NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Fitch: "AAA"
KBRA: "AAA"
Moody's: "Aa2"
See "MISCELLANEOUS — Ratings" herein.

In the opinion of Best Best & Krieger LLP, Riverside, California ("Bond Counsel"), subject, however, to certain qualifications described in this Official Statement, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, the interest on the Series A-1 Bonds and Refunding Bonds is excluded from gross income for federal income tax purposes, and interest on the Series A-1 Bonds and Refunding Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series A-1 Bonds and Refunding Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income tax. See "TAX MATTERS" herein.

$948,345,000 AGGREGATE PRINCIPAL AMOUNT

$430,780,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
Election of 2024, General Obligation Bonds, US Series A-1 (2025) Federally Tax-Exempt
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

$29,645,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
Election of 2024, General Obligation Bonds, US Series A-2 (2025) Federally Taxable
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

$239,575,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
Election of 2024, General Obligation Bonds, US Series B (2025) Federally Taxable
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

$248,345,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
2025 General Obligation Refunding Bonds, Series A
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Dated: Date of Delivery **Due: As shown herein**

The Los Angeles Unified School District (County of Los Angeles, California) Election of 2024, General Obligation Bonds, US Series A-1 (2025) Federally Tax-Exempt (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Series A-1 Bonds"), the Los Angeles Unified School District (County of Los Angeles, California) Election of 2024, General Obligation Bonds, US Series A-2 (2025) Federally Taxable (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Series A-2 Bonds," and together with the Series A-1 Bonds, the "Series A Bonds"), and the Los Angeles Unified School District (County of Los Angeles, California) Election of 2024, General Obligation Bonds, US Series B (2025) Federally Taxable (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Series B Bonds," and together with the Series A-1 Bonds and the Series A-2 Bonds, the "New Money Bonds") are issued by the County of Los Angeles, California (the "County"), on behalf of the Los Angeles Unified School District (the "District") to (i) finance certain school facilities projects, (ii) fund capitalized interest on a portion of the Series A Bonds, (iii) pay principal and interest on the Series A-2 Bonds, and (iv) to pay the costs of issuance of the New Money Bonds, as more fully described herein.

The Los Angeles Unified School District (County of Los Angeles, California) 2025 General Obligation Refunding Bonds, Series A (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Refunding Bonds," and together with the New Money Bonds, the "Bonds") are being issued to (i) refund the District's Prior Bonds (as defined herein) and (ii) pay the costs of issuance of the Refunding Bonds. See "PLAN OF FINANCE AND REFINANCE." The Bonds are being issued under the laws of the State of California (the "State"), the applicable authorizations received at elections held by the District as described herein, and pursuant to resolutions of the Board of Education of the District and the Board of Supervisors of the County.

The Bonds are general obligation bonds of the District secured by and payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

Interest on the Bonds is payable on each January 1 and July 1 to maturity, commencing January 1, 2026, with the exception of interest on the Series A-2 Bonds, which is payable at maturity. Principal of the Bonds is payable in each of the years and in the amounts set forth on the inside front cover page hereof.

The Bonds will be issued in book-entry form only, in denominations of $5,000 principal amount, or integral multiples thereof, and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Owners will not receive certificates representing their interests in the Bonds. Payments of principal of, premium, if any, and interest on the Bonds will be made by U.S. Bank Trust Company, National Association, as agent to the Treasurer and Tax Collector of the County, as the initial paying agent, to DTC, which is obligated to remit such payments to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See APPENDIX C — "BOOK-ENTRY ONLY SYSTEM."

The Bonds are subject to redemption prior to their respective stated maturity dates as described herein. See "THE BONDS — Redemption."

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY FOR OR TERMS OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds will be offered when, as and if issued by the County on behalf of the District, and received by the Underwriters, subject to the approval as to their legality by Best Best & Krieger LLP, Riverside, California, Bond Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by the General Counsel to the District and by Best Best & Krieger LLP, Riverside, California, Disclosure Counsel to the District, and for the Underwriters by Nixon Peabody LLP, San Francisco, California. The Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about May 13, 2025.

Raymond James **RBC Capital Markets**

Loop Capital Markets **Siebert Williams Shank & Co., LLC** **Stifel**

AmeriVet Securities, Inc. **Cabrera Capital Markets, LLC** **Drexel Hamilton, LLC** **Mischler Financial Group, Inc.**

Dated: April 23, 2025

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL PUBLIC OFFERING YIELDS, PRICES AND CUSIP NUMBERS

$430,780,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
Election of 2024, General Obligation Bonds, US Series A-1 (2025)
Federally Tax-Exempt
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Base CUSIP† Number: 544647

$314,730,000 Serial Series A-1 Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Initial Public Offering Yield	Price	CUSIP† Suffix
2028	$11,190,000	5.000%	3.100%	105.628	KB5
2029	11,745,000	5.000	3.160	107.073	KC3
2030	12,335,000	5.000	3.200	108.455	KD1
2031	12,950,000	5.000	3.240	109.714	KE9
2032	13,600,000	5.000	3.320	110.588	KF6
2033	14,280,000	5.000	3.400	111.281	KG4
2034	14,990,000	5.000	3.490	111.718	KH2
2035	15,740,000	5.000	3.580	111.975	KJ8
2036	16,530,000	5.000	3.710	110.808(C)	KK5
2037	17,355,000	5.000	3.840	109.657(C)	KL3
2038	18,225,000	5.000	3.890	109.218(C)	KM1
2039	19,135,000	5.000	3.960	108.606(C)	KN9
2040	20,090,000	5.000	4.050	107.827(C)	KP4
2041	21,095,000	5.000	4.130	107.139(C)	KQ2
2042	22,150,000	5.000	4.230	106.287(C)	KR0
2043	23,260,000	5.000	4.270	105.949(C)	KS8
2044	24,420,000	5.000	4.350	105.275(C)	KT6
2045	25,640,000	5.000	4.400	104.857(C)	KU3

$116,050,000 5.000% Term Series A-1 Bonds due July 1, 2049; Yield 4.550%; Price: 103.615(C); CUSIP† KV1

† CUSIP® is a registered trademark of The American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of The American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the registered owners of the applicable Bonds. None of the District, the Underwriters or their respective agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(C) Priced to call at par on July 1, 2035.

