF View Park Preparatory Elementary School	0190	19 64733 6117048	x	No
110	ICEF View Park Preparatory High School	0543	19 64733 0101196	x	No
111	ICEF View Park Preparatory Middle School	0506	19 64733 6121081	x	No
112	ICEF Vista Elementary Academy	1039	19 64733 0117937	x	No
113	ICEF Vista Middle Academy	0953	19 64733 0115287	x	No

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2024

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Fiscally Independent	Included in the District Audit
114 Ingenium Charter	1157	19 64733 0121137	x	No
115 Ingenium Charter Middle	1536	19 64733 0127985	x	No
116 Invictus Leadership Academy	2088	19 64733 0140111	x	No
117 ISANA Cardinal Academy	1285	19 64733 0123984	x	No
118 ISANA Himalia Academy	1858	19 77081 0135954	x	No
119 ISANA Nascent Academy	0716	19 64733 0108910	x	No
120 ISANA Octavia Academy	1232	19 64733 0122655	x	No
121 ISANA Palmati Academy	1246	19 64733 0123166	x	No
122 Ivy Academia	0619	19 64733 0106351	x	No
123 Ivy Bound Academy of Math, Science, and Technology Charter Middle	0936	19 64733 0115113	x	No
124 James Jordan Middle	0734	19 64733 0109884	x	No
125 KIPP Academy of Innovation	1586	19 64733 0128512	x	No
126 KIPP Academy of Opportunity	0530	19 64733 0101444	x	No
127 KIPP Comienza Community Prep	1196	19 64733 0121707	x	No
128 KIPP Corazon Academy	1855	19 64733 0135517	x	No
129 KIPP Empower Academy	1195	19 64733 0121699	x	No
130 KIPP Endeavor College Preparatory Charter	1094	19 64733 0120014	x	No
131 KIPP Generations Academy	2079	19 64733 0141481	x	No
132 KIPP Ignite Academy	1720	19 64733 0131771	x	No
133 KIPP Iluminar Academy	1508	19 64733 0127670	x	No
134 KIPP Los Angeles College Preparatory	0531	19 64733 0100867	x	No
135 KIPP Philosophers Academy	1378	19 64733 0125609	x	No
136 KIPP Promesa Prep	1721	19 64733 0131797	x	No
137 KIPP Pueblo Unido	2041	19 64733 0139071	x	No
138 KIPP Raices Academy	1010	19 64733 0117903	x	No
139 KIPP Scholar Academy	1377	19 64733 0125625	x	No
140 KIPP Sol Academy	1379	19 64733 0125641	x	No
141 KIPP Vida Preparatory Academy	1587	19 64733 0129460	x	No
142 Larchmont Charter	0717	19 64733 0108928	x	No
143 Learning by Design Charter	1959	19 64733 0137513	x	No
144 Libertas College Preparatory Charter	1711	19 64733 0131904	x	No
145 Los Angeles Academy of Arts and Enterprise Charter (LAAAE)	0675	19 64733 0110304	x	No
146 Los Angeles Leadership Academy	0461	19 64733 1996610	x	No
147 Los Angeles Leadership Primary Academy	1333	19 64733 0124818	x	No
148 Magnolia Science Academy 4	0986	19 64733 0117622	x	No
149 Magnolia Science Academy 6	988	19 64733 0117648	x	No
150 Magnolia Science Academy 7	989	19 64733 0117655	x	No
151 Magnolia Science Academy Bell (PSC)	1236	19 64733 0122747	x	No

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2024

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Fiscally Independent	Included in the District Audit
152 Math and Science College Preparatory	1412	19 64733 0126136	x	No
153 Matrix for Success Academy	1961	19 64733 0137562	x	No
154 Monsenor Oscar Romero Charter Middle	0931	19 64733 0114959	x	No
155 Montague Charter Academy for the Arts and Sciences	0115	19 64733 6018204	x	No
156 Multicultural Learning Center	0388	19 64733 6119044	x	No
157 N.E.W. Academy Canoga Park	0592	19 64733 0102483	x	No
158 N.E.W. Academy of Science and Arts	0521	19 64733 0100289	x	No
159 New Designs Charter	0601	19 64733 0102541	x	No
160 New Designs Charter School-Watts	1120	19 64733 0120071	x	No
161 New Heights Charter	0761	19 64733 0111211	x	No
162 New Horizons Charter Academy	1567	19 64733 0128371	x	No
163 New Los Angeles Charter	0998	19 64733 0117614	x	No
164 New Los Angeles Elementary School	1788	19 64733 0133702	x	No
165 New Millennium Secondary	1020	19 64733 0117911	x	No
166 New Village Girls Academy	0791	19 64733 0111484	x	No
167 Ocean Charter	0569	19 64733 0102335	x	No
168 Oscar De La Hoya Animo Charter High	0581	19 64733 0101675	x	No
169 Our Community Charter	0739	19 64733 0109934	x	No
170 Pacoima Charter Elementary	0583	19 64733 6018642	x	No
171 Palisades Charter High	0037	19 64733 1995836	x	No
172 Para Los Niños - Evelyn Thurman Gratts Primary (PSC)	1215	19 64733 0122630	x	No
173 Para Los Niños Charter	0475	19 64733 6120489	x	No
174 Para Los Niños Middle	1007	19 64733 0117846	x	No
175 Port of Los Angeles High	0542	19 64733 0107755	x	No
176 PREPA TEC - Los Angeles	1542	19 64733 0127936	x	No
177 PUC CALS Charter Middle and Early College High School	0331	19 64733 0133298	x	No
178 PUC Community Charter Elementary	1657	19 64733 0129619	x	No
179 PUC Community Charter Middle and PUC Community Charter Early College High	0213	19 64733 6116750	x	No
180 PUC Early College Academy for Leaders and Scholars (ECALS) (PSC)	1354	19 64733 0124933	x	No
181 PUC Excel Charter Academy	0798	19 64733 0112201	x	No
182 PUC Inspire Charter Academy	1626	19 64733 0129593	x	No
183 PUC Lakeview Charter Academy	0603	19 64733 0102442	x	No
184 PUC Lakeview Charter High	1241	19 64733 0122606	x	No
185 PUC Milagro Charter	0600	19 64733 0102426	x	No
186 PUC Nueva Esperanza Charter Academy	1092	19 64733 0133280	x	No
187 PUC Triumph Charter Academy and PUC Triumph Charter High School	0797	19 64733 0133272	x	No
188 PUENTE Charter (ELA Site)	0473	19 64733 6120471	x	No

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2024

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Fiscally Independent	Included in the District Audit
189 Renaissance Arts Academy	0579	19 64733 0101683	x	No
190 Rise Kohyang Elementary	1927	19 64733 0136994	x	No
191 Rise Kohyang High School	1786	19 64733 0133868	x	No
192 Rise Kohyang Middle	1315	19 64733 0124222	x	No
193 Santa Monica Boulevard Community Charter	0446	19 64733 6019079	x	No
194 Scholarship Prep South Bay	2042	19 64733 0139097	x	No
195 Stella Elementary Charter Academy	1866	19 64733 0137604	x	No
196 Stella Middle Charter Academy	0535	19 64733 0100669	x	No
197 Stella High Charter Academy	0826	19 64733 0112508	x	No
198 STEM Preparatory Elementary	1925	19 64733 0136986	x	No
199 Synergy Charter Academy	0636	19 64733 0106427	x	No
200 Synergy Kinetic Academy (PSC)	1014	19 64733 0117895	x	No
201 Synergy Quantum Academy (PSC)	1299	19 64733 0124560	x	No
202 TEACH Academy of Technologies	1206	19 64733 0122242	x	No
203 TEACH Preparatory Mildred S. Cunningham & Edith H. Morris Elementary School	2004	19 64733 0138305	x	No
204 TEACH Tech Charter High	1658	19 64733 0129627	x	No
205 University Preparatory Value High	1723	19 64733 0132027	x	No
206 Valley Charter Elementary	1237	19 64733 0122754	x	No
207 Valley Charter Middle	1238	19 64733 0122838	x	No
208 Valley International Preparatory High	1926	19 64733 0137612	x	No
209 Valor Academy Elementary	1787	19 64733 0133694	x	No
210 Valor Academy High	1539	19 64733 0127894	x	No
211 Valor Academy Middle	1095	19 64733 0120022	x	No
212 Vaughn Next Century Learning Center (Mainland/MIT)	0016	19 64733 6019715	x	No
213 Village Charter Academy	1639	19 64733 0129866	x	No
214 Vista Charter Middle	1234	19 64733 0122739	x	No
215 Vista Horizon Global Academy	2043	19 64733 0139089	x	No
216 Vox Collegiate of Los Angeles	1917	19 64733 0137521	x	No
217 Wallis Annenberg High	0538	19 64733 0100750	x	No
218 Watts Learning Center	0131	19 64733 6114912	x	No
219 Watts Learning Center Charter Middle	1141	19 64733 0120527	x	No
220 WISH Academy High	1863	19 64733 0135632	x	No
221 WISH Community	1627	19 64733 0135921	x	No

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Supplementary Information

Year Ended June 30, 2024

(1) Statistical Data

The statistical data presented on pages 115-117 offers multi-year trend information and are provided to help the reader understand the District's significant local revenue sources as it relates to the District's overall financial health.

(2) Purpose of Schedules

(a) *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.

(b) *Schedule of Instructional Time Offered*

The District has received incentive funding for increasing instructional time as provided by the Incentive for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

(c) *Schedule of Financial Trends and Analysis*

This schedule focuses on financial trends by displaying past years' data along with current budget information and evaluates the District's ability to continue as a going concern for a reasonable period of time.

(d) *Reconciliation of Unaudited Actual Financial Reports with Audited Financial Statements*

This schedule provides the information necessary to reconcile the differences between fund balances reported on the unaudited actual financial reports and the audited financial statements.

(e) *Schedule of Charter Schools*

This schedule lists all charter schools chartered by the District, includes the charter school number, and indicates whether or not the charter school is included in the District's audit.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor or Pass-Through Entity ID Number	Passed Through to Subrecipients	Program Cluster Expenditures	Total Federal Expenditures
U.S. Department of Agriculture:					
Passed through California Department of Education:					
Specialty Crop Block Grant	10.170	21-0433-007-SF			\$ 27,109
Child Nutrition School Programs Breakfast	10.553	PCA13525/ PCA13526		\$ 109,270,037	
Child Nutrition School Programs Lunch	10.555	PCA13523/ PCA13524/ PCA13755		126,308,161	
Donated Food Commodities	10.555	Not Available		19,009,086	
Supply Chain Assistance for School Meals	10.555	PCA 15655		11,906,388	
Child Nutrition Seamless Summer Food Option	10.559	PCA13004		<u>15,641,478</u>	
Subtotal Expenditures – Child Nutrition Cluster					282,135,150
Child Nutrition Child Care Food Program (CCFP) Claims	10.558	PCA13529/ PCA13393/ PCA13394			<u>38,526,769</u>
Child Nutrition CCFP – Cash in Lieu of Commodities	10.558	PCA13534/ PCA13389			2,701,837
Subtotal Assistance Listing Number 10.558					<u>41,228,606</u>
Child Nutrition Team Nutrition Grants	10.574	PCA15332			3,672
Passed through California Department of Health Services:					
Forest Reserve	10.665	PCA10044		<u>29,472</u>	
Subtotal Expenditures – Forest Service Schools and Road Cluster					29,472
Subtotal Pass-Through Programs					<u>323,424,009</u>
Total U.S. Department of Agriculture					<u>323,424,009</u>
U.S. Department of Defense:					
Reserve Officer Training Corps Vitalization Act	12.unknown	Not Available			1,846,533
Startalk: Exploring Arabic Through Technology, Startalk - LAUSD	12.900	H98230-22-1-0126			96,133
Subtotal Direct Programs					<u>1,942,666</u>
Total U.S. Department of Defense					<u>1,942,666</u>
U.S. Department of Labor:					
Passed through Employment Development Department:					
Employment Development Department Trade Act: Trade Adjustment Assistance (TAA)	17.245	Various			73,202
Passed through City of Los Angeles:					
Workforce Innovation and Opportunity Act (WIOA) – Worksource Educational Partnership – Adult	17.258	Agreement T-7478		147,746	
WIOA Navigator - Youth Sources	17.259	Agreement T-7479		233,645	
WIOA – T-1 Youth Source System	17.259	C-144703		1,228,642	
Passed through Para Los Ninos:					
WIOA – Youth	17.259	C-143731-A		<u>83,852</u>	
Subtotal Expenditures – WIOA Cluster					1,693,885
Subtotal Pass-Through Programs					<u>1,767,087</u>
Total U.S. Department of Labor					<u>1,767,087</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor or Pass-Through Entity ID Number	Passed Through to Subrecipients	Program Cluster Expenditures	Total Federal Expenditures
Federal Communications Commission:					
COVID-19 – Emergency Connectivity Fund Program	32.009	Not Available			\$ 39,700,944
Subtotal Direct Program					39,700,944
Total Federal Communications Commission					39,700,944
U.S. Department of Education:					
Indian Education Formula Grants to Local Educational Agencies	84.060A	S060A230283			53,130
Mental Health Service Professional (MHSP) Demonstration Grant Program	84.184X	S184X230142			1,023,012
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP):					
GEAR-UP 4 LA	84.334A	P334A190002	\$ 524,363		2,850,802
GEAR-UP 4 LA	84.334A	P334A180081	903,704		4,585,548
GEAR-UP 4 LA	84.334A	P334A180080	1,025,671		4,256,914
Subtotal Assistance Listing Number 84.334A			2,453,738		11,693,264
Subtotal Direct Programs					12,769,406
Passed through California Department of Education:					
WIOA – Adult Basic Ed/ELA	84.002A	PCA14508			8,855,012
WIOA – Ad Ed & Fam Lit/EL – Civics	84.002A	PCA14109			4,259,481
WIOA – Adult Secondary Ed	84.002A	PCA13978			3,903,054
Subtotal Assistance Listing Number 84.002A					17,017,547
Every Student Succeeds Act (ESSA), Title I Part A. Basic ESSA, Comprehensive Support & Improvement (CSI)	84.010	PCA14329			386,921,156
Subtotal Assistance Listing Number 84.010	84.010	PCA15438	7,500		7,567,007
Subtotal Assistance Listing Number 84.010			7,500		394,488,163
Special Ed: Individual with Disabilities Education (IDEA) Basic Local Assistance Entitlement	84.027A	23-13379-64733-01		\$ 125,989,038	
Special Ed: IDEA Local Assistance, Private School Individual Service Plans	84.027	PCA10115		2,060,367	
Special Ed: IDEA Local Assistance, Part B, Sec. 611, Early Intervening Services	84.027	PCA10119		17,900,774	
COVID-19 – Special Ed: American Rescue Plan (ARP) IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	PCA15638		4,157,456	
COVID-19 – Special Ed: ARP IDEA Local Assistance, Private School Individual Service Plans	84.027	PCA10169		180,425	
Special Ed: IDEA Mental Health Allocation Plan	84.027A	23-15197-64733-01		6,120,947	
Special Ed: IDEA – Supporting Inclusive Practices, Part B – Sec 611	84.027A	PCA13693		68,494	
Special Ed: IDEA – Alternate Dispute Resolution, Part B – Sec 611	84.027A	PCA13007		54,387	
PreSchool Expansion – Staff Development	84.173A	PCA13431		26,331	
Special Ed: IDEA – Preschool Capacity Building, Part B – Sec 619 Embedded Instruction	84.173A	PCA13839		28,724	
IDEA Preschool Expansion Grant Part B, Sec 619	84.173	PCA13430		4,364,153	
Special Ed: IDEA – Part B, Sec 619; Preschool Grants Early Intervening Services	84.173	PCA10131		771,312	
COVID-19 – Special Ed: ARP IDEA – Part B, Sec 619; Preschool Grants	84.173X	PCA15639		126,663	
COVID-19 – Special Ed: ARP IDEA – Part B, Sec 619; Preschool Grants Early Intervening Services	84.173X	PCA10171		269,813	
Subtotal Expenditures – Special Education Cluster (IDEA)					162,118,884
Carl D. Perkins – Secondary Program, Sec 131	84.048	PCA14894			6,751,821
Carl D. Perkins – Vocational and Technical Education, Sec 132	84.048	PCA14893			792,964
Subtotal Assistance Listing Number 84.048					7,544,785
Special Ed-Grants for Infants and Families: Early Intervention Funds – Part C Education for Homeless Children & Youth	84.181	PCA23761			1,178,111
Twenty-first Century Learning Centers	84.196A	S196A210005			313,278
Twenty-first Century Learning Centers	84.287C	PCA14349/25632	944,031		5,345,151
Twenty-first Century Learning Centers	84.287C	PCA14535	7,306,176		8,893,029
Twenty-first Century Learning Centers	84.287C	PCA14603			590,843
Twenty-first Century Learning Centers	84.287C	PCA14765			418,026
Subtotal Assistance Listing Number 84.287C			8,250,207		15,247,049

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor or Pass-Through Entity ID Number	Passed Through to Subrecipients	Program Cluster Expenditures	Total Federal Expenditures
ESSA Title III, English Learner Student Program	84.365	PCA14346			\$ 18,700,873
Title III, Immigrant Student	84.365	PCA15146			63,674
Loyola Marymount University (LMU) Purposeful Engagement in Academic Rigor and Language Learning (PEARLL) Project	84.365Z	FED#T365Z210143/ C#21079A			201,697
Subtotal Assistance Listing Number 84.365/Z					<u>18,966,244</u>
ESSA Title II, Part A, Supporting Effective Instruction	84.367	PCA14341			34,027,587
ESSA Title IV, Part A, Student Support and Academic Enrichment Grant Program	84.424A	PCA15396			29,014,563
COVID-19 ARP Act - Homeless Children and Youth (ARP-HCY) Program	84.425	PCA15564			84,756
COVID-19 ARP-HCY II Program	84.425	PCA15566			5,421,217
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) II Fund	84.425D	PCA15547			2,175,642
COVID-19 ELO Grant GEER II	84.425C	PCA15619			1,589
COVID-19 ELO ESSER III Fund State Reserve Emergency Needs	84.425U	PCA15620			3,282,402
COVID-19 ELO ESSER III Fund State Reserve Learning Loss	84.425U	PCA15621			39,820,609
COVID 19 Coronavirus Aid, Relief, and Economic Security (CARES) Act ESSER Child Nutrition	84.425D	PCA15535			6,042
COVID-19 – Twenty-first Century Learning Centers Rate Increase ESSER III State Reserve After School Programs	84.425U	PCA15651	\$ 4,431,004		5,168,503
COVID-19 ARP Act ESSER III Fund	84.425U	PCA15559			636,896,122
COVID-19 ARP Act ESSER III Fund: Learning Loss	84.425U	PCA10155			213,270,178
Subtotal Assistance Listing Number 84.425C/D/U			<u>4,431,004</u>		<u>906,127,060</u>
Passed through Los Angeles County Office of Education:					
Title I – Migrant Ed – Regular	84.011	PCA14326			982,835
Title I – Migrant Ed – Summer	84.011	PCA10005			239,930
Title I – Migrant Ed – School Readiness	84.011	PCA10144			59,020
Subtotal Assistance Listing Number 84.011					<u>1,281,785</u>
Passed through California Department of Rehabilitation:					
We Can Work	84.126	Agreement 32032			584,950
Rehab – Transition Partnership Program/Trans Part-Greater LA	84.126	Agreement 32038			2,376,500
Subtotal Assistance Listing Number 84.126					<u>2,961,450</u>
Passed through Fresno County Superintendent of Schools:					
Education Innovation and Research (EIR) Program Mid-Phase Grants	84.411B	S-00015607			6,536
Passed through Digital Education Project:					
American History and Civics Education National Activities (AHC-NA)	84.422B	Not Available			18,954
Subtotal Pass-Through Programs					<u>1,590,311,996</u>
Total U.S. Department of Education					<u>1,603,081,402</u>
U.S. Department of Health and Human Services:					
CDCP-School Based HIV/STD Prevention	93.079	5NU87PS004357-04-00; 6NU87PS004357-04-01; 5NU87PS004357-03-00; 5NU87PS004357-05-00; '6 NU87PS004357-05-02			545,573
Subtotal Direct Programs					<u>545,573</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor or Pass-Through Entity ID Number	Passed Through to Subrecipients	Program Cluster Expenditures	Total Federal Expenditures
Passed through County of Los Angeles:					
Student 360 Health Heluna	93.354	1 NU90TP922183-01			\$ 606,729
Child Health Outreach Initiative – Whole Person Care	93.778	PH-002507-19			958
Children's Health Outreach Enrollment, Utilization, and Retention Services	93.778	PH-004987			202,570
Subtotal Assistance Listing Number 93.778					<u>203,528</u>
Maternal, Infant, and Early Childhood Home Visiting Program	93.870	PH-003967			1,047,146
Passed through California Department of Social Services:					
California Department of Social Services Refugee Program Bureau	93.566	RSI22 A-1& RSIG18LA A-2			270,303
Passed through California Department of Education:					
General Child Care Center – Block Grant	93.575	PCA15136		\$ 920,821	
COVID-19 ARP California State Preschool Program One-Time Stipend	93.575	PCA15640		3,107,433	
CCTR Programs administered by California Department of Social Services	93.575	PCA15554/15641		3,792,920	
General Child Care Center – Child Care Mandatory & Matching Fund of the Child Care and Development Fund	93.596	PCA13609		10,168,645	
Subtotal Expenditures – Child Care Development Fund (CCDF) Cluster					<u>17,989,819</u>
Passed through Baldwin Park Unified School District:					
Early Head Start	93.600	PCA15291		257,872	
Subtotal Expenditures – Head Start Cluster					<u>257,872</u>
Passed through Los Angeles County Office of Education:					
ARRA – State Grants to Promote Health Information Technology	93.719	Not Available			62,184
Subtotal Pass-Through Programs					<u>20,437,581</u>
Total U.S. Department of Health and Human Services					<u>20,983,154</u>
U.S. Department of Homeland Security:					
Passed through California Governor's Office of Emergency Services:					
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	4683-DR & 4699-DR			142,591
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PCA10014			1,443
Disaster Grants-Public Assistance (Presidentially Declared Disasters) Testing and Vaccination	97.036	FEMA-4482-DR-CA			483,779,158
Subtotal Assistance Listing Number 97.036					<u>483,923,192</u>
Hazard Mitigation Grant Program	97.039	DR4344- PJ0151/PJ0185& DR4610-PL0568			607,358
Subtotal Pass-Through Programs					<u>484,530,550</u>
Total U.S. Department of Homeland Security					<u>484,530,550</u>
Total Expenditures of Federal Awards			<u>\$ 15,142,449</u>	<u>\$ 464,225,082</u>	<u>\$ 2,475,429,812</u>

LOS ANGELES UNIFIED SCHOOL DISTRICT
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

(1) General

The accompanying schedule of expenditures of federal awards (Schedule) presents the expenditures of all federal financial assistance programs of the Los Angeles Unified School District (District). The District’s reporting entity is defined in the notes to the District’s basic financial statements. The information in this Schedule is presented in accordance with the 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).

