



2005-06

Second Interim Financial Report

Los Angeles Unified School District

Office of the Chief Financial Officer

March 14, 2006

Prepared on March 9, 2006

Updated on March 14, 2006

Table of Contents

	<u>Slides</u>
• Recommendation	3 - 4
• Background	5- 14
• 2005-06 Projections	15 - 26
• Assumptions	27 - 32
• Historical Trend	33 - 39
• Multi-Year Projections	40 - 45

Second Interim Report

Recommendation

Recommendation

Based on current available financial information and projections, it is recommended for the District to file a **positive** certification and certify that the LAUSD is able to meet its financial obligations for 2005-06, 2006-07 and 2007-08.

Second Interim Report

Background

Financial Reports to LAUSD Board

Document	Due	Authority
Provisional Budget (or Preliminary Budget)	June 30, 2005	Mandated
Final Budget	September 8, 2005	Mandated
First Interim (as of October)	December 15, 2005	Mandated
Second Interim (as of January)	March 15, 2006	Mandated
Third Interim (as of March)	June 1, 2006	Required if 2 nd Interim Certification is not “Positive”

Financial Reports to LAUSD Board

Document	Due	Authority
Unaudited Actuals (as of June 30)	September 15, 2006	Mandated
Audit Report (CAFR)	December 15, 2006	Mandated

AB 1200 Oversight

- Empowered county offices of education with oversight for school district's fiscal condition
- Sets financial standards for school districts
- Was enacted in response to a number of near bankruptcies, requests for state loans & defaults on district financial obligations

AB 2756 Oversight

- Effective July 2004
- In response to emergency loans and districts in financial crisis
- Increased oversight at all levels

AB 2756 Oversight—Districts

- Superintendent and Chief Financial Officer must sign collective bargaining disclaimers and certify they are affordable
- Must allow more time for review by the County Office of Education
- Cuts must be acted on by board

AB 2756 Oversight—County Office of Education (COE)

County Superintendent must take action:

- Earlier intervention
- Must qualify or make negative if procedures not followed
- Conditional approval of shaky budgets
- Must take action to correct deficiencies

AB 2756 Oversight—FCMAT

Fiscal Crisis and Management Assistance Team (FCMAT) has an increased role:

- Greater support for districts and COEs
- Hands-on assistance to troubled districts
- More training and professional development to avoid crisis

Source: School Services of California

Purpose of Interim Report

1. Governing Boards of each local educational agencies (LEA's) are required by California Education Code to certify at least twice a year to the LEA's ability to meet its financial obligations for the remainder of that fiscal year and for the subsequent two fiscal years. (LACOE Bulletin No. 228)
2. The Second Interim Report is required to be filed within 45 days of January 31, 2006.
3. The Report is based on actual income/expenditures through January 31, 2006.

Certification Definition

- Positive = A school district that, based on current projections, will be able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.
- Qualified = A school district that, based on current projections, may not meet its financial obligations for the current fiscal year or subsequent two fiscal years.
- Negative = A school district that, based on current projections, will be unable to meet its financial obligations for the current fiscal year or for subsequent two fiscal years.

Second Interim Report

2005-06 Projection

Bottom Line for LAUSD



1. District will meet all current financial obligations for 2005-06 and two subsequent fiscal years.
2. The 2005-06 Ending Balance is projected to be \$334.5 million.
3. The Ending Balance reserve level exceeds the minimum statutory requirement.

General Fund Balances, Revenues & Expenditures—2005-06

(Dollars in Millions)

	A	B	C	D
	Original Budget	Modified Budget	Second Interim	Variance (C - B)
Beginning Balance	\$ 349.6	\$ 349.6	\$ 349.6	\$ 0.0
Rev./Other Financing Sources	6,735.0	6,735.2	6,517.5	(217.7)
Exp./Other Financing Uses	6,726.0	6,728.8	6,532.6	(196.2)
Operating Surplus/(Deficit)	9.0	6.4	(15.1)	(21.5)
Ending Balance	\$ 358.6	\$ 356.0	\$ 334.5	\$ (21.5)

General Fund Balances, Revenues & Expenditures—2005-06

(Dollars in Millions)

	A	B	C	D	E
	Original Budget	Modified Budget	First Interim	Second Interim	Variance (D - C)
Beginning Balance	\$ 349.6	\$ 349.6	\$ 349.6	349.6	\$ 0.0
Rev./Other Financing Sources	6,735.0	6,735.2	6,463.1	6,517.5	54.4
Exp./Other Financing Uses	6,726.0	6,728.8	6,475.6	6,532.6	57.0
Operating Surplus/(Deficit)	9.0	6.4	(12.5)	(15.1)	(2.6)
Ending Balance	\$ 358.6	\$ 356.0	\$ 337.1	334.5	\$ (2.6)

Components of Ending Balance

(Dollars in Millions)

	A	B	C	D
	Original Budget	Modified Budget	Second Interim	Variance (C - B)
Carryovers	\$ 264.9	\$ 262.3	\$ 75.7	\$ (186.6)
Reserves	93.7	93.7	93.7	0.0
Legally Restricted			108.4	108.4
Subtotal	\$ 358.6	\$ 356.0	\$ 277.8	\$ (78.2)
Amount Req'd to Balance Next Year's Budget			56.7	56.7
2005-2006 Ending Balance	\$ 358.6	\$ 356.0	\$ 334.5	\$ (21.5)

- Carryovers include estimated unspent funds to be carried over to fiscal year 06-07 for use by schools, donations, E-rate program, start up costs for new schools, ISIS and BTS system implementations and others.
- Reserves of the ending balance represent the statutory 1% reserve requirement and asset reserves such as imprest accounts and stores inventory.
- The Legally Restricted portion of the ending balances are those funds received by LAUSD for a specific purpose and must be spent for the same purpose under the legal restrictions.
- Amount Required to Balance Next Year's Budget represents that portion of the ending balance that is needed in order to have a balanced budget in the subsequent year(s).

Components of Ending Balance

(Dollars in Millions)

	A	B	C	D	E
	Original Budget	Modified Budget	First Interim	Second Interim	Variance (D - C)
Carryovers	\$ 264.9	\$ 262.3	\$ 67.8	\$ 75.7	\$ 7.9
Reserves	93.7	93.7	93.7	93.7	0.0
Legally Restricted			93.1	108.4	15.3
Subtotal	\$ 358.6	\$ 356.0	\$ 254.6	\$ 277.8	\$ 23.2
Amount Req'd to Balance Next Year's Budget			82.5	56.7	(25.8)
2005-2006 Ending Balance	\$ 358.6	\$ 356.0	\$ 337.1	\$ 334.5	\$ (2.6)

- Carryovers include estimated unspent funds to be carried over to fiscal year 06-07 for use by schools, donations, E-rate program, start up costs for new schools, ISIS and BTS system implementations and others.
- Reserves of the ending balance represent the statutory 1% reserve requirement and asset reserves such as imprest accounts and stores inventory.
- The Legally Restricted portion of the ending balances are those funds received by LAUSD for a specific purpose and must be spent for the same purpose under the legal restrictions.
- Amount Required to Balance Next Year's Budget represents that portion of the ending balance that is needed in order to have a balanced budget in the subsequent year(s).

Revenues

(Dollars in Millions)

	A	B	C	D
	Original Budget	Modified Budget	Second Interim	Variance (C - B)
Revenue Limit Sources	\$ 3,551.9	\$ 3,551.9	\$ 3,547.2	\$ (4.7)
Federal Revenues	1,015.5	1,014.9	889.1	(125.8)
Other State Revenues	1,994.8	1,994.8	1,934.5	(60.3)
Other Local Revenues	93.1	93.7	74.2	(19.5)
Other Sources	79.7	80.0	72.5	(7.5)
Total Revenues	\$ 6,735.0	\$ 6,735.3	\$ 6,517.5	\$ (217.8)

- Revenue Limit Sources include state apportionment based on average daily attendance of students and other components. A portion of this is based on property taxes received, and there is an inverse relationship between state aid and taxes.
- Federal Revenues include funds received from the federal government such as Special Education Individuals with Disabilities Education Act.
- Other State Revenues are state funds received other than revenue limit. This include Special Education Master Plan, class size reduction, instructional materials block grant, Targeted Inst. Improvement Program, lottery and others.
- Other Local Revenues include interest income, donations, E-rate and others.
- Other Sources include interfund transfers from other funds into General Fund such as reimbursement of expenditures.

Revenues

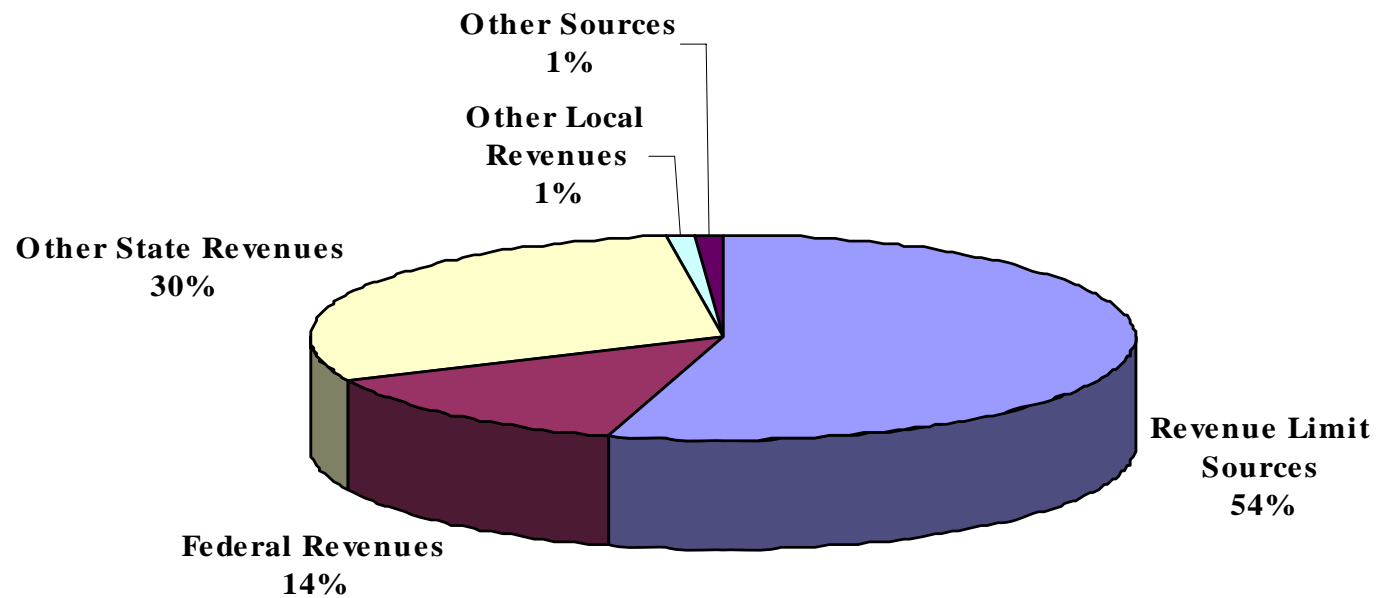
(Dollars in Millions)

	A	B	C	D	E
	Original Budget	Modified Budget	First Interim	Second Interim	Variance (D - C)
Revenue Limit Sources	\$ 3,551.9	\$ 3,551.9	\$ 3,544.7	\$ 3,547.2	\$ 2.5
Federal Revenues	1,015.5	1,014.9	882.4	889.1	6.7
Other State Revenues	1,994.8	1,994.8	1,900.2	1,934.5	34.3
Other Local Revenues	93.1	93.7	66.3	74.2	7.9
Other Sources	79.7	80.0	69.5	72.5	3.0
Total Revenues	\$ 6,735.0	\$ 6,735.3	\$ 6,463.1	\$ 6,517.5	\$ 54.4

- Revenue Limit Sources include state apportionment based on average daily attendance of students and other components. A portion of this is based on property taxes received, and there is an inverse relationship between state aid and taxes.
- Federal Revenues include funds received from the federal government such as Special Education Individuals with Disabilities Education Act.
- Other State Revenues are state funds received other than revenue limit. This include Special Education Master Plan, class size reduction, instructional materials block grant, Targeted Inst. Improvement Program, lottery and others.
- Other Local Revenues include interest income, donations, E-rate and others.
- Other Sources include interfund transfers from other funds into General Fund such as reimbursement of expenditures.

Revenues

Projected General Fund Revenues



Expenditures

(Dollars in Millions)

	A	B	C	D
	Original Budget	Modified Budget	Second Interim	Variance (C - B)
Certificated Salaries	\$ 3,008.5	\$ 3,076.6	\$ 3,083.4	\$ 6.8
Classified Salaries	883.4	917.6	914.7	(2.9)
Employee Benefits	1,328.5	1,346.6	1,295.8	(50.8)
Books & Supplies	405.0	432.5	450.2	17.7
Services & Operating Exp.	610.5	657.8	652.2	(5.6)
Capital Outlay	52.8	39.0	50.9	11.9
Other Outgo	437.3	258.7	85.4	(173.3)
Total Expenditures	\$ 6,726.0	\$ 6,728.8	\$ 6,532.6	\$ (196.2)

- Certificated Salaries are salaries for positions that require a credential issued by the Commission on Teacher Credentialing (CCTC). This includes salaries for teachers, principals and other certificated administrators.
- Classified Salaries are salaries for services that do not require a credential issued by CCTC. This includes salaries for instructional aides, office support personnel, clerical, bus drivers, custodians, maintenance workers, cafeteria workers, finance personnel and others.
- Employee Benefits include the District's employer contribution to retirement plans, social security and medicare, health and welfare benefits, state unemployment insurance, workers' compensation insurance and other benefits.
- Books and Supplies are textbooks, reference books and supplies for students, teachers and offices.
- Services and Other Operating Expenditures are for contracting services, rentals, leases, contracts, travel, insurance, utilities and other operating needs.
- Capital Outlay include expenditures for equipment, land, land improvements, buildings, building improvements and other capitalized assets.
- Other Outgo include expenditures for debt service, interfund transfers out to other funds such as deferred maintenance, and others. Reserves for anticipated underspending and for program/salary increases were budgeted under this category.

Expenditures

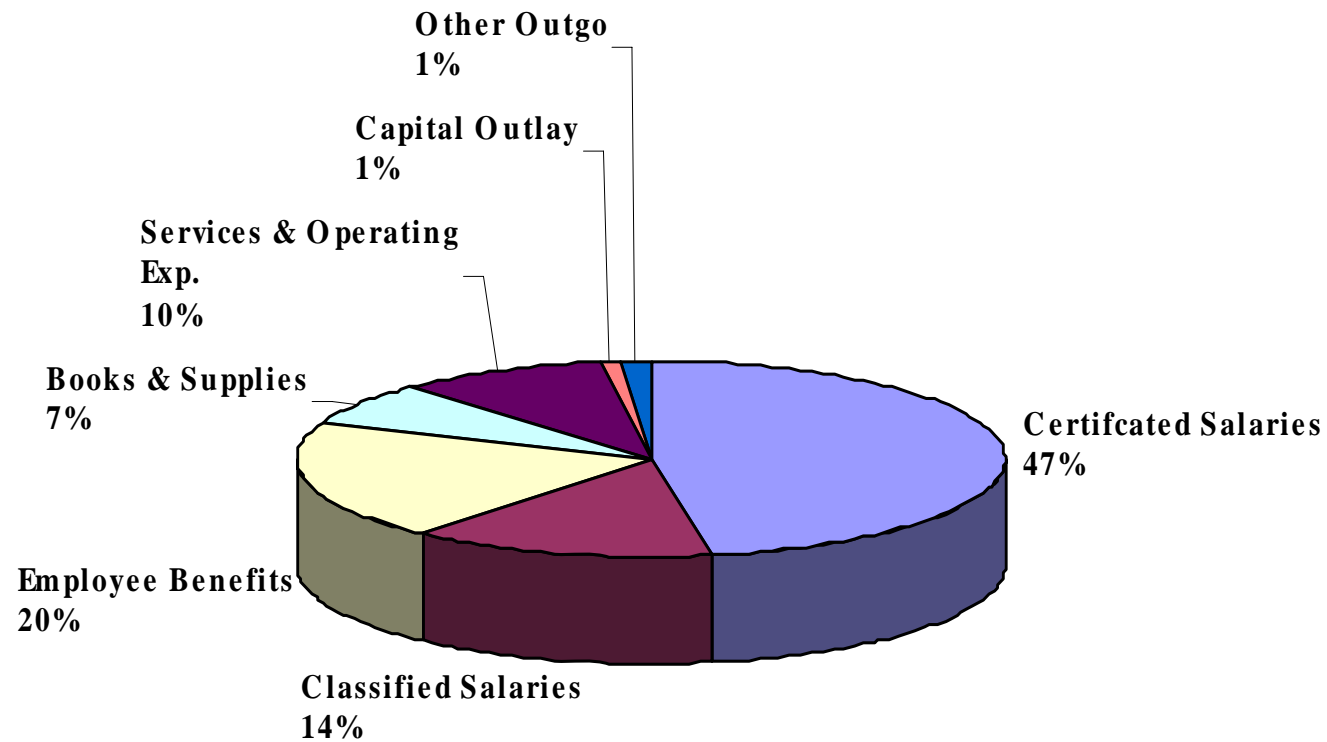
(Dollars in Millions)

	A	B	C	D	E
	Original Budget	Modified Budget	First Interim	Second Interim	Variance (D - C)
Certificated Salaries	\$ 3,008.5	\$ 3,076.6	\$ 3,060.0	\$ 3,083.4	\$ 23.4
Classified Salaries	883.4	917.6	887.2	914.7	27.5
Employee Benefits	1,328.5	1,346.6	1,291.5	1,295.8	4.3
Books & Supplies	405.0	432.5	423.4	450.2	26.8
Services & Operating Exp.	610.5	657.8	663.0	652.2	(10.8)
Capital Outlay	52.8	39.0	40.8	50.9	10.1
Other Outgo	437.3	258.7	109.7	85.4	(24.3)
Total Expenditures	\$ 6,726.0	\$ 6,728.8	\$ 6,475.6	\$ 6,532.6	\$ 57.0

- Certificated Salaries are salaries for positions that require a credential issued by the Commission on Teacher Credentialing (CCTC). This includes salaries for teachers, principals and other certificated administrators.
- Classified Salaries are salaries for services that do not require a credential issued by CCTC. This includes salaries for instructional aides, office support personnel, clerical, bus drivers, custodians, maintenance workers, cafeteria workers, finance personnel and others.
- Employee Benefits include the District's employer contribution to retirement plans, social security and medicare, health and welfare benefits, state unemployment insurance, workers' compensation insurance and other benefits.
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- Other Outgo include expenditures for debt service, interfund transfers out to other funds such as deferred maintenance, and others. Reserves for anticipated underspending and for program/salary increases were budgeted under this category.