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL PUBLIC OFFERING YIELDS, PRICES AND CUSIP NUMBERS

$29,645,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
Election of 2024, General Obligation Bonds, US Series A-2 (2025)
Federally Taxable
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Base CUSIP† Number: 544647

$29,645,000 Serial Series A-2 Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Initial Public Offering Yield	Price	CUSIP† Suffix
2025	$29,645,000	4.532%	4.532%	100.000	KA7

---

† CUSIP® is a registered trademark of The American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of The American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the registered owners of the applicable Bonds. None of the District, the Underwriters or their respective agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL PUBLIC OFFERING YIELDS, PRICES AND CUSIP NUMBERS

$239,575,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
Election of 2024, General Obligation Bonds, US Series B (2025)
Federally Taxable
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Base CUSIP† Number: 544647

$239,575,000 Serial Series B Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Initial Public Offering Yield	Price	CUSIP† Suffix
2026	$75,515,000	4.432%	4.432%	100.000	KW9
2027	80,270,000	4.382	4.382	100.000	KX7
2028	83,790,000	4.423	4.423	100.000	KY5

† CUSIP® is a registered trademark of The American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of The American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the registered owners of the applicable Bonds. None of the District, the Underwriters or their respective agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL PUBLIC OFFERING YIELDS, PRICES AND CUSIP NUMBERS

$248,345,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
2025 General Obligation Refunding Bonds, Series A
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Base CUSIP† Number: 544647

$248,345,000 Serial Refunding Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Initial Public Offering Yield	Price	CUSIP† Suffix
2027	$29,235,000	5.000%	3.080%	103.931	JP6
2028	8,590,000	5.000	3.100	105.628	JQ4
2029	28,125,000	5.000	3.160	107.073	JR2
2030	9,360,000	5.000	3.200	108.455	JS0
2033	29,440,000	5.000	3.400	111.281	JT8
2034	30,915,000	5.000	3.490	111.718	JU5
2035	32,460,000	5.000	3.580	111.975	JV3
2037	17,595,000	5.000	3.840	109.657(C)	JW1
2038	19,180,000	5.000	3.890	109.218(C)	JX9
2039	20,850,000	5.000	3.960	108.606(C)	JY7
2040	22,595,000	5.000	4.050	107.827(C)	JZ4

† CUSIP® is a registered trademark of The American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of The American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the registered owners of the applicable Bonds. None of the District, the Underwriters or their respective agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(C) Priced to call at par on July 1, 2035.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

The information contained herein has been obtained from sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District since the date hereof.

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

THE BONDS HAVE NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE RESOLUTIONS BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

When used in this Official Statement or in any continuing disclosure by the District, in any press release by the District or in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward-looking statements." Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The presentation of information, including tables of receipts from taxes and other revenues, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is being submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the District.

The District maintains a website at **www.lausd.org** and certain social media accounts, however the information presented thereon is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. Reference to such website address, however, is for informational purposes only. Unless explicitly stated otherwise, such website and accounts and the information or links contained therein are not incorporated by reference or included by specific reference herein, should not be relied upon in making an investment decision with respect to the Bonds, and are not part of this Official Statement for purposes of and as that term is defined in Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

LOS ANGELES UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

District	Member	Term Ending
3	Scott Schmerelson, President	December 10, 2028
2	Dr. Rocio Rivas, Vice President	December 13, 2026
1	Sherlett Hendy Newbill	December 10, 2028
4	Nick Melvoin	December 13, 2026
5	Karla Griego	December 10, 2028
6	Kelly Gonez	December 13, 2026
7	Tanya Ortiz Franklin	December 10, 2028

DISTRICT OFFICIALS

Alberto M. Carvalho, Superintendent
Jaime G. Torrens, Senior Advisor to the Superintendent
Pedro Salcido, Deputy Superintendent of Business Services and Operations
Devora Navera-Reed, General Counsel
Christopher D. Mount-Benites, Chief Financial Officer
Nolberto Delgadillo, Deputy Chief Financial Officer – Finance
Ernie Thomas, Controller
Timothy S. Rosnick, Director of Capital Planning and Budgeting

BOND AND DISCLOSURE COUNSEL

Best Best & Krieger LLP
Riverside, California

MUNICIPAL ADVISOR

KNN Public Finance
Berkeley, California

PAYING AGENT

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

ESCROW AGENT

U.S. Bank Trust Company, National Association
Los Angeles, California

VERIFICATION AGENT

Robert Thomas CPA, LLC
Minneapolis, Minnesota

TABLE OF CONTENTS

Page

$430,780,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
Election of 2024, General Obligation Bonds, US Series A-1 (2025)
Federally Tax-Exempt
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

$29,645,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
Election of 2024, General Obligation Bonds, US Series A-2 (2025)
Federally Taxable
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

$239,575,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
Election of 2024, General Obligation Bonds, US Series B (2025)
Federally Taxable
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

$248,345,000
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
2025 General Obligation Refunding Bonds, Series A
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and inside cover page, through the appendices hereto, and the documents summarized or described herein. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. A full review should be made of the entire Official Statement.

General

This Official Statement, which includes the cover page through the appendices hereto, is provided to furnish information in connection with the sale of the Los Angeles Unified School District (County of Los Angeles, California) Election of 2024, General Obligation Bonds, US Series A-1 (2025) Federally Tax-Exempt (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Series A-1 Bonds"), the Los Angeles Unified School District (County of Los Angeles, California) Election of 2024, General Obligation Bonds, US Series A-2 (2025) Federally Taxable (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Series A-2 Bonds"), and the Los Angeles Unified School District (County of Los Angeles, California) Election of 2024, General Obligation Bonds, US Series B (2025) Federally Taxable (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Series B Bonds," and together with the Series A-1 Bonds and the Series A-2 Bonds, the "New Money Bonds"), and the Los Angeles Unified School District (County of Los Angeles, California) 2025 General Obligation Refunding Bonds, Series A (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Refunding Bonds," and together with the New Money Bonds, the "Bonds") to be offered by the Los Angeles Unified School District (the "District").