(2) Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting, as described in Note 1 of the notes to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District’s basic financial statements but agrees in all material respects.

(3) Indirect Cost Rate

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

(4) Noncash Assistance

Included in the Schedule is (Assistance Listing (AL) #10.555) \$19,009,086 of donated food commodities received from the U.S. Department of Agriculture, passed-through California Department of Education, during the year ended June 30, 2024.

(5) U.S. Department of Homeland Security - Disaster Grants - Public Assistance (Presidentially Declared Disasters) (AL #97.036)

The District incurred eligible expenditures for its COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters) Testing and Vaccination Program during fiscal years 2019-20 through 2022-23. In fiscal year 2023-24, the California Governor’s Office of Emergency Services approved the District’s project worksheets. The breakdown of the \$483,779,158 in expenditures reporting on the Schedule by fiscal year is as follows:

Fiscal Year	FEMA-4482-DR-CA
2019-20	\$ 822,256
2020-21	41,224,801
2021-22	419,622,296
2022-23	22,109,805
	\$ 483,779,158

LOS ANGELES UNIFIED SCHOOL DISTRICT
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

**(6) Federal Communications Commission – COVID-19-Emergency Connectivity Fund Program (ECF)
(AL #32.009)**

Of the total \$39,700,944 reported for ECF, \$5,581,843 is related to the expenditure incurred in fiscal year 2021-22, while the remaining amount was incurred within the fiscal year 2023-24.

OTHER INFORMATION

LOS ANGELES UNIFIED SCHOOL DISTRICT

Organization Structure

Year Ended June 30, 2024

(Unaudited)

Geographical Location: The Los Angeles Unified School District is a political subdivision of the State of California. It is located in the western section of Los Angeles County and includes most of the City of Los Angeles, all the Cities of Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon, and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Carson, Commerce, Cudahy, Culver City, Hawthorne, Inglewood, Long Beach, Los Angeles, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Santa Clarita, South Gate, and Torrance, in addition to considerable unincorporated territories devoted to homes and industry. The District did not have any changes in its school boundaries in FY2024.

Geographical Area: 710 square miles

Administrative Offices: 333 South Beaudry Avenue, Los Angeles, CA 90017

Form of Government: The District is governed by a seven-member Board of Education elected by voters within the district to serve alternating five-year terms. The term was extended in 2015 by Charter Amendment 2.

Name	Board District	Expiration of Term
Scott Schmerelson, President	3	December 9, 2029
Dr. Rocio Rivas, Vice President	2	December 11, 2027
Sherlett Hendy Newbill	1	December 9, 2029
Nick Melvoin	4	December 11, 2027
Karla Griego	5	December 9, 2029
Kelly Gonez	6	December 11, 2027
Tanya Ortiz Franklin	7	December 9, 2029

Name	Title
Albert M. Carvalho	Superintendent of Schools
Pedro Salcido	Deputy Superintendent, Business Services & Operations
Karla Estrada	Deputy Superintendent, Instruction
Kristen Murphy	Associate Superintendent, Talent & Labor Relations
Carolyn Spaht Gonzalez	Chief of Staff
Veronica Arreguin	Chief Strategy Officer
Martha Alvarez	Chief Legal Affairs & Government Relations Officer
Shannon Coppa	Chief Communication, Engagement & Collaboration Officer
David Greco	Classified Personnel Director
Frank Serrato	Chief Human Resources Officer
Robert Samples	Labor Relations Director
Frances Baez	Chief Academic Officer
Anthony Aguilar	Chief of Special Education, Equity and Access
Robert Whitman	Educational Transformation Officer
Pia Sadaqatmal	Chief of Transitional Programs
Christopher Mount-Benites	Chief Financial Officer
Nolberto Delgadillo	Deputy Chief Financial Officer
Soheil Katal	Chief Information Officer
Smita Malhotra	Chief Medical Director
Aaron Piszczewicz	Chief of Police
Andres Chait	Chief School Operations Officer
Kristina Tokes	Chief Facilities Executive
Jaime Torrens	Senior Advisor to the Superintendent
Devora Navera-Reed	General Counsel

LOS ANGELES UNIFIED SCHOOL DISTRICT

Organization Structure

Year Ended June 30, 2024

(Unaudited)

Date of Establishment: 1854 as the Common Schools for the City of Los Angeles and became a unified school district in 1960.

Fiscal Year: July 1 – June 30

Number of Schools:	(As of October)	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Elementary Schools		438	436	434	435
Middle/Junior High Schools		78	78	78	78
Senior High Schools		89	87	87	87
Options Schools		54	53	59	59
Special Education Schools		13	13	12	12
Magnet Schools		65	66	67	67
Magnet Centers		245	255	262	264
Community Adult Schools		1	1	2	2
Regional Occupational Centers		7	7	7	7
Skills Centers		2	2	2	2
Early Education Centers		87	87	87	87
Infant Centers		4	4	4	4
California State Preschools		89	89	89	81
Primary School Centers		18	18	18	18
Multi-level Schools		28	28	30	29
Total Schools and Centers		<u>1,218</u>	<u>1,224</u>	<u>1,238</u>	<u>1,232</u>
Independent Charter Schools		<u>229</u>	<u>227</u>	<u>224</u>	<u>221</u>

See accompanying independent auditor's report.

OTHER INDEPENDENT AUDITOR REPORTS



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor’s 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

To The Honorable Board of Education
Los Angeles Unified School District

We have audited, in accordance with the 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 the **Los Angeles Unified School District** (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 16, 2024.

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 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 entity’s 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2024-001 that we consider to be a significant deficiency.

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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the 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 other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
December 16, 2024



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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To The Honorable Board of Education
Los Angeles Unified School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Los Angeles 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, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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 Auditor's 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.

Auditor's 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 Auditor's 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.

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
December 16, 2024



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Independent Auditor's Report on State Compliance and on Internal Control over Compliance

To The Honorable Board of Education
Los Angeles Unified School District

Report on Compliance

Opinion

We have audited the **Los Angeles Unified School District's** (the District) compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the Los Angeles Unified School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion

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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's 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 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 opinion. 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 Los Angeles Unified School District's state programs.





Auditor’s 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 *2023-24 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 a 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 the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 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 consider 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 *2023-24 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
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

2023-24 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other than Charter Schools:	
A. Attendance	<u>Yes</u>
B. Teacher Certification and Misassignments	<u>Yes</u>
C. Kindergarten Continuance	<u>Yes</u>
D. Independent Study	<u>Yes</u>
E. Continuation Education	<u>Yes</u>
F. Instructional Time	<u>Yes</u>
G. Instructional Materials	<u>Yes</u>
H. Ratio of Administrative Employees to Teachers	<u>Yes</u>
I. Classroom Teacher Salaries	<u>Yes</u>
J. Early Retirement Incentive	<u>N/A (1)</u>
K. Gann Limit Calculation	<u>Yes</u>



2023-24 K-12 Audit Guide Procedures	Procedures Performed
L. School Accountability Report Card	<u>Yes</u>
M. Juvenile Court Schools	<u>N/A (2)</u>
N. Middle or Early College High Schools	<u>Yes</u>
O. K-3 Grade Span Adjustment	<u>Yes</u>
Q. Apprenticeship: Related and Supplemental Instruction	<u>Yes</u>
R. Comprehensive School Safety Plan	<u>Yes</u>
S. District of Choice	<u>N/A (3)</u>
TT. Home to School Transportation Reimbursement	<u>Yes</u>
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	<u>Yes</u>
U. After/Before School Education and Safety Program	<u>Yes</u>
V. Proper Expenditure of Education Protection Account Funds	<u>Yes</u>
W. Unduplicated Local Control Funding Formula Pupil Counts	<u>Yes</u>
X. Local Control and Accountability Plan	<u>Yes</u>
Y. Independent Study-Course Based	<u>N/A (4)</u>
Z. Immunizations	<u>Yes</u>
AZ. Educator Effectiveness	<u>Yes</u>
BZ. Expanded Learning Opportunity Grant (ELO-G)	<u>Yes</u>
CZ. Career Technical Education Incentive Grant	<u>Yes</u>
DZ. Expanded Learning Opportunity Program (ELO-P)	<u>Yes</u>
EZ. Transitional Kindergarten	<u>Yes</u>
Charter Schools:	
AA. Attendance	<u>Yes</u>
BB. Mode of Instruction	<u>Yes</u>
CC. Nonclassroom-Based Instruction/Independent Study	<u>No (5)</u>
DD. Determination of Funding for Nonclassroom-Based Instruction	<u>No (5)</u>
EE. Annual Instructional Minutes – Classroom Based	<u>Yes</u>
FF. Charter School Facility Grant Program	<u>N/A (6)</u>
(1) We did not perform any procedures related to the Early Retirement Incentive Program because the District did not offer early retirement incentives during the fiscal year.	
(2) We did not perform any procedures related to Juvenile Court Schools because the District does not offer this program.	
(3) The District’s Board of Education did not elect to operate as a school District of Choice.	
(4) The District does not have any Independent Study-Course Based Programs; therefore, we did not perform any testing related to this requirement.	
(5) The District’s Average Daily Attendance generated from Nonclassroom-Based Instruction/Independent Study for Charter Schools fell under the materiality level stipulated in the <i>2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting</i> ; therefore, we did not perform any testing related to this requirement.	
(6) The District’s charter schools did not receive Charter School Facility Grant Program funding; therefore, we did not perform any testing related to this requirement.	



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 described in the accompanying Schedule of Findings and Questioned Costs as items S-2024-001 through S-2024-013. 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 requirement 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 Auditor's 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 the District's 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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
December 16, 2024

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements? No

Federal Awards

Internal control deficiencies over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Identification of major programs and type of auditor’s report issued on compliance for each major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>	<u>Opinion</u>
84.010	U.S. Department of Education – Title I Grants to Local Educational Agencies	Unmodified
84.027A, 84.173A/X	U.S. Department of Education – COVID-19 Special Education Cluster (IDEA)	Unmodified
84.287C	U.S. Department of Education – Twenty-First Century Community Learning Centers	Unmodified
84.365Z	U.S. Department of Education – English Language Acquisition State Grants	Unmodified
84.367	U.S. Department of Education – Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Unmodified
84.425C/D/U	U.S. Department of Education – COVID-19 Education Stabilization Fund	Unmodified
93.575, 93.596	U.S. Department of Health and Human Services – Child Care Development Fund (CCDF) Cluster	Unmodified

LOS ANGELES UNIFIED SCHOOL DISTRICT

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<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>	<u>Opinion</u>
•	Any audit findings disclosed which are required to be reported in accordance with 2 CFR 200.516(a):	No
•	Dollar threshold used to distinguish between type A and type B programs:	\$7,426,289
•	Auditee qualified as low risk auditee	No
State Awards		
	Type of auditor's report issued on compliance for state programs:	Unmodified

LOS ANGELES UNIFIED SCHOOL DISTRICT

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Section II – Finding(s) Relating to the Basic Financial Statements which is Required to be Reported in Accordance with Government Auditing Standards

Finding – FS-2024-001 Vulnerability Management (Significant Deficiency)

State Audit Guide Finding Code: 30000

Criteria

Scanning for and managing inventory, patch, and configuration issues are security practices designed to proactively identify and remediate technical vulnerabilities and weaknesses in information systems. Proactively managing and remediating vulnerabilities reduces, or eliminates, the potential of exploitation and involves considerably less time and effort than responding after exploitation has occurred.

- NIST SP 800-53 Revision 5, “Security and Privacy Controls for Federal Information Systems and Organizations, RA-5 (Vulnerability Monitoring and Scanning)”:

Remediate legitimate vulnerabilities in accordance with an organizational assessment of risk.

- ISO27001 Standard; A.12.6 “Technical Vulnerability Management”:

Information on technological vulnerabilities of information systems used should be obtained in a timely manner, the exposure of the organization to such vulnerabilities should be assessed and appropriate measures taken to address the risk involved.

- LAUSD Vulnerability Management Policy - BUL-129101: Section IV. Critical Vulnerabilities:

Critical security patches may be performed outside the default or customized maintenance schedule and must be installed as soon as reasonably possible, but no later than 30 days after discovery unless approved by the Director of IT Security.

SAP Vulnerability

Condition

Our review of SAP network server vulnerability scan reports for the period of July 2023 – September 2023 revealed 1 (one) “High” severity vulnerability that remained outstanding or not remediated throughout this 3 (three) month period.

Cause and Effect

It has been represented to us that the vulnerability identified was related to the Oracle JDK used by BMC software, Control-M. ITS follows BMC's recommendations when updating the JDK, which contributed to a longer resolution time.

The lack of proactively managing and timely remediating vulnerabilities increases the risk of potential exploitation. In addition, untimely patching and fixing configuration issues can adversely impact the availability, confidentiality, and integrity of LAUSD information resources.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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Recommendation

We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

View of Responsible Officials and Corrective Action Plan

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

We have identified no known exploits available for this vulnerability. The vulnerability identified was related to the Oracle JDK used by BMC software, Control-M. We follow BMC's recommendations when updating the JDK, which contributed to a longer resolution time. However, the vulnerability was resolved in the subsequent patch cycle.

Corrective Action

In September 2024 ITS implemented a Risk Assessment Standard Operating Procedure (SOP) to address critical vulnerabilities that cannot be patched within 30 days. The SOP requires a risk assessment which lists compensating controls to reduce the risk and logs the risk in a risk register for ongoing monitoring until the risk is remediated.

The following compensating controls were implemented to mitigate this vulnerability:

- Flagged servers with SOC for critical monitoring began December 2022.
- EDR to detect, prevent, and respond to malware and unauthorized access was implemented in September 2022.
- Next generation firewalls providing deep packet inspection, intrusion prevention, application layer controls, and SIEM integration were implemented in September 2022.
- SAP not accessible outside the firewall without limited VPN access was implemented in September 2022.

Target Completion: Completed 9/30/2024

Name: Douglas Le

Title/Division: Senior ERP Director Business Systems/Information Technology Services (ITS)

Telephone: 213.241.1586

LOS ANGELES UNIFIED SCHOOL DISTRICT

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MiSiS Vulnerability

Condition

Our review of MISIS network server vulnerability scan reports for the period of July 2023 – September 2023 revealed seven (7) “Critical” severity vulnerabilities and 145 “High” severity level vulnerabilities remained outstanding or not remediated throughout this three (3) month period.

Cause and Effect

The lack of proactively managing and timely remediating vulnerabilities increases the risk of potential exploitation. In addition, untimely patching and fixing configuration issues can adversely impact the availability, confidentiality, and integrity of LAUSD information resources.

This risk is increased for systems that contain individual student data.

Recommendation

We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

View of Responsible Officials and Corrective Action Plan

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Two (2) of the critical vulnerabilities identified had known exploits. All the findings from the previous vulnerabilities report have been resolved.

Corrective Action

In September 2024 ITS implemented a Risk Assessment Standard Operating Procedure (SOP) to address critical vulnerabilities that cannot be patched within 30 days. The SOP requires a risk assessment which lists compensating controls to reduce the risk and logs the risk in a risk register for ongoing monitoring until the risk is remediated.

The following compensating controls were implemented to mitigate this vulnerability:

- Flagged servers with SOC for critical monitoring began December 2022.
- EDR to detect, prevent, and respond to malware and unauthorized access was implemented in September 2022.
- Next generation firewalls providing deep packet inspection, intrusion prevention, application layer controls, and SIEM integration were implemented in September 2022.
- MISIS not accessible outside the firewall without limited VPN access was implemented in September 2022.

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Target Completion: Completed 9/30/2024.

Name: Douglas Le

Title/Division: Senior ERP Director Business Systems/ITS

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CMS Vulnerability

Condition

Our review of CMS network server vulnerability scan reports for the period of July 2023 – September 2023 revealed 27 “Critical” severity level vulnerabilities and 133 “High” severity level vulnerabilities that remained outstanding or not remediated throughout this three (3) month period.

We also noted that one (1) critical severity level CMS server vulnerability that remained outstanding for another three-month period, i.e., from October 2023 – December 2023)

Cause and Effect

July 2023 – September 2023 Vulnerabilities: IT was represented to us by ITS that due to resource constraints, ITS faced challenges in adhering to our established patching cycle during this period, which resulted in a delay in addressing these vulnerabilities.

October 2023 – December 2023 Vulnerabilities: IT was represented to us by ITS that to patch the SSL vulnerability, the server needed to be upgraded to a compatible version of Red Hat Enterprise Linux (RHEL) that supports the latest TLS protocols. The delay in upgrading was due to the need for thorough planning, testing, and coordination to ensure compatibility with our existing systems and applications.

The lack of proactively managing and timely remediating vulnerabilities increases the risk of potential exploitation. In addition, untimely patching and fixing configuration issues can adversely impact the availability, confidentiality, and integrity of LAUSD information resources.

Recommendation

We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

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View of Responsible Officials and Corrective Action Plan

July 2023 – September 2023 Vulnerabilities

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

15 of the critical vulnerabilities identified had known exploits. Due to resource constraints, we faced challenges in adhering to our established patching cycle during this period, which resulted in a delay in addressing these vulnerabilities. However, by the September patch cycle, all identified vulnerabilities were remediated.

Compensating Controls

The following compensating controls were implemented to mitigate this vulnerability:

- Flagged servers with SOC for critical monitoring began December 2022.
- EDR to detect, prevent, and respond to malware and unauthorized access was implemented in September 2022.
- Next generation firewalls providing deep packet inspection, intrusion prevention, application layer controls, and SIEM integration were implemented in September 2022.
- CMS not accessible outside the firewall without limited VPN access was implemented in September 2022.

Corrective Action

Onboard vendor to alleviate resource constraints. ITS solicited and received Board approval in April 2024 for Data Center Patch Management Services. Onboarding of the managed service provider for Data Center Patch Management Services commenced after Board Approval.

Target Completion: Completed 4/30/2024

October 2023 – December 2023 Vulnerabilities

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Vulnerability relates to the use of deprecated encryption protocol.

To patch the SSL vulnerability, the server needed to be upgraded to a compatible version of Red Hat Enterprise Linux (RHEL) that supports the latest TLS protocols. The delay in upgrading was due to the need for thorough planning, testing, and coordination to ensure compatibility with our existing systems and applications. Since upgrading the operating system involves careful assessment to avoid potential impacts and disruptions, this resulted in a longer time to apply the patch. The identified vulnerability was resolved in the subsequent patch cycle.

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Corrective Action

In September 2024 ITS implemented a Risk Assessment Standard Operating Procedure (SOP) to address critical vulnerabilities that cannot be patched within 30 days. The SOP requires a risk assessment which lists compensating controls to reduce the risk and logs the risk in a risk register for ongoing monitoring until the risk is remediated.

The following compensating controls were implemented to mitigate this vulnerability:

- Flagged servers with SOC for critical monitoring began December 2022.
- EDR to detect, prevent, and respond to malware and unauthorized access was implemented in September 2022.
- Next generation firewalls providing deep packet inspection, intrusion prevention, application layer controls, and SIEM integration were implemented in September 2022.
- SAP not accessible outside the firewall without limited VPN access was implemented in September 2022.

Target Completion: Completed 9/30/2024

Name: Douglas Le

Title/Division: Senior ERP Director Business Systems/ITS

Telephone: 213.241.1586

Welligent Vulnerability

Condition

Our review of Welligent network vulnerability scan reports for the period of July 2023 – September 2023 revealed one (1) “Critical” severity level vulnerabilities and nine (9) “High” severity level vulnerabilities that remained outstanding or not remediated throughout this three (3) month period.

Cause and Effect

ITS represented to us that Red Hat and Oracle are not always in alignment with Tenable scans. Red Hat and Oracle do not have a fixed timeline for releasing patches and often, the patches for vulnerabilities discovered by Tenable are not available.

The lack of proactively managing and timely remediating vulnerabilities increases the risk of potential exploitation. In addition, untimely patching and fixing configuration issues can adversely impact the availability, confidentiality, and integrity of LAUSD information resources.

This risk is increased for systems that contain sensitive student data to include Individualized Education Programs (IEP) in some instances containing student PHI (Personal Health Information).

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Recommendation

We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

View of Responsible Officials and Corrective Action Plan

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Critical vulnerability relates to log4j vulnerability.

The ITS Welligent team practices monthly OS and DBA security vulnerability patching. For each patching event, ITS Operating System (OS) Administrators and Database (DB) Administrators team apply the latest patches that are available at that time. The reason why the (1) critical and nine (9) high severity vulnerabilities appear outstanding even though monthly patching activities have occurred is that Red Hat and Oracle are not always in alignment with Tenable scans. Red Hat and Oracle do not have a fixed timeline for releasing patches and often, the patches for vulnerabilities discovered by Tenable are not available. For each patching event, OS/DBA team confirms that Welligent servers are up to date with patches.

Out of the 10 noted vulnerabilities, 9 were cleared by October 16, 2023, and the last was cleared by December 20, 2023.

Corrective Action

Beginning April 2024, the ITS Welligent team began submitting Security Exception Requests to the ITS Security Team for vulnerabilities that were discovered by Tenable but without a patch available by Red Hat/Oracle.

In September 2024 ITS implemented a Risk Assessment Standard Operating Procedure (SOP) to address critical vulnerabilities that cannot be patched within 30 days. The SOP requires a risk assessment which lists compensating controls to reduce the risk and logs the risk in a risk register for ongoing monitoring until the risk is remediated.

The following compensating controls were implemented to mitigate this vulnerability:

- Flagged servers with SOC for critical monitoring began December 2022.
- EDR to detect, prevent, and respond to malware and unauthorized access was implemented in September 2022.
- Next generation firewalls providing deep packet inspection, intrusion prevention, application layer controls, and SIEM integration were implemented in September 2022.
- Welligent not accessible outside the firewall without limited VPN access was implemented in September 2022.