Expenditures

Projected General Fund Expenditures

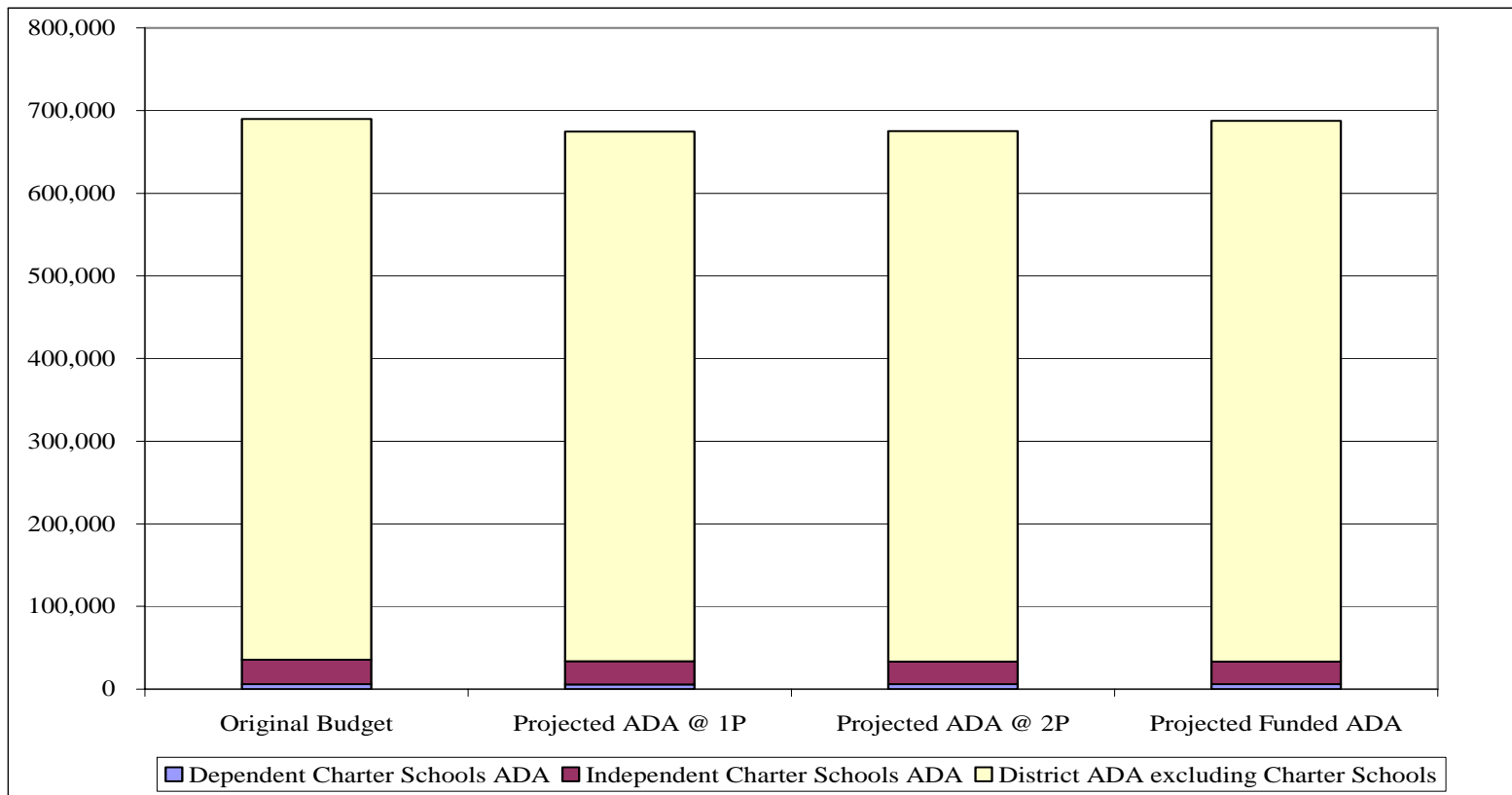


Second Interim Report

Assumptions

Average Daily Attendance

	Dependent Charter Schools ADA	Independent Charter Schools ADA	District ADA excluding Charter Schools	Total
Original Budget	6,187	29,338	654,080	689,605
Projected ADA @ 1P	5,601	27,864	640,990	674,455
Projected ADA @ 2P	5,938	27,240	641,615	674,793
Projected Funded ADA	5,938	27,240	654,128	687,306



Revenue Assumptions – 2005-06

1. Cost of Living Adjustment (COLA) = 4.23%

This COLA is used to fund increases in utilities, fuel, health and welfare benefits, salary, steps and column movements, and others.

2. Deficit factor = 0.892%.

Revenue Assumptions – Cont.

3. Revenue Limit ADA was based on the assumption that the District can take advantage of the Declining Enrollment Adjustment provision. Actual enrollment declined more than originally projected in adopted budget.
4. Federal income is based on all known specially funded programs, grants and entitlements as of January 31.
5. State and local income is based on known specially funded programs and other revenues as of January 31 or projected ADA for the current year.

Expenditure Assumptions – 2005-06

1. A 3.5% compensation increase—2.5% for salary and 1% for Health & Welfare—was included in the projected expenditures for “Certificated Salaries, Classified Salaries and Benefits” in accordance with collective bargaining settlements with UTLA and AALA, board action for District-represented employees, and a provision for potential increase for other employee groups.

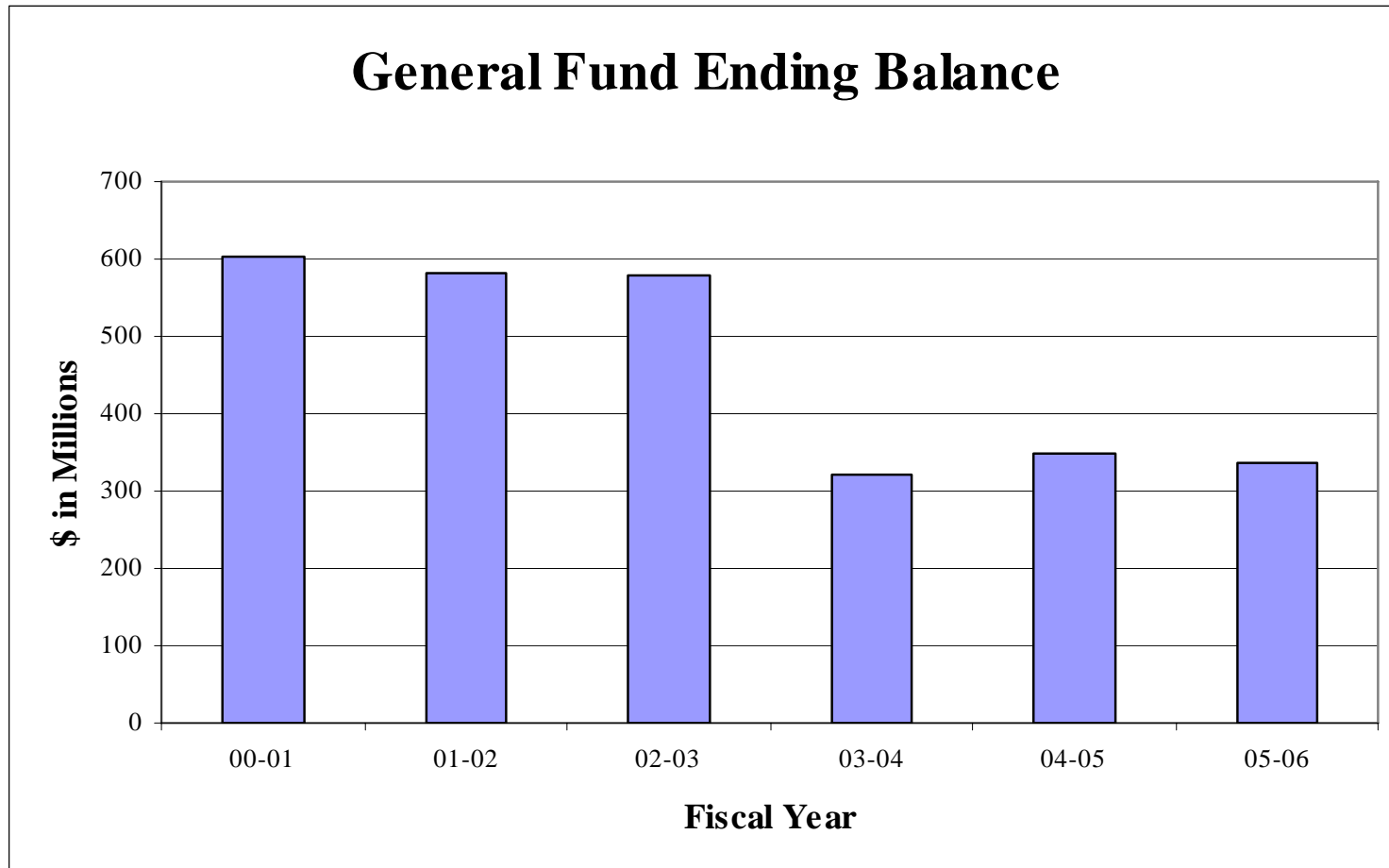
Expenditure Assumptions – Cont.

2. Comparisons of expenditures as of January 31, 2004, January 31, 2005, and actual 04-05 expenditures were made to validate projections.
3. Lower Employee Benefit expenditures are due to lower Health and Welfare costs, PERS rates, SUI rates and OASDHI costs.
4. Higher expenditures in Supplies are due to using General Fund unrestricted funds to purchase social studies textbooks and other textbooks for Williams compliance. There was insufficient state funding for these purchases.

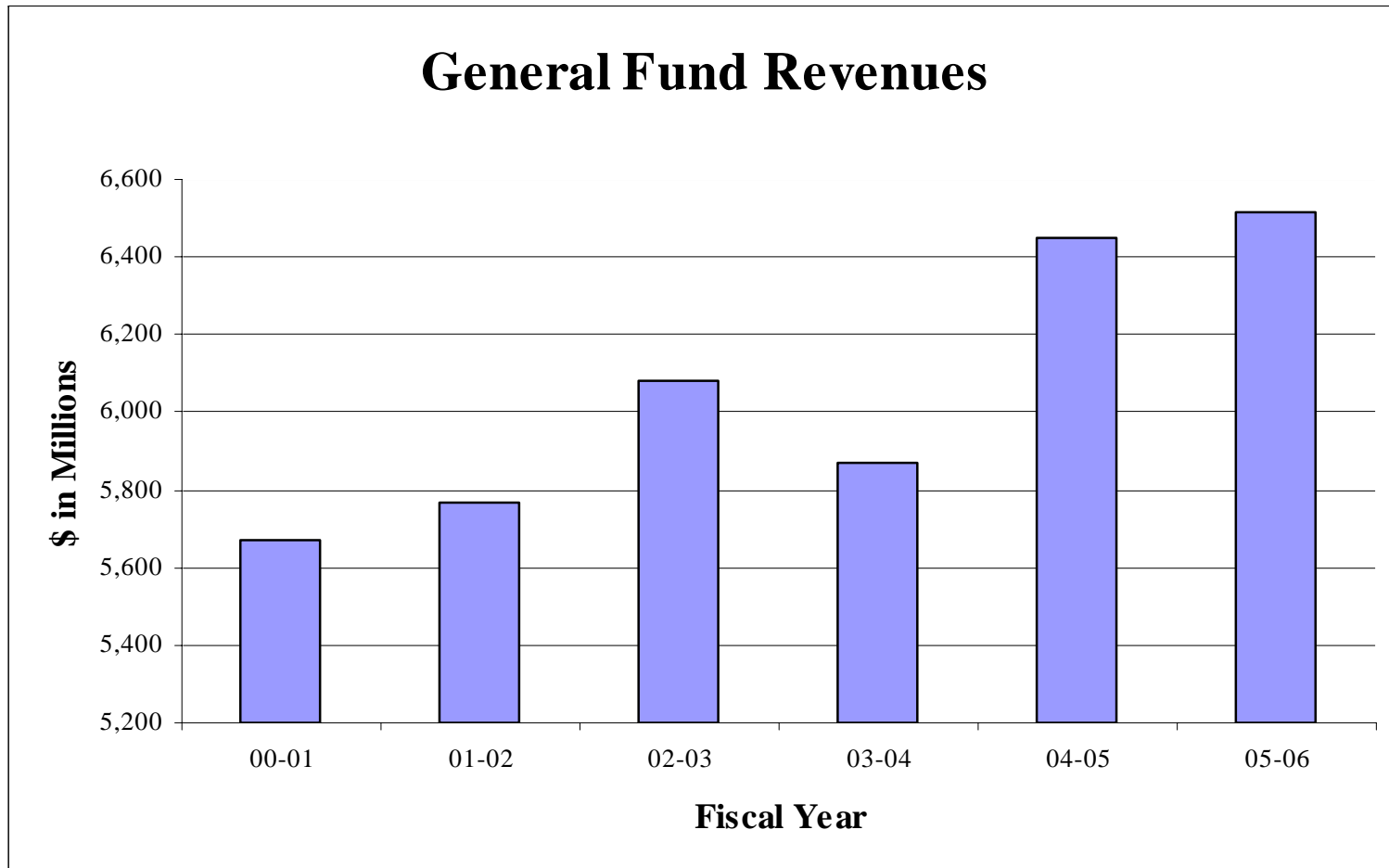
Second Interim Report

Historical Trend

Historical Trend



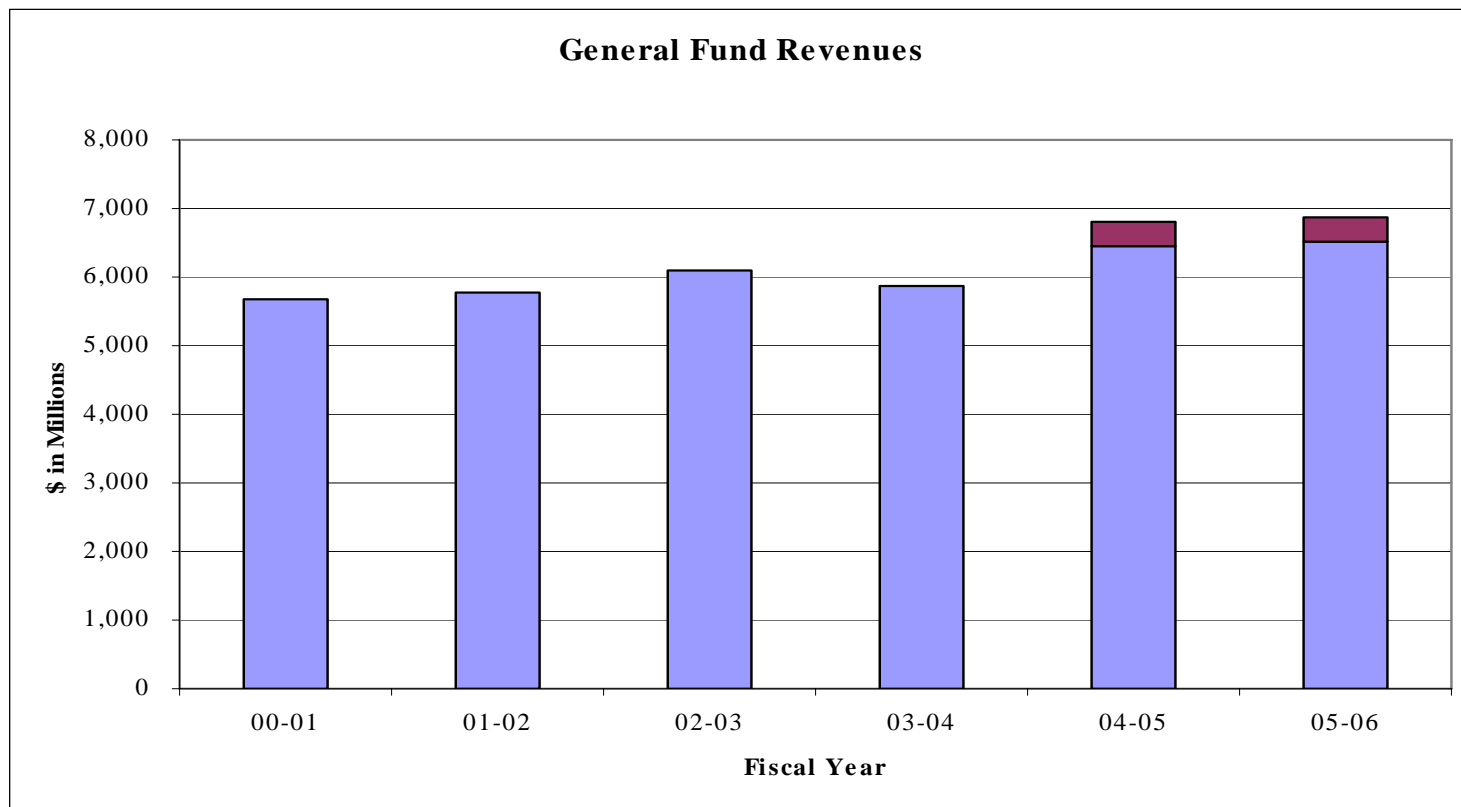
Historical Trend



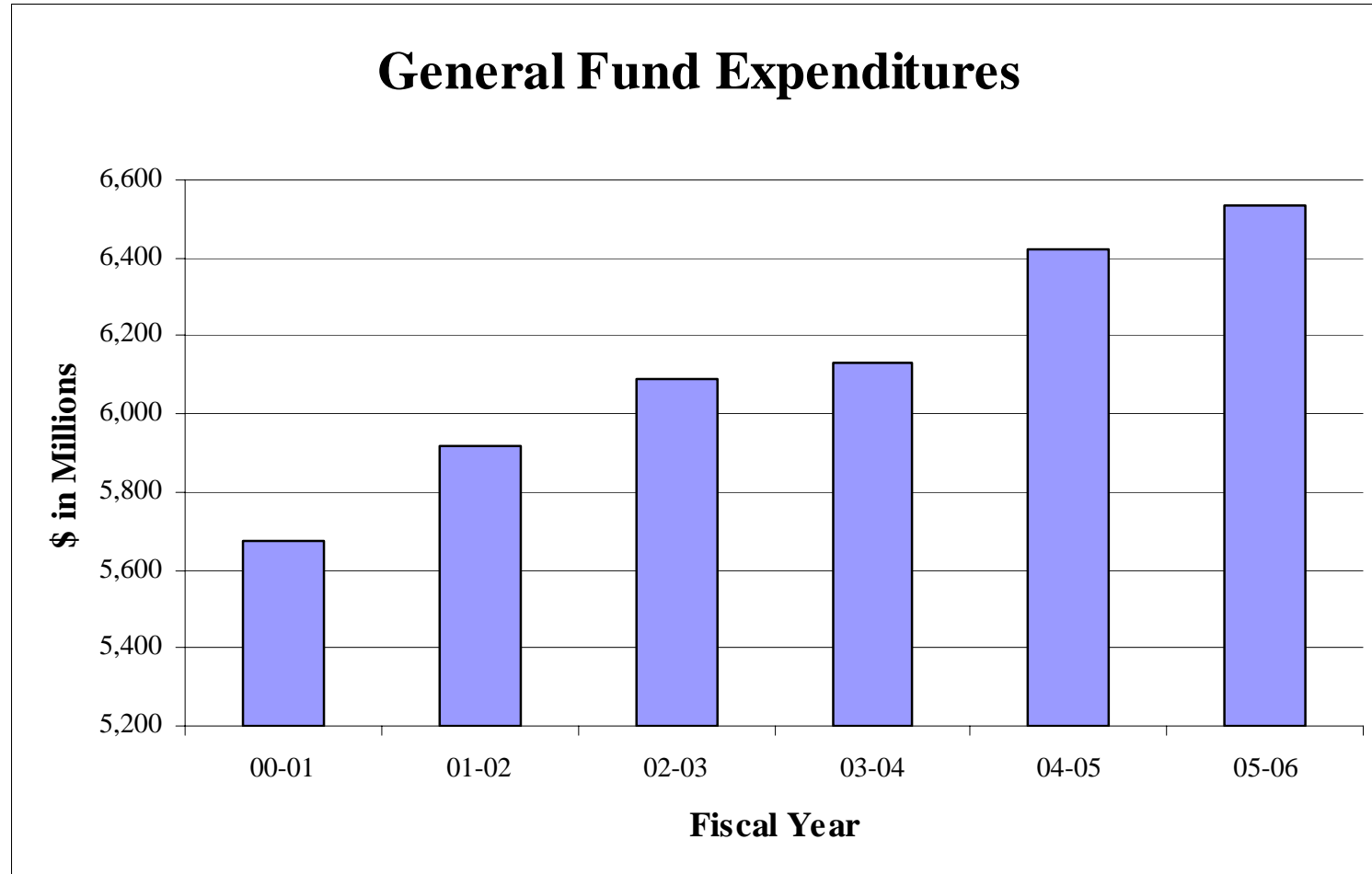
Historical Trend

For 04-05, LAUSD lost \$363 million in state Prop 98 funds.