The New Money Bonds are issued by the County of Los Angeles, California (the "County"), on behalf of the District, pursuant to provisions of Section 1(b)(3) of Article XIIIA of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code and other applicable law, the authorization received at certain elections held by the District as described herein, a resolution adopted by the Board of Education of the District (the "District Board") on March 11, 2025 (the "District New Money Resolution"), and a resolution adopted by the Board of Supervisors of the County on April 1, 2025 (the "County Resolution" and, together with the District New Money Resolution, the "New Money Resolutions"). The Refunding Bonds are issued by the District pursuant to the provisions of Articles 9 and 11 (commencing with Sections 53550 and 53580, respectively) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Bond Law") and a resolution adopted by the District Board on March 11, 2025 (the "District Refunding Resolution" and together with the New Money Resolutions, The "Resolutions"). The New Money Bonds are being issued to (i) finance certain school facilities projects, (ii) fund capitalized interest on a portion of the Series A Bonds, (iii) pay principal on the Series A-2 Bonds, and (iv) to pay the costs of issuance of the Bonds as more fully described herein. See

"INTRODUCTION — Authority and Purpose for Issuance of the Bonds" and "PLAN OF FINANCE AND REFINANCE."

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT SECURED BY AND PAYABLE FROM *AD VALOREM* PROPERTY TAXES TO BE LEVIED UPON ALL PROPERTY SUBJECT TO TAXATION BY THE DISTRICT, WITHOUT LIMITATION AS TO RATE OR AMOUNT (EXCEPT AS TO CERTAIN PERSONAL PROPERTY WHICH IS TAXABLE AT LIMITED RATES). THE BONDS ARE NOT AN OBLIGATION OF THE COUNTY, THE STATE OF CALIFORNIA OR OF THE GENERAL FUND OF THE DISTRICT. SEE "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

The District

The District, encompassing approximately 710 square miles, is located in the western section of the County in the State of California (the "State"). The District's boundaries include virtually all of the City of Los Angeles (the "City"), all of the Cities of Cudahy, Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Calabasas, Carson, Commerce, Culver City, Downey, Hawthorne, Inglewood, Long Beach, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Rolling Hills Estates, Santa Clarita, Santa Monica, South Gate, and Torrance. In addition, the District provides services to several unincorporated areas of the County which include residential and industrial areas. The boundaries for the District are approximately 80% coterminous with the City, with the remaining 20% included in the smaller neighboring cities and unincorporated County areas described above. The District was formed in 1854 as the Common Schools for the City and became a unified school district in 1960.

The District is the largest public school district in the State and the largest self-governing public school district in the United States. At the time of preparation of the District's second interim report for fiscal year 2024-25 (the "2024-25 Second Interim Report"), the transitional kindergarten ("TK") through 12th grade enrollment in the District for fiscal year 2024-25 was projected to be approximately 402,561 students, including those attending magnet, opportunity, and continuation schools and centers, locally funded affiliated charter schools ("Affiliated Charter Schools"), and schools for people with disabilities. Such enrollment represents a projected decrease of 892 students or a decrease of approximately (0.22)% from the budgeted TK-12 enrollment in the District at the time of preparation of the District's original adopted budget for fiscal year 2024-25 (the "Fiscal Year 2024-25 Budget"). Such enrollment does not include students attending charter schools located within the District's boundaries and receiving funding directly from the State ("Fiscally Independent Charter Schools"), that was budgeted at 108,520 students at the time of preparation of the Fiscal Year 2024-25 Budget. Based on enrollment projections at the time of preparation of the 2024-25 Second Interim Report, the District projected enrollment to decline by (1.99)% on average through fiscal year 2025-26. For more information regarding District enrollment and average daily attendance, see APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — DISTRICT GENERAL INFORMATION — Enrollment and Average Daily Attendance." See also APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — DISTRICT FINANCIAL INFORMATION — District Budget — LACOE's Responses to Fiscal Year 2024-25 Budget," for information regarding District declining enrollment.

As reflected in the District's Audited Annual Financial Report for fiscal year 2023-24, the District operated 1,232 schools and centers in fiscal year 2023-24, which consisted of 435 elementary schools, 78 middle/junior high schools, 87 senior high schools, 59 options schools, 29 multi-level schools, 12 special education schools, 264 magnet centers, 67 magnet schools, 18 primary school centers, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, and

81 California State preschools. As reflected in the District's Audited Annual Financial Report for fiscal year 2023-24, 51 of the District's schools were operated as Affiliated Charter Schools in fiscal year 2023-24. In addition, as reflected in the District's Audited Annual Financial Report for fiscal year 2023-24, the District oversaw 221 Fiscally Independent Charter Schools within the District's boundaries in fiscal year 2023-24. See APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — STATE FUNDING OF SCHOOL DISTRICTS — Charter School Funding."

Additional information on the District is set forth in Appendices A and B. See APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION" and APPENDIX B — "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024."

For information regarding potential additional financings the District may undertake, see APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — DISTRICT FINANCIAL INFORMATION — Future Financings."

The District's General Obligation Bond Program

Voters within the District have approved a total of $36.605 billion of general obligation bonds in seven separate bond elections since 1997, as delineated in Table 1 below, a portion of which are currently outstanding. Following the issuance of the New Money Bonds, a total of approximately $20.706 billion of the approved general obligation bonds will have been issued, with approximately $15.899 billion remaining to be issued under the bond authorizations listed below (collectively, the "Authorizations"). See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS — The District's General Obligation Bond Program and Bonding Capacity."