Target Completion: Completed 9/30/2024.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

Name: Douglas Le
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Maximo Vulnerability

Condition

Our review of Maximo network vulnerability scan reports for the period of October 2023 – December 2023 revealed 11 “Critical” severity level vulnerabilities and 22 “High” severity level vulnerabilities that remained outstanding or not remediated throughout this three (3) month period.

Cause and Effect

ITS represented to us that Maximo is an IBM supported product and timing of patching their software depends on IBM’s release schedule.

The lack of proactively managing and timely remediating vulnerabilities increases the risk of potential exploitation. In addition, untimely patching and fixing configuration issues can adversely impact the availability, confidentiality, and integrity of LAUSD information resources.

Recommendation

We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

View of Responsible Officials and Corrective Action Plan

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Same critical vulnerability on 11 servers has known exploit.

The issues noted have been addressed and patches to address new vulnerabilities are applied when they become available. MAXIMO is an IBM supported product and timing of patching their software depends on IBM’s release schedule. The latest security scan from Aug 26, 2024 doesn’t reveal any critical vulnerabilities.

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Corrective Action

In September 2024 ITS implemented a Risk Assessment Standard Operating Procedure (SOP) to address critical vulnerabilities that cannot be patched within 30 days. The SOP requires a risk assessment which lists compensating controls to reduce the risk and logs the risk in a risk register for ongoing monitoring until the risk is remediated.

The following compensating controls were implemented to mitigate this vulnerability:

- Flagged servers with SOC for critical monitoring began December 2022.
- EDR to detect, prevent, and respond to malware and unauthorized access was implemented in September 2022.
- Next generation firewalls providing deep packet inspection, intrusion prevention, application layer controls, and SIEM integration were implemented in September 2022.
- Maximo not accessible outside the firewall without limited VPN access was implemented in September 2022.

Target Completion: Completed 9/30/2024

Name: Douglas Le

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Application Code Vulnerability Management

Criteria

Application-level scanning tools are designed to interrogate application code to identify bugs, errors, and security flaws within the code of an application system. Such code scanners identify vulnerabilities impacting the safety of an application that can leave it open to a cyberattack. Accordingly, scanning for code level vulnerabilities is an essential component to an organization's vulnerability management program. Proactively managing and remediating vulnerabilities reduces, or can eliminate, the potential of exploitation and involves considerably less time and effort than responding after exploitation has occurred.

- NIST SP 800-53 Revision 5, "Security and Privacy Controls for Federal Information Systems and Organizations, RA-5 (Vulnerability Monitoring and Scanning)":
Remediate legitimate vulnerabilities in accordance with an organizational assessment of risk.
- ISO27001 Standard; A.12.6 "Technical Vulnerability Management":
Information on technological vulnerabilities of information systems used should be obtained in a timely manner, the exposure of the organization to such vulnerabilities should be assessed and appropriate measures taken to address the risk involved.
- LAUSD Vulnerability Management Policy - BUL-129101: Section IV. Critical Vulnerabilities:
*Critical security patches may be performed outside the default or customized maintenance schedule and must be installed as soon as reasonably possible, but no later than **30 days after discovery** unless approved by the Director of IT Security.*

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Condition

Unavailable Application Code Vulnerability Scan Reports

Application code vulnerability scan results reports could not be provided by ITS for the following (in-scope) accounting applications and corresponding periods during the year under audit (FY 2024):

▪ SAP (Onapsis)	October 2023 – January 2024
▪ CMS	July 2023 to June 2024
▪ Welligent (Veracode)	July 2023 to November 2023
▪ Colin	July 2023 to June 2024
▪ Maximo	July 2023 to June 2024

October 2023 – January 2024 was the period SAP servers resided under ITS operational control.

Unresolved Application Code Vulnerabilities

Our review of MISIS application code vulnerabilities scan reports for the period of July 2023 through June 2024 revealed that two (2) Very High (critical) and four (4) High level application code vulnerabilities (flaws) remained outstanding on two (2) consecutive monthly Veracode (application code) scan reports dated as of July 23, 2024 and August 27, 2024 respectively. When we requested the June 2023 Veracode scan report to determine when the vulnerabilities/flaws occurred, ITS informed us that the report was unavailable as the application code scan process was not automated until July 2023. However, the two (2) Very High (critical) remained outstanding for more than 30 days after discovery by ITS.

Cause and Effect

- During October 2023 – January 2024, ITS was engaged in the SAP migration from on-premises to the cloud service provider resulting in the Onapsis tool, which was installed on the decommissioned servers, not being run for the requested period.
- We were informed by ITS management that Maximo and CMS are supported by a vendor (e.g., IBM for Maximo) and the source code is not available to scan for application code vulnerabilities. Also, a static code scan of Maximo and CMS object code using a tool like Veracode, would require the vendor to grant the District access to their respective proprietary code. The District currently does not have such access approval.
- Welligent scan reports were not archived from July 2023 to November 2023.
- Colin do not have available source code scanning tools.

Recommendation

We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

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View of Responsible Officials and Corrective Action Plan

MISIS Application Code

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Risk of deploying code changes during the School Opening Freeze ranked higher than code vulnerabilities.

Both Critical and High Vulnerabilities were addressed in September 2023. Those vulnerabilities were not resolved in the August 2023 Veracode production scanning report due to the ITS School Opening code freeze policy.

Corrective Action

In September 2024 ITS implemented a Risk Assessment Standard Operating Procedure (SOP) to address critical vulnerabilities that cannot be patched within 30 days. The SOP requires a risk assessment which lists compensating controls to reduce the risk and logs the risk in a risk register for ongoing monitoring until the risk is remediated.

The following compensating controls were implemented to mitigate this vulnerability:

- Flagged servers with SOC for critical monitoring began December 2022.
- EDR to detect, prevent, and respond to malware and unauthorized access was implemented in September 2022.
- Next generation firewalls providing deep packet inspection, intrusion prevention, application layer controls, and SIEM integration were implemented in September 2022.
- MISIS not accessible outside the firewall without limited VPN access was implemented in September 2022.

Target completion: Completed 9/30/2024

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LOS ANGELES UNIFIED SCHOOL DISTRICT

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MAXIMO Application Code

Not Applicable.

MAXIMO is an off-the-shelf product no source code scan is available.

Following industry practices where vendors retain source code for off-the-shelf products, we rely on vendor contracts and license agreements for security compliance.

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COLIN Application Code

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

COLIN production source code is currently not being scanned for vulnerabilities.

Compensating Controls

The following compensating controls were implemented to mitigate this vulnerability:

- Flagged servers with SOC for critical monitoring began December 2022.
- EDR to detect, prevent, and respond to malware and unauthorized access was implemented in September 2022.
- Next generation firewalls providing deep packet inspection, intrusion prevention, application layer controls, and SIEM integration was implemented in September 2022.
- COLIN not accessible outside the firewall without limited VPN access.

Corrective Action

Evaluate if COLIN source code can be scanned with existing tools, and begin regular code scans if capable.

Target Completion: 6/30/2025

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LOS ANGELES UNIFIED SCHOOL DISTRICT

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CMS Application Code

Not applicable. CMS is an off-the-shelf product, and no source code scan is available.

Following industry practices where vendors retain source code for off-the-shelf products, we rely on vendor contracts and license agreements for security compliance.

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Welligent Application Code

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Welligent is third-party software supported by Continuum Cloud, which owns the risk of ensuring its code is secure.

Compensating Controls

The following compensating controls were implemented to mitigate this vulnerability:

- Flagged servers with SOC for critical monitoring began December 2022.
- EDR to detect, prevent, and respond to malware and unauthorized access was implemented in September 2022.
- Next generation firewalls providing deep packet inspection, intrusion prevention, application layer controls, and SIEM integration was implemented in September 2022.
- Welligent not accessible outside the firewall without limited VPN access was implemented in September 2022.

Welligent has performed Veracode scans monthly since 2022, however, only reports from December 2023-Present were archived. Those reports were provided.

Corrective Action

Welligent is moving to the cloud and its code will be wholly owned by vendor.

Target Completion: 12/31/2024

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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

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SAP Application Code

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Minimal risk as on-premises (on-prem) servers have been decommissioned.

During the specified period, the District was in the process of migrating our database from on-prem to the cloud. After the successful migration, the on-prem servers were decommissioned, and consequently, the SAP Onapsis tool, which was installed on those servers, could not be run for the requested duration (period).

Compensating Controls

The following compensating controls were implemented to mitigate this vulnerability:

1. Onapsis was installed and monitoring on prem servers before decommissioning. Onapsis is protecting SAP systems since 6/29/2020. During the Audit period i.e. from July 2023 through Dec 2023 Onapsis was active for on-prem systems.
2. On prem servers have been decommissioned since 3/12/2024.
3. Onapsis has been installed and is in use for SAP's cloud environment since on 3/14/2024

Corrective Action

Onapsis scan reports from our cloud servers can be provided from the point of migration to the present date. These reports can be generated using the same tool in our current cloud environment and reflect the application scans moving forward.

Target completion: Completed 3/31/2024

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LOS ANGELES UNIFIED SCHOOL DISTRICT

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Section III – Findings and Questioned Costs Relating to Federal Awards

No matters were reported.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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Section IV – Findings and Questioned Costs Relating to State Awards

S-2024-001 – Regular and Special Day Classes – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- 7th Street Elementary Arts Integration Magnet
- Balboa Elementary Gifted/Highly Gifted/High Ability Magnet
- Benjamin Banneker Career and Transition Center
- Bret Harte Preparatory Middle School
- Burton Street Elementary
- Caroldale Learning Community
- Century Park Elementary
- Cesar E Chavez Learning Academy - Academy of Sci Exploration
- Compton Avenue Elementary
- Daniel Pearl Senior High Journalism & Communications Magnet
- Danube Avenue Elementary
- Diane S Leichman Career Preparatory and Transition Center
- Dr James Edward Jones Primary Center
- Dyer Street Elementary
- Elizabeth LC DL Two-Way Im Arabic
- Elizabeth Learning Center
- Fairburn Avenue Elementary
- Garvanza Elementary Technology/Leadership Magnet
- Glenwood Elementary
- Grape Street Elementary
- Halldale Elementary
- Hancock Park Elementary
- Haskell Elementary STEAM Magnet
- Horace Mann UCLA Community School
- Lanai Road Elementary
- Lankershim Elementary
- Legacy Senior High Sci Tech Engineering Arts Math
- Leo Politi Elementary
- Liberty Boulevard Elementary
- Lillian Street Elementary
- Los Angeles Senior High STEAM Magnet
- Los Feliz Science/Tech/Engineer/Math/Medicine Magnet
- Loyola Village Elementary Fine/Performing Arts Magnet
- Mark Twain Middle School
- Mark Twain Middle School World Languages Magnet
- Narbonne SH-Humanities & Arts (HArts) Academy of Los Angeles

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- Orthopaedic Hospital Senior High Medical Magnet
- Oxnard Street Elementary
- Panorama City Elementary
- RFK Comm Schls - New Open World Academy K-12
- Rowan Avenue Elementary
- Samuel Gompers MS University Pathways Medical Magnet Academy
- Sharp Avenue Elementary
- Sierra Park Elementary
- Sylvan Park Elementary
- Theodore Roosevelt Senior High
- Thomas Bradley Global Awareness Magnet
- Toland Way Elementary
- Virgil Middle School
- Walnut Park Middle School - Sci Tech Eng and Math Academy
- Wilmington Middle School STEAM Magnet
- Young Empowered Scholars Academy

Criteria

California Education Code, Section 46300(a) – In computing average daily attendance of a school district or county office of education, there shall be included the attendance of pupils while engaged in educational activities required of those pupils under the immediate supervision and control of an employee of the district or county office who possessed a valid certification document, registered as required by law.

Condition, Cause and Effect

For our sample of 135 schools, we obtained the Student Monthly Attendance Summary Reports (SMASRs) for a sample of teachers for school month two (2). SMASRs are system-generated reports from the District's My Integrated Student Information System (MiSiS), a system utilized by the teachers to electronically input, submit and certify student attendance daily. We verified whether these SMASRs were reported accurately in the *Second Principal Report (P2)* and the *Annual Principal Report (P3)*. We obtained the monthly statistical reports where all the SMASRs are summarized, for our sampled schools and we verified whether the SMASRs were completely and accurately summarized. We then traced these monthly statistical reports to the Attendance Ledgers, which in turn were traced to the *Second Principal Report (P2)* and the *Annual Principal Report (P3)*.

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To test the integrity of the data reported in the sampled SMASRs, we selected a sample of absences from notes, phone logs and other absence records and compared them to the SMASRs to verify that they were not included in the calculation of Average Daily Attendance reported in the P2. In addition, since the SMASRs are generated through MiSiS, we also tested the system's general internal controls which included but were not limited to appropriate access controls. We selected a sample of 148,233 days of attendance and 10,291 days of absences for testing and noted the following findings, resulting due to staff's untimely update of student's attendance records:

- **7th Street Elementary Arts Integration Magnet** - Out of the 984 days of attendance and 42 days of absences sampled, we noted the following exceptions:
 - We identified three (3) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.
- **Balboa Elementary Gifted/Highly Gifted/High Ability Magnet** - Out of the 1,345 days of attendance and 32 days of absences sampled, we noted the following exceptions:
 - Four (4) students were absent for a total of four (4) days, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Benjamin Banneker Career and Transition Center** - Out of the 621 days of attendance and 66 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Bret Harte Preparatory Middle School** - Out of the 1,086 days of attendance and 124 days of absences sampled, we noted the following exceptions:
 - One (1) student was absent for a total of four (4) days, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Burton Street Elementary** - Out of the 1,109 days of attendance and 89 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Caroldale Learning Community** - Out of the 2,120 days of attendance and 122 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Century Park Elementary** - Out of the 838 days of attendance and 55 days of absences sampled, we noted the following exceptions:
 - One (1) student was absent for a total of two (2) days, as evidenced by an absence note, but was recorded as present in the SMASR.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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- **Cesar E Chavez Learning Academy - Academy of Sci Exploration** - Out of the 1,186 days of attendance and 92 days of absences sampled, we noted the following exceptions:
 - Five (5) students were absent for a total of eight (8) days, as evidenced by an absence note, but were recorded as present in the SMASR.
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.

- **Compton Avenue Elementary** - Out of the 738 days of attendance and 40 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Daniel Pearl Senior High Journalism & Communications Magnet** - Out of the 1,011 days of attendance and 124 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.

- **Danube Avenue Elementary** - Out of the 1,197 days of attendance and 76 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Diane S Leichman Career Preparatory and Transition Center** - Out of the 595 days of attendance and 28 days of absences sampled, we noted the following exceptions:
 - Five (5) students were absent for a total of eight (8) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Dr James Edward Jones Primary Center** - Out of the 891 days of attendance and 45 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Dyer Street Elementary** - Out of the 1,014 days of attendance and 88 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.

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- **Elizabeth LC DL Two-Way Im Arabic** - Out of the 690 days of attendance and 46 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Elizabeth Learning Center** - Out of the 1,875 days of attendance and 158 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Fairburn Avenue Elementary** - Out of the 1,489 days of attendance and 88 days of absences sampled, we noted the following exceptions:
 - One (1) student was absent for a total of two (2) days, as evidenced by an absence note but was marked as present in the SMASR.
- **Garvanza Elementary Technology/Leadership Magnet** - Out of the 1,103 days of attendance and 75 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Glenwood Elementary** - Out of the 1,177 days of attendance and 67 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was marked as present in the SMASR.
- **Grape Street Elementary** - Out of the 993 days of attendance and 78 days of absences sampled, we noted the following exceptions:
 - Four (4) students were absent for a total of four (4) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Halldale Elementary** - Out of the 1,082 days of attendance and 80 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was marked as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P3 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P3 reporting, this does not lead to questioned costs.
- **Hancock Park Elementary** - Out of the 1,328 days of attendance and 85 days of absences sampled, we noted the following exceptions:
 - We identified three (3) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.

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- **Haskell Elementary STEAM Magnet** - Out of the 1,308 days of attendance and 60 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Horace Mann UCLA Community School** - Out of the 1,133 days of attendance and 94 days of absences sampled, we noted the following exceptions:
 - Three (3) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.
 - We identified three (3) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.
- **Lanai Road Elementary** - Out of the 1,309 days of attendance and 40 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was marked as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.
- **Lankershim Elementary** - Out of the 1,167 days of attendance and 83 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Legacy Senior High Sci Tech Engineering Arts Math** - Out of the 1,783 days of attendance and 98 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was marked as present in the SMASR.
- **Leo Politi Elementary** - Out of the 488 days of attendance and 82 days of absences sampled, we noted the following exceptions:
 - We identified two (2) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.
- **Liberty Boulevard Elementary** - Out of the 1,183 days of attendance and 79 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was marked as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P3 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P3 reporting, this does not lead to questioned costs.

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- **Lillian Street Elementary** - Out of the 1,038 days of attendance and 64 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.
- **Los Angeles Senior High STEAM Magnet** - Out of the 292 days of attendance and 12 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Los Feliz Science/Tech/Engineer/Math/Medicine Magnet** - Out of the 1,181 days of attendance and 86 days of absences sampled, we noted the following exceptions:
 - Three (3) students were absent for a total of four (4) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Loyola Village Elementary Fine/Performing Arts Magnet** - Out of the 917 days of attendance and 71 days of absences sampled, we noted the following exceptions:
 - Four (4) students were absent for a total of five (5) days, as evidenced by an absence note, but were recorded as present in the SMASR.
 - We identified three (3) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.
- **Mark Twain Middle School** - Out of the 1,437 days of attendance and 64 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Mark Twain Middle School World Languages Magnet** - Out of the 344 days of attendance and 17 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Narbonne SH-Humanities & Arts (HArts) Academy of Los Angeles** - Out of the 1,273 days of attendance and 95 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Orthopaedic Hospital Senior High Medical Magnet** - Out of the 1,046 days of attendance and 56 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

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- **Oxnard Street Elementary** – Out of the 818 days of attendance and 97 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Panorama City Elementary** – Out of the 1,265 days of attendance and 46 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.
- **RFK Comm Schls - New Open World Academy K-12** - Out of the 2,361 days of attendance and 147 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Rowan Avenue Elementary** - Out of the 591 days of attendance and 36 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Samuel Gompers MS University Pathways Medical Magnet Academy** - Out of the 910 days of attendance and 105 days of absences sampled, we noted the following exceptions:
 - Eight (8) students were absent for a total of thirteen (13) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Sharp Avenue Elementary** - Out of the 1,035 days of attendance and 105 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.
 - We identified two (2) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.
- **Sierra Park Elementary** - Out of the 1,181 days of attendance and 138 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.
- **Sylvan Park Elementary** - Out of the 864 days of attendance and 90 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

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- **Theodore Roosevelt Senior High** - Out of the 1,208 days of attendance and 124 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.

- **Thomas Bradley Global Awareness Magnet** - Out of the 1,014 days of attendance and 83 days of absences sampled, we noted the following exceptions:
 - We identified two (2) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.

- **Toland Way Elementary** - Out of the 700 days of attendance and 98 days of absences sampled, we noted the following exceptions:
 - One(1) student was absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.
 - One (1) student was absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.

- **Virgil Middle School** - Out of the 623 days of attendance and 54 days of absences sampled, we noted the following exceptions:
 - Three (3) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Walnut Park Middle School - Sci Tech Eng and Math Academy** - Out of the 1,359 days of attendance and 79 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Wilmington Middle School STEAM Magnet** - Out of the 1,339 days of attendance and 86 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Young Empowered Scholars Academy** - Out of the 796 days of attendance and 116 days of absences sampled, we noted the following exceptions:
 - Five (5) students were absent for a total of six (6) days, as evidenced by an absence note, but were recorded as present in the SMASR.
 - We identified two (2) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.

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These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-001), but for different schools.