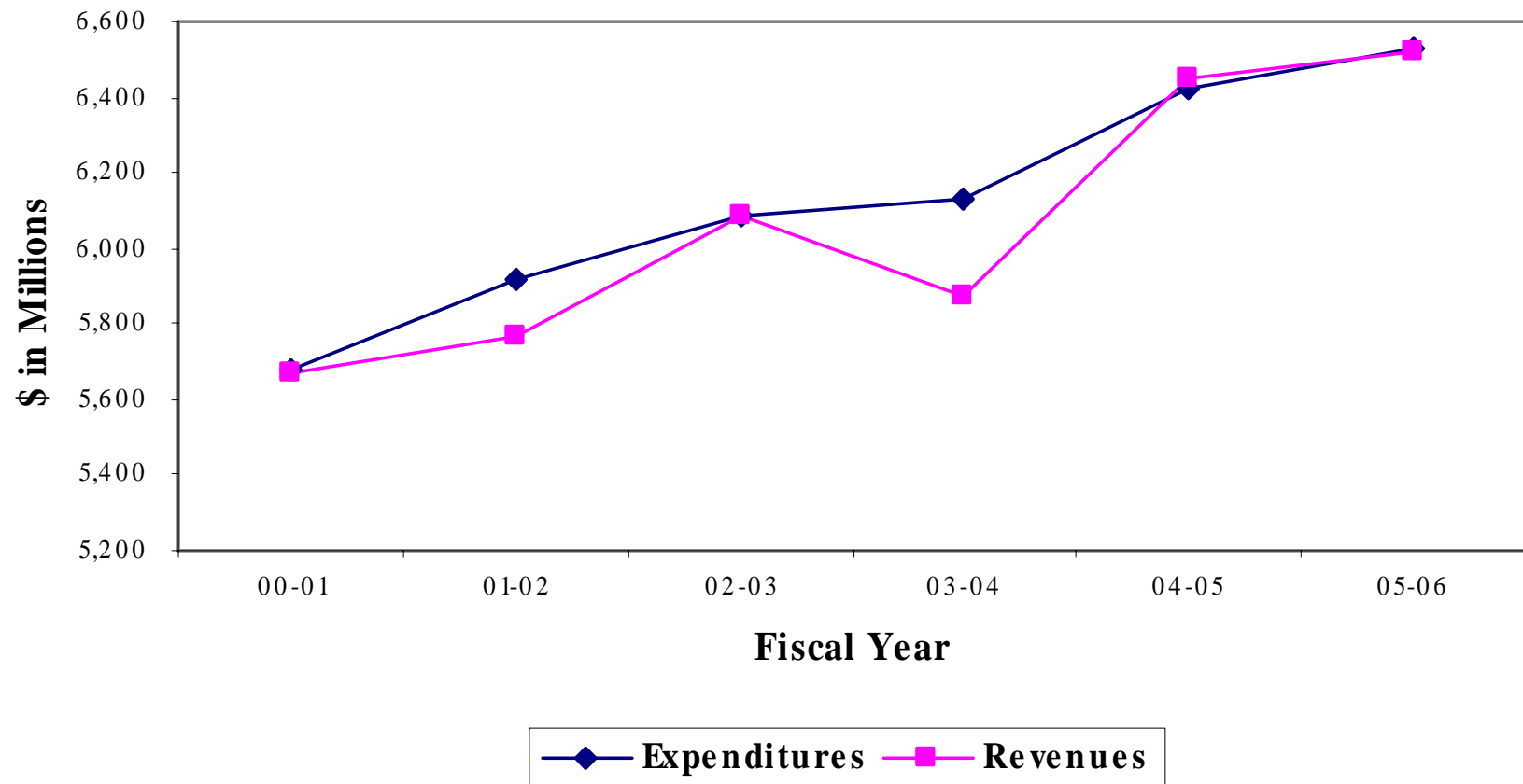
For 05-06, this loss is estimated to be \$347 million.



Historical Trend



Revenues vs. Expenditures



What Does It Mean?

- LAUSD depends on the state for the majority of its revenue. Revenue Limit sources, taxes and other state revenues equal to 84% of total revenues.
- Federal revenues are 14% of total revenues.
- Local revenues and other sources are 2% of total revenues.
- **With very limited control of its income, the LAUSD board and superintendent have managed its financial affairs in a prudent and responsible manner.**

Second Interim Report

Multi-Year Projection

2006-07 Regular Program

(Dollars in Millions)

- 2006-07 Revenue Estimate \$ 5,640.6
- 2006-07 Expenditure Estimate \$ 5,627.2
- **2006-07 Surplus** \$ 13.4

2006-07 Regular & Specially Funded Programs

(Dollars in Millions)

	<u>Revenues</u>	<u>Expenditures</u>	<u>Surplus/ Deficit</u>
Regular Program	\$5,640.7	\$5,627.2	\$ 13.4
Specially Funded Programs	\$ 971.8	\$ 982.3	\$ (10.5)
Total General Fund	\$6,612.4	\$6,609.5	\$ 2.9

2006-07 Regular Program-Revenue Changes

(Dollars in Millions)

●2005-06 Revenue Base	\$5,339.8	1st Interim Projection
Estimated Changes in Revenue Limit	100.1	Increased COLA, declining enrollment, deficit reduction, SB319
Increase in Federal Revenue	0.7	Special Education funding
Change in State Revenue	157.0	School Library Materials (transferred from SFP), TIIG, Governor's initiative
Change in Other Local	25.2	Leases, rentals, interest
Change in Other Revenue	<u>17.8</u>	Available after Measure Y passage
Total Change in Revenue	\$300.8	
●2006-07 Revenue Estimate	\$5,640.6	

2006-07 Regular Program –Expenditure Changes

(Dollars in Millions)

2005-06 Expenditure Base \$5,413.7

2005-06 Second Interim Projections

Estimated Changes in Expenditures

Employee Benefits	49.4
Governor's Proposed Initiatives	46.0
School/Library Grant	44.4
Opening New Schools	35.6
New Science Textbook Adoption	30.0
Workers' Compensation	23.0
Step and Column	17.6
Routine Repair and Gen Maintenance	16.0
Utilities Cost Increase	11.0
Savings from Declining Enrollment	(65.3)
Net of All Others	5.7
Total Changes in Expenditures	\$213.5

Maintain employee health at current level
 Based on Governor's Budget
 Technical adjustment – moved from SFP
 One-time and on-going costs
 Fiscal Stabilization and Recovery Plan
 Continue addressing deficit
 Preparation salary schedule
 Maintain at mandated 3% level
 Cover estimated inflationary increases and rate changes
 Teachers, administrators, clerical positions.
 Inflationary costs, fuel, NPS, etc.

2006-07 Expenditure Base \$5,627.2

Multi-Year Projection

- Projected budget surplus for FY 2006-07 is \$13.4 million (General Fund, Regular Program)
- The FY 2007-08 projected budget surplus is \$54.2 million
- However, the Governor's 2006-07 May Revision, which is scheduled for release in May, 2006, may significantly change the District's anticipated 2006-07 revenues.

LOS ANGELES UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION REPORT NO. 308-05/06 (DIRECT)

Office of the Chief Financial Officer
for presentation to the Board of Education on March 14, 2006

SUBJECT: SECOND INTERIM FINANCIAL REPORT FOR FISCAL YEAR 2005-06

A. PROPOSAL

It is proposed that the Board of Education of the Los Angeles Unified School District adopt a positive certification of financial condition based on the 2005-06 Second Interim Financial Report. A positive certification signifies that this district, based on current projections, will be able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.

The Second Interim Financial Report covers fiscal years, 2005-06, 2006-07 and 2007-08. Although this report covers both the District's General Fund and Workers' Compensation Fund, the District is required only to certify the report for the General Fund. The purpose of this state report is to determine if the District can meet its financial obligations for the remainder of the fiscal year under current assumptions, and its financial obligations for the two subsequent years.

The District is able to meet its current Workers' Compensation Fund financial obligations for the remainder of the fiscal year and the two subsequent years on a cash basis. However, it has and will continue to have a negative fund balance due to the recognition of liabilities to be paid out over the life of currently reported claims and claims incurred but not yet reported.

B. BACKGROUND

Education Code sections 35035(g), 42130 and 42131 as amended by AB 1200 require each district superintendent to prepare and submit interim financial reports for certain Funds to the governing board. The governing board certifies to the County Superintendent of Schools, the State Controller, and the State Superintendent of Public Instruction whether or not the school district is able to meet its financial obligations for the remainder of the fiscal year and the next two fiscal years. In addition to the General Fund, the Los Angeles County Office of Education ("LACOE"), in its Informational Bulletin No. 228 dated February 8, 2006, requires that districts submit Interim Reports "...for any other fund that is projected to end the current or either of the two subsequent years with a negative fund balance."

It is staff's recommendation that the Board submits a certification that the District, based on current projections, is able to meet its General Fund financial obligations and will have a positive General Fund ending balance for fiscal years 2005-06, 2006-07, and 2007-08.

The Workers' Compensation Fund will be able to meet its current cash obligations for the remainder of the fiscal year and the two subsequent years under current assumptions. It will not be able to fund further increases in the estimated liability for self-insurance claims or eliminate the negative fund balance in the Workers' Compensation Fund during this period.

Copies of the Second Interim Financial Report are available for public inspection at the Office of the Chief Financial Officer or at the Office of the Executive Officer of the Board.

C. POLICY IMPLICATIONS

This report reflects the financial implications of existing District policies, including the District's current collective bargaining salary settlement of 3.5% (2.5% salary and 1% health benefits) with UTLA, AALA and District-represented employees for 2005-06, together with its impact upon future years, and a provision for potential reserve for other employee groups. While the Second Interim Report, in itself, does not change existing policies, it does reflect changes to state policies (e.g., funding levels) that directly impact the District's operations.

D. BUDGET IMPLICATIONS

There are no immediate budget implications for this action for the current fiscal year. This report indicated that the District is solvent in the current fiscal year and will be solvent in the 2006-07 and 2007-08, based on current Board policies and the Governor's proposed state budget. This report does not reflect the potential impact of future budget additions or cuts, whether programmatic or in response to collective bargaining. The District's current fiscal policy calls for a 5% ending balance (restricted and unrestricted funds).

E. DESEGREGATION IMPACT

This communication has been reviewed and does not require a desegregation impact statement.

F. RECOMMENDATIONS


It is recommended that the Board of Education:

- Receive and accept the District's Second Interim Financial Report (which is on file in the Office of the Chief Financial Officer or at the Office of the Executive Officer of the Board) for the General Fund and the Workers' Compensation Fund, and
- Certify, based upon this Second Interim Financial Report, that the District is able to meet its General Fund financial obligations for the remainder of the current fiscal year and the subsequent two fiscal years.
- Direct the Second Interim Financial Report to be filed with the Los Angeles County Office of Education.

Respectfully submitted,

ROY ROMER
Superintendent

PREPARED BY:

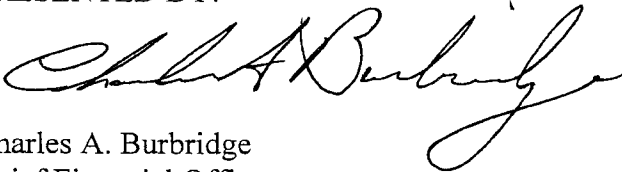


Betty T. Ng
Controller



Roger Rasmussen
Budget Director

PRESENTED BY:



Charles A. Burbridge
Chief Financial Officer

Los Angeles Unified School District

Accounting and Disbursements Division

ROY ROMER
Superintendent of Schools

BETTY T. NG
Controller

CHARLES A. BURBRIDGE
Chief Financial Officer

March 15, 2006

Mr. Michael A. Cirasole
Business Services Consultant
Los Angeles County Office of Education
Division of Business Advisory Services
9300 Imperial Highway
Downey, CA 90242-2890

Dear Mr. Cirasole:

Accompanying this letter please find the following reports:

- The original copy of the Board's certification of the District's Second Period Interim Financial Report for 2005-06 and projections for 2006-07 and 2007-08 for the General Fund.
- Hard copy and software disk of the Second Period Interim Financial Report and Multiyear Projections for the General Fund.
- The Criteria and Standards summary review form.
- District assumptions which support the General Fund's Second Period Interim Financial Report and projections for 2006-07 and 2007-08.
- A copy of the materials for the Second Period Interim Financial Report presentation to the Board of Education on March 14, 2006.

If you have any questions or need additional information, please contact Ken Furuya at (213) 241-7952.

Sincerely,



Betty T. Ng
Controller

BN:py

Enclosures

c: Charles A. Burbridge
Roger Rasmussen
Kenji K. Furuya

Second Period Interim Financial Report
FY 2005-06

TABLE OF CONTENTS

	Page
Certification Page	1
Criteria and Standards	2 – 6
General Fund Summary – Unrestricted/Restricted	7 – 12
General Fund – Comments on Significant Differences	13 – 14
General Fund – Average Daily Attendance	15 – 16
General Fund – Revenue Limit Summary	17 – 18
General Fund – Assumptions	19 – 20
General Fund – Cash Flow Worksheet and Assumptions	21 – 23
General Fund – Multiyear Projections for FY 2006-07 & FY 2007-08	24 – 29
General Fund – Components of Ending Balance	30
General Fund – Multiyear Assumptions	31 - 32
Self-Insurance Fund – Workers' Compensation Fund - Revenue, Expenses & Changes in Net Assets	33 – 34
Self-Insurance Fund – Workers' Compensation Fund – Comments on Significant Changes	35
Self-Insurance Fund – Workers' Compensation Fund Contribution Proposal	36
Self-Insurance Fund – Workers' Compensation Fund – Cash Flow Worksheet	37
Self-Insurance Fund – Workers' Compensation Fund - Multiyear Projections for FY 2006-07 & FY 2007-08	38

NOTICE OF REVIEW

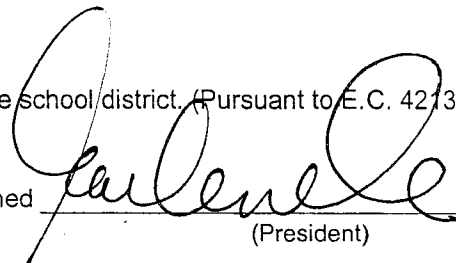
All action shall be taken on this report during a regular or authorized special meeting of the governing board.

To the County Superintendent of Schools:

This interim report is hereby filed by the governing board of the school district. (Pursuant to E.C. 42131)

Date of Meeting: Mar 14, 2006

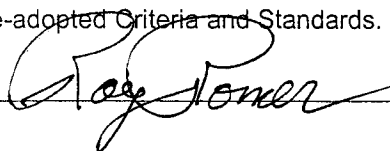
Signed



(President)

NOTICE OF CRITERIA AND STANDARDS REVIEW. This interim report was reviewed in accordance with the state-adopted Criteria and Standards. (Pursuant to E.C. 33129)

Signed



District Superintendent
or Designee

CERTIFICATION OF FINANCIAL CONDITION (Only required for First and Second Interim)

X

POSITIVE CERTIFICATION

As President of the Governing Board of this school district, I certify that this district will be able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.

QUALIFIED CERTIFICATION

As President of the Governing Board of this school district, I certify that this district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

NEGATIVE CERTIFICATION

As President of the Governing Board of this school district, I certify that based upon current projections this district will be unable to meet its financial obligations for the remainder of the fiscal year or for the subsequent fiscal year.

SUPPLEMENTAL INFORMATION

Report Prepared By: Betty T. Ng

Date Prepared: Mar 14, 2006

Telephone Number: (213)241-7889

E-mail Address: betty.ng@lausd.net

Instructions: All school districts and JPAs must complete the First Tier Review (Sections I - II). School districts and JPAs projecting that they may not or will not have a positive fund balance in the General Fund for the remainder of the current fiscal year or subsequent two fiscal years and/or they may not or will not have a positive cash balance for the remainder of this fiscal year must also complete the Second Tier Review (Section III). Completion of the Second Tier Review may also be required by your county office of education.

GENERAL FUND

I. Fund and Cash Balances (Click the button by one of the following three statements):

- (☒) Based on a multiyear projection, the fund balance at the end of this fiscal year and the two subsequent fiscal years will be positive and a cashflow analysis indicates that the cash balance will be positive at the end of this fiscal year.
- (☐) Based on a multiyear projection, the fund balance at the end of this fiscal year and the two subsequent fiscal years may not be positive and/or a cashflow analysis indicates that the cash balance may not be positive at the end of this fiscal year.
- (☐) Based on a multiyear projection, the fund balance at the end of this fiscal year and the two subsequent fiscal years will be negative and/or a cashflow analysis indicates that the cash balance will be negative at the end of this fiscal year.

If your cash balance and/or fund balance MAY NOT BE POSITIVE or WILL BE NEGATIVE, please explain below or provide separate attachments explaining the contributing factors.

II. Supplemental Information

1. Reserves

Available reserves are not less than the following percentages as applied to total expenditures¹, transfers out, and other uses, except as provided for in Education Code Section 33128:

Reserve Standard	Size of district by ADA		
5% or \$50,000 (greater of)	0	to	300
4% or \$50,000 (greater of)	301	to	1,000
3%	1,001	to	30,000
2%	30,001	to	400,000
1%	400,001	and	Over

Your Minimum Reserve Level is:

(Based on Form AI, sum of lines 1 through 4 plus line 22, Column C, ESTIMATED REVENUE LIMIT, Projected Year Totals.)

1%

¹ An Administrative Unit of a Special Education Local Plan Area (SELPA) may exclude the distribution of revenues to its participating members.

Special Education Pass-through Funds Reserve Exclusion

1. a. Does your office choose to exclude the pass-through funds distributed to a SELPA(s) from the reserve calculation? _____
- b. If yes, enter the name(s) of the SELPA: _____

2. a. Does your office serve as the Administrative Unit (AU) of the SELPA? _____

If no, pass-through funds cannot be excluded.

- b. If yes, enter the amount of special education funds budgeted in resources 3300-3499, 6500 and 6510 for the following:

Object 7211 (Key enter or extract funds 01 and 06, resources 3300-3499, 6500 and 6510, projected year totals) _____

Object 7212 (Key enter or extract funds 01 and 06, resources 3300-3499, 6500 and 6510, projected year totals) _____

Object 7213 (Key enter or extract funds 01 and 06, resources 3300-3499, 6500 and 6510, projected year totals) _____

Object 7221 (Key enter or extract funds 01 and 06, resources 3300-3499, 6500 and 6510, projected year totals) _____

Object 7222 (Key enter or extract funds 01 and 06, resources 3300-3499, 6500 and 6510, projected year totals) _____

Object 7223 (Key enter or extract funds 01 and 06, resources 3300-3499, 6500 and 6510, projected year totals) _____

3. Total, Special Education Pass-through funds to be excluded: _____

0.00

Minimum Reserve Level (Funds 01 & 17)

Determine district's a) Recommended Reserve Amount and b) Projected Reserve Amounts:

a. Recommended Reserve Amount

(1) Total Expenditures, Transfers Out, and Other Uses (Form 011, column D, sum of lines B-9, D-1b and D-2b)	<u>6,532,631,107.83</u>
(2) Special Education Pass-through Funds (Special Education Pass-through Funds Reserve Exclusion Section, Line 3)	<u>0.00</u>
(3) Net Expenditures, Transfers Out, and Other Uses (Line a1 less Line a2)	<u>6,532,631,107.83</u>
(4) Recommended minimum reserve percentage	<u>1%</u>
(5) Total (Line a3 x Line a4)	<u>65,326,311.08</u>
(6) Recommended minimum reserve amount for this district (Line a5 or the greater of Line a5 or \$50,000 for a district with less than 1,001 ADA)	<u>65,326,311.08</u>

b. Projected Reserve Amount (AMOUNTS DESIGNATED FOR RESERVES MUST BE UNRESTRICTED)

(1) General Fund - Designated for Economic Uncertainties (DEU) (Form 011, column D, #9770)	<u>67,637,786.00</u>
(2) General Fund - Undesignated (Form 011, column D, #9790)	<u>56,691,849.00</u>
(3) Special Reserve Fund (Form 171) - DEU (#9770)	<u></u>
(4) Special Reserve Fund (Form 171) - Undesignated (#9790)	<u></u>
(5) Total projected unrestricted reserves (Sum of b1 through b4)	<u>124,329,635.00</u>

c. Do reserves meet the recommended minimum reserve amount? Yes

If no, please explain below, or provide separate attachments explaining why the recommended reserve levels have not been met. The explanation must include reasons for any decrease from the original budget levels and how the reserves will be replenished in the subsequent fiscal year.