TABLE 1
LOS ANGELES UNIFIED SCHOOL DISTRICT
General Obligation Bond Authorizations

Bond Authorization	Date Authorized by Voters	Percentage Approval[1]	Amount Authorized ($ Billions)	Amount Issued[2] ($ Billions)	Amount Unissued[2] ($ Billions)	Purposes
Proposition BB	April 8, 1997	71%	$ 2.400	$ 2.400	$0.000	Health and safety improvements, computer technology and science labs, air conditioning and new construction
Measure K	November 5, 2002	68	3.350	3.350	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities
Measure R	March 2, 2004	63	3.870	3.870	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure Y	November 8, 2005	66	3.985	3.985	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure Q	November 4, 2008	69	7.000	4.801	2.199	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure RR	November 3, 2020	71	7.000	1.600	5.400	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and implementing Coronavirus Disease 2019 ("COVID-19") pandemic facility safety standards
Measure US	November 5, 2024	68	9.000	0.700[3]	8.300	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
	Total		$36.605	$20.706	$15.899	

(1) Measure K, Measure R, Measure Y, Measure Q, Measure RR, and Measure US were approved pursuant to the provisions of Proposition 39, which requires approval of at least 55% of voters voting on the proposition. Proposition BB was approved pursuant to the provisions of Proposition 46, which requires approval of at least two-thirds of voters voting on the proposition.
(2) Totals may not add due to rounding. See also APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — DISTRICT FINANCIAL INFORMATION — District Debt — *General Obligation Bonds*" for the amounts of outstanding general obligation bonds under the referenced Authorizations. Excludes general obligation refunding bonds.
(3) The New Money Bonds will be the first issuance of bonds pursuant to the Measure US authorization.
Source: Los Angeles Unified School District.

In addition to the bond proceeds from the seven Authorizations referred to above, the District has received State-matching funds and other revenue sources to fund the general obligation bond program's various projects. The District may continue to receive other revenue sources, including State-matching funds; however, additional funding is not guaranteed. The District's general obligation bond program completed all projects that enabled the District to operate all schools on a traditional two-semester calendar in the 2018-19 school year. In addition, approximately 24,475 new school construction, rehabilitation, modernization and replacement projects, which are intended to upgrade facilities and improve the learning environment for students, have been completed. The program includes, among other things, various school facilities improvements for campus safety and security, computer technology, sustainability, information technology systems and school buses.

Authority and Purpose for Issuance of the Bonds

The New Money Bonds are issued pursuant to provisions of Section 1(b)(3) of Article XIIIA of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code and other applicable law, the Measure US Authorization (defined below), and the New Money Resolutions. The Refunding Bonds are issued under the provisions of Articles 9 and 11 (commencing with Sections 53550 and 53580, respectively) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Bond Law") and the Refunding Bonds Resolution.

A portion of the proceeds of the New Money Bonds attributable to the Measure US Authorization (defined below) will, after payment of costs of issuance thereto, fund certain school projects (collectively, the "Measure US Projects") approved by voters in the November 5, 2024, election approving Measure US (the "Measure US Authorization"). A portion of the proceeds of the New Money Bonds is also expected to fund capitalized interest on a portion of the Series A Bonds, and pay principal and interest on the Series A-2 Bonds. The Refunding Bonds are being issued to refund the Prior Bonds (defined herein) and to pay costs of issuance of the Refunding Bonds. See "PLAN OF FINANCE AND REFINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

Security and Source of Payment for the Bonds

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution, other State law and Measure US. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds, all as more fully described herein. Such *ad valorem* property taxes are deposited in the related Interest and Sinking Fund of the District, which is established for the Bonds and held by the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the Bonds. Pursuant to the Resolutions, the term "Interest and Sinking Fund" means each interest and sinking fund of the District, designated to correspond to the applicable general obligation bonds or general obligation refunding bonds of the District and related voter-approved bond measure of the District established for such bonds and used only for payment of principal of and interest on such bonds.

Pursuant to the Resolutions, the District pledges and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District for payment of bonds issued under such measure of the District and all amounts on deposit in any Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on such bonds. The Resolutions provide that this pledge and grant is valid and binding from the date of adoption of the Resolutions for the benefit of the owners of such bonds and successors thereto. The Resolutions further provide that the property taxes and amounts held in each

Interest and Sinking Fund of the District are immediately subject to this pledge and grant, and that this pledge and grant constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of such bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant, and without the need of any physical delivery, recordation, filing, or further act.

The Resolutions provide that this pledge and grant is an agreement between the District and the owners of each series of Bonds and of each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for each series of Bonds and all such other general obligation bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds and general obligation refunding bonds of the District are or were issued to finance or refinance, as applicable, one or more of the projects specified in the applicable voter-approved measure and not to finance the general purposes of the District. In accordance with Section 15251 of the Education Code, such bonds are also automatically secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable Measure. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

Cybersecurity

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District also collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. As the custodian of such information, the District has faced and may face in the future cybersecurity threats, attacks or incidents from time to time, including the cybersecurity attacks and incidents in 2019, 2022 and 2024, as more fully described in Appendix A hereto. Moreover, the District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes and its servers and systems for accounting and other matters, as well as other trustees, fiscal agents, dissemination agents and project management firms. No assurance can be given that future cyber threats and attacks against the District or third-party entities or service providers will not directly or indirectly impact the District or the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the District's continuing disclosure undertakings. See APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — DISTRICT GENERAL INFORMATION — Cybersecurity," for a discussion of prior cyberattacks and incidents, cybersecurity litigation, and the District's responses to prior cyberattacks and incidents.

Federal Funding

The federal government provides funding for several District programs. On January 20, 2025, President Trump issued a series of executive orders, which include ensuring that federal funds are used in a manner approved by the current administration. In response to and in an effort to carry out such orders, on January 27, 2025, the White House Office of Management and Budget ("OMB") released its Memorandum M-25-13, Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs (the "OMB Memorandum"). The OMB Memorandum directed federal agencies to temporarily pause all activities related to obligation or disbursement of all federal financial assistance in order to review spending for consistency with the Trump Administration's policies, stating that the temporary pause was to become effective at 5:00 p.m. on January 28, 2025. The OMB Memorandum caused uncertainty as to whether certain Federal funding and grants would be paused.