Questioned Costs

- Grades TK/K-3: 33 days/142 days = 0.23 ADA overstated * \$15,008.62 = \$3,451.98
 - Grades 4 to 6: 26 days/142 days = 0.18 ADA overstated * \$13,799.82 = \$2,483.97
 - Grades 7 to 8: 12 days/142 days = 0.08 ADA overstated * \$14,208.23 = \$1,136.66
 - Grades 9 to 12: 35 days/142 days = 0.25 ADA overstated * \$16,894.46 = \$4,223.62
-
- Balboa Elementary Gifted/Highly Gifted/High Ability Magnet
 - Grades TK/K-3: 2 days/142 days in single track school year
 - Grades 4 to 6: 2 days/142 days in single track school year
 - Benjamin Banneker Career and Transition Center
 - Grades 9 to 12: 1 day/142 days in single track school year
 - Bret Harte Preparatory Middle School
 - Grades 7 to 8: 4 days/142 days in single track school year
 - Burton Street Elementary
 - Grades 4 to 6: 1 day/142 day in single track school year
 - Caroldale Learning Community
 - Grades 7 to 8: 2 days/142 days in single track school year
 - Century Park Elementary
 - Grades TK/K-3: 2 days/142 days in single track school year
 - Cesar E Chavez Learning Academy - Academy of Sci Exploration
 - Grades 9 to 12: 8 days/142 days in single track school year
 - Compton Avenue Elementary
 - Grades 4 to 6: 1 day/142 days in single track school year
 - Danube Avenue Elementary
 - Grades 4 to 6: 2 days/142 days in single track school year
 - Diane S Leichman Career Preparatory and Transition Center
 - Grades 9 to 12: 8 days/142 days in single track school year
 - Dr James Edward Jones Primary Center
 - Grades TK/K-3: 2 days/142 days in single track school year
 - Elizabeth LC DL Two-Way Im Arabic
 - Grades TK/K-3: 1 day/142 days in single track school year
 - Elizabeth Learning Center
 - Grades 4 to 6: 3 days/142 days in single track school year
 - Fairburn Avenue Elementary
 - Grades 4 to 6: 2 days/142 days in single track school year
 - Garvanza Elementary Technology/Leadership Magnet
 - Grades 4 to 6: 2 days/142 days in single track school year
 - Glenwood Elementary
 - Grades TK/K-3: 1 day/142 days in single track school year
 - Grape Street Elementary
 - Grades TK/K-3: 4 days/142 days in single track school year
 - Haskell Elementary STEAM Magnet
 - Grades TK/K-3: 2 days/142 days in single track school year

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- Horace Mann UCLA Community School
 - Grades 4 to 6: 1 day/142 days in single track school year
 - Grades 7 to 8: 1 day/142 days in single track school year
 - Grades 9 to 12: 1 day/142 days in single track school year
- Lankershim Elementary
 - Grades TK/K-3: 2 days/142 days in single track school year
 - Grades 4 to 6: 1 day/142 days in single track school year
- Legacy Senior High Sci Tech Engineering Arts Math
 - Grades 9 to 12: 1 day/142 days in single track school year
- Los Angeles Senior High STEAM Magnet
 - Grades 9 to 12: 1 day/142 days in single track school year
- Los Feliz Science/Tech/Engineer/Math/Medicine Magnet
 - Grades TK/K-3: 2 days/142 days in single track school year
 - Grades 4 to 6: 2 days/142 days in single track school year
- Loyola Village Elementary Fine/Performing Arts Magnet
 - Grades TK/K-3: 1 day/142 days in single track school year
 - Grades 4 to 6: 4 days/142 days in single track school year
- Mark Twain Middle School
 - Grades 4 to 6: 1 day/142 days in single track school year
 - Grades 7 to 8: 1 day/142 days in single track school year
- Mark Twain Middle School World Languages Magnet
 - Grades 4 to 6: 1 day/142 days in single track school year
- Narbonne SH-Humanities & Arts (HArts) Academy of Los Angeles
 - Grades 9 to 12: 1 day/142 days in single track school year
- Orthopaedic Hospital Senior High Medical Magnet
 - Grades 9 to 12: 1 day/142 days in single track school year
- Oxnard Street Elementary
 - Grades TK/K-3: 1 day/142 days in single track school year
- Panorama City Elementary
 - Grades TK/K-3: 1 day/142 days in single track school year
- RFK Comm Schls - New Open World Academy K-12
 - Grades 4 to 6: 1 day/142 days in single track school year
- Rowan Avenue Elementary
 - Grades TK/K-3: 2 days/142 days in single track school year
- Samuel Gompers MS University Pathways Medical Magnet Academy
 - Grades 9 to 12: 13 days/142 days in single track school year
- Sharp Avenue Elementary
 - Grades TK/K-3: 2 days/142 days in single track school year
- Sylvan Park Elementary
 - Grades TK/K-3: 1 day/142 days in single track school year
- Toland Way Elementary
 - Grades TK/K-3: 2 days/142 days in single track school year
- Virgil Middle School
 - Grades 4 to 6: 1 day/142 days in single track school year
 - Grades 7 to 8: 2 days/142 days in single track school year
- Walnut Park Middle School - Sci Tech Eng and Math Academy
 - Grades 7 to 8: 1 day/142 days in single track school year

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- Wilmington Middle School STEAM Magnet
 - Grades 7 to 8: 1 day/142 days in single track school year
- Young Empowered Scholars Academy
 - Grades TK/K-3: 5 days/142 days in single track school year
 - Grades 4 to 6: 1 day/142 days in single track school year

Recommendation

We recommend that the District and the schools continue to strengthen their controls over implementing attendance policies over student attendance reporting by ensuring schools maintain adequate support for reported absences, accurately report student absences in the SMASR, and retain supporting documentation for instances in which students arrive to school late or leave early. Additionally, we recommend that the District strengthen its controls over properly retaining attendance-supporting documentation at school sites. Finally, we recommend that the District continue to support the schools by providing adequate training in attendance reporting so that proper attendance reporting procedures are adhered to and that the District maintains documentation reflecting that each of the schools identified above has been successfully trained.

Views of Responsible Officials, Planned Corrective Action, and Contact Information

To improve accurate attendance reporting and alignment with SMASR, Pupil Services will implement the following actions:

1. **Automated Reminders in MiSiS or Other LAUSD System:** Pupil Services will consult with the MiSiS team to explore the possibility of setting up automated reminders in MiSiS. These reminders will prompt designated school staff to review and correct attendance data in the SMASR before the end of each month. Pupil Services will define the specific user roles that will receive the reminders, the frequency of the notifications, and the duration by January 2025.
2. **Self-Audit Tool for Schools:** Pupil Services will develop a self-audit tool to assist schools in reviewing their attendance data monthly. This tool will focus on common errors identified in past audit findings. This tool will be available to all LAUSD staff via the Pupil Services SharePoint by January 2025.
3. **Virtual Drop-In Sessions with Office of Organizational Excellence:** Pupil Services in collaboration with Office of Organizational Excellence participate in virtual drop-in sessions twice a year, where school staff can ask questions about common audit findings and review SMASR-related issues beginning in **October 2024**.

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4. **Guidance on Attendance Data Review:** Pupil Services will develop training material including SMASR and additional MiSiS reports to support accurate attendance taking procedures. Pupil Services will continue to support the schools by providing adequate training in attendance reporting so that proper attendance reporting procedures are adhered to. The training titled "Tools to Support Accurate Attendance & Withdrawal Procedures" will include SMASR and additional MiSiS reports to support accurate attendance taking procedures and will be available to all school staff by March 2025. Pupil Services will be trained during the second semester of 2024-25 school year. Pupil Services will maintain documentation reflecting that each of the schools identified above has been successfully trained.
5. **SMASR Timeline Reminders:** Pupil Services will develop a school year timeline with monthly dates for school staff to review attendance data reflected on the SMASR and assist with correcting attendance discrepancies. PSA will include the SMASR MiSiS job aide to support this process. Reminders will be posted on Schoology to remind staff about the timeline and tools by January 2025.

These steps will strengthen the ability to maintain accurate attendance data and ensure compliance with SMASR reporting.

Name: Elsy Rosado

Title: Director, Pupil Services and Attendance

Telephone: (213) 241-3844

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S-2024-002 – Teacher Certification and Misassignments

State Audit Guide Finding Codes: 40000 and 71000

Schools Affected

- 92nd Street Elementary
- Century Park Elementary
- Elizabeth Learning Center
- Henry T Gage Middle School
- International Studies Learning Center
- John Marshall Senior High
- Legacy Senior High Sci Tech Engineering Arts Math
- Linda Esperanza Marquez Senior High HPIAM
- Mark Twain Middle School
- Maywood Center for Enriched Studies (MaCES) Magnet
- Narbonne SH-Humanities & Arts (HArts) Academy of Los Angeles
- Oliver Wendell Holmes Middle School
- Orville Wright Engineering and Design Magnet
- Wilmington Middle School STEAM Magnet
- Young Empowered Scholars Academy

Criteria

California Education Code, Section 44203(a) - "Authorization" means the designation that appears on a credential, certificate, or permit that identifies the subjects and circumstances in which the holder of the credential, certificate, or permit may teach, or the services which the holder may render in the public schools of this state.

Section 44256 - Authorization for teaching credentials shall be of four basic kinds, as defined below:

- (a) "Single subject instruction" means the practice of assignment of teachers and students to specified subject matter courses, as is commonly practiced in California high schools and most California junior high schools. The holder of a single subject teaching credential or a standard secondary credential or a special secondary teaching credential, as defined in this subdivision, who has completed 20 semester hours of coursework or 10 semester hours of upper division or graduate coursework approved by the commission at an accredited institution in any subject commonly taught in grades 7 to 12, inclusive, other than the subject for which he or she is already certificated to teach, shall be eligible to have this subject appear on the credential as an authorization to teach this subject. The commission, by regulation, may require that evidence of additional competence is a condition for instruction in particular subjects, including, but not limited to, world languages. The commission may establish and implement alternative requirements for additional authorizations to the single subject credential on the basis of specialized needs. For purposes of this subdivision, a special secondary teaching credential means a special secondary teaching credential issued on the basis of at least a baccalaureate degree, a student teaching requirement, and 24 semester units of coursework in the subject specialty of the credential.

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- (b) "Multiple subject instruction" means the practice of assignment of teachers and students for multiple subject matter instruction, as is commonly practiced in California elementary schools and as is commonly practiced in early childhood education. The holder of a multiple subject teaching credential or a standard elementary credential who has completed 20 semester hours of coursework or 10 semester hours of upper division or graduate coursework approved by the commission at an accredited institution in any subject commonly taught in grades 9 and below shall be eligible to have that subject appear on the credential as authorization to teach the subject in departmentalized classes in grades 9 and below. The governing board of a school district by resolution may authorize the holder of a multiple subject teaching credential or a standard elementary credential to teach any subject in departmentalized classes to a given class or group of pupils below grade 9, provided that the teacher has completed at least 12 semester units, or six upper division or graduate units, of coursework at an accredited institution in each subject to be taught. The authorization shall be with the teacher's consent. However, the commission, by regulation, may provide that evidence of additional competence is necessary for instruction in particular subjects, including, but not limited to, world languages. The commission may establish and implement alternative requirements for additional authorizations to the multiple subject credential on the basis of specialized needs.
- (c) "Specialist instruction" means any specialty requiring advanced preparation or special competence, including, but not limited to, reading specialist, mathematics specialist, specialist in special education, or early childhood education, and such other specialties as the commission may determine.
- (d) "Designated subjects" means the practice of assignment of teachers and students to designated technical, trade, or career technical courses which courses may be part of a program of trade, technical, or career technical education.

Condition, Cause and Effect

During our procedures performed for each class sampled for attendance testing of regular and special day classes, and adult education, we reviewed the classroom teacher's credentials to determine if they possessed valid credentials, if their assigned teaching position was consistent with the authorization of their certification, and if the teachers held a valid English instruction certification in instances when the teacher taught a class in which more than 20% of the pupils were English learners.

We tested a total of 418 K-12 teachers and noted seventeen (17) teachers who were assigned to teach in a position not consistent with the authorization of his/her certification or outside of the time period permitted by their credential, due to an appropriately authorized teacher not being available to cover in the position:

- **92nd Street Elementary** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Century Park Elementary** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Elizabeth Learning Center** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Henry T Gage Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.

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- **International Studies Learning Center** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **John Marshall Senior High** – Two (2) teachers were assigned to teach in a position not consistent with the authorization of their certifications due to having a late consent form on file.
- **Legacy Senior High Sci Tech Engineering Arts Math** – Two (2) teachers were assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.
- **Linda Esperanza Marquez Senior High HPIAM** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.
- **Mark Twain Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.
- **Maywood Center for Enriched Studies (MaCES) Magnet** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.
- **Narbonne SH-Humanities & Arts (HArts) Academy of Los Angeles** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Oliver Wendell Holmes Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.
- **Orville Wright Engineering and Design Magnet** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.
- **Wilmington Middle School STEAM Magnet** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.
- **Young Empowered Scholars Academy** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential. The teacher maintained a valid 30-Day Substitute Teaching Permit for the time period of July 1, 2023, through June 30, 2024. As the teacher maintained a valid and active teaching permit, this is considered a misassignment.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-002) but for different schools and teachers.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

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Questioned Costs

Not Applicable.

Recommendation

We recommend that the District continue to monitor and strengthen internal controls to ensure teachers are appropriately assigned to teach in a position authorized by their certifications, have a consent form on file when necessary, and substitute teachers are properly assigned to teach in a position within the time period permitted by their credential. We also recommend that the schools and the District remediate the misassignments identified above.

Views of Responsible Official, Planned Corrective Action, and Contact Information

Human Resources (HR) continues efforts to ensure every student is taught by an appropriately authorized teacher by providing professional development to certificated staff overseeing the master schedule. For the seventeen currently identified misassignments, HR will remediate the misassignments identified above. This will be done by either: a) ensuring the misassigned teachers become appropriately authorized; or b) ensuring the teachers do not continue teaching in a position for which they are not appropriately authorized. HR will continue to leverage the Staff Relations Update to provide monthly reminders to principals about ensuring they are assigning appropriately and submitting local assignment option forms. To address late forms, HR will send a list of candidates who utilized local assignment options during the current academic year by May 2025. This will assist/remind principals to submit local assignment forms for the upcoming academic year in a timely manner. In addition, four directors will be overseeing the assignment monitoring process instead of one certificated administrator to improve compliance.

The Substitute Unit will continue its messaging campaign to notify substitute teachers and school administrators of State limits. Warnings will be issued, and unauthorized substitute teachers will be removed from assignments. School sites will be provided with a substitute calculator to assist in calculating the date by which a teacher must be removed from an assignment.

K-12 Assignment Monitoring:

Name: Luz Ortega

Title: Director, Certificated Employment

Contact Information: luz.ortega@lausd.net

Substitute Unit:

Name: Jorge Amador

Title: Assistant Director, Substitute Teacher Unit

Contact Information: jorge.amador@lausd.net

Name: Maria Sotomayor

Title: Director, Organizational Effectiveness

Contact Information: msotomay@lausd.net

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

S-2024-003 – Kindergarten Continuance

State Audit Guide Finding Codes: 40000

Schools Affected

- Germain Academy for Academic Achievement
- Haskell Elementary STEAM Magnet
- Hope Street Elementary
- Lankershim Elementary
- Riverside Drive Charter School
- Topanga Elementary Charter School
- Valerio Street Elementary
- Young Empowered Scholars Academy

Criteria

California Education Code, Section 46300 - In computing the average daily attendance of a school district, there shall be included the attendance of pupils in kindergarten after they have completed one school year in kindergarten only if the school district has on file for each of those pupils an agreement made pursuant to Section 48011, approved in form and content by the State Department of Education and signed by the pupil's parent or guardian, that the pupil shall be retained in kindergarten for not more than an additional school year.

Condition, Cause and Effect

Using a total of 106 schools offering Kindergarten from the schools sampled for attendance reporting, we selected students enrolled in kindergarten for school year 2023-24 and kindergarten in school year 2022-23 and verified that a signed kindergarten continuance parental agreement (agreement) was maintained. We noted the following exceptions due to school oversight.

- **Germain Academy for Academic Achievement** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.
- **Haskell Elementary STEAM Magnet** – A signed agreement, approved in form and content by the CDE, was signed after the start of the school year or after the student began their second year of kindergarten for one (1) student.
- **Hope Street Elementary** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.
- **Lankershim Elementary** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.
- **Riverside Drive Charter School** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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- **Topanga Elementary Charter School** – A signed agreement, approved in form and content by the CDE, was signed after the start of the school year or after the student began their second year of kindergarten for one (1) student.
- **Valerio Street Elementary** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.
- **Young Empowered Scholars Academy** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-003), but for different schools.

Questioned Costs

- Grades K-3 – $773 \text{ days} / 182 \text{ days} = 4.25 \text{ ADA overstated} * \$15,008.62 = \$63,786.64$
 - Germain Academy for Academic Achievement
 - 144 days overstated / 182 days in single track school year
 - Haskell Elementary STEAM Magnet
 - 4 days overstated / 182 days in single track school year
 - Hope Street Elementary
 - 162 days overstated / 182 days in single track school year
 - Lankershim Elementary
 - 157 days overstated / 182 days in single track school year
 - Valerio Street Elementary
 - 160 days overstated / 182 days in single track school year
 - Young Empowered Scholars Academy
 - 146 days overstated / 182 days in single track school year

Charter Schools

- Riverside Drive Charter School
 - Grades K-3: 166 days/182 days in single track school year
 - Grades K-3: $166 \text{ days}/182 = 0.91 \text{ ADA overstated} * \$11,900.89 = \$10,829.81$
- Topanga Elementary Charter School
 - Grades K-3: 4 days/182 days in single track school year
 - Grades K-3: $4 \text{ days}/182 = 0.02 \text{ ADA overstated} * \$11,405.90 = \$228.12$

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

Recommendation

We recommend that schools offering Kindergarten understand and adhere to the District's policy by retaining evidence of the signed and dated parental agreement for continuance forms, approved in form and content by the CDE, for all students repeating kindergarten prior to the start of the school year to support the inclusion of such pupils in the average daily attendance computation. The District should continue to communicate and train all schools on the District's Kindergarten Continuance policy.

We also recommend that the District obtain a written acknowledgment from the schools identified above that they have been provided with the most updated District policy on Kindergarten Continuance and have implemented a system of tracking students who continue in Kindergarten. The District should also continue ensuring that schools are notified in circumstances where a pupil is transferred after attending Kindergarten with another school.

Views of Responsible Officials, Planned Corrective Actions, and Contact Information

To ensure compliance with Kindergarten Continuance requirements, the following actions will be taken during the 2024-2025 school year.

- Highlight the Elevate Report Findings for Regional Administrators of Instruction monthly starting in Winter 2024.
- Reach out to individual schools that are missing Kindergarten Continuance forms to provide guidance and assistance. Document communication started in November 2024.
- Provide training resources on the Kindergarten Continuance process and guidelines to Region Operations coordinators to support school sites by Spring 2025.
- Continue to review the Kindergarten Continuance policy throughout the school year in the Weekly Instructional News, at principal organization meetings, etc. beginning in November 2024.
- Continue to secure a signed copy of the Kindergarten Audit Principal Certification and Acknowledgement form.

Name: Elizabeth Bernal

Title: Administrator, Elementary Instruction

Telephone: (213) 241-6603

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

S-2024-004 Independent Study – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- Franklin Avenue Elementary
- Virtual Academy Arts & Entertainment
- Virtual Academy STEAM

Criteria

California Education Code, Section 51747.5 (b) – A local educational agency may claim apportionment credit for independent study only to the extent of the time value of pupil work products, as personally judged in each instance by a certificated teacher employed by the local educational agency, or the combined time value of pupil work product and pupil participation in synchronous instruction. It is the intent of the Legislature that teachers be given access to digital assignment tracking systems to reduce workload associated with evaluating and accounting for pupil work and synchronous instruction participation.

California Education Code, Section 51747 (6) - A statement of the number of course credits or, for the elementary grades, other measures of academic accomplishment appropriate to the agreement, to be earned by the pupil upon completion.

Condition, Cause and Effect

In our sample of three (3) schools with independent study programs, we noted the following, resulting due to attendance reporting issues where IS Supervising Designees reported attendance for students in MISIS without confirming the enrollment date of the student as determined by the signature dates on the Master Agreement:

- **Franklin Avenue Elementary**
 - Teacher Evaluations were not maintained on record for fourteen (14) students. The students were marked present for 126 days.
- **Virtual Academy Arts and Entertainment**
 - Parent signatures of the master agreements for two (2) students were not on file before the first day of instruction. The students were marked present for 174 days.
 - The school did not maintain work products for three (3) students. The students were marked present for 7 days.

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- **Virtual Academy STEAM**

- Parent signatures of the master agreements for two (2) students were not on file before the first day of instruction. The students were marked present for 364 days.
- Student signatures of the master agreement for one (1) student was not on file before the first day of instruction. The student was marked present for 83 days.
- The Daily Participation Report was incomplete for 21 students. The students were marked present for 87 days.
- The school did not maintain work products for ten (10) students. The students were marked present for 131 days.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-004), but for different schools.

Questioned Costs

- Grades TK/K-3: $144 \text{ days}/142 \text{ days} = 1.01 \text{ ADA overstated} * \$15,008.62 = \$15,158.71$
- Grades TK/K-3: $621 \text{ days}/182 \text{ days} = 3.41 \text{ ADA overstated} * \$15,008.62 = \$51,179.39$
- Grades 4 to 6: $63 \text{ days}/142 \text{ days} = 0.44 \text{ ADA overstated} * \$13,799.82 = \$6,071.92$
- Grades 7 to 8: $135 \text{ days}/142 \text{ days} = 0.95 \text{ ADA overstated} * \$14,208.23 = \$13,497.82$
- Grades 9 to 12: $9 \text{ days}/142 \text{ days} = 0.06 \text{ ADA overstated} * \$16,894.46 = \$1,013.67$

- Franklin Avenue Elementary
 - Grades TK/K-3: 63 days/142 days in single track school year
 - Grades 4 to 6: 63 days/142 days in single track school year
- Virtual Academy Arts & Entertainment
 - Grades TK/K-3: 3 days/142 days in single track school year
 - Grades TK/K-3: 174 days/182 days in single track school year
 - Grades 7 to 8: 4 days/142 days in single track school year
- Virtual Academy STEAM
 - Grades TK/K-3: 78 days/142 days in single track school year
 - Grades TK/K-3: 447 days/182 days in single track school year
 - Grades 7 to 8: 131 days/142 days in single track school year
 - Grades 9 to 12: 9 days/142 days in single track school year

Recommendation

We recommend that the District strengthen its review process over independent study to ensure that all elements of the master agreements are complete and that all records of attendance contain readily available corresponding pupil work products, teacher evaluations, and daily participation reports. We also recommend that the district provide proper training to ensure attendance is reported accurately and policies are adhered to.

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Views of Responsible Officials, Planned Corrective Actions, and Contact Information

Virtual Academy Schools

This is to acknowledge the importance of ensuring that the long-term independent study enrollment process includes ensuring the master agreement document is signed before enrollment, and all records of attendance accurately reflect the attendance codes that is reported in MISIS.

Planned corrective actions are as follows:

1. Review findings and corrective actions with administrators from each of the six Virtual Academies in the long-term Independent Study Program.
2. Provide training to review enrollment process at each of the Virtual Academies to include the master agreement being signed by all parties, parent, student, and teacher before the student is enrolled and attendance is reported into the school.
3. Provide training for teachers of all six virtual academies on recording attendance in MSIS according to the attendance days earned on the corresponding records of assignments and student work samples.
4. Provide training for teachers on submitting and maintaining student daily participation records in MISIS for all days the student is enrolled in the long-term independent study Virtual Academy program.

The implementation target date for the above corrective action plan is November 30, 2024.

Name: Connie L. Brandstetter

Title: Administrator of Instruction, Office of Virtual Academy and Educational Option Schools

Telephone: (213) 241-1933

Short Term Independent Study Program

Planned corrective actions are as follows:

1. District will provide training for all Principals and School Administrative Assistants (SAAs) on BUL-6779.5, Guideline for Independent Study Programs, to ensure proper implementation of Independent Study programs. Trainings will be provided via Community of Schools and separated between Elementary and Secondary schools by July 2025.
2. District will provide clinics and drop-in sessions in both the Fall and Spring semesters for teachers and school staff on the General Procedures for all Independent Study Programs to ensure that Independent Study is implemented correctly.

Name: Andrew Jenkins

Title: Administrator of Instruction, Region West

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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

S-2024-005 – Classroom Teacher Salaries

State Audit Guide Finding Codes: 61000

Criteria

California Education Code, Section 41372 -

(a) “Salaries of classroom teachers” and “teacher” shall have the same meanings as prescribed by Section 41011 provided, however, that the cost of all health and welfare benefits provided to the teachers by the school district shall be included within the meaning of salaries of classroom teachers.