2. Components of Ending Fund Balance

Is the sum of the components of ending fund balance (Form 011, Lines F.2.a. and F.2.b., Column D) greater than the ending fund balance (Form 011, Line F.2., Column D)?

No

If yes, adjust the components of ending fund balance until the Unappropriated Amount (Form 011, Line F.2.c., Column D) is positive or zero.

3. Status of Employee Salary and Benefit Negotiations

Certificated Classified

a. Enter the number of FTEs projected in this interim report.

48,875.53

20,722.43

b. Enter the number of FTEs from the original adopted budget.

48,451.63

20,453.17

c. Are salary and benefit negotiations settled for the current fiscal year?

No

No

PLEASE NOTE If salary and benefit negotiations are not finalized, upon settlement the school district must determine the cost of the settlement including salaries, benefits, and any other agreements that change costs, and provide the county office of education with an analysis of the cost of the settlement and its impact on the operating budget. The public disclosure documents prepared in compliance with Government Code Section 3547.5 will satisfy this salary settlement notification requirement. (Refer to CDE Management Advisory 92-01, dated May 15, 1992.) The governing board must certify to the validity of the analysis. The county superintendent shall review the analysis relative to the Criteria and Standards, and may provide written comments to the president of the district governing board, and the district superintendent.

d. If settled, indicate the following:

1. Total cost of the salary settlement.

2. Amount of salary settlement included in the budget.

3. Period of agreement.

4. Is salary increase on-going or a one-time bonus?

e. If negotiations have not been settled:

1. Are any proposed or previously negotiated salary or benefit increases budgeted in expenditure objects 1000/2000 and 3000? (Yes/No/NA)

No

No

2. If yes, how much for each of the following:

a. Salaries

b. Health and Welfare Benefits

3. What would an overall 1% increase for salaries and statutory benefits

(i.e., STRS/PERS, FICA, UI, Workers' Comp) be estimated to cost in total dollars \$30.0M

\$9.8M

4. Multiyear Commitments (Include BOTH General Fund and OTHER FUNDS)

a. Have any new commitments occurred since budget adoption? (Yes/No)

Yes _____

List all significant multiyear commitments that have occurred since budget adoption for the current and subsequent two fiscal years.
If the source of the payment is not the same for each year, explain in the comments section. (EXCLUDE SALARY AND BENEFIT SETTLEMENTS, NON-CAPITAL OPERATING LEASES, AND MAINTENANCE AGREEMENTS.)

Type of Commitment	# of Years	Balance July 1, 2005 Principal Only	2005/06 Payment (P & I)	2006/07 Payment (P & I)	2007/08 Payment (P & I)	Fund/ Object Code/ Resource
General Obligation Bonds	23	2,184,960,000.00	168,758,663.00	169,384,544.00	169,330,478.00	Tax Levy
State School Building Loans	4	1,219,326.00	383,097.00	319,553.00	319,260.00	Tax Levy
Other Postemployment Benefits						
Compensated Absences	0	73,908,786.00	70,370,349.00	71,648,544.00	72,949,956.00	Various Funds
Certificates of Participation	27	609,802,250.00	24,964,783.00	32,632,507.00	32,798,308.00	Various Funds
Capital Leases	5	9,950,973.00	5,532,078.00	4,438,586.00	3,520,528.00	Various Funds
Other Commitments:						
Measure K	23	2,100,000,000.00	104,737,156.00	109,170,964.00	114,225,305.00	Tax Levy
Measure R	25	200,000,000.00	29,469,616.00	109,433,445.00	107,840,106.00	Tax Levy
Measure Y	25	0.00	0.00	16,415,519.00	19,124,877.00	Tax Levy
Children's Center Fac Revolving Ln	10	792,000.00	79,000.00	79,000.00	79,000.00	Child Development Fund
CA Energy Commission Loan	7	1,318,000.00	227,020.00	227,019.00	227,020.00	Various Funds
Workers' Compensation	0	288,604,128.00				Various Funds

Comments:

General Obligation Series Bonds were issued to wit: a) Series 2005 A-1 and 2005 A-2 amounting to \$467.675M on July 20, 2005 to refund portions of Proposition BB Bonds in the amount of \$484.505M; b) Measure R, Series 2004 E amounting to \$400.0M on August 10, 2005; c) Measure R, Series 2004 F amounting to \$500.0M on February 16, 2006; d) Refunding Series 2006 A amounting to \$132.325M on February 22, 2006 to refund portion of Measure K, Series 2003 A in the amount of \$131.935M; e) Measure Y, Series 2006 A, 2006 B, & 2006 D on February 22, 2006 in the total amount of \$184.385M to redeem Certificates of Participation (COPs) Series 2002 B and COPs Series 2003 A, and partially redeem \$37.765M of COPs Series 2004 A and \$5.0M of COPs Series 2004 B; and f) Measure Y, Series 2006 C in the amount of \$210.0M on February 22, 2006.

5. Status of Other Funds

a. Are any other fund balances projected to be negative for the current fiscal year? (Yes/No)

Yes _____

If yes, prepare a complete financial statement for that fund.

b. Please explain below, or provide separate attachments, explaining how each fund with projected negative balances will be resolved.

Please see separate financial statements/schedules and funding proposal for the Workers' Compensation Fund.

6. Changes in Contributions

Compare the budgeted Contributions to the projected year totals:

Board Approved Operating Budget - Contributions (Form 011, Unrestricted, Column B, Line D-3)	<u>(800,203,127.42)</u>
Projected Year Totals - Contributions (Form 011, Unrestricted, Column D, Line D-3)	<u>(722,772,579.46)</u>
Percentage of change from Board Approved Operating Budget	<u>9.68%</u>

Provide an explanation if the percentage of change in contributions reflects an increase or decrease greater than 5%:

The decrease is due to lower contributions to Spec. Ed. - \$49.092M, Routine Repair & Maint. - \$28.256M, English Language Lmrs - \$11.587M and other programs
- \$13.944M which is partially offset by higher contributions to Prof Development Block Grant - \$10.371M, Instructional Materials Williams Case - \$3.237M, Math &
Reading Prof Dev - \$2.908M, Community Day Schools - \$2.868M, Pupil Retention Block Grant - \$2.4M, and other programs - \$3.664M.

7. Contingent Liabilities

Identify any known or contingent liabilities from financial or program audits, state compliance reviews, litigation, etc., that have occurred since budget adoption that may impact the budget.

None

This is the end of the First Tier Review. You do not need to continue on to the Second Tier Review unless (1) the First Tier Review reflects that the district's or JPA's projected general fund balance may not or will not be positive at the end of the current fiscal year or subsequent two fiscal years and/or cash balance may not or will not be positive at the end of the current fiscal year or (2) the county office of education has requested a Second Tier Review.

2005/06 Second Interim
GENERAL FUND
SUMMARY
REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE

		Summary - Unrestricted/Restricted					
Description	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col. B & D) (E)	% Diff (E / B) (F)
A. REVENUES							
1) Revenue Limit Sources	8010-8099	3,551,883,765.00	3,551,883,765.00	1,938,391,151.66	3,547,164,100.00	(4,719,665.00)	-0.13%
2) Federal Revenue	8100-8299	1,015,474,634.00	1,014,909,633.00	458,109,238.33	889,109,016.00	(125,800,617.00)	-12.40%
3) Other State Revenue	8300-8599	1,994,839,664.08	1,994,839,664.08	1,200,040,127.96	1,934,528,719.08	(60,310,945.00)	-3.02%
4) Other Local Revenue	8600-8799	93,105,872.00	93,670,873.00	37,666,696.76	74,225,257.00	(19,445,616.00)	-20.76%
5) TOTAL, REVENUES		6,655,303,935.08	6,655,303,935.08	3,634,207,214.71	6,445,027,092.08		
B. EXPENDITURES							
1) Certificated Salaries	1000-1999	3,008,539,961.00	3,076,601,930.00	1,387,506,285.61	3,083,455,459.00	(6,853,529.00)	-0.22%
2) Classified Salaries	2000-2999	883,353,052.00	917,627,127.00	462,282,874.85	914,680,867.00	2,946,260.00	0.32%
3) Employee Benefits	3000-3999	1,328,499,546.00	1,346,620,805.00	524,187,514.11	1,295,764,888.00	50,855,917.00	3.78%
4) Books and Supplies	4000-4999	404,944,571.00	432,466,713.00	216,991,182.92	450,152,853.83	(17,686,140.83)	-4.09%
5) Services and Other Operating Expenditures	5000-5999	610,526,142.00	657,821,387.00	247,207,770.46	652,151,172.00	5,670,215.00	0.86%
6) Capital Outlay	6000-6599	52,785,576.00	39,024,691.00	12,717,855.17	50,893,094.00	(11,868,403.00)	-30.41%
7) Other Outgo (excluding Transfers of Indirect/ Direct Support Costs)	7100-7299 7400-7499	37,073,269.00	37,073,269.00	19,267,620.71	39,147,849.00	(2,074,580.00)	-5.60%
8) Transfers of Indirect/Direct Support Costs	7300-7399	(7,578,758.00)	(781,832.00)	(1,977,206.70)	(10,804,314.00)	10,022,482.00	-1281.92%
9) TOTAL, EXPENDITURES		6,318,143,359.00	6,506,454,090.00	2,868,183,897.13	6,475,441,868.83		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)		337,160,576.08	148,849,845.08	766,023,317.58	(30,414,776.75)		
D. OTHER FINANCING SOURCES/USES							
1) Interfund Transfers							
a) Transfers In	8910-8929	76,428,589.00	76,658,904.00	0.00	69,228,552.00	(7,430,352.00)	-9.69%
b) Transfers Out	7610-7629	44,719,741.00	44,719,741.00	40,923,055.53	57,189,239.00	(12,469,498.00)	-27.88%
2) Other Sources/Uses							
a) Sources	8930-8979	3,317,651.00	3,317,651.00	0.00	3,317,651.00	0.00	0.00%
b) Uses	7630-7699	363,131,758.00	177,654,581.00	0.00	0.00	177,654,581.00	100.00%
3) Contributions	8980-8999	0.00	0.00	0.00	0.00	0.00	0.00%
4) TOTAL, OTHER FINANCING SOURCES/USES		(328,105,259.00)	(142,397,767.00)	(40,923,055.53)	15,356,964.00		
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		9,055,317.08	6,452,078.08	725,100,262.05	(15,057,812.75)		
F. FUND BALANCE, RESERVES							
1) Beginning Fund Balance							
a) As of July 1 - Unaudited	9791	349,569,262.76	349,569,262.76		349,569,262.76	0.00	0.00%
b) Audit Adjustments	9793	0.00	0.00		0.00	0.00	0.00%
c) As of July 1-Audited (F1a + F1b)		349,569,262.76	349,569,262.76		349,569,262.76		
d) Other Restatements	9795	0.00	0.00		0.00	0.00	0.00%
e) Adjusted Beginning Balance (F1c + F1d)		349,569,262.76	349,569,262.76		349,569,262.76		
2) Ending Balance, June 30 (E + F1e)		358,624,579.84	356,021,340.84		334,511,450.01		

2005/06 Second Interim
GENERAL FUND
SUMMARY
REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE

		Summary - Unrestricted/Restricted					
Description	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col. B & D) (E)	% Diff (E / B) (F)
Components of Ending Fund Balance							
a) Reserved Amounts							
Revolving Cash	9711	2,752,835.24	2,752,835.00		2,752,835.00		
Stores	9712	23,314,384.00	23,314,384.00		23,314,384.00		
Prepaid Expenditures	9713	0.00	0.00		0.00		
All Others	9719	0.00	0.00		0.00		
General Reserve (EC 42124)	9730	1,000.00	1,000.00		1,000.00		
Legally Restricted Balances	9740	0.00	0.00		108,376,193.21		
b) Designated Amounts							
Designated for Economic Uncertainties	9770	67,637,786.00	67,637,786.00		67,637,786.00		
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	0.00	0.00		0.00		
Other Designations	9780	264,918,574.60	262,315,335.84		75,737,402.80		
c) Undesignated Amount	9790				56,691,849.00		
d) Unappropriated Amount	9790	0.00	0.00				

2005/06 Second Interim
GENERAL FUND
SUMMARY
REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE

		Summary - U N R E S T R I C T E D - Resources 0000-1999					
Description	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col. B & D) (E)	% Diff (E / B) (F)
A. REVENUES							
1) Revenue Limit Sources	8010-8099	3,343,250,851.00	3,343,250,851.00	1,814,733,987.66	3,335,506,516.00	(7,744,335.00)	-0.23%
2) Federal Revenue	8100-8299	10,450,000.00	10,450,000.00	4,102,123.55	8,050,000.00	(2,400,000.00)	-22.97%
3) Other State Revenue	8300-8599	394,352,998.00	394,352,998.00	153,417,967.49	380,603,927.00	(13,749,071.00)	-3.49%
4) Other Local Revenue	8600-8799	58,151,899.00	58,151,899.00	22,962,896.38	59,724,380.00	1,572,481.00	2.70%
5) TOTAL, REVENUES		3,806,205,748.00	3,806,205,748.00	1,995,216,975.08	3,783,884,823.00		
B. EXPENDITURES							
1) Certificated Salaries	1000-1999	1,788,780,677.00	1,804,875,128.00	901,635,706.71	1,831,029,489.00	(26,154,361.00)	-1.45%
2) Classified Salaries	2000-2999	381,085,899.00	390,340,988.00	220,592,551.89	396,975,980.00	(6,634,992.00)	-1.70%
3) Employee Benefits	3000-3999	732,225,421.00	731,382,874.00	306,725,230.21	706,530,583.00	24,852,291.00	3.40%
4) Books and Supplies	4000-4999	63,170,303.00	64,729,374.00	41,312,964.29	103,657,510.00	(38,928,136.00)	-60.14%
5) Services and Other Operating Expenditures	5000-5999	211,161,771.00	217,485,768.00	93,204,216.17	227,997,637.00	(10,511,869.00)	-4.83%
6) Capital Outlay	6000-6599	27,422,975.00	14,637,015.00	3,698,508.00	20,931,042.00	(6,294,027.00)	-43.00%
7) Other Outgo (excluding Transfers of Indirect/ Direct Support Costs)	7100-7299 7400-7499	37,073,269.00	37,073,269.00	19,267,620.71	39,147,849.00	(2,074,580.00)	-5.60%
8) Transfers of Indirect/Direct Support Costs	7300-7399	(211,014,402.00)	(211,014,402.00)	(16,017,638.76)	(220,864,086.00)	9,849,684.00	-4.67%
9) TOTAL, EXPENDITURES		3,029,905,913.00	3,049,510,014.00	1,570,419,159.22	3,105,406,004.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)		776,299,835.00	756,695,734.00	424,797,815.86	678,478,819.00		
D. OTHER FINANCING SOURCES/USES							
1) Interfund Transfers							
a) Transfers In	8910-8929	8,289,647.00	34,545,584.00	0.00	2,744,787.00	(31,800,797.00)	-92.05%
b) Transfers Out	7610-7629	3,412,234.00	3,412,234.00	2,920,541.00	13,488,684.00	(10,076,450.00)	-295.30%
2) Other Sources/Uses							
a) Sources	8930-8979	1,999,183.00	1,999,183.00	0.00	1,999,183.00	0.00	0.00%
b) Uses	7630-7699	49,205,810.00	29,822,297.00	0.00	0.00	29,822,297.00	100.00%
3) Contributions	8980-8999	(771,767,778.42)	(800,203,127.42)	(440,428,840.00)	(722,772,579.46)	77,430,547.96	-9.68%
4) TOTAL, OTHER FINANCING SOURCES/USES		(814,096,992.42)	(796,892,891.42)	(443,349,381.00)	(731,517,293.46)		
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		(37,797,157.42)	(40,197,157.42)	(18,551,565.14)	(53,038,474.46)		
F. FUND BALANCE, RESERVES							
1) Beginning Fund Balance							
a) As of July 1 - Unaudited	9791	252,697,860.26	252,697,860.26		252,697,860.26	0.00	0.00%
b) Audit Adjustments	9793	0.00	0.00		0.00	0.00	0.00%
c) As of July 1-Audited (F1a + F1b)		252,697,860.26	252,697,860.26		252,697,860.26		
d) Other Restatements	9795	0.00	0.00		0.00	0.00	0.00%
e) Adjusted Beginning Balance (F1c + F1d)		252,697,860.26	252,697,860.26		252,697,860.26		
2) Ending Balance, June 30 (E + F1e)		214,900,702.84	212,500,702.84		199,659,385.80		

2005/06 Second Interim
GENERAL FUND
SUMMARY
REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE

		Summary - UNRESTRICTED - Resources 0000-1999					
Description	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col. B & D) (E)	% Diff (E / B) (F)
Components of Ending Fund Balance							
a) Reserved Amounts							
Revolving Cash	9711	2,752,835.24	2,752,835.00		2,752,835.00		
Stores	9712	6,618,379.00	6,618,379.00		6,618,379.00		
Prepaid Expenditures	9713	0.00	0.00		0.00		
All Others	9719	0.00	0.00		0.00		
General Reserve (EC 42124)	9730	1,000.00	1,000.00		1,000.00		
Legally Restricted Balances	9740	0.00	0.00		0.00		
b) Designated Amounts							
Designated for Economic Uncertainties	9770	67,637,786.00	67,637,786.00		67,637,786.00		
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	0.00	0.00		0.00		
Other Designations	9780	137,890,702.60	135,490,702.84		65,957,536.80		
c) Undesignated Amount	9790				56,691,849.00		
d) Unappropriated Amount	9790	0.00	0.00				

2005/06 Second Interim
GENERAL FUND
SUMMARY
REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE

		Summary - R E S T R I C T E D -- Resources 2000-9999					
Description	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col. B & D) (E)	% Diff (E / B) (F)
A. REVENUES							
1) Revenue Limit Sources	8010-8099	208,632,914.00	208,632,914.00	123,657,164.00	211,657,584.00	3,024,670.00	1.45%
2) Federal Revenue	8100-8299	1,005,024,634.00	1,004,459,633.00	454,007,114.78	881,059,016.00	(123,400,617.00)	-12.29%
3) Other State Revenue	8300-8599	1,600,486,666.08	1,600,486,666.08	1,046,622,160.47	1,553,924,792.08	(46,561,874.00)	-2.91%
4) Other Local Revenue	8600-8799	34,953,973.00	35,518,974.00	14,703,800.38	14,500,877.00	(21,018,097.00)	-59.17%
5) TOTAL, REVENUES		2,849,098,187.08	2,849,098,187.08	1,638,990,239.63	2,661,142,269.08		
B. EXPENDITURES							
1) Certificated Salaries	1000-1999	1,219,759,284.00	1,271,726,802.00	485,870,578.90	1,252,425,970.00	19,300,832.00	1.52%
2) Classified Salaries	2000-2999	502,267,153.00	527,286,139.00	241,690,322.96	517,704,887.00	9,581,252.00	1.82%
3) Employee Benefits	3000-3999	596,274,125.00	615,237,931.00	217,462,283.90	589,234,305.00	26,003,626.00	4.23%
4) Books and Supplies	4000-4999	341,774,268.00	367,737,339.00	175,678,218.63	346,495,343.83	21,241,995.17	5.78%
5) Services and Other Operating Expenditures	5000-5999	399,364,371.00	440,335,619.00	154,003,554.29	424,153,535.00	16,182,084.00	3.67%
6) Capital Outlay	6000-6599	25,362,601.00	24,387,676.00	9,019,347.17	29,962,052.00	(5,574,376.00)	-22.86%
7) Other Outgo (excluding Transfers of Indirect/ Direct Support Costs)	7100-7299 7400-7499	0.00	0.00	0.00	0.00	0.00	0.00%
8) Transfers of Indirect/Direct Support Costs	7300-7399	203,435,644.00	210,232,570.00	14,040,432.06	210,059,772.00	172,798.00	0.08%
9) TOTAL, EXPENDITURES		3,288,237,446.00	3,456,944,076.00	1,297,764,737.91	3,370,035,864.83		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)		(439,139,258.92)	(607,845,888.92)	341,225,501.72	(708,893,595.75)		
D. OTHER FINANCING SOURCES/USES							
1) Interfund Transfers							
a) Transfers In	8910-8929	68,138,942.00	42,113,320.00	0.00	66,483,765.00	24,370,445.00	57.87%
b) Transfers Out	7610-7629	41,307,507.00	41,307,507.00	38,002,514.53	43,700,555.00	(2,393,048.00)	-5.79%
2) Other Sources/Uses							
a) Sources	8930-8979	1,318,468.00	1,318,468.00	0.00	1,318,468.00	0.00	0.00%
b) Uses	7630-7699	313,925,948.00	147,832,284.00	0.00	0.00	147,832,284.00	100.00%
3) Contributions	8980-8999	771,767,778.42	800,203,127.42	440,428,840.00	722,772,579.46	(77,430,547.96)	-9.68%
4) TOTAL, OTHER FINANCING SOURCES/USES		485,991,733.42	654,495,124.42	402,426,325.47	746,874,257.46		
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		46,852,474.50	46,649,235.50	743,651,827.19	37,980,661.71		
F. FUND BALANCE, RESERVES							
1) Beginning Fund Balance							
a) As of July 1 - Unaudited	9791	96,871,402.50	96,871,402.50		96,871,402.50	0.00	0.00%
b) Audit Adjustments	9793	0.00	0.00		0.00	0.00	0.00%
c) As of July 1-Audited (F1a + F1b)		96,871,402.50	96,871,402.50		96,871,402.50		
d) Other Restatements	9795	0.00	0.00		0.00	0.00	0.00%
e) Adjusted Beginning Balance (F1c + F1d)		96,871,402.50	96,871,402.50		96,871,402.50		
2) Ending Balance, June 30 (E + F1e)		143,723,877.00	143,520,638.00		134,852,064.21		

2005/06 Second Interim
GENERAL FUND
SUMMARY
REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE

		Summary - R E S T R I C T E D -- Resources 2000-9999					
Description	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col. B & D) (E)	% Diff (E / B) (F)
Components of Ending Fund Balance							
a) Reserved Amounts							
Revolving Cash	9711	0.00	0.00		0.00		
Stores	9712	16,696,005.00	16,696,005.00		16,696,005.00		
Prepaid Expenditures	9713	0.00	0.00		0.00		
All Others	9719	0.00	0.00		0.00		
General Reserve (EC 42124)	9730	0.00	0.00		0.00		
Legally Restricted Balances	9740	0.00	0.00		108,376,193.21		
b) Designated Amounts							
Designated for Economic Uncertainties	9770	0.00	0.00		0.00		
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	0.00	0.00		0.00		
Other Designations	9780	127,027,872.00	126,824,633.00		9,779,866.00		
c) Undesignated Amount	9790				0.00		
d) Unappropriated Amount	9790	0.00	0.00				

GENERAL FUND
SECOND PERIOD INTERIM FINANCIAL REPORT
2005-06

Comments on Significant Differences

Revenues, Expenditures, and Changes in Fund Balance

Revenues

- A-1 The \$4.7 million projected underrealization of Revenue Limit Sources is primarily due to lower meals for needy, State Unemployment Insurance (SUI), and charter tax in-lieu, partially offset by higher hourly programs, lower deficit and lower charter school "penalty" (rate differential between base revenue limit and general purpose block grant (GPBG) rates).
- A-2 The \$125.8 million projected underrealization of Federal Revenues is primarily due to projected unearned revenues in Specially Funded Programs (SFP) due to unimplemented grants of approximately \$125.9 million as of January 31, 2006. Regular program revenues increased for Special Education (\$5.0 million) partially offset by lower Medi-Cal Administrative Activity and Billing Options (\$4.9 million).
- A-3 The \$60.3 million projected underrealization of Other State Revenues is due primarily to underspending and unimplemented SFP grants of \$50.6 million as of January 31, 2006, and \$9.7 million projected underrealization of Other State Revenues in regular programs, such as lower apportionments for regional occupational centers, class size reduction, charter school categorical block grant, mandated cost reimbursements, English language learners, school safety, child health and disability, advance placement fees, mental health, high school exit examination intensive instruction and services, and professional development block grant, partially offset by higher apportionments for special education, instructional materials block grant, principal training, targeted instructional improvement block grant and lottery.
- A-4 The \$19.4 million projected underrealization of Other Local Revenues is primarily due to SFP underspending and unimplemented grants of \$23.3 million as of January 31, 2006, partially offset by \$3.9 million overrealization in regular programs for higher interest income, and miscellaneous other local revenues, partially offset by lower revenues from sales, leases, rentals, fees, energy conservation rebates, premium on delinquent taxes and tax in-lieu of fiscally dependent charters.

Expenditures

- B-1 The projected overexpenditure in Certificated Salaries is primarily due to a 2.5% salary increase for all District employees effective July 1, 2005, partially offset by lower than budgeted expenditures in anticipated grants that are still unimplemented as of January 31, 2006. This overexpenditure will be offset by the underexpenditure in other objects.
- B-2 The projected underexpenditure in Classified Salaries is primarily due to unimplemented SFP grants as of January 31, 2006, partially offset by higher salaries due to a 2.5% salary increase for all District employees effective July 1, 2005.

Continued

- B-3 The projected underexpenditure in Employee Benefits is primarily due to lower than anticipated Health and Medical expenditures, a lower than budgeted SUI rate and unimplemented SFP grants as of January 31, 2006.
- B-4 The projected overexpenditure in Books and Supplies is primarily due to projected increased spending for textbooks for Social Studies and Williams compliance, other books and other supplies, partially offset by lower spending in SFP. This overexpenditure will be offset by the underexpenditure in other objects.
- B-5 The projected underexpenditure in Services and Other Operating Expenses is primarily due to projected lower spending for instructional contracts, partially offset by projected increased spending for utilities.
- B-6 The projected overexpenditure in Capital Outlay is primarily due to projected increased spending for equipment. This overexpenditure will be offset by the underexpenditure in other objects.
- B-7 The projected overexpenditure in Other Outgo is primarily due to a lower than budgeted transfers of in-lieu property taxes to charter schools, partially offset by higher expenditures for capital leases.
- B-8 The projected underexpenditure in indirect costs is primarily due to unimplemented grants as of January 31, 2006.

Other Financing Sources/Uses

- D-1a The \$7.4 million projected underrealization of Other Sources is primarily due to lower transfers from Special Reserve Fund (to cover expenditures relating to design and development of new information technology systems), Cafeteria Fund (for flexibility purposes), and from the FEMA funds (for reimbursement of administrative expenses).
- D-1b The projected overexpenditure in Transfers Out is primarily due to interfund transfers out to cafeteria for the refund of prior years' flexibility transfers.
- D-2b The projected underexpenditure is primarily due to amounts pending distribution budgeted in this major object, including unimplemented grants as of January 31, 2006 for SFP.

Description	ESTIMATED P-2 REPORT ADA (If declining enrollment)	ESTIMATED REVENUE LIMIT ADA Original Budget (A)	ESTIMATED REVENUE LIMIT ADA Board Approved Operating Budget (B)	ESTIMATED REVENUE LIMIT ADA Projected Year Totals (C)	DIFFERENCE (Col. C - B) (D)	PERCENTAGE DIFFERENCE (Col. D / B) (E)
ELEMENTARY						
1. General Education	447,815.01	461,767.43	461,767.43	460,262.64	(1,504.79)	0%
2. Special Education	21,179.53	21,567.22	21,567.22	21,721.60	154.38	1%
HIGH SCHOOL						
3. General Education	161,462.78	159,325.06	159,325.06	160,585.83	1,260.77	1%
4. Special Education	10,959.34	11,227.81	11,227.81	11,359.64	131.83	1%
COUNTY SUPPLEMENT						
5. County Community Schools	197.92	191.67	191.67	197.92	6.25	3%
6. Special Education	0.02	1.08	1.08	0.02	(1.06)	-98%
7. TOTAL, ELEMENTARY, HIGH SCHOOL & COUNTY SUPPLEMENT	641,614.60	654,080.27	654,080.27	654,127.65	47.38	0%
8. ADA for Necessary Small Schools also included in lines 1 - 4.		0.00	0.00	0.00	0.00	0%
9. Regional Occupational Centers/Programs (ROC/P)	19,258.00	19,588.00	19,588.00	19,588.00	0.00	0%
CLASSES FOR ADULTS						
10. Concurrently Enrolled Secondary Students	5,602.00	5,156.00	5,156.00	5,602.00	446.00	9%
11. Adults Enrolled, State Apportioned	63,477.00	63,718.00	63,718.00	63,477.00	(241.00)	0%
12. Independent Study - (21 or older and 19 or over and not continuously enrolled)		0.00	0.00	0.00	0.00	0%
13. TOTAL, CLASSES FOR ADULTS	69,079.00	68,874.00	68,874.00	69,079.00	205.00	0%
14. Adults in Correctional Facilities		0.00	0.00	0.00	0.00	0%
15. ADA TOTALS (Sum of lines 7, 9, 13, & 14)	729,951.60	742,542.27	742,542.27	742,794.65	252.38	0%
SUPPLEMENTAL INSTRUCTIONAL HOURS						
16. Elementary	12,823,069.00	12,781,994.58	12,781,994.58	12,823,069.00	41,074.42	0%
17. High School	6,742,785.00	6,408,577.42	6,408,577.42	6,742,785.00	334,207.58	5%
18. TOTAL, SUPPLEMENTAL HOURS	19,565,854.00	19,190,572.00	19,190,572.00	19,565,854.00	375,282.00	2%

Description	ESTIMATED P-2 REPORT ADA (If declining enrollment)	ESTIMATED REVENUE LIMIT ADA Original Budget (A)	ESTIMATED REVENUE LIMIT ADA Board Approved Operating Budget (B)	ESTIMATED REVENUE LIMIT ADA Projected Year Totals (C)	DIFFERENCE (Col. C - B) (D)	PERCENTAGE DIFFERENCE (Col. D / B) (E)
COMMUNITY DAY SCHOOLS - Additional Funds						
19. ELEMENTARY						
a. 5th & 6th Hours (ADA)	85.57	329.13	329.13	85.57	(243.56)	-74%
b. 7th & 8th Pupil Hours (report in hours)		0.00	0.00	0.00	0.00	0%
20. HIGH SCHOOL						
a. 5th & 6th Hours (ADA)	1,654.04	1,428.16	1,428.16	1,654.04	225.88	16%
b. 7th & 8th Pupil Hours (report in hours)		0.00	0.00	0.00	0.00	0%
CHARTER SCHOOLS						
21. Block Grant Funded Charters						
a. Charters Sponsored by Unified Districts (Pupils residing in Unified District)	33,198.39	35,524.89	35,524.89	33,198.39	(2,326.50)	-7%
b. All Other Block Grant Funded Charters		0.00	0.00	0.00	0.00	0%
22. Revenue Limit Funded Charters		0.00	0.00	0.00	0.00	0%
23. TOTAL, CHARTER SCHOOLS ADA (sum lines 21a, 21b, and 22)	33,198.39	35,524.89	35,524.89	33,198.39	(2,326.50)	-7%
24. SUPPLEMENTAL INSTRUCTIONAL HOURS	976,337.00	976,337.00	976,337.00	976,337.00	0.00	0%

Second Interim
2005/06 INTERIM REPORT
General Fund
Revenue Limit Summary
(Optional)

Description	Principal Appt. Software Data ID	Original Budget	Board Approved Operating Budget	Projected Year Totals
BASE REVENUE LIMIT PER ADA				
1. Base Revenue Limit per ADA (prior year)	0025	4,968.66	4,968.66	4,968.66
2. Inflation Increase	0041	211.00	211.00	211.00
3. All Other Adjustments	0042, 0525	0.00	0.00	0.00
4. TOTAL, BASE REVENUE LIMIT PER ADA (Sum Lines 1 through 3)	0024	5,179.66	5,179.66	5,179.66
REVENUE LIMIT SUBJECT TO DEFICIT				
5. Total Base Revenue Limit				
a. Base Revenue Limit Per ADA (from Line 4)	0024	5,179.66	5,179.66	5,179.66
b. Total Revenue Limit ADA	0033	689,605.16	689,605.16	687,326.04
c. Total Base Revenue Limit (Lines 5a times 5b)	0269	3,571,920,263.05	3,571,920,263.05	3,560,115,196.35
6. Allowance for Necessary Small School	0489	0.00	0.00	0.00
7. Gain or Loss from Interdistrict Attendance Agreements (PL 81-874)	0272	0.00	0.00	0.00
8. Meals for Needy Pupils	0090	19,392,814.00	19,392,814.00	16,807,260.00
9. Other Revenue Limit Adjustments	---	0.00	0.00	0.00
10. Beginning Teacher Salary Incentive Funding	0138	11,801,145.00	11,801,145.00	11,733,774.00
11. Less: Class Size Penalties Adjustment	0173	0.00	0.00	0.00
12. TOTAL, BEFORE DEFICIT (Sum Lines 5c through 10 minus Line 11)	0082	3,603,114,222.05	3,603,114,222.05	3,588,656,230.35
DEFICIT CALCULATION				
13. Deficit Factor (E.C. Section 42238.146(a)(1))	0281	0.99091	0.99091	0.99108
14. REVENUE LIMIT (Line 12 times Line 13)	0282	3,570,361,913.77	3,570,361,913.77	3,556,645,416.78
15. Deficit Factor (E.C. Section 42238.146(a)(2))	0283	1.00000	1.00000	1.00000
16. DEFICITED REVENUE LIMIT (Line 14 times Line 15)	0284	3,570,361,913.77	3,570,361,913.77	3,556,645,416.78
OTHER REVENUE LIMIT ITEMS NET OF ANY DEFICIT				
17. Unemployment Insurance Revenue	0060	24,639,453.00	24,639,453.00	19,105,439.00
18. Continuation High School Revenue	0066	0.00	0.00	0.00
19. Less: Longer Day/Year Penalty	0287	0.00	0.00	0.00
20. Less: Excess ROC/P Reserves Adjustment	0288	0.00	0.00	0.00
21. Less: PERS Reduction	0195	23,635,483.00	23,635,483.00	24,512,831.00
22. PERS Safety Adjustment	0205	5,422,476.00	5,422,476.00	5,820,934.00
23. TOTAL, OTHER REVENUE LIMIT ITEMS NET OF ANY DEFICIT (Sum Lines 17, 18 and 22, minus Lines 19 through 21)	0088	6,426,446.00	6,426,446.00	413,542.00
24. TOTAL, REVENUE LIMIT (Sum Lines 16 and 23)	---	3,576,788,359.77	3,576,788,359.77	3,557,058,958.78

Second Interim
2005/06 INTERIM REPORT
General Fund
Revenue Limit Summary
(Optional)

Description	Principal Appt. Software Data ID	Original Budget	Board Approved Operating Budget	Projected Year Totals
REVENUE LIMIT - LOCAL SOURCES				
25. Property Taxes	0117	667,917,093.00	667,917,093.00	667,917,093.00
26. Miscellaneous Taxes	0078	89,750.00	89,750.00	89,750.00
27. Community Redevelopment Funds	0079	0.00	0.00	0.00
28. Less: Charter Schools In-lieu Taxes	0124	34,423,620.00	34,423,620.00	32,268,835.00
29. TOTAL, REVENUE LIMIT - LOCAL SOURCES (Sum Lines 25 through 27, minus Line 28)	---	633,583,223.00	633,583,223.00	635,738,008.00
30. Charter School General Purpose Block Grant Offset (Unified Districts Only)	0293	190,109,670.00	190,109,670.00	174,000,669.00
31. STATE AID PORTION OF REVENUE LIMIT (Sum Line 24, minus Lines 29 and 30. If negative, then zero)	---	2,753,095,466.77	2,753,095,466.77	2,747,320,281.78
OTHER ITEMS				
32. Less: County Office Funds Transfer	0458	983,508.00	983,508.00	1,016,112.00
33. Core Academic Program	9001	4,476,650.00	4,476,650.00	4,980,810.00
34. California High School Exit Exam	9002	40,568,677.00	40,568,677.00	42,897,111.00
35. Pupil Promotion and Retention and Low STAR Score Programs	9003	25,575,978.00	25,575,978.00	24,424,421.00
36. Apprenticeship Funding	9006	2,509,583.00	2,509,583.00	2,964,663.00
37. Community Day School Additional Funding	9007	4,353,229.00	4,353,229.00	4,309,431.00
38. All Other Adjustments	---	0.00	0.00	0.00
39. TOTAL, OTHER ITEMS (Sum Lines 33 through 38, minus Line 32)	---	76,500,609.00	76,500,609.00	78,560,324.00
40. TOTAL, STATE AID PORTION OF REVENUE LIMIT (Sum Lines 31 and 39) (This amount should agree with object 8011)	9999	2,829,596,075.77	2,829,596,075.77	2,825,880,605.78

LOS ANGELES UNIFIED SCHOOL DISTRICT
ASSUMPTIONS ON WHICH THE 2005-06 SECOND PERIOD INTERIM
FINANCIAL REPORTS ARE BASED

REVENUE

We have assumed that LAUSD will receive 2005-06 revenue consistent with current state law. No consideration has been made for potential changes in state law that would increase or reduce 2005-06 revenue to school districts.

REVENUE LIMIT CHANGES

LAUSD expects to receive \$5,179.66 per unit of Average Daily Attendance (ADA) with a deficit of .892% in 2005-06. ADA for the year will be known in April 2006. Revenue Limit ADA was based on the assumption that the District can take advantage of the Declining Enrollment Adjustment provision. Analysis of the prior year's ADA is in process to determine ADA of students attending charter schools.

SB 319 reduces by 50 percent (50%) the charter school "penalty" or the differential between the base revenue limit rate and general purpose block grant (GPBG) rates.

SUMMER SCHOOL REVENUE

The Summer School programs now called "Supplemental Instructional" or hourly programs are funded at \$3.68 per hour. The following four programs are operated before school, after school, during summer/intersession, or on Saturdays: (1) Optional Core Academic, (2) Optional Deficiency Program for Grades 2-6 (Low STAR Score), and for Grades 2-6 (at risk of retention), (3) Mandated Remedial Program for Grades 2-9 (retained or recommended for retention) and (4) Mandated Remedial and Instruction Program for Grades 7-12. The estimated pupil hours of attendance in these programs are based on program data used in the Period 1 (P-1) reports of school district attendance.