Before the OMB Memorandum became effective, two separate lawsuits were filed in federal district courts in Rhode Island and the District of Columbia challenging the OMB Memorandum and seeking injunctions. On January 28, 2025, shortly before the OMB Memorandum became effective, a District of Columbia federal judge issued an emergency administrative stay through February 3, 2025, at which time a preliminary injunction hearing was set. On January 29, 2025, OMB rescinded the OMB Memorandum. Although the OMB Memorandum was rescinded, the executive orders are in effect and the matter is ongoing as spending reviews are ongoing. On January 31, 2025, a Rhode Island federal judge issued a temporary restraining order on the pause. On February 3, 2025, the District of Columbia federal judge issued a temporary restraining order as well. On February 10, 2025, the Rhode Island federal judge granted a motion for a preliminary injunction and issued an Enforcement Order clarifying the scope of the temporary restraining order and ordering the Trump Administration to release federal funds and comply with the earlier order. The Trump Administration appealed the temporary restraining order to the U.S. Court of Appeals for the First Circuit. The Trump Administration's request to stay the temporary restraining order pending appeal was denied. The District cannot predict any action to be taken in carrying out the executive orders nor its effect on the District's federal funding or operations of the District. See also APPENDIX A "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — District Debt."

On March 20, 2025, President Trump signed an executive order instructing the Secretary of Education to take all necessary steps to close the Department of Education (the "DOE") to the maximum extent appropriate and permitted by law. The executive order followed the mass dismissal of approximately half of the DOE's staff on March 11, 2025, and the cancellation of $1.5 billion in grants and contracts for the performance of DOE functions. The DOE provides funding to local school districts nationwide, including the District, primarily for special education services under the Individuals with Disabilities Education Act and under Title I to the Elementary and Secondary Education Act to districts that serve large populations of economically disadvantaged students.

Two separate complaints were filed on March 24, 2025, the first in the U.S. District Court for the District of Massachusetts by Democracy Forward, a plaintiff group acting on behalf of the Easthampton School District and certain labor and parent groups. The second complaint was filed in the U.S. District Court for the District of Maryland, by a plaintiff group including the National Association for the Advancement of Colored People, the National Education Association, and other parent groups and education proponents. Each lawsuit generally challenges the layoffs of DOE staff and the executive order dismantling the DOE as exceeding the constitutional authority of the executive branch.

The District is unable to predict whether the Trump Administration's review of spending will be upheld in full or in part or whether legal challenges to any freeze or pause in spending will be successful. Similarly, the District is unable to predict whether the executive order dismantling the DOE or the staff reductions or grant cancellations will be upheld after legal challenge. If the reductions in funding, elimination of the DOE, or staff layoffs are upheld in whole or in part, the District cannot anticipate whether the amount of federal revenues in the District's General Fund will be reduced, or the extent of any reduction, or whether any reduction would occur in the current or any future fiscal year.

Other Information

This Official Statement contains brief descriptions of, among other things, the District, the District's general obligation bond program, the Resolutions and certain matters relating to the security and source of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to documents are qualified in their entirety by reference to such documents. Copies of such documents are available for inspection at the District by request to the Office of the Chief Financial Officer at (213) 241-7888 and, following delivery of the Bonds will be on file, as applicable, at the principal office of U.S. Bank Trust Company, National Association, as agent to the Treasurer and Tax Collector of the County, as paying agent (the "Paying Agent"), in Los Angeles, California.

PLAN OF FINANCE AND REFINANCE

New Money Bonds

A portion of the proceeds of the Series A Bonds will be applied to fund the costs of various components of the Measure US Projects in accordance with the ballot measure for the Measure US Authorization. The Measure US Authorization includes a number of specifically identified projects that can be funded with the proceeds of the New Money Bonds attributable to the Measure US Authorization, which was summarized to the District's voters to include the following: update school facilities for 21st century student learning and career/college preparedness; improve school facilities for safety, earthquakes and disability access; upgrade plumbing, electrical, HVAC; replace leaky roofs; provide learning technology; and create green outdoor classrooms/schoolyards. A portion of the proceeds of the Series A Bonds will also be used to pay the costs of issuance of the Series A Bonds, including the underwriters' discount. Premium received from the Series A Bonds will be used to pay capitalized interest on a portion of the Series A Bonds and pay principal and interest on the Series A-2 Bonds.

A portion of the proceeds of the Series B Bonds will be applied to refund a portion of the District's Certificates of Participation, 2023 Series A (Sustainability Bonds) (the "2023 COPs") attributable to Measure US Projects, as provided for in the Measure US Authorization. Such proceeds from the Series B Bonds will be deposited into an escrow fund (the "COPs Escrow Fund") established for the 2023 COPs under an escrow agreement, dated as of May 1, 2025, by and between the District and U.S. Bank Trust Company, National Association, as escrow bank (in such capacity, the "Escrow Agent"). Substantially all of the proceeds of the Series B Bonds deposited into the COPs Escrow Fund will be invested in accordance with the resolution authorizing the issuance of the 2023 COPs and the remaining portion will be uninvested until applied to prepay the 2023 COPs to be refunded (the "Prior 2023 COPs"). A portion of the proceeds of the Series B Bonds will also be used to pay the costs of issuance of the Series B Bonds, including the underwriters' discount. The amount deposited in the COPs Escrow Fund will be sufficient to fully pay the principal and interest due on the Prior 2023 COPs through and the prepayment price of 100% of the then-outstanding principal amount of the Prior 2023 COPs on October 1, 2033 (the "Prepayment Date"). The mathematical computations used to determine the sufficiency of the escrow deposit will be verified in a verification report by the Verification Agent (defined herein). See "MISCELLANEOUS — Verification of Mathematical Computations."