(b) “Current expense of education” means the gross total expended (not reduced by estimated income or estimated federal and state apportionments) for the purposes classified in the final budget of a school district (except one which, during the preceding fiscal year, had less than 101 units of average daily attendance) submitted to and approved by the county superintendent of schools pursuant to Section 42127 for certificated salaries other than certificated salaries for pupil transportation, food services, and community services; classified salaries other than classified salaries for pupil transportation, food services, and community services; employee benefits other than employee benefits for pupil transportation personnel, food services personnel, and community services personnel; books, supplies, and equipment replacement other than for pupil transportation and food services; and community services, contracted services, and other operating expenses other than for pupil transportation, food services, and community services. “Current expense of education,” for purposes of this section shall not include those expenditures classified as sites, buildings, books, and media and new equipment (object of expenditure 6000 of the California School Accounting Manual), the amount expended from categorical aid received from the federal or state government which funds were granted for expenditures in a program not incurring any teacher salary expenditures or requiring disbursement of the funds without regard to the requirements of this section, or expenditures for facility acquisition and construction; and shall not include the amount expended pursuant to any lease agreement for plant and equipment or the amount expended from funds received from the federal government pursuant to the “Economic Opportunity Act of 1964” or any extension of this act of Congress.

There shall be expended during each fiscal year for payment of salaries of classroom teachers:

- (1) By an elementary school district, 60 percent of the district’s current expense of education.
- (2) By a high school district, 50 percent of the district’s current expense of education.
- (3) By a unified school district, 55 percent of the district’s current expense of education.

Condition, Cause and Effect

We obtained the District’s general ledger (ledger) of expenditures and reconciled the ledger to the District’s Audited Financial Statements as of June 30, 2024, which accounts for all applicable audit adjustments.

We utilized the ledger to calculate the elements of the current expense formula, which amounted to \$9,645,023,186.94.

We then utilized the ledger to calculate the elements of the minimum classroom compensation, which amounted to \$4,540,426,711.51.

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Based on the information derived above, we determined that the District’s percent of current cost of education expended for classroom compensation to be 47.08%, which falls short of the 55.00% minimum percent required for unified school districts.

This leads to a deficiency percentage of 7.92% and a deficiency amount of \$763,885,836.41. These calculations are illustrated below:

Total teacher salaries and benefits	\$ 4,540,426,711.51	(a)
Current expense	\$ 9,645,023,186.94	(b)
Percentage spent by the District	47.08%	(c) = (a) / (b)
Minimum percentage required	55.00%	(d)
Percentage below the minimum	7.92%	(e) = (d) - (c)
Deficiency Amount	\$ 763,885,836.41	(f) = (e) * (b)

This is a repeat finding, having been reported previously at June 30, 2023 (S-2023-006).

Questioned Costs

Deficiency amount - \$763,885,836.41.

Recommendation

We recommend that the District put mechanisms in place to track their percentage of teacher salaries and benefits to total expenses throughout the year in order to monitor compliance with the classroom teacher salary requirements.

Views of Responsible Officials, Planned Corrective Actions, and Contact Information

The District continuously spent significant amount of dollars on classroom teacher salaries, benefits, and other expenditures necessary to address learning gaps using one-time COVID funding dollars. Given how the formula works, if the District can exclude all covid related spending in the calculation of the Current Expense but take credit in the numerator for classroom teacher salaries and benefits funded by COVID funding resource, the District would be able to meet the requirement because in substance, the District did spend a substantial amount on classroom teacher salaries and benefits.

The District shall engage with the Los Angeles County office of Education (LACOE) to seek a waiver request again for this year as per Education Code Section 41372. The District will initiate this process upon receiving a letter from LACOE requiring corrective action, which is expected to be released in May 2025. The District anticipate to submit the waiver in September 2025.

Name: Bryant Gonzalez
Title: Deputy Controller
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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

S-2024-006 – Proposition 28 Arts And Music in Schools

State Audit Guide Finding Codes: 40000

Criteria

California Education Code, Section 8821(a) - “Arts education program” includes, but is not limited to, instruction and training, supplies, materials, and arts educational partnership programs, for instruction in: dance, media arts, music, theatre, and visual arts, including folk art, painting, sculpture, photography, and craft arts, creative expressions, including graphic arts and design, computer coding, animation, music composition and ensembles, and script writing, costume design, film, and video.

Condition, Cause and Effect

In our sample of fifty-seven (57) Proposition 28 payroll expenditures (Resource 6770), we verified whether the employees’ time pertained to services was allowable under Education Code section 8821(a).

We noted the following findings:

- Five (5) employees had a total of 3,738.71 hours charged in excess to the Proposition 28 Arts and Music in School fund in which the District could not provide supporting documentation reflecting the employees’ work was related to the Proposition 28 Arts and Music program. This was due to misunderstandings by select site administrators on the Proposition 28 program goals and allowable expenditures.
- Two (2) employees had a total of 24 hours charged in excess to the Proposition 28 Arts and Music in School fund in which the employee did not perform work related to Proposition 28 Arts and Music program. Although the District properly reviewed the employees’ timecard for the pay period and posted the necessary adjustments to account for time worked on other tasks, they erroneously did not adjust 24 hours out of Prop 28 fund. Upon our identification of the sampled employees, the District identified the above errors and corrected the Proposition 28 fund by transferring out the costs associated with the 24 hours. As the District corrected the error before closing its June 30, 2024, financial statements, no questioned costs are to be assessed. As such, the above finding has been resolved.

Questioned Costs

Unallowable amount - \$213,458.84.

Recommendation

We recommend that the District strengthen its monitoring and review controls over expenditure charges to the Proposition 28 Arts and Music in School fund to ensure that all costs are associated with allowable services and that all necessary adjustments are made timely.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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Views of Responsible Officials, Planned Corrective Actions, and Contact Information

The District acknowledges the recommendation to enhance its monitoring and review processes for expenditure charges to the Proposition 28 Arts and Music in Schools Fund.

In response, the District will implement the following steps:

- Moving forward, we will provide clear guidance of Proposition 28 via the Arts Funding communication toolkit to all district administrators.
- We will compose and distribute an Inter-office Correspondence memo to all District principals, Regional Directors, and Central office administrators about Proposition 28 funding. IOC will contain a program overview, links to CDE resources, and Prop 28 plan requirements.
- We will share FY 2023-24 audit findings with District leaders.

The target date for implementation of the corrective action plan is by Spring 2025.

By taking these actions, the District is committed to improving oversight and ensuring the appropriate use of Proposition 28 funds.

Name: Jantré Christian

Title: Administrator, Arts Education

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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

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S-2024-007 – After School Education and Safety Program

State Program: After School Education and Safety Program

State Audit Guide Finding Codes: 40000

Schools Affected

- 4th Street Primary Center
- 59th Street Elementary
- Beethoven Street Elementary
- Benjamin Franklin High School
- Breed Street Elementary
- Brentwood Elementary Science Magnet
- Broadway Elementary
- Carmen Lomas Garza Primary Center
- Carthay Elementary of Environmental Studies Magnet
- Charnock Road Elementary
- Dr James Edward Jones Primary Center
- El Sereno Middle School
- Emelita Street Elementary
- Eshelman Avenue Elementary
- Gardner Street Elementary
- Humphreys Avenue Elementary
- John W Mack Elementary
- Kester Avenue Elementary
- Knollwood Preparatory Academy
- Leland Street Elementary
- Loyola Village Elementary Fine/Performing Arts Magnet
- MacArthur Park Elementary Visual and Performing Arts
- Melrose Avenue Elementary Math/Science/Technology Magnet
- Nora Sterry Elementary
- Northridge Middle School
- Parthenia Academy of Arts and Technology
- RFK Comm Schls - UCLA Community School K-12
- Richard E Byrd Middle School
- Richland Avenue Elementary
- Robert F Kennedy Elementary
- Soto Street Elementary
- Virgil Middle School
- Walgrove Avenue Elementary
- Woodland Hills Academy

LOS ANGELES UNIFIED SCHOOL DISTRICT

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Criteria

California Education Code 8483(a) – (1) Every after school component of a program established pursuant to this article shall commence immediately upon the conclusion of the regular school day and operate a minimum of 15 hours per week at least until 6:00 p.m. on every regular school day. Every after school component of the program shall establish a policy regarding reasonable early daily release of pupils from the program. For those programs or school sites operating in a community where early release policy does not meet the unique needs of that community or school, or both, documented evidence may be submitted to the department for an exception and a request for approval of an alternative plan.

(2) It is the intent of the Legislature that elementary school and middle school or junior high school pupils participate in the full day of the program every day during which pupils participate, except as allowed by the early release policy pursuant to subparagraph (B) of paragraph (1) of this section or paragraph (2) of subdivision (f) of Section 8483.76.

California Education Code 8483.1 (a) – (1) Every before school program component established pursuant to this article shall in no instance operate for less than one and one-half hours per regular school day. Every program shall establish a policy regarding reasonable late daily arrival of pupils to the program.

(2) (A) It is the intent of the Legislature that elementary school and middle school or junior high school pupils participate in the full day of the program every day during which pupils participate, except when arriving late in accordance with the late arrival policy described in paragraph (1) or as reasonably necessary.

(2) (B) A pupil who attends less than one-half of the daily program hours shall not be accounted for the purposes of the attendance.

California Education Code 8482 – The purpose of this program is to create incentives for establishing locally driven before and after school enrichment programs both during schooldays and summer, intersession, or vacation days that partner public schools and communities to provide academic and literacy support and safe, constructive alternatives for youth. The term public school includes charter schools.

Condition, Cause and Effect

On a sample basis, we tested attendance documentation of 62 schools and 2,548 days of attendance for students who participated in the After/Before School Education and Safety Program. We examined the attendance records for the selected students and verified whether the attendance reporting was complete and accurate. We also verified whether the selected students complied with the attendance requirements established by the District, as required by the California Education Code. We noted the following exceptions due to these programs experiencing a high turnover rate of approximately 35-40% per year, creating a challenge to maintain fully trained staff.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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After School Component of the Program

On a sample basis, we tested the attendance documentation of 37 schools and 2,054 days of attendance in the after school component of the After School Education and Safety Program.

There were 327 students in 34 schools that did not comply with the established early release policy due to school oversight. As a result, the following schools had students that did not participate in the full day of the after school program on every day during which pupils participated.

- **4th Street Primary Center** – 2 students did not participate in the full period of the after school program for a total of 10 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **59th Street Elementary** – 2 students did not participate in the full period of the after school program for a total of 7 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Beethoven Street Elementary** – 2 students did not participate in the full period of the after school program for a total of 3 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Benjamin Franklin High School** – 31 students did not participate in the full period of the after school program for a total of 56 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Breed Street Elementary** – 4 students did not participate in the full period of the after school program for a total of 4 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Brentwood Elementary Science Magnet** – 5 students did not participate in the full period of the after school program for a total of 17 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Broadway Elementary** – 12 students did not participate in the full period of the after school program for a total of 43 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Carmen Lomas Garza Primary Center** - 2 students did not participate in the full period of the after school program for a total of 6 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Carthay Elementary of Environmental Studies Magnet** – 8 students did not participate in the full period of the after school program for a total of 27 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Charnock Road Elementary** - 3 students did not participate in the full period of the after school program for a total of 14 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Dr James Edward Jones Primary Center** - 1 student did not participate in the full period of the after school program for a total of 2 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **El Sereno Middle School** – 1 student did not participate in the full period of the after school program for a total of 2 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.

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- **Emelita Street Elementary** – 3 students did not participate in the full period of the after school program for a total of 6 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Eshelman Avenue Elementary** – 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Gardner Street Elementary** – 10 students did not participate in the full period of the after school program for a total of 41 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Humphreys Avenue Elementary** – 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **John W Mack Elementary** – 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Kester Avenue Elementary** – 10 students did not participate in the full period of the after school program for a total of 27 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Knollwood Preparatory Academy** – 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Leland Street Elementary** – 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Loyola Village Elementary Fine/Performing Arts Magnet** – 5 students did not participate in the full period of the after school program for a total of 17 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **MacArthur Park Elementary Visual and Performing Arts** – 2 students did not participate in the full period of the after school program for a total of 2 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Melrose Avenue Elementary Math/Science/Technology Magnet** – 9 students did not participate in the full period of the after school program for a total of 39 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Nora Sterry Elementary** – 3 students did not participate in the full period of the after school program for a total of 13 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Northridge Middle School** – 2 students did not participate in the full period of the after school program for a total of 2 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Parthenia Academy of Arts and Technology** – 6 students did not participate in the full period of the after school program for a total of 18 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **RFK Comm Schls - UCLA Community School K-12** – 65 students did not participate in the full period of the after school program for a total of 137 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.

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- **Richard E Byrd Middle School** – 3 students did not participate in the full period of the after school program for a total of 3 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Richland Avenue Elementary** – 4 students did not participate in the full period of the after school program for a total of 15 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Robert F Kennedy Elementary** – 1 student did not participate in the full period of the after school program for a total of 2 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Soto Street Elementary** – 2 students did not participate in the full period of the after school program for a total of 6 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Virgil Middle School** – 25 students did not participate in the full period of the after school program for a total of 30 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Woodland Hills Academy** – 1 student did not participate in the full period of the after school program for a total of 3 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with. We obtained the ASES Attendance Reports, which the District uses to report attendance, and compared the total attendance reported in the Monthly Attendance Report (MAR) to the Beyond the Bell Report (BTB) and to the Period 1 Assist Summary reported to CDE on a sampled basis for the schools for a sampled month during the school year 2023-2024. Additionally, we tested the completeness and accuracy of the reports by selecting a sample of students and tracing the same students to attendance records and vice versa. We noted the following exceptions, resulting from school oversight.
- **El Sereno Middle School** - Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 1 day but marked present on the MAR.
- **Humphreys Avenue Elementary** - Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 1 day but marked present on the MAR.
- **Northridge Middle School** - Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 1 day but marked present on the MAR.
- **RFK Comm Schls - UCLA Community School K-12** - Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 4 days but marked present on the MAR.
- **Richland Avenue Elementary** - Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 1 day but marked present on the MAR.
- **Walgrove Avenue Elementary** – Lack of supporting information (i.e., sign-in time, sign-out time) of 95 students to produce the attendance records for a total of 995 days but marked present on the MAR.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-007) but for different schools.

Questioned Costs

As a result of our testing, the over and under reporting of attendance were summarized in the Condition, Cause and Effect section above. The California Department of Education will determine the impact of the above exceptions on the After School Education and Safety Program funding, if there is any.

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Recommendation

We recommend that the District strengthen its procedures on attendance documentation for the After School Education and Safety program. The District should ensure that the agencies performing the services for these programs are aware of the District's policies, specifically on maintaining accurate attendance records and retain supporting documentation for instances in which students arrive to the programs late or leave early.

Views of Responsible Officials, Planned Corrective Actions, and Contact Information

Beyond The Bell Branch will implement the following to ensure we are providing training on attendance and daily late arrival/early release reporting to ensure accurate documentation of reported attendance figures and late arrival/early release. Additionally, Beyond the Bell will implement mandatory quarterly trainings for agency contractors and program personnel to address attendance documentation and reporting of late arrival/early release of pupils. Furthermore, Beyond the Bell Branch will continue performing agency site visits to ensure compliance with the established attendance reporting policies.

The following is a schedule of trainings to ensure we strengthen our policies and procedures on attendance reporting and the documentation of early release/late arrival policies:

1. Agency contractors and program personnel at schools identified in Audit Finding S-2024-007 will attend a training scheduled in January 2025. The training will address the District's policy on documenting and maintaining accurate attendance and early release/late arrival records.
2. Agency contractors and program personnel providing services at all District sites will attend a training scheduled in February 2025. The training will address the District's policy on documenting and maintaining accurate attendance and early release/late arrival records.
3. New and returning agency contractors and program personnel providing services at all District sites will attend mandatory quarterly trainings scheduled throughout the 2024 – 2025 school year. The training will address the District's policy on documenting and maintaining accurate attendance and early release/late arrival records.
4. Beyond the Bell Branch administrators and Traveling Program Supervisors (TPS) monitoring agency contractors and program personnel will attend a training scheduled in March 2025. The training will address the TPS's responsibility when monitoring agencies to ensure they follow the District's established policies and procedures on attendance reporting and the documentation of early release/late arrival policies.
5. Beyond the Bell Branch administrators and Traveling Program Supervisors will conduct random reviews/audits of monthly attendance reports throughout the year to examine agency procedures related to attendance and documentation of early release/late arrival policies.
6. Beyond the Bell Branch leadership will monitor the implementation and outcomes of the random reviews/audits of monthly attendance reports. The findings will be shared with each agency during their respective "Annual Performance Reviews."

The expected outcome of these trainings and monitoring of program implementation is to ensure we reduce or eliminate these types of findings in the future.

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LOS ANGELES UNIFIED SCHOOL DISTRICT

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S-2024-008 – Unduplicated Local Control Funding Formula Pupil Counts

State Program: Unduplicated Local Control Funding Formula Pupil Counts

State Audit Guide Finding Code: 40000

Schools Affected

- Grape Street Elementary
- Halldale Elementary
- Joseph Pomeroy Widney Career Preparatory & Transition Center
- King-Drew Senior High Medicine and Science Magnet
- Los Feliz Science/Tech/Engineer/Math/Medicine Magnet
- Mar Vista Elementary
- Ramon C Cortines School of Visual & Performing Arts
- Palisades Charter Elementary (Dependent Charter)

Criteria

California Education Code, Section 2574(b)(3)(A): In determining the enrollment percentage of unduplicated pupils, under procedures and timeframes established by the Superintendent, commencing with the 2013-14 fiscal year, a county superintendent of schools annually shall report the enrollment of unduplicated pupils, pupils classified as English learners, pupils eligible for free and reduced-price meals, and foster youth in schools operated by the county superintendent of schools to the Superintendent using the California Longitudinal Pupil Achievement Data System (CALPADS).

(B): The Superintendent shall make the calculations pursuant to this section using the data submitted through the CALPADS.

Condition, Cause, and Effect

On a sample basis, we tested the Free or Reduced Price Meal (FRPM) and English Learner (EL) eligibility of 2,741 students from 147 schools from the “1.18 – FRPM / English Learner / Foster Youth – Student List” reported in the CALPADS. We examined supporting documentation for the selected students and verified their respective eligibility.

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Of the 2,741 students tested, 1,471 students were selected for verification of their Free and Reduced Price Meal (FRPM) eligibility as “181 - Free” or “182 - Reduced”, 484 students were selected for verification of their English Learner “EL”, and 786 students were selected for verification of either FRPM or EL eligibility in accordance with the audit guide.

- Based on our testing, we noted that seven (7) students from the District’s schools, and one (1) student from the District’s Dependent Charter Schools were reported as Free or Reduced or English Learner eligible but were unsupported. This was due to the District’s interpretation of California Department of Education’s (CDE) business rules related to the collection of household income forms for new students whose forms are collected after November 30th for FRPM students. Some EL students were not administered the Summative English Language Proficiency Assessments for California (ELPAC) and/or their grade level skills assessment due to chronic absenteeism/illness during the year under review.
- Some EL students were not administered the Summative English Language Proficiency Assessments for California (ELPAC) and/or their grade level skills assessment due to chronic absenteeism/illness during the year under review.
- The process to identify and match siblings might have incorrectly matched some students. Some “Decline to Complete” responses to were reported as \$0 income.

The exceptions noted were extrapolated to the FRPM and EL population of the District Schools and Dependent Charter Schools in question based on the error rate of the samples selected. The following is the extrapolated impact on the District Schools’ and Dependent Charter Schools’ UPC and UPP:

School	* Total Enrollment Applied	* UPC Applied	UPP	UPC adjusted based on eligibility of FRPM	UPC adjusted based on eligibility for EL funding	UPC adjusted based on eligibility for both FRPM and EL	Adjusted total UPC	Adjusted UPP
Los Angeles Unified School District	1,155,484	989,623	85.65%	-	-	(56) **	989,567	85.64%
Grape Street Elementary	1,089	1,079	99.08%	(1)	-	-	1,078	98.99%
Haldale Elementary	1,295	1,121	86.56%	(1)	-	-	1,120	86.49%
Joseph Pomeroy Widney Career Preparatory & Transition Cen	803	716	89.17%	-	(1)	-	715	89.04%
King-Drew Senior High Medicine and Science Magnet	4,082	3,672	89.96%	(1)	-	-	3,671	89.93%
Los Feliz Science/Tech/Engineer/Math/Medicine Magnet	1,174	1,001	85.26%	(1)	-	-	1,000	85.18%
Mar Vista Elementary	1,636	208	12.71%	(1)	-	-	207	12.65%
Ramon C Cortines School of Visual & Performing Arts	3,455	2,281	66.02%	(1)	-	-	2,280	65.99%
Palisades Charter Elementary (Dependent Charter)	1,232	162	13.15%	(2)	-	- **	160	12.99%
Palisades Charter Elementary (Dependent Charter)	1,232	162	13.15%	(1)	-	-	161	13.07%

* Total is the sum of the last two prior years and current year results.

** The adjustment represents the extrapolated impact of the error on the District’s UPC. Refer to the Questioned Costs section for additional details.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-008) but for different schools.

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Questioned Costs

We determined the total impact of the seven (7) findings on the District, and one (1) finding on the Dependent Charter Schools by extrapolating the noted errors to the total UPC. We determined that the total extrapolated impact on the District's UPC is 56, and for the Dependent Charter School, University High School Charter, is 2.

We decreased the District's UPC by the extrapolated impact of 56 students and calculated an Adjusted UPC of 85.64%.

We applied the Adjusted UPC to the District's LCFF State Aid, Adjusted for the Minimum State Aid Guarantee for fiscal year 2023-24, and computed the total questioned costs to be \$352,570.

We also decreased the Dependent Charter Schools' UPC by the extrapolated impact of 2 students and calculated an Adjusted UPC for University High School Charter of 12.99%.

We applied the Adjusted UPC to the Dependent Charter Schools LCFF State Aid, Adjusted for Minimum State Aid Guarantee for fiscal year 2023-24, and we computed total questioned costs for University High School Charter to be \$1,255.

Recommendation

We recommend that the District continue monitoring English learners and free and reduced meal eligibility statuses to ensure students designated as English learners or free and reduced meal eligible have proper supporting documentation. We also recommend that the District continue to train staff on enrollment procedures so that students' correct designations will be reflected in the student information system.