SPECIAL EDUCATION REVENUE

The Special Education funding model established in accordance with AB602 and AB598 and the NPS funding model per SB1108 were used in the interim projections.

CLASS SIZE REDUCTION REVENUE

There is no significant change in the District's financial plan for participating in the State's K-3 Class Size Reduction Operations Program for the 2005-06 fiscal year.

CATEGORICAL PROGRAMS REVENUE

The 2005-06 State Budget Act provides COLA and growth for many categorical programs and continues the 2004-05 levels for transfers of funds between the programs identified in General Section 12.40(b), the so-called "Mega-item" programs.

LOS ANGELES UNIFIED SCHOOL DISTRICT
ASSUMPTIONS ON WHICH THE 2005-06 SECOND PERIOD INTERIM
FINANCIAL REPORTS ARE BASED

Continued

In accordance to AB825, twenty-six categorical programs were placed into six block grants to provide increased spending flexibility for any purpose authorized by the programs. Transfers Out of four block grants, (School Safety Consolidated Competitive Grant, Professional Development Block Grant, Targeted Instructional Improvement Block Grant, and School and Library Improvement Block Grant) are allowed with certain limitation. The Pupil Retention Block Grant and the Teacher Credentialing Block Grant do not allow for transfers of funds out of the Block Grants. However, funds may be transferred into these two Block Grants.

LOTTERY PROJECTIONS

The projected lottery income is computed using the rates of \$118.75 per ADA for the regular (unrestricted) portion, and \$22.25 per ADA for the Proposition 20 (restricted) portion.

TAX AND REVENUE ANTICIPATION NOTES (TRANs)

On October 1, 2005, the District issued a total of \$410.0 million of 2005-06 TRANs at a net premium of \$5,587,309.05. The principal and interest are payable at maturity on October 18, 2006. As security for the payment of principal and interest on the notes, the Treasurer and Tax Collector of the County of Los Angeles as the paying agent will deposit and hold in trust in a special repayment account, the unrestricted revenues received by the District as follows: \$143.5 million on or before January 6, 2006; \$143.5 million on or before February 7, 2006; \$123.0 million on or before April 28, 2006; plus an amount sufficient to pay interest on the notes and any deficiency in the amount required to be transferred during any prior month on or before June 30, 2006.

EXPENDITURES

Estimated expenditures for 2005-06 are based on actual expenditures through January 2006 and projections for February through June based on expenditure patterns in 2004-05, supplemented by specific information about factors that would cause expenditures to vary from prior year. The expenditure estimates include a 2.5% across the board salary increase retroactive July 1, 2005.

PROJECTED CHANGES IN ENDING FUND BALANCES

It is projected that the General Fund will end the fiscal year with a fund balance of \$334.5 million, which is \$15.1 million lower than the actual ending balance for 2004-05, and \$21.5 million lower than budget. This is primarily due to lower projected revenues and other financing sources offset by lower expenditures and other financing uses, compared to budgeted amounts.

RESERVE FOR ECONOMIC UNCERTAINTIES

A reserve of at least one percent (1%) of the District's total expenditures, transfers out and other uses is provided in the 2005-06 Budget and interim projections.

	Object	July	August	September	October	November	December
ACTUALS THRU MONTH OF (Enter Month Name):							
JANUARY							
9110		524,236,000.00	503,408,000.00	938,997,000.00	227,179,000.00	576,652,000.00	557,773,000.00
A. BEGINNING CASH							
B. RECEIPTS							
Revenue Limit	8020-8079	27,562,000.00	30,503,000.00	37,564,000.00	5,488,000.00	22,339,000.00	261,264,000.00
Property Tax	8010-8019	343,470,000.00	320,374,000.00	213,583,000.00	214,209,000.00	213,730,000.00	213,730,000.00
State Aid	8080-8099	(346,000.00)	0.00	0.00	0.00	0.00	0.00
Other	8100-8299	89,780,000.00	3,949,000.00	9,462,000.00	25,375,000.00	165,165,000.00	99,343,000.00
Federal Revenues	8300-8599	108,594,000.00	67,623,000.00	88,010,000.00	177,029,000.00	62,573,000.00	137,376,000.00
Other State Revenues	8600-8799	(683,000.00)	424,000.00	(3,531,000.00)	(2,219,000.00)	971,000.00	(517,000.00)
Other Local Revenues	8910-8929	818,405,000.00	242,360,000.00	286,611,000.00	279,220,000.00	574,631,000.00	274,852,000.00
Interfund Transfers In	8931-8979	0.00	0.00	0.00	0.00	0.00	0.00
All Other Financing Sources		55,267,000.00	545,422,000.00	22,189,000.00	429,814,000.00	62,185,000.00	25,363,000.00
Other Receipts/Non-Revenue		1,442,049,000.00	1,210,655,000.00	653,888,000.00	1,128,916,000.00	1,101,594,000.00	1,011,411,000.00
TOTAL RECEIPTS							
C. DISBURSEMENTS							
Certificated Salaries	1000-1999	332,890,000.00	243,505,000.00	393,702,000.00	340,766,000.00	265,444,000.00	339,702,000.00
Classified Salaries	2000-2999						
Employee Benefits	3000-3999						
Supplies and Services	4000-5999	199,702,000.00	131,418,000.00	125,972,000.00	129,579,000.00	126,785,000.00	140,972,000.00
Capital Outlays	6000-6599						
Other Outgo	7000-7499						
Interfund Transfers Out	7600-7629	930,284,000.00	400,143,000.00	327,112,000.00	309,098,000.00	728,244,000.00	320,074,000.00
All Other Financing Uses	7630-7699						
Other Disbursements/							
Non Expenditures		1,000.00		518,920,000.00			
TOTAL DISBURSEMENTS		1,462,877,000.00	775,066,000.00	1,365,706,000.00	779,443,000.00	1,120,473,000.00	800,748,000.00
D. PRIOR YEAR TRANSACTIONS							
Accounts Receivable							
Accounts Payable							
TOTAL PRIOR YEAR							
TRANSACTIONS		0.00	0.00	0.00	0.00	0.00	0.00
E. NET INCREASE/DECREASE							
(B - C + D)		(20,828,000.00)	435,589,000.00	(711,818,000.00)	349,473,000.00	(18,879,000.00)	210,663,000.00
F. ENDING CASH (A + E)							
		503,408,000.00	938,997,000.00	227,179,000.00	576,652,000.00	557,773,000.00	768,436,000.00
G. ENDING CASH, PLUS ACCRUALS							

Object	January	February	March	April	May	June	Accruals	TOTAL
ACTUALS THRU MONTH OF (Enter Month Name):								
JANUARY								
9110	768,436,000.00	1,022,438,000.00	1,148,888,000.00	1,423,877,000.00	1,093,614,000.00	1,043,272,000.00		
A. BEGINNING CASH								
B. RECEIPTS								
Revenue Limit								
Property Tax	68,748,000.00	42,905,000.00	1,892,000.00	183,901,000.00	71,185,000.00	194,000.00		753,545,000.00
State Aid	213,730,000.00	366,732,000.00	183,366,000.00	183,366,000.00	183,366,000.00	0.00		2,649,656,000.00
Other	0.00	(692,000.00)	(346,000.00)	(346,000.00)	(346,000.00)	0.00		(2,076,000.00)
Federal Revenues	12,012,000.00	69,686,000.00	15,133,000.00	42,007,000.00	16,104,000.00	110,648,000.00		803,607,000.00
Other State Revenues	630,828,000.00	233,985,000.00	514,255,000.00	74,742,000.00	67,924,000.00	6,289,000.00		2,169,228,000.00
Other Local Revenues	(3,494,000.00)	(2,591,000.00)	(896,000.00)	7,820,000.00	(5,559,000.00)	(371,000.00)		(10,646,000.00)
Interfund Transfers In	304,830,000.00	276,122,000.00	718,240,000.00	588,503,000.00	553,086,000.00	728,022,000.00		5,624,882,000.00
All Other Financing Sources	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Other Receipts/Non-Revenue	19,524,000.00	45,935,000.00	12,398,000.00	10,466,000.00	30,910,000.00	78,231,000.00		1,337,704,000.00
TOTAL RECEIPTS	1,246,178,000.00	1,032,082,000.00	1,444,042,000.00	1,070,459,000.00	1,061,613,000.00	923,013,000.00	0.00	13,325,900,000.00
C. DISBURSEMENTS								
Certificated Salaries	305,888,000.00	297,521,000.00	407,078,000.00	503,156,000.00	378,099,000.00	350,928,000.00		4,158,679,000.00
Classified Salaries								0.00
Employee Benefits								0.00
Supplies and Services	146,479,000.00	115,456,000.00	156,857,000.00	116,244,000.00	157,528,000.00	182,528,000.00		1,729,520,000.00
Capital Outlays								0.00
Other Outgo								0.00
Interfund Transfers Out	396,309,000.00	349,053,000.00	605,170,000.00	658,322,000.00	576,328,000.00	575,803,000.00		6,175,940,000.00
All Other Financing Uses		102,000.00	(52,000.00)			17,693,000.00		17,743,000.00
Other Disbursements/								
Non Expenditures	143,500,000.00	143,500,000.00		123,000,000.00				928,921,000.00
TOTAL DISBURSEMENTS	992,176,000.00	905,632,000.00	1,169,053,000.00	1,400,722,000.00	1,111,955,000.00	1,126,952,000.00	0.00	13,010,803,000.00
D. PRIOR YEAR TRANSACTIONS								
Accounts Receivable								0.00
Accounts Payable								0.00
TOTAL PRIOR YEAR TRANSACTIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E. NET INCREASE/DECREASE								
(B - C + D)	254,002,000.00	126,450,000.00	274,989,000.00	(330,263,000.00)	(50,342,000.00)	(203,939,000.00)	0.00	315,097,000.00
F. ENDING CASH (A + E)	1,022,438,000.00	1,148,888,000.00	1,423,877,000.00	1,093,614,000.00	1,043,272,000.00	839,333,000.00		
G. ENDING CASH, PLUS ACCRUALS								839,333,000.00

ASSUMPTIONS USED
GENERAL FUND CASH FLOW PROJECTIONS
SECOND PERIOD INTERIM FINANCIAL REPORT
2005-06

GENERAL	The District's 2005-06 budget will be in balance and the Reserve for Economic Uncertainties will remain at \$67.6 million throughout 2005-06. Normal cost factors such as inflation and salary schedule step increases will be offset by lower payments resulting from employee separation from the District (i.e. replacements for employee movement, such as layoffs, retirements and promotions, normally start at a lower salary schedule).
RECEIPTS	Revenues and other receipts are primarily based on 2005-06 actuals to January 2006 and 2004-05 actuals adjusted for current information including collection of receivables for the base apportionments and programs such as Year-Round Schools Operational Grant, Special Education, Instructional Materials, Regional Occupational Centers (ROC), Transportation and Lottery.
DISBURSEMENTS	Actuals are used from July 2005 to January 2006.
SALARIES & BENEFITS	Totals consist of current year-to-date actuals to January 2006 and projected salaries and benefits for the rest of the year including additional estimated expenditures for new programs.
SERVICES, SUPPLIES & EQUIPMENT	Projected totals are based on 2005-06 year-to-date and 2004-05 prior year actuals with adjustments relating to the current year, primarily additional expenditures for special projects, and new programs. This category also includes Capital Outlay.
INTERFUND TRANSFERS IN & OUT	Totals are based primarily on currently available 2005-06 data. Interfund Transfers In and Out include payments of receivables and payables between the General Fund and all other district funds; transfers to the Capital Services Fund for debt repayment; and transfers of contributions to the Self-Insurance Funds, Deferred Maintenance Fund, and Child Development Fund.

Description	Object Codes	Projected Year Totals (Forms 011, 171) (A)	% Change (Cols. C-A/A) (B)	2006/07 Projection (C)	% Change (Cols. E-C/C) (D)	2007/08 Projection (E)
A. REVENUES AND OTHER FINANCING SOURCES						
(Enter estimated projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
1. Revenue Limit Sources	8010-8099	3,547,164,100.00	2.75%	3,644,794,277.00	0.17%	3,651,140,598.00
2. Federal Revenues	8100-8299	889,109,016.00	0.01%	889,165,489.00	0.47%	893,372,745.00
3. Other State Revenues	8300-8599	1,934,528,719.08	-1.65%	1,902,662,317.00	-0.54%	1,892,321,360.00
4. Other Local Revenues	8600-8799	74,225,257.00	42.94%	106,099,881.00	2.06%	108,285,683.00
5. Other Financing Sources	8910-8999	72,546,203.00	-3.90%	69,717,615.00	-38.83%	42,644,626.00
6. Total (Sum lines A1 thru A5)		6,517,573,295.08	1.46%	6,612,439,579.00	-0.37%	6,587,765,012.00
B. EXPENDITURES AND OTHER FINANCING USES						
(Enter estimated projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
1. Certificated Salaries						
a. Base Salaries				3,083,455,459.00		3,049,351,106.00
b. Step & Column Adjustment				0.00		0.00
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				(34,104,353.00)		(39,442,153.00)
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	3,083,455,459.00	-1.11%	3,049,351,106.00	-1.29%	3,009,908,953.00
2. Classified Salaries						
a. Base Salaries				914,680,867.00		924,933,227.00
b. Step & Column Adjustment				0.00		0.00
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				10,252,360.00		(8,734,452.00)
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	914,680,867.00	1.12%	924,933,227.00	-0.94%	916,198,775.00
3. Employee Benefits	3000-3999	1,295,764,888.00	5.18%	1,362,870,136.32	-1.03%	1,348,879,241.08
4. Books and Supplies	4000-4999	450,152,853.83	14.18%	513,984,063.00	-6.33%	481,445,054.00
5. Services and Other Operating Expenditures	5000-5999	652,151,172.00	0.71%	656,809,172.00	3.48%	679,695,619.00
6. Capital Outlay	6000-6999	50,893,094.00	-13.26%	44,146,929.00	-12.79%	38,502,138.00
7. Other Outgo (excluding Direct Support/Indirect Costs)	7100-7299, 7400-7499	39,147,849.00	-65.86%	13,363,791.00	8.84%	14,545,266.00
8. Direct Support/Indirect Costs	7300-7399	(10,804,314.00)	-18.82%	(8,770,789.00)	3.15%	(9,047,014.00)
9. Other Financing Uses	7610-7699	57,189,239.00	-7.56%	52,866,586.00	1.05%	53,422,898.00
10. Other Adjustments				0.00		0.00
11. Total (Sum lines B1 thru B10)		6,532,631,107.83	1.18%	6,609,554,221.32	-1.15%	6,533,550,930.08
C. NET INCREASE (DECREASE) IN FUND BALANCE						
(Line A6 minus line B11)						
		(15,057,812.75)		2,885,357.68		54,214,081.92
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 011, line F1e)		349,569,262.76		334,511,450.01		337,396,807.69
2. Ending Fund Balance (Sum lines C and D1)		334,511,450.01		337,396,807.69		391,610,889.61

25

Description	Object Codes	Projected Year Totals (Forms 011, 171) (A)	% Change (Cols. C-A/A) (B)	2006/07 Projection (C)	% Change (Cols. E-C/C) (D)	2007/08 Projection (E)
A. REVENUES AND OTHER FINANCING SOURCES (Enter estimated projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
1. Revenue Limit Sources	8010-8099	3,335,506,516.00				
a. Base Revenue Limit per ADA (Form RLI, line 4)		5,179.66	5.78%	5,478.97	3.40%	5,665.26
b. Revenue Limit ADA (Form RLI, line 5b)		687,326.04	-7.51%	635,682.25	-3.24%	615,112.03
c. Total Base Revenue Limit (Line A1a times line A1b)		3,560,115,196.35	-2.17%	3,482,883,977.28	0.05%	3,484,769,579.08
d. Other Revenue Limit (Form RLI, line 24 minus lines 5c and 22, plus lines 21 and 39)		94,195,983.43	31.46%	123,828,738.19	2.84%	127,346,449.16
e. Plus: Other Adjustments (e.g., basic aid, charter schools, prior year adjustments)		(117,747,079.78)	-123.34%	27,481,562.00	3.43%	28,424,570.00
f. Revenue Limit Transfers (Objects 8091 and 8097)		(201,057,584.00)	11.99%	(225,174,302.47)	1.90%	(229,449,461.24)
g. Total (Sum line A1c thru line A1f) (Must equal line A1)		3,335,506,516.00	2.20%	3,409,019,975.00	0.06%	3,411,091,137.00
2. Federal Revenues	8100-8299	8,050,000.00	7.08%	8,620,000.00	0.84%	8,692,000.00
3. Other State Revenues	8300-8599	380,603,927.00	5.61%	401,937,905.00	-3.07%	389,583,319.00
4. Other Local Revenues	8600-8799	59,724,380.00	32.01%	78,839,698.00	2.74%	81,000,200.00
5. Other Financing Sources	8910-8999	(718,028,609.46)	3.03%	(739,783,766.00)	0.27%	(741,795,264.00)
6. Total (Sum lines A1g thru A5)		3,065,856,213.54	3.03%	3,158,633,812.00	-0.32%	3,148,571,392.00
B. EXPENDITURES AND OTHER FINANCING USES (Enter estimated projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
1. Certificated Salaries						
a. Base Salaries				1,831,029,489.00		1,809,048,327.00
b. Step & Column Adjustment						
c. Cost-of-Living Adjustment						
d. Other Adjustments				(21,981,162.00)		(28,537,584.00)
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	1,831,029,489.00	-1.20%	1,809,048,327.00	-1.58%	1,780,510,743.00
2. Classified Salaries						
a. Base Salaries				396,975,980.00		403,108,721.00
b. Step & Column Adjustment						
c. Cost-of-Living Adjustment						
d. Other Adjustments				6,132,741.00		2,514,247.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	396,975,980.00	1.54%	403,108,721.00	0.62%	405,622,968.00
3. Employee Benefits	3000-3999	706,530,583.00	5.36%	744,395,867.32	-1.22%	735,309,953.08
4. Books and Supplies	4000-4999	103,657,510.00	-5.00%	98,477,105.00	-28.53%	70,385,128.00
5. Services and Other Operating Expenditures	5000-5999	227,997,637.00	13.56%	258,903,663.00	6.34%	275,319,752.00
6. Capital Outlay	6000-6999	20,931,042.00	-46.42%	11,215,219.00	-46.87%	5,958,503.00
7. Other Outgo (excluding Direct Support/Indirect Costs)	7100-7299, 7400-7499	39,147,849.00	-67.22%	12,832,622.00	8.93%	13,979,133.00
8. Direct Support/Indirect Costs	7300-7399	(220,864,086.00)	-10.19%	(198,351,311.00)	0.00%	(198,351,311.00)
9. Other Financing Uses	7610-7699	13,488,684.00	-58.30%	5,625,306.00	-0.05%	5,622,441.00
10. Other Adjustments (Explain in Section F below)				0.00		0.00
11. Total (Sum lines B1 thru B10)		3,118,894,688.00	0.85%	3,145,255,519.32	-1.62%	3,094,357,310.08
C. NET INCREASE (DECREASE) IN FUND BALANCE (Line A6 minus line B11)						
		(53,038,474.46)		13,378,292.68		54,214,081.92
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 011, line F1e)		252,697,860.26		199,659,385.80		213,037,678.48
2. Ending Fund Balance (Sum lines C and D1)		199,659,385.80		213,037,678.48		267,251,760.40