Set forth in the following chart is a description of the 2023 COPs expected to be prepaid on the Prepayment Date with proceeds of the Series B Bonds:

Los Angeles Unified School District
(County of Los Angeles, California)
Certificates of Participation, 2023 Series A

Base CUSIP† Number: 544648

Maturity (October 1)	Principal Amount to be Prepaid	Interest Rate	Redemption Date	Redemption Price	CUSIP† Suffix	Amount Not Prepaid
2025	$11,025,000	5.000%	n/a	100%	VX3	$ 7,515,000
2026	11,590,000	5.000	n/a	100	VY1	7,900,000
2027	12,185,000	5.000	n/a	100	VZ8	8,305,000
2028	12,815,000	5.000	n/a	100	WA2	8,730,000
2029	13,465,000	5.000	n/a	100	WB0	9,180,000
2030	14,160,000	5.000	n/a	100	WC8	9,650,000
2031	14,885,000	5.000	n/a	100	WD6	10,145,000
2032	15,650,000	5.000	n/a	100	WE4	10,665,000
2033	16,450,000	5.000	n/a	100	WF1	11,210,000
2034	17,295,000	5.000	October 1, 2033	100	WG9	11,785,000
2035	18,180,000	5.000	October 1, 2033	100	WH7	12,390,000
2036	19,115,000	5.000	October 1, 2033	100	WJ3	13,025,000
2037	20,095,000	5.000	October 1, 2033	100	WK0	13,695,000
2038	21,120,000	5.000	October 1, 2033	100	WL8	14,400,000

Refunding Bonds

A portion of the proceeds of the Refunding Bonds will be used to refund, on a current basis, and defease a portion of the District's outstanding general obligation bonds as identified below (collectively, the "Prior Bonds") and to pay the costs of issuance of the Refunding Bonds. Such proceeds from the Refunding Bonds will be deposited into one or more escrow funds (the "Escrow Fund") established for the Prior Bonds under two separate escrow agreements, each dated as of May 1, 2025, by and between the District and U.S. Bank Trust Company, National Association, as escrow bank (in such capacity, the "Escrow Agent"). Substantially all of the proceeds of the Refunding Bonds deposited into the applicable Escrow Fund will be invested in accordance with the applicable resolution authorizing the issuance of the Prior Bonds and the remaining portion will be uninvested until applied to redeem the Prior Bonds to be refunded.

The amount deposited in each Escrow Fund will be sufficient to fully pay the interest due on the respective Prior Bonds to be refunded and the redemption price of 100% of the principal amount of the Prior Bonds, on July 1, 2025 (the "Redemption Date"), as identified below. The mathematical computations used to determine the sufficiency of the escrow deposit will be verified in a verification report by the Verification Agent (defined herein). See "MISCELLANEOUS — Verification of Mathematical Computations."

† CUSIP® is a registered trademark of The American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of The American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriters or their respective agents or counsel assume responsibility for the accuracy of such numbers.

Set forth in the following chart is a description of the Prior Bonds expected to be refunded on the Redemption Date with proceeds of the Refunding Bonds:

Los Angeles Unified School District
(County of Los Angeles, California)
2016 General Obligation Refunding Bonds, Series A
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Base CUSIP† Number: 544646

Maturity (July 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP† Suffix
2027	$7,770,000	5.000%	July 1, 2025	100%	4M1
2028	8,965,000	5.000	July 1, 2025	100	4N9
2029	29,350,000	5.000	July 1, 2025	100	4P4
2030	9,770,000	5.000	July 1, 2025	100	4Q2

Los Angeles Unified School District
(County of Los Angeles, California)
General Obligation Bonds, Election of 2008, Series A (2016)
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Base CUSIP† Number: 544646

Maturity (July 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP† Suffix
2027	$23,980,000	5.000%	July 1, 2025	100%	3N0
2033	32,130,000	4.000	July 1, 2025	100	3U4
2034	33,420,000	4.000	July 1, 2025	100	3V2
2035	34,755,000	4.000	July 1, 2025	100	3W0
2040	85,075,000	5.000	July 1, 2025	100	3Y6

Escrow Sufficiency

The net proceeds from the sale of the Refunding Bonds shall be paid to U.S. Bank Trust Company, National Association, as Escrow Agent, to the credit of the applicable Escrow Fund held under the applicable Escrow Agreement for the redemption of the Prior Bonds. The amounts deposited in the Escrow Fund will be held in cash, uninvested, or invested pursuant to the applicable Escrow Agreement, and will be sufficient to enable the Escrow Agent to pay the principal, redemption premium, if any, and interest due on the Prior Bonds on the Redemption Date, as well as the debt service due on the Prior Bonds on or before such Redemption Date.

The sufficiency of the cash on deposit in the Escrow Fund to pay the redemption price of the accrued interest due on the Prior Bonds, on the Redemption Date, will be verified by Robert Thomas CPA, LLC (the "Verification Agent"). As a result of the deposit and the application of funds so provided in the applicable Escrow Agreement, and assuming the accuracy of the Underwriter's and Verification Agent's

† CUSIP® is a registered trademark of The American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of The American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriters or their respective agents or counsel assume responsibility for the accuracy of such numbers.

computations, the Prior Bonds will be defeased and the obligation of the County to levy and collect *ad valorem* property taxes for payment thereof will terminate.

A portion of the proceeds from the sale of the Series B Bonds shall be paid to U.S. Bank Trust Company, National Association, as Escrow Agent, to the credit of the applicable Escrow Fund held under the applicable Escrow Agreement for the prepayment of the 2023 COPs to be refunded. The amounts deposited in the Escrow Fund will be held in cash, uninvested, or invested pursuant to the applicable Escrow Agreement, and will be sufficient to enable the Escrow Agent to pay the principal, prepayment premium, if any, and interest due on the 2023 COPs to be refunded on the Prepayment Date, as well as the debt service due on the 2023 COPs to be refunded on or before the Prepayment Date.

The sufficiency of the cash on deposit in the applicable Escrow Fund to pay the prepayment price of the accrued interest due on the 2023 COPs to be refunded, on the Prepayment Date, will be verified by the Verification Agent. As a result of the deposit and the application of funds so provided in the applicable Escrow Agreement, and assuming the accuracy of the Underwriter's and Verification Agent's computations, the 2023 COPs to be refunded will be defeased.