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Views of Responsible Officials, Planned Corrective Actions, and Contact Information

English Learner Program:

To ensure English learners are timely assessed for English fluency, the following action steps will be implemented:

1. Continue to send emails and provide updates to regions on students who have not been assessed with the Initial/Summative ELPAC.
2. Have regions communicate to schools about students who have not been assessed with the Summative ELPAC during the Summative ELPAC assessment window, Spring 2025.
3. Train English Learner Designees on proper enrollment procedures during the Master Plan Instructional Institute in June 2025 to ensure students have the proper language classification in the District's student information system (MiSiS).

Evidence will be collected and available June 2025.

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Free or Reduced Price Meal:

To address the free and reduced meal eligibility status, the following actions will be undertaken:

1. The Office of Data and Accountability will review the sibling match process with Information Technology Services (ITS) to determine whether the process needs to be updated by Spring 2025.
2. As a Community Eligibility Provision (CEP) school district, staff in the Student Records and Data Management Branch, in the Office of Data and Accountability, will be required to take part in Household Income Form (HIF) training during the Spring of 2025.
3. Annual refresher training will be provided for staff in January 2025 to ensure that the required steps for HIF processing are fulfilled.

Name: David Heredia

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Name: Rudy Ramirez

Title: Director, Office of Data and Accountability

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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

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S-2024-009 Immunizations

State Audit Guide Finding Codes: 40000

Schools Affected

- 107th Street Elementary
- 109th Street Elementary
- 153rd Street Elementary
- 15th Street Elementary
- 42nd Street Elementary
- 52nd Street Elementary
- 61st Street Elementary
- 96th Street Elementary
- 96th Street Elementary DL Two-Way Im Spanish
- 9th Street Elementary
- Angeles Mesa Elementary
- Baldwin Hills Elementary
- Budlong Avenue Elementary
- Carthay Elementary of Environmental Studies Magnet
- Columbus Avenue Elementary
- Esperanza Elementary
- Fairburn Avenue Elementary
- Figueroa Street Elementary
- Hubert Howe Bancroft Middle School
- Hubert Howe Bancroft Middle School Performing Arts Magnet
- La Salle Avenue Elementary
- MacArthur Park Elementary Visual and Performing Arts
- Manhattan Place Elementary
- Mariposa-Nabi Primary Center
- Marquez Charter
- Mountain View Elementary DL Two-Way Im Armenian
- Rancho Dominguez Preparatory School
- Rio Vista Elementary
- Saticoy Elementary DL Two-Way Im Armenian
- South Park Elementary DL Two-Way Im Spanish
- West Athens Elementary
- Wisdom Elementary

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Criteria

California Code of Regulations, Title 17, Section 6025: (a) A school or pre-kindergarten facility shall unconditionally admit or allow continued attendance to any pupil age 18 months or older whose parent or guardian has provided documentation of any of the following for each immunization required for the pupil's age or grade, as defined in Table A or B of this section:

Table B: California Immunization Requirements For Grades K-12

Grade	Number of Doses Required of Each Immunization				
K-12 Admission	4 Polio	5 DTap	3 Hep B	2 MMR	2 Varicella
(7th - 12th)	1 Tdap				
7th Grade Advancement	2 Varicella	1 Tdap			

California Code of Regulations, Title 17, Section 6040:

(a) If a pupil attending a school or pre-kindergarten facility who was previously believed to be in compliance is subsequently discovered to not be in compliance with either the unconditional admission requirements specified in section 6025 or the conditional admission requirements specified in section 6035:

- (1) The governing authority shall notify the parent or guardian of the time period within which the doses must be received. This time period may be no more than 10 school days after notification.
- (2) The pupil shall continue in attendance only if the parent or guardian provides documentation that the immunization requirements have been met within the time period designated by the governing authority.

(b) The parent or guardian shall submit documentation that seventh grade immunization requirements have been met to the governing authority prior to first 7th grade attendance.

California Code of Regulations, Title 17, Section 6051(b) - The fact of the permanent medical exemption for specific immunization(s) shall be recorded in the pupil's record in accordance with section 6070.

California Code of Regulations, Title 17, Section 6055 - The governing authority shall exclude any pupil who does not meet the requirements for admission or continued attendance as specified in Article 2 of this subchapter and Health and Safety Code section 120335.

California Code of Regulations, Title 17, Section 6070

(a) Pre-kindergarten facility and school personnel must record information for each pupil regarding all doses of required immunizations and the status of all requirements, as defined in Article 2 of this subchapter, using an immunization record that is provided by the parent or guardian that complies with the documentary proof requirements of section 6065, from a prior school, or in an immunization registry or information system governed by Health and Safety Code section 120440. The governing authority of each school and pre-kindergarten facility shall maintain this information for each pupil in the pupil's record.

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- (b) The immunization information shall include the following elements:
- (1) Pupil Name (Last, First, Middle).
 - (2) Statewide Student Identifier (SSID) (if assigned).
 - (3) Name of Parent/Guardian (Last, First).
 - (4) Birthdate (month, day, and year).
 - (5) Sex.
 - (6) Ethnicity (Hispanic/Latino, Non-Hispanic/Non-Latino).
 - (7) Race (African-American/Black, American Indian/Alaska Native, Asian, Native Hawaiian/Other Pacific Islander, White, Other).
 - (8) As specified in Table A or B of section 6025 for age or grade, the date (month, day, and year) each of the following required vaccine doses were given:
 - (A) IPV/OPV (Polio).
 - (B) DTaP/DTP (Diphtheria, Tetanus and [acellular] Pertussis).
 - (C) MMR (Measles, Mumps, and Rubella).
 - (D) Hib (Haemophilus influenzae type b; required for pre-kindergarten only).
 - (E) Hep B (Hepatitis B).
 - (F) VAR/VZV (Varicella or Chickenpox).
 - (G) Tdap (Tetanus, reduced Diphtheria and [acellular] Pertussis; required for 7th grade advancement and 7th-12th grade admission).
 - (9) Permanent medical exemption (indicate for each vaccine as applicable).
 - (10) Status of requirements at admission to pre-kindergarten:
 - (A) Name of staff who reviewed the pupil's immunization record.
 - (B) (If applicable) Pupil is currently up-to-date but more doses are due as specified in Tables A and C of sections 6025 and 6035, respectively.
 - i. Follow-up date (month, day and year).
 - (C) (If applicable) Pupil has Temporary Medical Exemption as specified in section 6050.
 - i. Follow-up date (month, day and year).
 - (D) The date (month, day and year) pupil met requirements for admission as specified in section 6025.
 - (11) Status of requirements at admission to K-12:
 - (A) Name of staff who reviewed the pupil's immunization record.
 - (B) (If applicable) Pupil is currently up-to-date but more doses are due as specified in Tables B and D of sections 6025 and 6035, respectively.
 - i. Follow-up date (month, day and year).
 - (C) (If applicable) Pupil has Temporary Medical Exemption as specified in section 6050.
 - i. Follow-up date (month, day and year).
 - (D) The date (month, day and year) pupil met requirements for admission as specified in section 6025.
 - (12) Status of requirements at admission or advancement to 7th grade:
 - (A) Name of staff who reviewed the pupil's immunization record.
 - (B) (If applicable) Pupil is currently up-to-date but more doses are due as specified in Tables B and D of sections 6025 and 6035, respectively.
 - i. Follow-up date (month, day and year).
 - (C) (If applicable) Pupil has Temporary Medical Exemption as specified in section 6050.
 - i. Follow-up date (month, day and year).
 - (D) The date (month, day and year) pupil meets requirements for admission as specified in section 6025.

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(c) Pursuant to subdivision (c) of section 120375 of the Health and Safety Code, the local health department shall have access to the health information as it relates to immunization of each pupil.

Condition, Cause and Effect

For the 73 schools identified as reporting a conditional admission rate greater than 10 percent in Kindergarten pupils to the California Department of Public Health (CDPH), we selected a sample of 353 Kindergarten pupils, excluding students in independent study and students with an individualized education program that includes special education and related services, and verified that each pupil has a California School Immunization Record, CDPH 286 (01/19) on file (prior version of form or equivalent electronic or hard copy record are acceptable), and verified that the pupils had 2 doses of varicella vaccine and 2 doses of a measles vaccine prior to admission, or had a current medical exemption on file. For pupils who only had 1 dose of either vaccine prior to admission, we verified that the 2nd dose was received within 4 calendar months and 10 school days after the 1st dose.

We noted the following findings, which occurred because the schools were not familiar with immunization requirements. As a result, the schools enrolled students who may not have been fully compliant with the requirements.

- **107th Street Elementary** – Out of the 14 pupils sampled, we noted the following exceptions:
 - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupils were marked present in the school’s monthly attendance summary for a total of 221 days during the time in which the pupil was not compliant with immunization requirements.

- **109th Street Elementary** – Out of the 7 pupils sampled, we noted the following exceptions:
 - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupils were marked present in the school’s monthly attendance summary for a total of 168 days during the time in which the pupil was not compliant with immunization requirements.

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- **153rd Street Elementary** – Out of the 4 pupils sampled, we noted the following exceptions:
 - Two (2) pupils did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupils were marked present in the school’s monthly attendance summary for a total of 210 days during the time in which the pupil was not compliant with immunization requirements.
- **15th Street Elementary** – Out of the 7 pupils sampled, we noted the following exceptions:
 - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupils were marked present in the school’s monthly attendance summary for a total of 34 days during the time in which the pupil was not compliant with immunization requirements.
- **42nd Street Elementary** – Out of the 3 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 69 days during the time in which the pupil was not compliant with immunization requirements.
- **52nd Street Elementary** – Out of the 10 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 50 days during the time in which the pupil was not compliant with immunization requirements.
- **61st Street Elementary** – Out of the 8 pupils sampled, we noted the following exception:
 - Two (2) pupils did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 179 days during the time in which the pupil was not compliant with immunization requirements.
- **96th Street Elementary** – Out of the 6 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 58 days during the time in which the pupil was not compliant with immunization requirements.

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- **96th Street Elementary DL Two-Way Im Spanish** – Out of the 1 pupil sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 73 days during the time in which the pupil was not compliant with immunization requirements.

- **9th Street Elementary** – Out of the 6 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 1st dose of the measles and varicella vaccines before the first day of school.
 - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school.
 - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the measles vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 85 days during the time in which the pupil was not compliant with immunization requirements.

- **Angeles Mesa Elementary** – Out of the 7 pupils sampled, we noted the following exception:
 - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 65 days during the time in which the pupil was not compliant with immunization requirements.

- **Baldwin Hills Elementary** – Out of the 8 pupils sampled, we noted the following exceptions:
 - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupils were marked present in the school’s monthly attendance summary for a total of 141 days during the time in which the pupils were not compliant with immunization requirements.

- **Budlong Avenue Elementary** – Out of the 10 pupils sampled, we noted the following exceptions:
 - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupils were marked present in the school’s monthly attendance summary for a total of 98 days during the time in which the pupils were not compliant with immunization requirements.

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- **Carthay Elementary of Environmental Studies Magnet** – Out of the 8 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 53 days during the time in which the pupil was not compliant with immunization requirements.

- **Columbus Avenue Elementary** – Out of the 7 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 84 days during the time in which the pupil was not compliant with immunization requirements.

- **Esperanza Elementary** – Out of the 9 pupils sampled, we noted the following exceptions:
 - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupils were marked present in the school’s monthly attendance summary for a total of 44 days during the time in which the pupil was not compliant with immunization requirements.

- **Fairburn Avenue Elementary** – Out of the 12 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 22 days during the time in which the pupil was not compliant with immunization requirements.

- **Figueroa Street Elementary** – Out of the 7 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 36 days during the time in which the pupil was not compliant with immunization requirements.

- **La Salle Avenue Elementary** – Out of the 5 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - One (1) pupil did not receive the required 1st dose of the measles and varicella vaccines before the first day of school.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 56 days during the time in which the pupil was not compliant with immunization requirements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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- **MacArthur Park Elementary Visual and Performing Arts** – Out of the 4 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd doses of the measles vaccine within four calendar months and ten school days after receiving the 1st dose and did not receive the required 1st dose of the varicella vaccine before the first day of school.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 59 days during the time in which the pupil was not compliant with immunization requirements.
- **Manhattan Place Elementary** – Out of the 4 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd doses of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 4 days during the time in which the pupil was not compliant with immunization requirements.
- **Mariposa-Nabi Primary Center** – Out of the 3 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd doses of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 8 days during the time in which the pupil was not compliant with immunization requirements.
- **Marquez Charter** – Out of the 7 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 129 days during the time in which the pupil was not compliant with immunization requirements.
- **Mountain View Elementary DL Two-Way Im Armenian** – Out of the 7 pupils sampled, we noted the following exception:
 - Three (3) pupils did not receive the required 2nd doses of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 164 days during the time in which the pupil was not compliant with immunization requirements.
- **Rio Vista Elementary** – Out of the 8 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd doses of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - One (1) pupil did not receive the required 1st dose of the measles and varicella vaccines before the first day of school.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 242 days during the time in which the pupil was not compliant with immunization requirements.

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- **Saticoy Elementary DL Two-Way Im Armenian** – Out of the 5 pupils sampled, we noted the following exception:
 - Three (3) pupils did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 104 days during the time in which the pupil was not compliant with immunization requirements.

- **South Park Elementary DL Two-Way Im Spanish** – Out of the 2 pupils sampled, we noted the following exception:
 - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 34 days during the time in which the pupil was not compliant with immunization requirements.

- **West Athens Elementary** – Out of the 12 pupils sampled, we noted the following exception:
 - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - One (1) pupil did not receive the required 1st dose of the measles vaccine before the first day of school.
 - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 339 days during the time in which the pupil was not compliant with immunization requirements.

- **Wisdom Elementary** – Out of the 10 pupils sampled, we noted the following exception:
 - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupil was marked present in the school’s monthly attendance summary for a total of 96 days during the time in which the pupil was not compliant with immunization requirements.

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For the 7 schools identified as reporting a conditional admission rate greater than 10 percent in 7th Grade pupils to the California Department of Public Health (CDPH), we selected a sample of 37 7th Grade pupils, excluding students in independent study and students with an individualized education program that includes special education and related services, and verified each pupil has a California School Immunization Record, PM 286 (01/02) or CDPH 286 (01/14) on file (a later version or equivalent electronic or hard copy record is acceptable), and verified that each pupil obtained 2 doses of varicella vaccine prior to admission into 7th Grade. For pupils who only had 1 dose of varicella vaccine prior to admission, we verified that the 2nd dose was received within 4 calendar months and 10 school days after the 1st dose.

We noted the following findings, which occurred because the schools were not familiar with immunization requirements. As a result, the schools enrolled students who may not have been fully compliant with the requirements.

- **Hubert Howe Bancroft Middle School** - Out of the 7 pupils sampled, we noted the following exceptions:
 - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
 - The pupils were marked present in the school's monthly attendance summary for a total of 12 days during the time in which the pupils were not compliant with immunization requirements.
- **Hubert Howe Bancroft Middle School Performing Arts Magnet** - Out of the 8 pupils sampled, we noted the following exceptions:
 - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
 - The pupils were marked present in the school's monthly attendance summary for a total of 72 days during the time in which the pupils were not compliant with immunization requirements.
- **Rancho Dominguez Preparatory School** - Out of the pupils 6 sampled, we noted the following exceptions:
 - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school.
 - The pupils were marked present in the school's monthly attendance summary for a total of 178 days during the time in which the pupils were not compliant with immunization requirements.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-009).

LOS ANGELES UNIFIED SCHOOL DISTRICT

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Questioned Costs

- Grades TK-K – 2,796 days / 182 days = 15.36 ADA overstated * \$15,008.62 = \$230,532.40
- Marquez Charter – 129 days / 182 days = 0.71 ADA overstated * \$11,311.51 = \$8,031.17

Kindergarteners:

- 107th Street Elementary – 221 days overstated/182 days in single track school year
- 109th Street Elementary – 168 days overstated/182 days in single track school year
- 153rd Street Elementary – 210 days overstated/182 days in single track school year
- 15th Street Elementary – 34 days overstated/182 days in single track school year
- 42nd Street Elementary – 69 days overstated/182 days in single track school year
- 52nd Street Elementary – 50 days overstated/182 days in single track school year
- 61st Street Elementary – 179 days overstated/182 days in single track school year
- 96th Street Elementary – 58 days overstated/182 days in single track school year
- 96th Street Elementary DL Two-Way Im Spanish – 73 days overstated/182 days in single track school year
- 9th Street Elementary – 85 days overstated/182 days in single track school year
- Angeles Mesa Elementary – 65 days overstated/182 days in single track school year
- Baldwin Hills Elementary – 141 days overstated/182 days in single track school year
- Budlong Avenue Elementary – 98 days overstated/182 days in single track school year
- Carthay Elementary of Environmental Studies Magnet – 53 days overstated/182 days in single track school year
- Columbus Avenue Elementary – 84 days overstated/182 days in single track school year
- Esperanza Elementary – 44 days overstated/182 days in single track school year
- Fairburn Avenue Elementary – 22 days overstated/182 days in single track school year
- Figueroa Street Elementary – 36 days overstated/182 days in single track school year
- La Salle Avenue Elementary - 56 days overstated/182 days in single track school year
- MacArthur Park Elementary Visual and Performing Arts– 59 days overstated/182 days in single track school year
- Manhattan Place Elementary – 4 days overstated/182 days in single track school year
- Mariposa-Nabi Primary Center Elementary – 8 days overstated/182 days in single track school year
- Marquez Charter – 129 days overstated/182 days in single track school year
- Mountain View Elementary DL Two-Way Im Armenian – 164 days overstated/182 days in single track school year
- Rio Vista Elementary – 242 days overstated/182 days in single track school year
- Saticoy Elementary DL Two-Way Im Armenian – 104 days overstated/182 days in single track school year
- South Park Elementary DL Two-Way Im Spanish – 34 days overstated/182 days in single track school year
- West Athens Elementary – 339 days overstated/182 days in single track school year
- Wisdom Elementary – 96 days overstated/182 days in single track school year

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- Grades 7 – 262 days / 182 days = 1.44 ADA overstated * \$14,208.23 = \$20,459.85

7th Graders:

- Hubert Howe Bancroft Middle School – 12 days overstated/182 days in single track school year
- Hubert Howe Bancroft Middle School Performing Arts Magnet – 72 days overstated/182 days in single track school year
- Rancho Dominguez Preparatory School – 178 days overstated/182 days in single track school year

Recommendation

We recommend that the District strengthen its controls over implementing District policies regarding pupil immunization record tracking. Furthermore, we recommend that the District continue providing adequate training to the schools to properly monitor pupil immunization.

Views of Responsible Officials and Planned Corrective Actions

The District has established the following action steps to address the audit findings.

1. Meeting with the Chief Medical Director, Dr. Malhotra – December 2024
 - a. Review results of audit and discuss strategies to address the results
2. Met with Nursing Coordinators – January 2025
 - a. Review results of audit and discuss strategies to address the results
 - b. Discuss plan of action moving forward
3. Meeting with Administrator of Operations – January 2025
 - a. Review results of audit and discuss strategies to address the results
4. School Nurses training Office Personnel – Ongoing
 - a. To provide refresher to office personnel regarding state immunization requirements
 - b. To provide initial training to office personnel who are new to the job on state immunization requirements
5. Immunization reports forwarded to Region Leadership – Weekly
 - a. To provide data to leadership to review their Region compliance rate and rates individually at school
 - b. To work with Schools Nurses at sites to improve compliance rates
 - c. Inter-Office Correspondence (IOC) included which discusses California immunization requirements and the need for students to be immunized
6. Immunization Work Group – Every two weeks
7. Robust communication plan – Monthly
 - a. LAUSD account social media posts
 - b. District Nursing Services social media posts
 - c. Provide list of LAUSD clinics where families can go to get immunizations

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Title: Director

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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

S-2024-010 – Expanded Learning Opportunities Grant

State Audit Guide Finding Codes: 40000

Criteria

California Education Code, Section 43522(b) - specifically, funds received under subdivision (b) of Section 43521 shall be expended only for any of the following purposes:

(1) Notwithstanding Section 37202, instructional learning time in addition to what is required pursuant to Part 24.5 (commencing with Section 43500) of Division 3 for the 2020–21 school year and Chapter 2 (commencing with Section 46100) of Part 26 of, or Chapter 3 (commencing with Section 47610) of Part 26.8 of, Division 4, and Section 300.106 of Title 34 of the Code of Federal Regulations for the 2021–22 and the 2022–23 school years by increasing the number of instructional days or minutes provided during the school year, providing summer school or intersessional instructional programs, or taking any other action that increases the amount of instructional time or services provided to pupils based on their learning needs.

Condition, Cause and Effect

In our sample of ten (10) ELO-G payroll expenditures (Resource 7425), we verified whether the employees' time pertained to in-person services was allowable under Education Code section 43522(b).

We noted the following finding:

- One (1) employee had a total of 15 hours charged in excess to the ELO-G fund in which the employee did not perform work related to the summer school extended instructional learning program. Although the District properly reviewed the employees' timecard for the pay period and posted the necessary adjustments to account for time worked on other tasks, they erroneously did not adjust 15 hours out of the ELO-G fund.

Questioned Costs

Not applicable. Upon our identification of the sampled employee, the District identified the above error and corrected the ELO-G fund by transferring out the costs associated with the 15 hours. As the District corrected the error before closing its June 30, 2024, financial statements, no questioned costs are to be assessed. As such, the above finding has been resolved.

Recommendation

We recommend that the District strengthen its monitoring and review controls over expenditure charges to the ELO-G fund to ensure that all costs are associated with allowable services and that all necessary adjustments are made timely.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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Views of Responsible Officials, Planned Corrective Actions, and Contact Information

The Division of Instruction will continue to provide guidance in the payroll handbook for timely and accurate payroll entry when using ELO-G funds.

The District does not anticipate additional ELO-G funding in future fiscal years.

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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

S-2024-011 – Expanded Learning Opportunities Program

State Audit Guide Finding Codes: 40000

Schools Affected

- 232nd Place Elementary
- Broadway Elementary
- Carlos Santana Arts Academy
- Vista del Valle Dual Language Academy

Criteria

California Education Code, Section 46120(g)(6) – “Provide access,” with respect to an “expanded learning opportunity program,” means to enroll in the expanded learning opportunity program. If a parent or guardian has a signed expanded learning opportunity program registration form and that form is on file, the pupil shall be considered enrolled in the expanded learning opportunity program. For a local educational agency receiving an expanded learning opportunity program apportionment, transportation shall be provided for any pupil who attends a school that is not operating an expanded learning opportunity program to attend a location that is providing an expanded learning opportunity program and to return to their original location or another location that is established by the local educational agency.