27

Description	Object Codes	Projected Year Totals (Forms 011, 171) (A)	% Change (Cols. C-A/A) (B)	2006/07 Projection (C)	% Change (Cols. E-C/C) (D)	2007/08 Projection (E)
A. REVENUES AND OTHER FINANCING SOURCES						
(Enter estimated projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
1. Revenue Limit Sources	8010-8099	211,657,584.00	11.39%	235,774,302.00	1.81%	240,049,461.00
2. Federal Revenues	8100-8299	881,059,016.00	-0.06%	880,545,489.00	0.47%	884,680,745.00
3. Other State Revenues	8300-8599	1,553,924,792.08	-3.42%	1,500,724,412.00	0.13%	1,502,738,041.00
4. Other Local Revenues	8600-8799	14,500,877.00	87.99%	27,260,183.00	0.09%	27,285,483.00
5. Other Financing Sources	8910-8999	790,574,812.46	2.39%	809,501,381.00	-3.10%	784,439,890.00
6. Total (Sum lines A1 thru A5)		3,451,717,081.54	0.06%	3,453,805,767.00	-0.42%	3,439,193,620.00
B. EXPENDITURES AND OTHER FINANCING USES						
(Enter estimated projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
1. Certificated Salaries						
a. Base Salaries				1,252,425,970.00		1,240,302,779.00
b. Step & Column Adjustment						
c. Cost-of-Living Adjustment				(12,123,191.00)		(10,904,569.00)
d. Other Adjustments						
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	1,252,425,970.00	-0.97%	1,240,302,779.00	-0.88%	1,229,398,210.00
2. Classified Salaries						
a. Base Salaries				517,704,887.00		521,824,506.00
b. Step & Column Adjustment						
c. Cost-of-Living Adjustment						
d. Other Adjustments				4,119,619.00		(11,248,699.00)
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	517,704,887.00	0.80%	521,824,506.00	-2.16%	510,575,807.00
3. Employee Benefits	3000-3999	589,234,305.00	4.96%	618,474,269.00	-0.79%	613,569,288.00
4. Books and Supplies	4000-4999	346,495,343.83	19.92%	415,506,958.00	-1.07%	411,059,926.00
5. Services and Other Operating Expenditures	5000-5999	424,153,535.00	-6.19%	397,905,509.00	1.63%	404,375,867.00
6. Capital Outlay	6000-6999	29,962,052.00	9.91%	32,931,710.00	-1.18%	32,543,635.00
7. Other Outgo (excluding Direct Support/Indirect Costs)	7100-7299, 7400-7499	0.00	0.00%	531,169.00	6.58%	566,133.00
8. Direct Support/Indirect Costs	7300-7399	210,059,772.00	-9.75%	189,580,522.00	-0.15%	189,304,297.00
9. Other Financing Uses	7610-7699	43,700,555.00	8.10%	47,241,280.00	1.18%	47,800,457.00
10. Other Adjustments (Explain in Section F below)				0.00		0.00
11. Total (Sum lines B1 thru B10)		3,413,736,419.83	1.48%	3,464,298,702.00	-0.72%	3,439,193,620.00
C. NET INCREASE (DECREASE) IN FUND BALANCE						
(Line A6 minus line B11)						
		37,980,661.71		(10,492,935.00)		0.00
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 011, line F1e)		96,871,402.50		134,852,064.21		124,359,129.21
2. Ending Fund Balance (Sum lines C and D1)		134,852,064.21		124,359,129.21		124,359,129.21

29

2005-06 Second Interim Report - Components of General Fund Ending Balance

The multiyear projections form (MYP) in the SACS reporting software does not allow the district to properly account for all of its components of General Fund ending balance. This has caused some districts to fall below their required Reserve for Economic Uncertainties levels in the two subsequent fiscal years and our letters to the districts have reflected these deficiencies. In an effort to alleviate any discrepancy, please complete this form, reconcile the 9770 and 9790 amounts to your Form MYP and include it with your 2005-06 Second Interim Report.

UNRESTRICTED GENERAL FUND

	2005-06	2006-07	2007-08
ENDING FUND BALANCE	\$ 199,659,386	\$ 213,037,679	\$ 267,251,761
Components			
Revolving Cash - 9711	\$ 2,752,835	\$ 2,752,835	\$ 2,752,835
Stores - 9712	\$ 6,618,379	\$ 6,618,379	\$ 6,618,379
Prepaid Expenditures - 9713	\$ -	\$ -	\$ -
All Others - 9719	\$ -	\$ -	\$ -
General Reserve (EC 42124) - 9730	\$ 1,000	\$ 1,000	\$ 1,000
Legally Restricted Balances - 9740	\$ -	\$ -	\$ -
Designated for Economic Uncertainties - 9770	\$ 67,637,786	\$ 66,095,542	\$ 65,335,509
Designated for Unrealized Gains of Investments - 9775	\$ -	\$ -	\$ -
Other Designations - 9780	\$ 65,957,537	\$ 65,957,537	\$ 65,957,537
Undesignated Amount - 9790	\$ 56,691,849	\$ 71,612,386	\$ 126,586,501

RESTRICTED GENERAL FUND

	2005-06	2006-07	2007-08
ENDING FUND BALANCE	\$ 134,852,065	\$ 124,359,130	\$ 124,359,130
Components			
Revolving Cash - 9711	\$ -	\$ -	\$ -
Stores - 9712	\$ 16,696,005	\$ 16,696,005	\$ 16,696,005
Prepaid Expenditures - 9713	\$ -	\$ -	\$ -
All Others - 9719	\$ -	\$ -	\$ -
General Reserve (EC 42124) - 9730	\$ -	\$ -	\$ -
Legally Restricted Balances - 9740	\$ 108,376,194	\$ 97,883,259	\$ 97,883,259
Designated for Economic Uncertainties - 9770	\$ -	\$ -	\$ -
Designated for Unrealized Gains of Investments - 9775	\$ -	\$ -	\$ -
Other Designations - 9780	\$ 9,779,866	\$ 9,779,866	\$ 9,779,866
Undesignated Amount - 9790	\$ -	\$ -	\$ -

Enclosure No. 4 to:
 Informational Bulletin No. 228
 BAS-57-2005-06

LOS ANGELES UNIFIED SCHOOL DISTRICT
ASSUMPTIONS ON WHICH THE
FINAL FINANCIAL REPORT PROJECTIONS ARE BASED
2005-2006

Assumptions for 2006-07 Multi-year Projections:

1	COLA	
	Revenue Limits	5.18%
	Categorical Programs, including Special Education	5.18%
2	Deficit Factor	
	Revenue Limits	0.299%
3	Revenue Limit per ADA	
	Base Revenue Limit	5,179.66
	COLA	269.00
	Equalization	30.31
	Deficit	(16.38)
	Deficited Revenue Limit	<u>5,462.59</u>
4	Enrollment	
	Non charter Enrollment	670,972
	Fiscally Dependent Charters	6,622
	Fiscally Independent Charters	<u>34,894</u>
	Total Enrollment	<u>712,488</u>
5	Average Daily Attendance (ADA)	
	Total ADA w/o County & Block Grant Charters	635,480
	Block Grant Charters ADA - Eliminated per SB319	0
	County ADA	<u>202</u>
	Total	<u>635,682</u>
6	Lottery Revenue	
	Unrestricted, per ADA	\$118.50
	Restricted, per ADA	\$22.50
7.	Revenue and expenditure projections for state, federal, and local grants are based on historical trend lines.	
8.	Certificated Salaries reflect increases from the cost of additional school administrative staff from new schools and decreases from the cost of norm teachers and administrators, corresponding to the decline in student enrollment.	
9.	Classified Salaries are increased by the cost of additional clerical positions from new schools, the cost of additional maintenance positions funded from the RRGGM account, and the cost of other program requirements; and they are decreased by the cost of clerical support due to a decline in enrollment.	
10.	Employee Benefits are adjusted for premium increases from providers and increases in salary cost.	
11.	Books and Supplies adjusted by the CPI of 3.0% and reduction in one-time program resources.	
12.	Other Operating Expenses (5000-6000) adjusted by CPI of 3.0%, utility rate increase of 15%, and increases in program resources and requirements.	
13.	Change in Other Outgo due to a decrease in payment of In-lieu of Property Taxes for Charter Schools: SB319 eliminates the charter school ADA from the district revenue limit calculation.	
14.	Other Financing Uses increased by a rise in COPs debt servicing.	
15.	RRGM calculated at 3% of the entire General Fund budget.	
16.	Reserve for Economic Uncertainties set at 1% of total General Fund expenditures.	

LOS ANGELES UNIFIED SCHOOL DISTRICT
ASSUMPTIONS ON WHICH THE
FINAL FINANCIAL REPORT PROJECTIONS ARE BASED
2005-2006

Assumptions for 2007-08 Multi-year Projections:

1	COLA	
	Revenue Limits	3.40%
	Categorical Programs, including Special Education	3.40%
2	Deficit Factor	
	Revenue Limits	0.299%
3	Revenue Limit per ADA	
	Base Revenue Limit	5,478.97
	COLA	186.28
	Equalization	
	Deficit	(16.94)
	Deficited Revenue Limit	<u>5,648.32</u>
4	Enrollment	
	Non charter Enrollment	651,065
	Fiscally Dependent Charters	6,790
	Fiscally Independent Charters	40,652
	Total Enrollment	<u>698,507</u>
5	Average Daily Attendance (ADA)	
	Total ADA w/o County & Block Grant Charters	614,910
	Block Grant Charters ADA - Eliminated per SB319	0
	County ADA	202
	Total	<u>615,112</u>
6	Lottery Revenue	
	Unrestricted, per ADA	\$118.25
	Restricted, per ADA	\$22.75
7.	Revenue and expenditure projections for state, federal, and local grants are based on historical trend lines.	
8.	Certificated Salaries increased by cost of additional school administrative staff from new schools and decreased by the cost of norm teachers and administrators due to a decrease in student enrollment.	
9.	Classified Salaries increased by the cost of additional clerical positions from new schools, the cost of additional maintenance positions funded from the RRGGM Account, and the cost of other program requirements; they decreased by the cost of clerical support due to a decline in enrollment.	
10.	Employee Benefits adjusted for premium increases from providers and increases in salary cost.	
11.	Other Operating Expenses (4000-6000) adjusted by CPI of 2.6%, utility rate increase of 15%, and increase in program requirements.	
12.	Change in Other Outgo due to increased payment of In-lieu of Property Taxes for Charter Schools.	
13.	Other Financing Uses increased by COPs (Certificate of Participation) debt-servicing requirement.	
14.	RRGM calculated at 3% of the entire General Fund budget.	
15.	Reserve for Economic Uncertainties set at 1% of total General Fund expenditures.	

2005/06 Second Interim
Self-Insurance Fund
REVENUES, EXPENSES AND CHANGES
IN NET ASSETS

Description	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Yr Totals (D)	Difference (Col. B & D) (E)	% Diff (E / B) (F)
A. REVENUES							
1) Revenue Limit Sources	8010-8099	0.00	0.00	0.00	0.00	0.00	0.00%
2) Federal Revenue	8100-8299	0.00	0.00	0.00	0.00	0.00	0.00%
3) Other State Revenue	8300-8599	0.00	0.00	0.00	0.00	0.00	0.00%
4) Other Local Revenue	8600-8799	166,432,237.00	166,432,237.00	100,127,031.09	202,106,058.00	35,673,821.00	21.43%
5) TOTAL REVENUES		166,432,237.00	166,432,237.00	100,127,031.09	202,106,058.00		
B. EXPENSES							
1) Certificated Salaries	1000-1999	15,811.00	15,811.00	0.00	0.00	15,811.00	100.00%
2) Classified Salaries	2000-2999	4,140,421.00	4,253,638.00	2,032,857.64	4,254,534.17	(896.17)	-0.02%
3) Employee Benefits	3000-3999	1,810,333.00	1,856,100.00	814,179.72	2,879,913.81	(1,023,813.81)	-55.16%
4) Books and Supplies	4000-4999	188,794.00	188,794.00	58,552.47	220,968.00	(32,174.00)	-17.04%
5) Services and Other Operating Expenditures	5000-5999	160,276,878.00	160,117,894.00	56,804,923.37	182,378,778.00	(22,260,884.00)	-13.90%
6) Depreciation	6000-6999	0.00	0.00	0.00	0.00	0.00	0.00%
7) Other Outgo (excluding Transfers of Indirect/Direct Support Costs)	7100-7299 7400-7499	0.00	0.00	0.00	0.00	0.00	0.00%
8) Transfers of Indirect/Direct Support Costs	7300-7399	0.00	0.00	0.00	0.00	0.00	0.00%
9) TOTAL EXPENSES		166,432,237.00	166,432,237.00	59,710,513.20	189,734,193.98		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)		0.00	0.00	40,416,517.89	12,371,864.02		
D. OTHER FINANCING SOURCES/USES							
1) Interfund Transfers							
a) Transfers In	8910-8929	0.00	0.00	0.00	0.00	0.00	0.00%
b) Transfers Out	7610-7629	0.00	0.00	0.00	0.00	0.00	0.00%
2) Other Sources/Uses							
a) Sources	8930-8979	0.00	0.00	0.00	0.00	0.00	0.00%
b) Uses	7630-7699	0.00	0.00	0.00	0.00	0.00	0.00%
3) Contributions	8980-8999	0.00	0.00	0.00	0.00	0.00	0.00%
4) TOTAL OTHER FINANCING SOURCES/USES		0.00	0.00	0.00	0.00		
E. NET INCREASE (DECREASE) IN NET ASSETS (C + D4)		0.00	0.00	40,416,517.89	12,371,864.02		
F. NET ASSETS							
1) Beginning Net Assets							
a) As of July 1 - Unaudited	9791	(288,604,127.81)	(288,604,127.81)		(288,604,127.81)	0.00	0.00%
b) Audit Adjustments	9793	0.00	0.00		0.00	0.00	0.00%
c) As of July 1 - Audited (F1a + F1b)		(288,604,127.81)	(288,604,127.81)		(288,604,127.81)		
d) Other Restatements	9795	0.00	0.00		0.00	0.00	0.00%
e) Adjusted Beginning Net Assets		(288,604,127.81)	(288,604,127.81)		(288,604,127.81)		
2) Ending Net Assets, June 30 (E + F1e)		(288,604,127.81)	(288,604,127.81)		(276,232,263.79)		

2005/06 Second Interim
Self-Insurance Fund
REVENUES, EXPENSES AND CHANGES
IN NET ASSETS

19 64733 0000000
Form 671

Description	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Yr Totals (D)	Difference (Col. B & D) (E)	% Diff (E / B) (F)
Components of Ending Net Assets							
a) Reserve for							
Revolving Cash	9711	2,000,000.00	2,000,000.00		2,000,000.00		
Stores	9712	0.00	0.00		0.00		
Prepaid Expenditures	9713	0.00	0.00		0.00		
All Others	9719	0.00	0.00		0.00		
General Reserve	9730	0.00	0.00		0.00		
Legally Restricted Balance	9740	0.00	0.00		0.00		
b) Designated Amounts							
Designated for Economic Uncertainties	9770	0.00	0.00		0.00	0.00	0.00%
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	0.00	0.00		0.00	0.00	0.00%
Other Designations	9780	0.00	0.00		0.00		
c) Undesignated Amount	9790				(278,232,263.79)		
d) Unappropriated Amount	9790	(290,604,127.81)	(290,604,127.81)				

WORKERS' COMPENSATION FUND
SECOND PERIOD INTERIM FINANCIAL REPORT
2005-06

Comments on Significant Changes

General Comment

Starting with fiscal year 2003-04, the District recorded the estimated claims liabilities for Workers' Compensation at its full present value using the actuary's optimistic estimate of outstanding losses at 5% interest rate, resulting to a \$174.5M deficit in the fund. In fiscal year 2004-05, the District used the actuary's expected estimate at 3% interest which caused the deficit to further increase to \$288.6M. For FY 2005-06, the Workers' Compensation claims and expenses are projected at the minimum level recommended by the actuary.

Revenues/Expenditures

A-4 / B-5 The variance is caused by the non-inclusion of contributions from categorical programs in the budget as of January 31, 2006. The budget will be adjusted to reflect the minimum funding requirement of \$185.1M that the actuary is recommending for FY 2005-06. Interest income from deposits and investments are applied towards the unfunded liability thus reducing the deficit in FY 2005-06.

Los Angeles Unified School District
Budget Services and Financial Planning Division

Date: October 12, 2005
To: Charles Burbridge
From: Roger Rasmussen *RR*
Subject: WORKERS' COMPENSATION CONTRIBUTION PROPOSAL

The Board's adopted Budget and Finance Policy states that "each year, the CFO shall recommend to the Board an appropriate level of funding for the Workers Compensation Fund," and that "the total cost of workers compensation claims should be estimated and funded in the year the claim is incurred." In 2005-06, we are fully funding the total estimated cost of 2005-06 claims. However, the cost of workers compensation claims from prior years is not fully funded. LAUSD proposes to fully fund prior years' claims in the following manner:

- For 2005-06, we are funding Workers Compensation at the minimum level recommended by our actuary in June 2005. This funding level will not reduce the unfunded liability, but it is designed to prevent the unfunded liability from increasing.
- For 2006-07 and future years, we propose to fund Worker's Compensation at the minimum level recommended by the actuary plus \$15 million. This should be sufficient funding to eliminate the unfunded liability over a 30-year period. Obviously, if our estimate of the unfunded liability gets better or worse based on future actuarial studies, we would want to readjust the annual contribution above the recommended minimum.

The County Office of Education has asked LAUSD for a repayment plan and expects it as part of our demonstration that we are being fiscally responsible.

A plan to repay the unfunded liability over 30 years is sufficient. We could consider increasing our repayment amount in good financial years. However, in such years there will be strong competing pressures to restore lost programs and increase compensation. A consistent repayment policy may be easier to administer and easier to explain to our various constituencies.

**WORKERS' COMPENSATION FUND
PROJECTED CASH FLOW STATEMENT
FISCAL YEAR 2005-06**

<u>MONTH</u> (Actuals to January 2006)	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>BALANCE</u>
Beginning Balance, July 1, 2005			84,182,373
JULY 2005	80,738,927	9,034,052	155,887,248
AUGUST 2005	15,691,969	60,684,378	110,894,839
SEPTEMBER 2005	14,550,971	8,990,812	116,454,998
OCTOBER 2005	65,323,660	8,686,722	173,091,936
NOVEMBER 2005	15,215,150	57,839,980	130,467,106
DECEMBER 2005	24,241,368	23,239,923	131,468,551
JANUARY 2006	56,074,689	9,542,179	178,001,061
FEBRUARY 2006	14,567,473	10,894,851	181,673,683
MARCH 2006	14,010,217	11,205,147	184,478,753
APRIL 2006	13,696,763	9,349,930	188,825,586
MAY 2006	14,636,746	14,204,966	189,257,366
JUNE 2006	14,019,158	10,028,598	193,247,926
TOTAL	342,767,091	233,701,538	
ENDING BALANCE, June 30, 2006			193,247,926

Workers Compensation Fund - MYP
As of of 2005-06 Second Interim

REVENUES	2004-05 Actuals	2005-06 Second Interim	2006-07	2007-08
Revenue Limit Sources				
Federal Revenue				
Other State Revenue				
Other Local Revenue	180,613,898	202,106,058	225,962,032	233,646,070
TOTAL REVENUE	180,613,898	202,106,058	225,962,032	233,646,070
EXPENDITURES				
Certificated Salaries	-	-	-	-
Classified Salaries	3,501,687	4,254,534	4,360,897	4,469,920
Employee Benefits	1,561,905	2,879,914	2,951,912	3,025,710
Books and Supplies	206,386	220,968	226,293	231,747
Services, Other Operating Expenses	289,414,584	182,378,778	191,234,753	198,918,791
Capital Outlay	-	-	-	-
Other Outgo (excluding direct support/ indirect costs)	-	-	-	-
Direct Support/Indirect Costs	-	-	-	-
TOTAL EXPENDITURES	294,684,562	189,734,194	198,773,856	206,646,167
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES	(114,070,664)	12,371,864	27,188,177	26,999,903
OTHER FINANCING SOURCES/USES				
Interfund Transfers				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Other Sources/Uses				
Sources	-	-	-	-
Uses	-	-	-	-
Contributions	-	-	-	-
TOTAL OTHER FINANCING SOURCES/USES	-	-	-	-
NET INCREASE/DECREASE IN FUND BALANCE	(114,070,664)	12,371,864	27,188,177	26,999,903
FUND BALANCE, RESERVES				
Beginning Fund Balance				
As of July 1 unaudited	2,243,431	(288,604,128)	(276,232,264)	(249,044,087)
Audit Adjustments	(176,776,895)	-	-	-
As of July 1 audited	(174,533,464)	(288,604,128)	(276,232,264)	(249,044,087)
Other Restatements	-	-	-	-
Net Beginning Balance	(174,533,464)	(288,604,128)	(276,232,264)	(249,044,087)
Ending Balance	(288,604,128)	(276,232,264)	(249,044,087)	(222,044,184)
Components of ending balance::				
Reserved Amounts				
Revolving Cash	2,000,000	2,000,000	2,000,000	2,000,000
Stores	-	-	-	-
Prepaid Expenditures	-	-	-	-
All Others	-	-	-	-
General Reserve	-	-	-	-
Legally Restricted Balances	-	-	-	-
Designated Amounts				
Designated for Economic Uncertainties	-	-	-	-
Other Designations - Carryovers	-	-	-	-
Undesignated Amount	(290,604,128)	(278,232,264)	(251,044,087)	(224,044,184)
Unappropriated Amount	-	-	-	-

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Second Interim
2005/06 Projected Totals
Technical Review Checks

Los Angeles Unified

Los Angeles County

Following is a chart of the various types of technical review checks and related requirements:

- F - Fatal (must be corrected; cannot be explained)
- W/WC - Warning/Warning with Calculation (If data is not correct, correct the data before submitting it; if data is correct an explanation is required)
- O - Informational (If data is not correct, correct the data before submitting it; if data is correct an explanation is optional, but encouraged)

NOTE: Although there is no Official Export during the Interim periods, all technical review checks should be reviewed and any exceptions corrected or explained to prepare for official export of unaudited actuals data at the end of the year.