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the computation of the projected payments and interest to retire the Prior Bonds will be verified by the Verification Agent. Such computations will be based solely on assumption and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

TABLE 2
ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources of Funds	**Series A-1 Bonds**	**Series A-2 Bonds**	**Series B Bonds**	**Refunding Bonds**	**Total**
Principal Amount	$430,780,000.00	$29,645,000.00	$239,575,000.00	$248,345,000.00	$948,345,000.00
Original Issue Premium	29,826,367.20			22,274,196.60	52,100,563.80
Total Sources	$460,606,367.20	$29,645,000.00	$239,575,000.00	$270,619,196.60	$1,000,445,563.80
Estimated Uses of Funds					
Deposit to Building Fund	$429,343,195.73	$29,599,825.54	$ 0	$ 0	$458,943,021.27
Deposit to Interest and Sinking Fund[(1)]	29,826,367.20				29,826,367.20
Escrow Fund			238,932,333.00	269,779,278.02	508,711,611.02
Underwriters' Discount	1,084,259.85	20,215.00	402,941.73	544,319.51	2,051,736.09
Costs of Issuance[(2)]	352,544.42	24,959.46	239,725.27	295,599.07	912,828.22
Total Uses	$460,606,367.20	$29,645,000.00	$239,575,000.00	$270,619,196.60	$1,000,445,563.80

(1) Expected to fund capitalized interest on a portion of the Series A Bonds and pay principal and interest on the Series A-2 Bonds.
(2) Includes fees of Bond Counsel, Disclosure Counsel, Paying Agent, Municipal Advisor, rating agencies, and printer, and other miscellaneous expenses.

THE BONDS

General Provisions

The Bonds will be dated their date of delivery, will be issued in book-entry form only, without coupons, in denominations of $5,000 principal amount or any integral multiple thereof, and, when issued, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Owners will not receive physical certificates representing their interest in the Bonds purchased, except in the event that use of the book-entry system for the Bonds is discontinued. Payments of principal of, premium, if any, and interest on the Bonds will be made by the Paying Agent to DTC, which is obligated in turn to remit such payments to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. For information about the securities depository and DTC's book-entry system, see APPENDIX C — "BOOK-ENTRY ONLY SYSTEM."

The Bonds mature in the years and on the dates set forth on the inside front cover page hereof. Interest on the Bonds is payable on each January 1 and July 1 to maturity, commencing on January 1, 2026 (each, an "Interest Payment Date"), with the exception of interest on the Series A-2 Bonds, which is payable at maturity. Interest on the Bonds will be computed based on a 360-day year of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated as of a date during the period from the 15th day of the calendar month immediately preceding such Interest Payment Date, inclusive, whether or not such day is a business day (each, a "Record Date") to such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the date of delivery of the Bonds.

Redemption

Optional Redemption of New Money Bonds. The New Money Bonds maturing on or after July 1, 2036, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after July 1, 2035, at a redemption price equal to the principal amount of such Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Optional Redemption of Refunding Bonds. The Refunding Bonds maturing on or after July 1, 2036, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after July 1, 2035, at a redemption price equal to the principal amount of such Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Series A-1 Bonds maturing on July 1, 2049 are subject to mandatory sinking fund redemption on July 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed
2046	$26,925,000
2047	28,270,000
2048	29,685,000
2049†	31,170,000

† Maturity.

The principal amount to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount, by any portion of such term bonds optionally redeemed prior to the mandatory sinking fund redemption date.

Selection of Bonds upon Redemption. If less than all of the Bonds of a series, if any, are subject to such redemption and are called for redemption, such Bonds shall be redeemed as directed by the District. If less than all of the Bonds of any given maturity are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot in any manner deemed fair by the Paying Agent.

Notice of Redemption. Notice of any redemption of any Bonds is required to be mailed by the Paying Agent, postage prepaid, not less than twenty (20) nor more than sixty (60) days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the bond registration books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate relating to the Bonds.

Each notice of redemption is required to contain the following: (i) the date of such notice; (ii) the name of the Bonds and the date of issue of such Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of the Bonds to be redeemed; (vi) if less than all of the Bonds of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

Effect of Notice. A certificate of the Paying Agent that the notice of redemption that has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Bonds called for redemption or the cessation of interest on the date fixed for redemption. When notice of redemption has been given substantially as provided for in the County Resolution or Refunding Resolution, as applicable, and when the redemption price of such Bonds called for redemption is set aside for the purpose as described in the County Resolution or Refunding Resolution, as applicable, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds are required to be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the related Interest and Sinking Fund of the District or the trust fund established for such purpose. All Bonds redeemed will be cancelled forthwith by the Paying Agent and will not be reissued.

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

Redemption Fund. Prior to or on the redemption date of any Bonds, there shall be available, in the related Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, moneys for the purpose and sufficient to redeem, at the redemption prices as provided therefor, the Bonds designated in the notice of redemption. Such monies set aside for the Bonds are required to be applied on or after the redemption date solely for payment of principal of and premium, if any, and interest due on the Bonds to be redeemed upon presentation and surrender of such Bonds provided that all monies in the related Interest and Sinking Fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the related Interest and Sinking Fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the related Interest and Sinking Fund of the District or otherwise held in trust for the payment of the redemption price of such Bonds, the moneys are required to be held in or returned or transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the moneys shall be transferred to the general fund of the District as provided and permitted by law.

Defeasance and Unclaimed Moneys

Defeasance. If at any time the District pays or causes to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Bonds all or any part of the principal of and premium, if any, and interest on such Bonds at the times and in the manner provided in the County Resolution or Refunding Resolution, as applicable and in such Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners of such Bonds shall cease to be entitled to the obligation of the District as provided in the County Resolution or Refunding Resolution, as applicable, and such obligation and all agreements and covenants of the District and of the County to such Owners under the County Resolution or Refunding Resolution, as applicable, and such Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal of and premium, if any, and interest on such Bonds, but only out of monies on deposit in the related Interest and Sinking Fund of the District or otherwise held in trust for such payment; and provided further, however, that the provisions of the County Resolution and Refunding Resolution, as applicable, shall apply in all events. See "— Unclaimed Moneys" below.