Condition, Cause and Effect

In our sample of 23 District schools and 2 Charter schools, we selected 319 expanded learning opportunity program registration forms. We verified whether students who had filled out a registration form were found in the master enrollment list.

We identified the following:

- Five (5) students submitted completed registration forms but were not listed on the master enrollment list.

Questioned Costs

Not applicable.

Recommendation

We recommend that the District strengthen its controls over the master enrollment list to ensure it includes all students who submit a registration form.

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Views of Responsible Officials, Planned Corrective Action, and Contact Information

Beyond the Bell Branch will implement the following Corrective Action Plan related to maintaining a current master enrollment list at each expanded learning program site:

1. Provide explicit written guidelines to agency contractors and district-operated program personnel by February 28, 2025, outlining the policies and procedures for ensuring that all students who submit an expanded learning program registration form are added to the master enrollment list.
2. Conduct mandatory training for agency contractors and district-operated program personnel in February 2025 on the policies and procedures for maintaining a current master enrollment list. This training session will be recorded and shared with agency contractors and district-operated program personnel as a resource to support program implementation.
3. Perform ongoing site visits by Beyond the Bell administrators and Traveling Program Supervisors to review enrollment information and ensure all expanded learning programs adhere to the established policies and procedures for maintaining a current master enrollment list.

The expected outcome of these corrective actions is to strengthen the District's controls over ensuring equitable access to expanded learning programs and to reduce or eliminate similar findings in the future.

Name: Jose Carrillo
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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

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S-2024-012 – Transitional Kindergarten

State Audit Guide Finding Codes: 40000

Criteria

California Education Code, Section 48000 (g) – As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to Section 46300, a school district or charter school shall do all of the following:

- (1) Maintain an average transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite.
- (2) Commencing with the 2022–23 school year, maintain an average of at least one adult for every 12 pupils for transitional kindergarten classrooms at each schoolsite.

California Education Code, Section 48000.1(b) – (1) Commencing with the 2022–23 school year, if a school district or charter school fails to comply with the requirements of paragraphs (1) to (4), inclusive, of subdivision (g) of Section 48000, the Superintendent shall withhold from the school district’s or charter school’s entitlement computed pursuant to Section 42238.02 the sum of the following:

(A) For school districts and charter schools that fail to meet the adult-to-pupil ratio requirements of paragraph (2) of subdivision (g) of Section 48000, the amount determined by multiplying:

(i) The number of additional adults needed to meet the requirements of paragraph (2) of subdivision (g) of Section 48000, as calculated by dividing the total transitional kindergarten enrollment at the schoolsite, as determined pursuant to subparagraph (A) of paragraph (2) of subdivision (g) of Section 48000, by 12, rounded to the nearest half or whole integer, minus the total number of adults at the schoolsite, as determined pursuant to subparagraph (B) of paragraph (2) of subdivision (g) of Section 48000.

(ii) Twenty-four, reduced by the statewide average rate of absence for elementary school districts for kindergarten and grades 1 to 8, inclusive, as calculated by the department for the prior fiscal year, with the resultant figures and rates rounded to the nearest tenth.

(iii) The per average daily attendance rate determined pursuant to paragraph (2) of subdivision (g) of Section 42238.02.

(C) For school districts and charter schools that fail to maintain an average transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite, as required pursuant to paragraph (1) of subdivision (g) of Section 48000, the amount determined by multiplying the then-current fiscal year’s average daily attendance reported for the second principal apportionment period in transitional kindergarten by the amount specified in subparagraph (A) of paragraph (3) of subdivision (d) of Section 42238.02, unless the school district fails to meet the requirements for average class size for kindergarten and grades 1 to 3, inclusive, pursuant to clause (i) of subparagraph (D) of paragraph (3) of subdivision (d) of Section 42238.02.

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California Education Code, Section 48000.15 (d) – (1) Any classroom that includes an early enrollment child shall maintain an adult-to-pupil ratio of at least one adult to every 10 pupils.

(3) Any transitional kindergarten classroom that includes an early enrollment child shall maintain a classroom enrollment that does not exceed 20 pupils.

California Education Code, Section 48000.15 (e) – (1) If a school district or charter school fails to comply with the requirements of paragraph (1) or (3) of subdivision (d), the Superintendent shall withhold from the school district's or charter school's entitlement computed pursuant to Section 42238.02 an amount pursuant to the following:

(A) For school districts and charter schools that fail to meet the adult-to-pupil ratio requirements of paragraph (1) of subdivision (d) for classrooms that include an early enrollment child, the amount shall be determined by multiplying:

(i) The number of additional adults needed to meet the requirements of paragraph (1) of subdivision (d), as calculated by dividing the total enrollment pupils in each transitional kindergarten classroom with early enrollment children, by 10, rounded to the nearest half or whole integer, minus the total number of adults assigned to the classroom, as determined pursuant to subparagraph (B) of paragraph (3) of subdivision (b).

(ii) Twenty, reduced by the statewide average rate of absence for elementary school districts for kindergarten and grades 1 to 8, inclusive, as calculated by the department for the prior fiscal year, with the resultant figures and rates rounded to the nearest tenth.

(iii) The per average daily attendance rate determined pursuant to paragraph (2) of subdivision (g) of Section 42238.02.

(B) For school districts and charter schools that fail to maintain a class enrollment of not more than 20 pupils, as required pursuant to paragraph (3) of subdivision (d), the amount determined by multiplying the then-current fiscal year's average daily attendance reported for the second principal apportionment period in transitional kindergarten classrooms with early enrollment children by the amount specified in subparagraph (A) of paragraph (3) of subdivision (d) of Section 42238.02, unless the school district or charter school fails to meet the requirements for average class size for kindergarten and grades 1 to 3, inclusive, pursuant to clause (i) of subparagraph (D) of paragraph (3) of subdivision (d) of Section 42238.02.

Condition, Cause and Effect

We had a total sample of 91 District schools and 9 Charter schools.

Of our total 91 sampled District schools, 4 offered transitional kindergarten which did not include early enrollment pupils. We verified whether each school site's average class enrollment exceeded 24 pupils and whether each school site had an average of at least one adult for every 12 pupils for transitional kindergarten classrooms.

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Our remaining samples of 87 District schools and 9 Charter schools offered transitional kindergarten which included early enrollment pupils. We verified whether each school site’s average class enrollment exceeded 20 pupils and whether each school site had an average of at least one adult for every 10 pupils for early enrollment classrooms.

We identified the following findings arising from challenges schools faced in filling vacant positions for the additional adult role to achieve the required adult-to-student ratio.

- Thirteen (13) District school sites that offered early enrollment exceeded an average class enrollment of 20 pupils. As such, the penalty for average class enrollment is calculated as follows:

P-2 TK ADA with Early Enrollment	4,420.93	(a)
K-3 GSA Rate	\$ 1,032.00	(b)
TK Average Class Size Penalty	\$ 4,562,399.76	(c) = (a) * (b)

- One (1) Charter school site, Colfax Charter Elementary that offered early enrollment, exceeded an average class enrollment of 20 pupils. As such, the penalty for average class enrollment is calculated as follows:

P-2 TK ADA with Early Enrollment	31.27	(a)
K-3 GSA Rate	\$ 1,032.00	(b)
TK Average Class Size Penalty	\$ 32,270.64	(c) = (a) * (b)

- Five (5) District school sites did not have the minimum of one (1) adult for every twelve (12) pupils of transitional kindergarten resulting in an additional need of four and one half (4.5) adults to meet the minimum requirement. As such, the penalty for adult-to-pupil ratio is calculated as follows:

Additional Adults Needed	4.50	(a)
24 Reduced by the 7.5% Absent Rate	22.20	(b)
Transitional Kindergarten add-on Rate	\$ 3,044.00	(c)
Adult-to-Student Ratio Penalty	\$ 304,095.60	(d) = (a) * (b) * (c)

- Beckford Charter for Enriched Studies school site did not have the minimum of one (1) adult for every twelve (12) pupils of transitional kindergarten resulting in an additional need of one half (0.5) an adult to meet the minimum requirement. As such, the penalty for adult-to-pupil ratio is calculated as follows:

Additional Adults Needed	0.50	(a)
24 Reduced by the 7.5% Absent Rate	22.20	(b)
Transitional Kindergarten add-on Rate	\$ 3,044.00	(c)
Adult-to-Student Ratio Penalty	\$ 33,788.40	(d) = (a) * (b) * (c)

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- Topanga Elementary Charter School school site did not have the minimum of one (1) adult for every twelve (12) pupils of transitional kindergarten resulting in an additional need of one half (0.5) adult to meet the minimum requirement. As such, the penalty for adult-to-pupil ratio is calculated as follows:

Additional Adults Needed	0.50	(a)
24 Reduced by the 7.5% Absent Rate	22.20	(b)
Transitional Kindergarten add-on Rate	\$ 3,044.00	(c)
Adult-to-Student Ratio Penalty	\$ 33,788.40	(d) = (a) * (b) * (c)

- Seven (7) District school sites, which offered early enrollment, did not have the minimum of one (1) adult for every ten (10) pupils of early enrollment resulting in an additional need of four (4) adults to meet the minimum requirement. As such, the penalty for adult-to-pupil ratio is calculated as follows:

Additional Adults Needed	4.00	(a)
20 Reduced by the 7.5% Absent Rate	18.50	(b)
Transitional Kindergarten add-on Rate	\$ 3,044.00	(c)
Adult-to-Student Ratio Penalty	\$ 225,256.00	(d) = (a) * (b) * (c)

- Colfax Charter Elementary school site that offered early enrollment, did not have the minimum of one (1) adult for every ten (10) pupils of early enrollment resulting in an additional need of one half (0.5) adult to meet the minimum requirement. As such, the penalty for adult-to-pupil ratio is calculated as follows:

Additional Adults Needed	0.50	(a)
20 Reduced by the 7.5% Absent Rate	18.50	(b)
Transitional Kindergarten add-on Rate	\$ 3,044.00	(c)
Adult-to-Student Ratio Penalty	\$ 28,157.00	(d) = (a) * (b) * (c)

LOS ANGELES UNIFIED SCHOOL DISTRICT

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Questioned Costs

District Schools

Average Class Enrollment Penalty	\$ 4,562,399.76
Adult-to-Pupil Ratio Penalty	529,351.60
Total Penalty	\$ 5,091,751.36

Beckford Charter for Enriched Studies

Adult-to-Pupil Ratio Penalty	33,788.40
Total Penalty	\$ 33,788.40

Topanga Elementary Charter School

Adult-to-Pupil Ratio Penalty	33,788.40
Total Penalty	\$ 33,788.40

Colfax Charter Elementary

Average Class Enrollment Penalty	\$ 32,270.64
Adult-to-Pupil Ratio Penalty	28,157.00
Total Penalty	\$ 60,427.64

Recommendation

We recommend that the District implement mechanisms to track their compliance with transitional kindergarten and early enrollment average class enrollment and adult-to-pupil ratio throughout the year to monitor compliance with transitional kindergarten average class enrollment and adult-to-pupil ratio requirements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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June 30, 2024

Views of Responsible Officials, Planned Corrective Actions, and Contact Information

The District has implemented mechanisms to track compliance with class size and adult-to-student ratio requirements in the SY 24-25.

- By May 2024, a Transitional Kindergarten Resources and Communication Toolkit was shared with school sites and district administrators to ensure class capacity and ratio requirements are adhered to.
- On April 2024, District policy documents such as the Universal Transitional Kindergarten reference guide (REF-123501.3) was updated and shared to communicate adherence to state requirements.
- Principal meetings were held on May 2024 in each region to review the state requirements for class capacity and adult-to-student ratio.
- Regional Principal meetings were held again on July 2024 and August 2024 to review the ratio and capacity requirements for UTK classes for the SY24-25.
- By November 2024, job aids, Frequently Asked Questions (FAQs) documents, and UTK Toolkits were created and posted in the LAUSD Principal’s Portal. These included the updated reference guide, presentations and information about ratio and class capacity requirements.

To ensure that schools are adhering to the class capacity and ratio requirements, Budget Services Division, Attendance and Student Enrollment Office, and the Early Childhood Education Division will collaborate to identify schools that are non-compliant and address issues promptly by Spring 2025.

If you have any questions, please feel free to contact any of the parties below:

Name	Title	Office	Email
Pia Sadaqatmal	Chief of Transitional Programs	Office of Transitional Programs	pcs9151@lausd.net
Dean Tagawa	Executive Director	Early Childhood Education Division	dtagawa@lausd.net
Nirupama Jayaraman	Deputy Budget Director	Budget Services and Financial Planning	nirupama.jayaraman@lausd.net

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

S-2024-013 – Attendance Accounting – Dependent Charters – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- El Oro Way Charter for Enriched Studies
- Paul Revere Charter Middle School
- Plainview Academic Charter Academy
- Sylmar Charter High School

Criteria

California Education Code, Section 47612(b) – The average daily attendance in a charter school may not, in any event, be generated by a pupil who is not a California resident. To remain eligible for generating charter school apportionments, a pupil over 19 years of age shall be continuously enrolled in public school and make satisfactory progress towards award of a high school diploma. The state board shall, on or before January 1, 2000, adopt regulations defining “satisfactory progress.”

Condition, Cause and Effect

For our sample of twelve (12) schools, we obtained the Student Monthly Attendance Summary Reports (SMASRs) for a sample of teachers for school month two (2). SMASRs are system-generated reports from the District’s My Integrated Student Information System (MiSiS), a system utilized by the teachers to electronically input, submit and certify student attendance daily. We verified whether these SMASRs were reported accurately in the *Second Principal Report (P2)* and the *Annual Principal Report (P3)*. We obtained the monthly statistical reports where all the SMASRs are summarized, for our sampled schools and we verified whether the SMASRs were completely and accurately summarized. We then traced these monthly statistical reports to the Attendance Ledgers, which in turn were traced to the *Second Principal Report (P2)* and the *Annual Principal Report (P3)*.

To test the integrity of the data reported in the sampled SMASRs, we selected a sample of absences from notes, phone logs and other absence records and compared them to the SMASRs to verify that they were not included in the calculation of Average Daily Attendance reported in the P2. In addition, since the SMASRs are generated through MiSiS, we also tested the system’s general internal controls which included but were not limited to appropriate access controls. We selected a sample of 14,545 days of attendance and 740 days of absences for testing and noted the following findings, resulting from staff’s untimely updating of student’s attendance records:

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

- **El Oro Way Charter for Enriched Studies** - Out of the 1,379 days of attendance and 46 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.
- **Paul Revere Charter Middle School** - Out of the 1,511 days of attendance and 120 days of absences sampled, we noted the following exceptions:
 - One(1) student was absent for a total of one(1) day, as evidenced by an absence note, but were recorded as present in the SMASR.
 - One (1) student was absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.
- **Plainview Academic Charter Academy** - Out of the 1,200 days of attendance and 90 days of absences sampled, we noted the following exception:
 - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.
- **Sylmar Charter High School** - Out of the 686 days of attendance and 55 days of absences sampled, we noted the following exceptions:
 - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR. The school updated MiSiS to reflect the students as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the students prior to P2 reporting, this does not lead to questioned costs.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-012), but for different schools.

Questioned Costs

- El Oro Way Charter for Enriched Studies
 - Grades TK/K-3: 2 days/142 days in single track school year
 - Grades TK/K-3: $2 \text{ days}/142 = 0.01 \text{ ADA overstated} * \$11,810.43 = \$118.10$
- Paul Revere Charter Middle School
 - Grades 4 to 6: 1 day/142 days in single track school year
 - Grades 4 to 6: $1 \text{ day}/142 \text{ days} = 0.01 \text{ ADA overstated} * \$10,600.84 = \$106.01$
- Plainview Academic Charter Academy
 - Grades 4 to 6: 1 day/142 days in single track school year
 - Grades 4 to 6: $1 \text{ day}/142 \text{ days} = 0.01 \text{ ADA overstated} * \$13,962.53 = \$139.63$

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

Recommendation

We recommend that the District and the schools continue to strengthen their controls over implementing attendance policies over student attendance reporting by ensuring schools maintain adequate support for reported absences, accurately report student absences in the school's monthly attendance summary and retain supporting documentation for instances in which students arrive to school late or leave early. Finally, we recommend that the District continue to support the schools by providing adequate training in attendance reporting so that proper attendance reporting procedures are adhered to and that the District maintains documentation reflecting that each of the schools identified above has been successfully trained.

Views of Responsible Officials, Planned Corrective Action, and Contact Information

To improve accurate attendance reporting and alignment with SMASR, Pupil Services will implement the following actions:

1. **Automated Reminders in MiSiS or Other LAUSD System:** Pupil Services will consult with the MiSiS team to explore the possibility of setting up automated reminders in MiSiS. These reminders will prompt designated school staff to review and correct attendance data in the SMASR before the end of each month. Pupil Services will define the specific user roles that will receive the reminders, the frequency of the notifications, and the duration by January 2025.
2. **Self-Audit Tool for Schools:** Pupil Services will develop a self-audit tool to assist schools in reviewing their attendance data monthly. This tool will focus on common errors identified in past audit findings. This tool will be available to all LAUSD staff via the Pupil Services SharePoint by January 2025.
3. **Virtual Drop-In Sessions with Office of Organizational Excellence:** Pupil Services in collaboration with Office of Organizational Excellence participate in virtual drop-in sessions twice a year, where school staff can ask questions about common audit findings and review SMASR-related issues beginning in October 2024.
4. **Guidance on Attendance Data Review:** Pupil Services will develop training material including SMASR and additional MiSiS reports to support accurate attendance taking procedures. Pupil Services will continue to support the schools by providing adequate training in attendance reporting so that proper attendance reporting procedures are adhered to. The training titled "Tools to Support Accurate Attendance & Withdrawal Procedures" will include SMASR and additional MiSiS reports to support accurate attendance taking procedures and will be available to all school staff by March 2025. Pupil Services will be trained during the second semester of 2024-25 school year. Pupil Services will maintain documentation reflecting that each of the schools identified above has been successfully trained.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

5. **SMASR Timeline Reminders:** Pupil Services will develop a school year timeline with monthly dates for school staff to review attendance data reflected on the SMASR and assist with correcting attendance discrepancies. PSA will include the SMASR MiSiS job aide to support this process. Reminders will be posted on Schoology to remind staff about the timeline and tools by January 2025.

These steps will strengthen the ability to maintain accurate attendance data and ensure compliance with SMASR reporting.

Name: Elsy Rosado

Title: Director, Pupil Services and Attendance

Telephone: (213) 241-3844

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

Section V - Findings Relating to the Prior Year Basic Financial Statements which are Required to be Reported in Accordance with Government Auditing Standards

Finding – FS-2023-001 Reimbursement Grant Revenue Recognition (Material Weakness)

Finding – FS-2022-001 Reimbursement Grant Revenue Recognition (Material Weakness)

State Audit Guide Finding Code: 30000

Recommendation

We recommend that the District strengthen its controls over reimbursement or expenditure-driven grant revenue recognition as follows:

- Ensure that the Revenue Recognition Policies and Procedures are updated annually to include all grants in which the District continues to participate in and any new cost reimbursement grants received in the current fiscal year.
- Ensure that the Facilities' staff continue to be adequately trained and knowledgeable of reimbursement grant accounting and financial reporting requirements.
- The ADCP is to continue verifying revenues recorded during the current fiscal year to ensure recording in the proper accounting period.
- The ADCP is to continue reviewing subsequent cash receipts pertaining to reimbursement grants to ensure recording in the proper accounting period.

Current Status

Implemented.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

Finding – FS-2023-002 Vulnerability Management (Significant Deficiency)

Finding – FS-2022-002 Vulnerability Management (Significant Deficiency)

State Audit Guide Finding Code: 30000

SAP Vulnerability

Recommendation

We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

Current Status

Partially implemented; see item FS-2024-001 within the accompanying schedule of findings and questioned costs.

MiSiS Vulnerability

Recommendation

We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

Current Status

Partially implemented; see item FS-2024-001 within the accompanying schedule of findings and questioned costs.

CMS Vulnerability

Recommendation

We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

Current Status

Partially implemented; see item FS-2024-001 within the accompanying schedule of findings and questioned costs.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

Welligent Vulnerability

Recommendation

We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

Current Status

Partially implemented; see item FS-2024-001 within the accompanying schedule of findings and questioned costs.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

Section VI - Findings and Questioned Costs Related to Federal Awards

1. Finding F-2023-001 – Activities Allowed or Unallowed/Allowable Costs and Cost Principles

Program Identification

Title I Grants to Local Educational Agencies, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.010, PCA Nos. 14329 and 15438

Special Education-Grants to States (IDEA, Part B), U.S. Department of Education, Passed through the California Department of Education, AL No. 84.027A, 22-13379-64733-01

English Language Acquisition State Grants, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.365Z, PCA No. 14365, T365Z210143/C#21079A

Improving Teacher Quality State Grants, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.367, PCA 14341

COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER), U.S. Department of Education, Passed through the California Department of Education, AL No. 84.425U, PCA No. 15559

State Audit Guide Finding Codes: 30000 and 50000

Recommendation

We recommend that the District enhance its internal controls over payroll expenditures and related compliance requirements by providing adequate and continuous training to school administrators, timekeepers, and supervisors on the necessary procedures to ensure ongoing compliance is effectively monitored. We also recommend that management responsible for each grant develop and reinforce controls for reviewing and approving Multi-Funded Time Reports or timesheets prior to submission to the funding agency, ensuring that the review and approval process is well-documented. In addition, the District should also conduct internal audits to assess the accuracy of timesheets or Multi-Funded Time Reports and the timeliness of signed Periodic Certification submissions to ensure compliance with the established requirements.

Current Status

Implemented.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

2. Finding F-2023-002 – Special Tests and Provisions – Annual Report Card, High School Graduation Rate

Program Identification

Title I Grants to Local Educational Agencies, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.010, PCA Nos. 14329.

State Audit Guide Finding Codes: 30000 and 50000

Recommendation

Given the recurring nature of this finding, we strongly recommend that the District take more robust measures to strengthen and improve its existing controls over enrollment/withdrawal status to ensure that student records on MiSiS are accurate and that necessary documents are maintained. Additionally, we recommend that the District continue to provide training on accurate enrollment/withdrawal codes and on the appropriate levels of written documentation required for various withdrawal situations under both ESSA and CDE guidance.