Also note that, if fund data was keyed directly into the fund forms rather than imported from your general ledger, the following Import and General Ledger checks will indicate PASSED even though there was no data to check.

IMPORT CHECKS

CHECKFUND - (F) - All FUND codes must be valid.	<u>PASSED</u>
CHECKRESOURCE - (W) - All RESOURCE codes must be valid.	<u>PASSED</u>
CHECKGOAL - (F) - All GOAL codes must be valid.	<u>PASSED</u>
CHECKFUNCTION - (F) - All FUNCTION codes must be valid.	<u>PASSED</u>
CHECKOBJECT - (F) - All OBJECT codes must be valid.	<u>PASSED</u>
CHK-FUNDxOBJECT - (F) - All Account code combinations should be valid. Combination Validation Check for FUND and OBJECT	<u>PASSED</u>
CHK-FUNDxRESOURCE - (W) - All Account code combinations should be valid. Combination Validation Check for FUND and RESOURCE	<u>PASSED</u>
CHK-FUNDxGOAL - (W) - All Account code combinations should be valid. Combination Validation Check for FUND and GOAL	<u>PASSED</u>
CHK-FUNDxFUNCTION-A - (W) - All Account code combinations should be valid. Combination Validation Check for FUND (Funds 01 through 12, 19, 57, 62 and 73) and FUNCTION	<u>PASSED</u>
CHK-FUNDxFUNCTION-B - (F) - All Account code combinations should be valid. Combination Validation Check for FUND (all funds except for 01 through 12, 19, 57, 62 and 73) and FUNCTION	<u>PASSED</u>
CHK-RESOURCExOBJECTA - (W) - All Account code combinations should be valid. Combination Validation Check for RESOURCE and OBJECT (Objects 8000 through 9999, except for 9791, 9793 and 9795)	<u>PASSED</u>

CHK-RESOURCExOBJECTS - (O) - All Account code combinations should be valid.
 Combination Validation Check for RESOURCE and OBJECT (Objects 9791, 9793, and
 9795) PASSED

CHK-FUNCTIONxOBJECT - (F) - All Account code combinations should be valid.
 Combination Validation Check for FUNCTION and OBJECT PASSED

CHK-GOALxFUNCTION-A - (F) - All Account code combinations should be valid.
 Combination Validation Check for GOAL and FUNCTION PASSED

CHK-GOALxFUNCTION-B - (W) - General administration costs (functions 7200-7999,
 except 7210) should be direct-charged to an Undistributed, Nonagency, or County
 Services to Districts goal (0000, 7100-7199, or 8600-8699). PASSED

GEN-ADMIN-RESOURCE - (W) - General administration costs (functions 7200-7999,
 except 7210) should be direct-charged to an unrestricted resource (resources
 0000-1999). PASSED

SPECIAL-ED-GOAL - (F) - Special Education revenue and expenditure transactions
 (resources 3300-3405, 6500, 6510, and 7240, objects 1000-8999) must be coded to
 a Special Education 5000 goal or to Goal 7110, Nonagency-Educational. PASSED

GENERAL LEDGER CHECKS

INTERFD-DIR-COST - (W) - Transfers of Direct Costs - Interfund (5750) must net
 to -0- for all funds. PASSED

INTERFD-INDIRECT - (W) - Transfers of Indirect Costs - Interfund (7350) do not
 net to -0- for all funds. EXCEPTION

FUND	OBJECT 7350
01	-7,806,078.00

Explanation: Data on other funds are not being reported for Second Interim
 reporting.

Net : -7,806,078.00

INTERFD-DIR-SUPP - (W) - Transfers of Direct Support Costs - Interfund (7380)
 do not net to -0- for all funds. EXCEPTION

FUND	OBJECT 7380
01	-2,998,236.00

Explanation: Data on other funds are not being reported for Second Interim
 reporting.

Net : -2,998,236.00

INTERFD-INDIRECT-FN - (W) - Transfers of Indirect Costs - Interfund (7350) do
 not net to -0- by function. EXCEPTION

FUNCTION	FUND	OBJECT 7350
7210	01	-7,806,078.00

Explanation: Data on other funds are not being reported for Second Interim
 reporting.

Net for 7210: -7,806,078.00

INTERFD-DIR-SUPP-FN - (W) - Transfers of Direct Support Costs - Interfund
 (7380) do not net to -0- by function. EXCEPTION

FUNCTION	FUND	OBJECT 7380
7210	01	-2,998,236.00

Explanation: Data on other funds are not being reported for Second Interim reporting.

Net for 7210: -2,998,236.00

INTERFD-IN-OUT - (W) - Interfund Transfers In do not equal Interfund Transfers
 Out. EXCEPTION

FUND	OBJECT	INTERFUND IN	INTERFUND OUT
01	7611	-----	9,714,494.00

Explanation: Data on other funds are not being reported for Second Interim reporting.

01	7612	-----	2,224,723.00
01	7615	-----	30,000,000.00
01	7616	-----	11,139,961.00
01	7619	-----	4,110,061.00
01	8912	37,228,552.00	-----
01	8919	32,000,000.00	-----
TOTALS		69,228,552.00	57,189,239.00
DIFFERENCE:		12,039,313.00	

DUE-FROM-DUE-TO - (W) - Due From Other Funds (9310) must equal Due To Other
 Funds (9610). PASSED

PERS-REDUCTION - (W) - PERS Reduction Transfer does not equal PERS Reduction
 expenditures for certificated and classified positions in all funds. EXCEPTION

FUND	OBJECT(3800-3802)
01	12,546,260.00

Explanation: Data on other funds are not being reported for Second Interim reporting.

67	79,013.15
TOTAL	12,625,273.15
FUND 01, OBJECT 8092	18,691,897.00
DIFFERENCE	-6,066,623.85

RL-TRANSFER - (W) - Revenue Limit Transfers (8091 and/or 8099) do not net to
 zero, individually. EXCEPTION

FUND	OBJECT 8091
01	10,600,000.00
Net:	10,600,000.00

Explanation: The corresponding revenue limit transfer is in Adult Education Fund
 which is not included in the Second Interim reporting.

INTRAFFD-DIR-COST - (W) - Transfers of Direct Costs (5710) must net to -0- by fund. PASSED

INTRAFFD-INDIRECT - (W) - Transfers of Indirect Costs (7310) must net to -0- by fund. PASSED

INTRAFFD-DIR-SUPP - (W) - Transfers of Direct Support Costs (7370) must net to -0- by fund. PASSED

INTRAFFD-INDIRECT-FN - (W) - Transfers of Indirect Costs (7310) must net to -0- by function. PASSED

INTRAFFD-DIR-SUPP-FN - (W) - Transfers of Direct Support Costs (7370) must net to -0- by function. PASSED

CONTRIB-UNREST-REV - (W) - Contributions from Unrestricted Revenues (Object 8980) must net to -0- by fund. PASSED

CONTRIB-RESTR-REV - (W) - Contributions from Restricted Revenues (Object 8990) must net to -0- by fund. PASSED

CAT-TRANSFER - (W) - Categorical Flexibility Transfers (8998) must net to -0- in all funds individually. PASSED

LOTTERY-CONTRIB - (W) - There should be no contributions (objects 8980-8999) to the State Lottery (resources 1100 and 6300) or from the Lottery: Instructional Materials (Resource 6300). PASSED

PASS-THRU-REV=EXP - (W) - Pass-through revenues from all sources (Objects 8287, 8587, and 8697) should equal transfers of pass-through revenues to other agencies (Objects 7211 through 7213, plus 7299 for Resources 3327 and 3328), by resource. PASSED

EXCESS-DESIGNATIONS - (W) - Legally restricted and other designation amounts reported in objects 9740 through 9780 should not create a negative undesignated/unappropriated balance (9790) by fund and resource. PASSED

EFB-NEGATIVE - (W) - Ending balance is negative for the following resources. Please explain the cause of the negative balance(s) and your plan(s) to resolve the situation(s). EXCEPTION

FUND	RESOURCE	NEG. EFB
67	0000	-276,232,263.79
Total of negative resource balances for Fund 67		-276,232,263.79

Explanation: Represents the unfunded liability in Workers' Compensation Fund as a result of the District's decision starting FY 2004 to record the actuarially determined value of Workers' Compensation liabilities in accordance with generally accepted accounting principles.

A multi-year plan has been proposed to eliminate the unfunded liability. See attached.

OBJ-POSITIVE - (W) - The following objects have a negative balance by resource, by fund. EXCEPTION

FUND	RESOURCE	OBJECT	VALUE
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SACS2005ALL Financial Reporting Software - 2005.2.0
 19-64733-0000000-Los Angeles Unified-Second Interim 2005/06 Projected Totals
 3/14/2006 9:57:52 AM

01 7157 8590 -561,349.00
 Explanation: Prior year adjustment resulting from over-accrual in IMBG-ELL
 (Instructional Materials Block Grant - English Language Learners) FY 05
 revenues. (CSAM Procedure 515)

67 0000 9790 -278,232,263.79
 Explanation: Represents the unfunded liability in Workers' Compensation Fund as
 a result of the District's decision starting FY 2004 to record the actuarially
 determined value of Workers' Compensation liabilities in accordance with
 generally accepted accounting principles.

A multi-year plan has been proposed to eliminate the unfunded liability. See
 attached.

REV-POSITIVE - (W) - In the following resources, total revenues (exclusive of
 Objects 8980-8999) are negative, by fund. EXCEPTION

FUND	RESOURCE	VALUE
01	7157	-561,349.00

Explanation: Prior year adjustment resulting from over-accrual in IMBG-ELL
 (Instructional Materials Block Grant - English Language Learners) FY 05
 revenues. (CSAM Procedure 515)

EXP-POSITIVE - (W) - The following expenditure functions have a negative
 balance by resource, by fund. (NOTE: Functions, including CDE-defined optional
 functions, are checked individually, except functions 7200-7600 are combined.)
EXCEPTION

FUND	RESOURCE	FUNCTION	VALUE
01	0000	7200-7600	-19,421,010.00

Explanation: The negative balance was a result of a significant decrease in
 general administration costs due to the implementation of budget cuts. The
 rate used for the FY 2005-06 indirect cost of 4.51% to charge various programs
 was based on computations in FY 2003-04 when the general administrative costs
 were higher.

Moreover, the TRC is comparing general administrative cost in resource 0000,
 which is only a part of the numerator of the indirect cost formula, to the
 total indirect cost credits that are calculated at the 4.51% rate.

AR-AP-POSITIVE - (W) - Accounts Receivable (Object 9200), Due from Other Funds
 (Object 9310), Accounts Payable (Object 9500), and Due to Other Funds (Object
 9610) should have a positive balance by resource, by fund. PASSED

CEFB-POSITIVE - (W) - Components of Ending Fund Balance (Objects 9700-9789)
 must be positive individually by resource, by fund. PASSED

EXPORT CHECKS

FORM01-PROVIDE - (F) - Form 01 (Form 01I) must be opened and saved. PASSED

INTERIM-CERT-PROVIDE - (F) - Interim Certification must be provided. PASSED

CS-PROVIDE - (F) - Criteria and Standards data has been provided for all

SACS2005ALL Financial Reporting Software - 2005.2.0
19-64733-0000000-Los Angeles Unified-Second Interim 2005/06 Projected Totals
3/14/2006 9:57:52 AM

applicable funds.

PASSED

CASHFLOW-PROVIDE - (W) - A Cashflow Worksheet must be provided with your Interim reports. (Note: LEAs may use a cashflow worksheet other than Form CASH, as long as it provides a monthly cashflow projected through the end of the fiscal year.)

PASSED

MYP-PROVIDE - (W) - A Multiyear Projection Worksheet must be provided with your Interim. (Note: LEAs may use a multiyear projection worksheet other than Form MYP, with approval of their reviewing agency, as long as it provides current and at least two subsequent fiscal years, and separately projects unrestricted resources, restricted resources and combined total resources.)

PASSED

CHK-UNBALANCED-DATA - (W) - If unbalanced or incomplete data exists in any of the forms, it must be corrected before an official export can be completed.

PASSED

CHK-DEPENDENCY - (F) - If data has changed that affects other forms, the affected forms must be opened and saved.

PASSED

Checks Completed.

SACS2005ALL Financial Reporting Software - 2005.2.0
3/13/2006 3:47:32 PM

19-64733-0000000

Second Interim
2005/06 Actuals to Date
Technical Review Checks

Los Angeles Unified

Los Angeles County

Following is a chart of the various types of technical review checks and related requirements:

- F - Fatal (must be corrected; cannot be explained)
- W/WC - Warning/Warning with Calculation (If data is not correct, correct the data before submitting it; if data is correct an explanation is required)
- O - Informational (If data is not correct, correct the data before submitting it; if data is correct an explanation is optional, but encouraged)

NOTE: Although there is no Official Export during the Interim periods, all technical review checks should be reviewed and any exceptions corrected or explained to prepare for official export of unaudited actuals data at the end of the year.

Also note that, if fund data was keyed directly into the fund forms rather than imported from your general ledger, the following Import and General Ledger checks will indicate PASSED even though there was no data to check.

IMPORT CHECKS

CHECKFUND - (F) - All FUND codes must be valid.	<u>PASSED</u>
CHECKRESOURCE - (W) - All RESOURCE codes must be valid.	<u>PASSED</u>
CHECKGOAL - (F) - All GOAL codes must be valid.	<u>PASSED</u>
CHECKFUNCTION - (F) - All FUNCTION codes must be valid.	<u>PASSED</u>
CHECKOBJECT - (F) - All OBJECT codes must be valid.	<u>PASSED</u>
CHK-FUNDxOBJECT - (F) - All Account code combinations should be valid. Combination Validation Check for FUND and OBJECT	<u>PASSED</u>
CHK-FUNDxRESOURCE - (W) - All Account code combinations should be valid. Combination Validation Check for FUND and RESOURCE	<u>PASSED</u>
CHK-FUNDxGOAL - (W) - All Account code combinations should be valid. Combination Validation Check for FUND and GOAL	<u>PASSED</u>
CHK-FUNDxFUNCTION-A - (W) - All Account code combinations should be valid. Combination Validation Check for FUND (Funds 01 through 12, 19, 57, 62 and 73) and FUNCTION	<u>PASSED</u>
CHK-FUNDxFUNCTION-B - (F) - All Account code combinations should be valid. Combination Validation Check for FUND (all funds except for 01 through 12, 19, 57, 62 and 73) and FUNCTION	<u>PASSED</u>
CHK-RESOURCExOBJECTA - (W) - All Account code combinations should be valid. Combination Validation Check for RESOURCE and OBJECT (Objects 8000 through 9999, except for 9791, 9793 and 9795)	<u>PASSED</u>

SACS2005ALL Financial Reporting Software - 2005.2.0
19-64733-0000000-Los Angeles Unified-Second Interim 2005/06 Actuals to Date
3/13/2006 3:47:32 PM

CHK-RESOURCExOBJECTB - (O) - All Account code combinations should be valid.
Combination Validation Check for RESOURCE and OBJECT (Objects 9791, 9793, and
9795) PASSED

CHK-FUNCTIONxOBJECT - (F) - All Account code combinations should be valid.
Combination Validation Check for FUNCTION and OBJECT PASSED

CHK-GOALxFUNCTION-A - (F) - All Account code combinations should be valid.
Combination Validation Check for GOAL and FUNCTION PASSED

GENERAL LEDGER CHECKS

EXPORT CHECKS

CHK-DEPENDENCY - (F) - If data has changed that affects other forms, the
affected forms must be opened and saved. PASSED

Checks Completed.

SACS2005ALL Financial Reporting Software - 2005.2.0
3/13/2006 3:47:16 PM

19-64733-0000000

Second Interim
2005/06 Board Approved Operating Budget
Technical Review Checks

Los Angeles Unified

Los Angeles County

Following is a chart of the various types of technical review checks and related requirements:

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NOTE: Although there is no Official Export during the Interim periods, all technical review checks should be reviewed and any exceptions corrected or explained to prepare for official export of unaudited actuals data at the end of the year.

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CHK-FUNDxFUNCTION-A - (W) - All Account code combinations should be valid. Combination Validation Check for FUND (Funds 01 through 12, 19, 57, 62 and 73) and FUNCTION	<u>PASSED</u>
CHK-FUNDxFUNCTION-B - (F) - All Account code combinations should be valid. Combination Validation Check for FUND (all funds except for 01 through 12, 19, 57, 62 and 73) and FUNCTION	<u>PASSED</u>
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SACS2005ALL Financial Reporting Software - 2005.2.0
19-64733-0000000-Los Angeles Unified-Second Interim 2005/06 Board Approved Operating Budget
3/13/2006 3:47:16 PM

CHK-RESOURCExOBJECTB - (O) - All Account code combinations should be valid.
Combination Validation Check for RESOURCE and OBJECT (Objects 9791, 9793, and
9795) PASSED

CHK-FUNCTIONxOBJECT - (F) - All Account code combinations should be valid.
Combination Validation Check for FUNCTION and OBJECT PASSED

CHK-GOALxFUNCTION-A - (F) - All Account code combinations should be valid.
Combination Validation Check for GOAL and FUNCTION PASSED

GENERAL LEDGER CHECKS

EXPORT CHECKS

CHK-DEPENDENCY - (F) - If data has changed that affects other forms, the
affected forms must be opened and saved. PASSED

Checks Completed.

SACS2005ALL Financial Reporting Software - 2005.2.0
3/13/2006 3:46:54 PM

19-64733-0000000

Second Interim
2005/06 Original Budget
Technical Review Checks

Los Angeles Unified

Los Angeles County

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Combination Validation Check for GOAL and FUNCTION PASSED

GENERAL LEDGER CHECKS

EXPORT CHECKS

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affected forms must be opened and saved. PASSED

Checks Completed.