Current Status

Implemented.

3. Finding F-2023-003 - Reporting

Program Identification

Improving Teacher Quality State Grants, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.367, PCA No. 14341.

State Audit Guide Finding Codes: 30000 and 50000

Recommendation

We recommend that the District strengthen and improve its existing controls over the ConApp reporting process to ensure that all reported information is reconciled between the accounting records and the ConApp submissions.

Current Status

Implemented.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

Section VII – Findings and Questioned Costs Relating to State Awards

S-2023-001 – Regular and Special Day Classes – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- Alexandria Avenue Elementary
- Arlington Heights Elementary
- Arlington Heights Elementary DL
Two-Way Im Spanish
- Atwater Avenue Elementary
- Avalon Gardens Elementary
- Belmont Senior High
- Brentwood Elementary Science
Magnet
- Broadacres Avenue Elementary
- Cabrillo Avenue Elementary
- Carmen Lomas Garza Primary
Center
- Coeur D Alene Avenue Elementary
- Corona Avenue Elementary
- Crescent Heights Boulevard
Elementary Lang Arts/Soc Jstc Mag
- CTC - West
- Del Amo Elementary
- Delevan Drive Elementary
- Denker Avenue Elementary
- Dolores Huerta Elementary School
- Dolores Street Elementary
- Dr Sammy Lee Elementary Medical
and Health Science Magnet
- Florence Nightingale Middle School
- Florence Nightingale Middle School
Bus Entrprshp Tech Magnet
- Francisco Bravo Senior High
Medical Magnet
- George De la Torre Jr Elementary
STEAM Magnet
- Hollywood Elementarlys
- Ivanhoe Elementary
- Lafayette Park Primary Center
- Manhattan Place Elementary
- Menlo Avenue Elementary
- Menlo Avenue Elementary DL
Two-Way Im Spanish
- Menlo Avenue Elementary STEAM
Magnet
- Mount Washington Elementary
- Nevin Avenue Elementary
- Noble Avenue Elementary
- Park Western Place Elementary
- Point Fermin Elementary Marine
Science Magnet
- Raymond Avenue Elementary
- RFK Comm Schls - UCLA
Community School K-12
- Ricardo Lizarraga Elementary
- Rio Vista Elementary
- San Fernando Elementary
- Saticoy Elementary
- Saticoy Elementary DL Two-Way
Im Armenian
- Sierra Vista Elementary
- Walgrove Avenue Elementary
- Walnut Park Elementary
- West Athens Elementary
- Wilshire Park Elementary School

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

Recommendation

We recommend that the District and the schools continue to strengthen its controls over implementing attendance policies over student attendance reporting by ensuring schools maintain adequate support for reported absences, accurately report student absences in the SMASR, and retain supporting documentation for instances in which students arrive to school late or leave early. Additionally, we recommend that the District strengthen its controls over properly retaining attendance supporting documentation at school sites. Finally, we recommend that the District continue to support the schools by providing adequate training over attendance reporting so that proper attendance reporting procedures are adhered to, and that the District maintain documentation reflecting that each of the schools identified above have been successfully trained.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-001) but for different schools

S-2023-002 – Teacher Certification and Misassignments

State Audit Guide Finding Codes: 40000 and 71000

Schools Affected

- 9th Street Elementary
- Boyle Heights HS STEM Magnet
- Brooklyn Avenue Elementary
- Canfield Avenue Elementary
- Carthay Elementary of Environmental Studies Magnet
- Charles Drew MS University Pathways Public Service Academy
- Foshay Learning Center
- George de la Torre Jr Elementary
- Linda Esperanza Marquez Senior High Social Justice
- Marlton School
- Nathaniel Narbonne Senior High
- RFK Community of Schools - UCLA Community School K-12
- Roosevelt Senior High Science/Tech/Math Magnet
- Sun Valley Magnet: Engineering Technology
- The Science Academy STEM Magnet
- Walnut Park Middle School - Social Justice and Service Learning
- Western Avenue Tech/Eng/Comm/Hum Magnet
- Wilton Place Elementary

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

Recommendation

We recommend that the District continue to train schools on the MiSiS Assignment Monitoring Report. The District should continue to monitor and strengthen internal controls to ensure teachers are being assigned properly to teach in a position authorized by their certifications as well as having a consent form on file when necessary, and to ensure substitute teachers are being assigned properly to teach in a position authorized by their certifications and within the time period permitted by their credential. We also recommend that the schools and the District remediate the misassignments identified above.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-002) but for different schools and teachers.

S-2023-003 – Kindergarten Continuance

State Audit Guide Finding Codes: 40000

Schools Affected

- Hoover Street Elementary
- Mayall Street Academy of Arts/Technology Magnet
- Mount Washington Elementary
- Park Western Place Elementary
- Wilshire Park Elementary School

Recommendation

We recommend that schools offering Kindergarten understand and adhere to the District's policy by retaining evidence of the signed and dated parental agreement for continuance forms, approved in form and content by the CDE, for all students repeating kindergarten, prior to the start of the school year to support the inclusion of such pupils in the average daily attendance computation. The District should continue to communicate and train all schools on the District's Kindergarten Continuance policy.

We also recommend that the District obtain written acknowledgement from the schools identified above that they have been provided with the most updated District policy on Kindergarten Continuance and have implemented a system of tracking students who continue in Kindergarten. The District should also continue ensuring that schools are notified in circumstances where a pupil is transferred after attending Kindergarten with another school.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-003) but for different schools.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

S-2023-004 Independent Study – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- City of Angels
- Virtual Academy Computer Science

Recommendation

We recommend that the District strengthen its review process over independent study to ensure that all elements of the master agreements are complete, and all records of attendance contain readily available corresponding pupil work products. We also recommend that the district provide proper training to ensure attendance is reported accurately and policies are adhered to.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-004) but for different schools.

S-2023-005 – Instructional Time

State Audit Guide Finding Codes: 40000

Recommendation

We recommend the District put mechanisms in place to track their compliance with instructional days and instructional minutes offered throughout the year to monitor compliance with the instructional days and instructional minutes requirements.

Current Status

Partially implemented. The District intends to file an instructional time penalty waiver to the California Department of Education in Fiscal Year 2025.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

S-2023-006 – Classroom Teacher Salaries

State Audit Guide Finding Codes: 61000

Recommendation

We recommend that the District put mechanisms in place to track their percentage of teacher salaries and benefits to total expenses throughout the year in order to monitor compliance with the classroom teacher salary requirements.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-005).

S-2023-007 – After School Education and Safety Program

State Program: After School Education and Safety Program

State Audit Guide Finding Codes: 40000

Schools Affected

- 232nd Place Elementary
- Alta Loma Elementary
- Ambler Ave Elementary School
- Aragon Avenue Elementary
- Breed Street Elementary
- Catskill Ave Elementary School
- Daniel Webster Middle School
- Emerson Community Charter
- Pinewood Avenue Elementary
- Marina Del Rey Middle School
- San Fernando Elementary School
- Sonia Sotomayor Art/Sci Magnet
- Valley Oaks Center for Enriched Studies (VOCES) Magnet
- Walnut Park Elementary
- Westminster Avenue Elementary Math/Tech/Env Studies Magnet
- Westport Heights Elementary
- Westside Global Awareness Magnet

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

Recommendation

We recommend that the District strengthen its procedures on attendance documentation for the After School Education and Safety program. The District should ensure that the agencies performing the services for these programs are aware of the District's policies, specifically on maintaining accurate attendance records and retain supporting documentation for instances in which students arrive to the programs late or leave early.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-007) but for different schools.

S-2023-008 – Unduplicated Local Control Funding Formula Pupil Counts

State Program: Unduplicated Local Control Funding Formula Pupil Counts

State Audit Guide Finding Code: 40000

Schools Affected

- Alexandria Avenue Elementary
- Bridge Street Elementary
- Brockton Avenue Elementary
- Budlong Avenue Elementary
- Carson Street Elementary
- Corona Avenue Elementary
- Dr Maya Angelou Community Senior High
- El Sereno Elementary
- Foshay Learning Center
- Francisco Bravo Senior High Medical Magnet
- Fries Avenue Elementary
- Hollywood Elementary
- James J McBride Special Education Center
- Johnnie L Cochran Jr Middle School
- Mariposa-Nabi Primary Center
- Marlton School
- Morris K Hamasaki Medical/Science Magnet
- Nathaniel Narbonne Senior High
- Noble Avenue Elementary
- Point Fermin Elementary Marine Science Magnet
- Quincy Jones Elementary
- Raymond Avenue Elementary
- Roosevelt Senior High Science/Tech/Math Magnet
- San Fernando Elementary
- Saticoy Elementary
- Susan Miller Dorsey Senior High
- Walgrove Avenue Elementary
- Walnut Park Elementary
- Wilton Place Elementary
- University High School Charter (Dependent Charter)

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

Recommendation

We recommend that the District continue to monitor English learner and free and reduced meal eligibility status' to ensure students who are designated as English learner or free and reduced meal eligible have proper supporting documentation. We also recommend that the District continue to train staff on enrollment procedures so that students' correct designations will be reflected in the student information system.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-007) but for different schools.

S-2023-009 Immunizations

State Audit Guide Finding Codes: 40000

Schools Affected

- 107th Street Elementary
- 42nd Street Elementary
- Angeles Mesa Elementary
- Bellingham Elementary
- Coliseum Street Elementary
- Erwin Elementary
- Grant Elementary
- Hubert Howe Bancroft Middle School
- John B Monlux Elementary
- Kenter Canyon Elementary Charter
- Kittridge Street Elementary
- Manhattan Place Elementary
- Mountain View Elementary
- Orchard Academies 2C
- Purche Avenue Elementary
- Rancho Dominguez Preparatory School
- Raymond Avenue Elementary
- Vinedale College Preparatory Academy

Recommendation

We recommend that the District strengthen its controls over implementing District policies regarding pupil immunization record tracking. Furthermore, we recommend that the District continue providing adequate training to the schools to properly monitor pupil immunization.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-009) but for different schools.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

S-2023-010 – Expanded Learning Opportunities Grant

State Audit Guide Finding Codes: 40000

Recommendation

We recommend that the District strengthen its monitoring and review controls over expenditure charges to the ELO-G fund to ensure that all costs are associated with allowable services and that all necessary adjustments are made timely.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-010).

S-2023-011 – Transitional Kindergarten

State Audit Guide Finding Codes: 40000

Recommendation

We recommend the District put mechanisms in place to track their compliance with transitional kindergarten average class enrollment and adult-to-pupil ratio throughout the year to monitor compliance with transitional kindergarten average class enrollment and adult-to-pupil ratio requirements.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-012).

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

S-2023-012 – Attendance Accounting – Dependent Charters – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- Canyon Charter Elementary
- Hesby Oaks Leadership Charter
- Serrania Avenue Charter for Enriched Studies
- Sherman Oaks Elementary Charter School
- University Charter HS Math/Art/Sci/Tech Magnet
- University High School Charter

Recommendation

We recommend that the District and the schools continue to strengthen its controls over implementing attendance policies over student attendance reporting by ensuring schools maintain adequate support for reported absences, accurately report student absences in the school’s monthly attendance summary and retain supporting documentation for instances in which students arrive to school late or leave early. Finally, we recommend that the District continue to support the schools by providing adequate training over attendance reporting so that proper attendance reporting procedures are adhered to, and that the District maintain documentation reflecting that each of the schools identified above have been successfully trained.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-013) but for different schools.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2024

S-2023-013 – Annual Instructional Minutes – Classroom Based - Dependent Charters

State Audit Guide Finding Codes: 40000

Schools Affected

- Grover Cleveland Charter High School
- Reseda Charter High School
- Sylmar Charter High School
- William Howard Taft Charter High School

Recommendation

We recommend the District put mechanisms in place to track their compliance with instructional minutes offered throughout the year to monitor compliance with the instructional minutes requirements.

Current Status

Implemented.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

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December 16, 2024

The Honorable Board of Education
Los Angeles Unified School District
Los Angeles, California

Members of the Board:

In planning and performing our audit of the financial statements of the **Los Angeles Unified School District** (District) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, 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 entity's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2024-001 that we consider to be a significant deficiency.



Although not considered to be significant deficiencies or material weaknesses, we also noted certain items during our audit, which we would like to bring to your attention. These comments are summarized in the following report to management on pages 252 to 260. Our observations and recommendations have been discussed with appropriate members of management and are intended to strengthen internal controls and operating efficiency.

The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

This communication is intended solely for the information and use of the Board of Education, District management, the State Controller's office, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Simpson & Simpson".

Current Year Management Letter Comments

ML-2024-001 – Colin User Access

Condition

Our review of Colins users revealed 76 user accounts assigned to retired employees, 61 accounts assigned to withdrawn employees and three (3) accounts assigned to inactive District personnel.

Recommendation

Application user accounts of retired and withdrawn employees be deactivated and subsequently deleted in a timely manner.

Management Response

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Minimal Risk - Access is not possible without an active SSO, and there is no fallback authentication for local accounts.

Compensating Controls

System access requires users to have an active SSO account in addition to provisioning the account in the system. Accounts are deactivated periodically upon request by system owners.

Corrective action

ITS will develop a process to review and remove inactive accounts on a periodic basis.

Target completion: 6/30/2025

Name: Eddard Romero

Title/Division: Senior Administrator, IT Infrastructure/Information Technology Services (ITS)

Telephone: 213.241.1086

Current Year Management Letter Comments

ML-2024-002 – Maximo User Access

Condition

Our review of Maximo users revealed 9 (nine) accounts assigned to retired employees, 3 (three) accounts assigned to withdrawn employees and 2 (two) accounts assigned to inactive District personnel.

Recommendation

Application user accounts of retired, withdrawn and inactive employees should be deactivated and subsequently deleted in a timely manner.

Management Response

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Minimal Risk - Access is not possible without an active SSO, and there is no fallback authentication for local accounts.

Compensating Controls

System access requires users to have an active SSO account in addition to provisioning the account in the system. Accounts are deactivated periodically upon request by system owners.

Corrective Action

ITS will develop a process to review and remove inactive accounts on a periodic basis.

Target completion: 6/30/2025

Name: Eddard Romero

Title/Division: Senior Administrator, IT Infrastructure/Information Technology Services (ITS)

Telephone: 213.241.1086

Current Year Management Letter Comments

ML-2024-003 – Annual Form 700

Condition

We sampled and tested a total of 40 of 3,960 District employees who were required to disclose their personal financial interests on Form 700 – Statement of Economic Interests (Form 700) as a result of being identified as being in a position designated in the District’s Conflict of Interest Code that makes or influences financial or governmental decisions. Employees were to submit their 2024 annual Form 700 to the District’s Ethics Office (Ethics Office) no later than April 2, 2024, in accordance with the Fair Political Practices Commission (FPPC) guidelines.

We identified a total of 16 employees who did not meet the Ethics Office and FPPC Form 700 submission guidelines as follows:

- 11 employees submitted their Form 700 after the April 2, 2024, deadline.
- Four (4) employees submitted their Form 700 after the April 2, 2024 deadline due to not being added to the filing system in a timely manner.
- One (1) employee has yet to submit their Form 700 as they are on leave.

In accordance with FPPC guidelines, the following two remediation activities may be exercised for late statements:

- The filing officer who retains originally signed or electronically filed statements of economic interests may impose on an individual a fine for any statement that is filed late. The fine is \$10 per day up to a maximum of \$100. Late filing penalties may be reduced or waived under certain circumstances.
- Persons who fail to file their Form 700 timely may be referred to the FPPC’s Enforcement Division (and, in some cases, to the Attorney General or District Attorney) for investigation and possible prosecution. In addition to the late filing penalties from the filing officer, a fine of up to \$5,000 per violation may be imposed.

Neither of the above was imposed on the 16 identified employees above.

Recommendation

We recommend that the Ethics Office strengthen its controls over collecting Form 700s by adopting remediation guidelines stipulated by the FPPC to ensure timely submission. Additionally, we recommend the Ethics Office identify and notify required filers timely.

Current Year Management Letter Comments

Management Response

The Ethics Office agrees with the auditor's recommendations and will work to fully implement FPPC guidelines regarding filer notifications, assessment of penalties for late filers and the referral of non-compliant filers to the FPPC's Enforcement Division for action for the 2024/2025 Annual Form 700 filing period. The Ethics Office will issue a Bulletin within the 1st first quarter of the 2025 calendar year outlining filing responsibilities for LAUSD Form 700 filers, including procedures for requesting full and partial waivers of penalties assessed to late filers.

Name: Darlene L. Vargas

Title: Ethics Officer

Contact Information: darlene.vargas@lausd.net

Current Year Management Letter Comments

ML-2024-004 – Procurement of Professional Service Contracts

Condition

We sampled and tested the District’s Procurement Services Division (PSD) procurement of 27 professional service agreements entered into during Fiscal Year 2024.

For one sampled consulting agreement, we noted the following:

- The Memorandum of Agreement (agreement) miscalculated the total not-to-exceed value. The agreement stipulates the amount to be \$200,000, but based on the consultant's compensation terms, it totals \$120,000. The purchase order established in SAP stipulates a not-to-exceed total of \$200,000. No corrections have since been made to the agreement or the purchase order.
- The consultant was compensated for work conducted prior to the execution of the agreement. The agreement was executed on February 28, 2024; however, the term covers December 1, 2023, to November 30, 2024. On July 28, 2024, the consultant submitted to the District invoices amounting to \$25,000 for work conducted from December 11, 2023, through February 29, 2024.

Per the District’s Procurement Manual, Chapter 8, Section F (Accounts Payable Payment of Invoices), item 2.a, (Payment for Services Rendered – After the Fact and Unauthorized Commitments):

“If the vendor provides services or delivers goods in advance of a valid executed contract or Purchase Order, the vendor does so at its own risk and invoices received will not be processed for payment. Therefore, you must ensure that prior to receipt of services or goods delivered by a vendor, that the appropriate procedures are followed to ensure payment to the vendor. Anyone who willfully and intentionally violates the procedures set forth in this Procurement Manual may be personally liable for the costs of services or goods incurred by the District.”

Further, Chapter 9 (Doing Business Ethically and Responsibly with LAUSD), stipulates the following:

“An executed contract must be entered into between the vendor and the District prior to the vendor providing supplies, equipment and general or professional services rendered. Payment for supplies, equipment and general or professional services may be delayed or denied if a contract is not entered into between the vendor and District prior to performance. Therefore, a vendor should not provide supplies, equipment and general or professional services prior to entering into a contract with the District. Schools/offices should not allow or encourage vendors to provide supplies, equipment and general or professional services without the vendor entering into a contract via PSD.”

Recommendation

We recommend that the District strengthen controls over the procurement of professional service agreements to ensure adherence to its Procurement Manual, particularly regarding payments for services performed prior to the execution of an agreement. Additionally, we recommend implementing procedures to promptly correct and resolve any errors identified after an agreement has been executed by amending the agreement and ensuring the purchase order is corrected.

*The Honorable Board of Education
Los Angeles Unified School District
December 16, 2024*

Current Year Management Letter Comments

Management Response

Procurement agrees with the recommendation and will ensure that appropriate policies and procedures are followed when processing professional services agreements. Procurement has a procedure for the timely correction of errors and amending agreements, which Procurement will ensure staff adheres to by conducting refresher training sessions with staff beginning March 2025.

Name: Ericka Y. King
Title: Senior Contract Administration Manager
Telephone: (213) 241-1164

Status of Prior Year Management Letter Comments

ML-2023-001 – SAP Asset Master Record Access

Recommendation

We recommend that SAP accounts associated with retired or terminated personnel be deleted or disabled in a timely manner upon their departure from the District.

Current Status

Implemented.

ML-2023-002 – SAP Create Purchase Order Access

Recommendation

We recommend that SAP accounts associated with retired or terminated personnel be deleted or disabled in a timely manner upon their departure from the District.

Current Status

Implemented.

ML-2023-003 – Student Body Investment Funds

Recommendation

We recommend that the District strengthen controls over the timely collection and reconciliation of student body investment funds to ensure that balances reported by the District reflect the balances maintained by the financial institutions as of June 30, 2023.

Current Status

Implemented.

Status of Prior Year Management Letter Comments

ML-2023-004 – Annual Form 700

Recommendation

We recommend that the Ethics Office strengthen its controls over the collection of Form 700s by adopting remediation guidelines stipulated by the FPPC and implementing procedures to be promptly notified of employee retirements.

Current Status

Partially implemented.

The Ethics Office will issue a Bulletin within the 1st first quarter of the 2025 calendar year outlining filing responsibilities for LAUSD Form 700 filers, including procedures for requesting full and partial waivers of penalties assessed to late filers.

ML-2021-001 - SAP Network Vulnerability

Recommendation

We recommend that District management implement a Vulnerability Management program for SAP. The program should be enforced by documented policy and ensure vulnerabilities are identified and remediated in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

Current Status

Partially implemented, see item FS-2024-002 within the accompanying schedule of findings and questioned costs.

ML-2021-002 – MISIS Network Vulnerability

Recommendation

We recommend that District management implement a Vulnerability Management program for MISIS. The program should be enforced by documented policy and ensure vulnerabilities are identified and remediated in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

Current Status

Partially implemented; see item FS-2024-002 within the accompanying schedule of findings and questioned costs.

Status of Prior Year Management Letter Comments

ML-2019-003 - Business Continuity Planning

ML-2016-001 - Business Continuity /IT Disaster Recovery Planning

ML-2014-007 - Business Continuity /IT Disaster Recovery Planning

Recommendation

BCPs should be completed and updated on a regular basis to ensure that operations and IT systems can be effectively recovered, shortcomings are addressed, and the plan remains relevant.

Current Status

Implemented (for ITS):

- Development of non-ITS Branches/Offices Business Continuity Plans (BCP) are no longer under the jurisdiction of ITS
- An ITS Business Recover Plan (BCP) was developed and adopted as of May 6, 2024. The ITS BCP is designed to provide guidance for implementing the District's Business Continuity Plan to ensure ITS can conduct its essential missions and functions in the event of a facilities (office building) disruption or disaster.
- The IT Cloud Disaster Recovery Solution is complete.

ML-2015-002 - Security Management Policy and Procedures

Recommendation

We recommend that Information Technology Services (ITS) management coordinate with District business/operations management to complete an information security plan (e.g., update, adopt and implement the November 2013 plan) and compile a comprehensive set of information security policies and procedures.

Current Status

Implemented.