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent selected by the District, at or before maturity, money and/or Defeasance Securities (as defined herein), in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the related Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

The term “Defeasance Securities” means (i) non-callable direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, in the case of direct and general obligations of the United States of America, evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations; provided that investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; (ii) non-callable obligations of government sponsored agencies that are rated in one of the two highest rating categories assigned by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) or Moody’s Investors Service (“Moody’s”), but in each case the obligations are not guaranteed by a pledge of the full faith and credit of the United States of America; and (iii) Advance Refunded Municipal Securities (defined herein).

The term “Advance Refunded Municipal Securities” means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee, fiscal agent, or other fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or other obligations for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal of, premium, if any, and interest by a fund consisting only of cash, direct United States or United States guaranteed obligations, or any combination thereof, which fund may be applied only to the payment of such principal of, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as appropriate, and (iii) as to which the principal of, premium, if any, and interest on the bonds and obligations of the character described in clause (i) above which have been deposited in such fund, along with any cash on deposit in such fund, have been verified by an independent certified public accountant as being sufficient to pay principal of, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as applicable.

Unclaimed Moneys. Any money held in any fund created pursuant to the County Resolution or Refunding Resolution, as applicable, or by the Paying Agent or an escrow agent in trust, for the payment of the principal of, premium, if any, and interest on the Bonds, and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General Description

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the California Constitution and other State law. In order to provide sufficient funds for repayment of principal and interest when due on the Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). When collected, such *ad valorem* property taxes are required by law to be deposited in the related Interest and Sinking Fund of the District, which is established for each series of the Bonds and held and maintained by the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the applicable Bonds. Such taxes are in addition to but separate from other taxes levied upon property within the District that are deposited by the County in the General Fund of the District. The District does not receive such funds, nor are they available to pay any of the District's operating expenses.

Under California law, the District's funds are required to be held by the Treasurer and Tax Collector of the County (the "County Treasurer"). All funds held by the County Treasurer in each Interest and Sinking Fund of the District are expected to be invested at the discretion of the County Treasurer on behalf of the District in such investments as are authorized by Section 53601 and following of the California Government Code and the investment policy of the County, as either may be amended or supplemented from time to time. See APPENDIX F — "THE LOS ANGELES COUNTY TREASURY POOL."

Pledge of Tax Revenues

Pursuant to the District Resolution and Refunding Resolution, as applicable, the District pledges and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District and related refunding bonds for payment of bonds issued under such measure of the District or refunded and all amounts on deposit in any Interest and Sinking Fund of the District for the payment of the principal or redemption price of and interest on such bonds. The District Resolution and Refunding Resolution, as applicable, provide that this pledge and grant is valid and binding from the date of adoption of such resolution for the benefit of the owners of such bonds and successors thereto. The District Resolution and Refunding Resolution, as applicable, further provides that the property taxes and amounts held in each Interest and Sinking Fund of the District are immediately subject to this pledge and grant, and this pledge and grant constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of such bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant, and without the need of any physical delivery, recordation, filing, or further act. The District Resolution and Refunding Resolution, as applicable, provide that this pledge and grant is an agreement between the District and the owners of the Bonds and of each issue of outstanding general obligation bonds and general obligation refunding bonds to provide security for the Bonds and all such other general obligation bonds and general obligation refunding bonds of the District in addition to any statutory lien that may exist, and each such issue of general obligation bonds and general obligation refunding bonds of the District are or were issued to finance or refinance, as applicable, one or more of the projects specified in the applicable voter-approved measure and not to finance the general purposes of the District. In accordance with Section 15251 of the Education Code, such bonds are also automatically secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the applicable measure. See " — Statutory Lien on Taxes (Senate Bill 222)" below.

The pledge of tax revenues provided for in the District Resolution and Refunding Resolution, as applicable, specifies that said lien secures the applicable Bonds and other bonds that may be issued in the future. Further, previous general obligation bonds of the District have been issued under resolutions which pledge tax revenues to secure the general obligation bonds and the general obligation refunding bonds issued thereunder and the District may provide for a similar pledge of tax revenues in resolutions adopted in the future that authorize general obligation bonds and general obligation refunding bonds. Neither the District Resolution nor the Refunding Resolution specifies the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the lien of the pledges.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016, as part of Senate Bill 222), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. California Education Code Section 15251 provides for a similar lien for bonds issued and sold by school districts (including the Bonds) pursuant to Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code. Section 53515 of the California Government Code and Section 15251 of the California Education Code provide that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the Bonds are executed and delivered. Section 53515 and Section 15251 further provide that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency or school district, as applicable, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes

***Article XIIIA of the California Constitution*.** On June 6, 1978, California voters approved Proposition 13, adding Article XIIIA to the California Constitution. Article XIIIA limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service (i) on indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness, and (iii) (as a result of a constitutional amendment approved by California voters on November 7, 2000) on bonded indebtedness incurred for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55% of the voters voting on the bond measure. Article XIIIA effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-1976 tax bill under full 'cash value,' or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." Assessed value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. As a result, property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than the market value of the property. Similar property that has recently been acquired may have a substantially higher assessed value reflecting the recent acquisition price. Increases in assessed value in a taxing area due to the change in ownership of property may occur even when the rate of inflation or consumer price index do not permit an increase in assessed valuation of property that does not change ownership. Proposition 13 has had the effect of stabilizing assessed valuation such that it does not fluctuate as significantly as the market value of property, but instead gradually changes as longer owned residential properties are transferred and reassessed upon such transfer. On June 18, 1992, the United States Supreme Court issued a decision upholding the constitutionality of Article XIIIA (*Nordlinger v. Hahn*, 112 S. Ct. 2326, 120 L. Ed. 2d 1 (1992)).

Article XIIIA has subsequently been amended to permit reduction of the full cash value base in the event of declining property values caused by damage, destruction, or other factors to provide that there would be no increase in the full cash value base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways. Proposition 8, approved by the voters in November of 1978, provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. The assessed value increases to its pre-reduction level (escalated to the annual inflation rate of no more than 2%) following the year(s) for which the reduction is applied. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See also "-Assessed Valuation of Property Within the District - *2025 Wildfires*" herein.

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

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years. All taxable property is shown at full assessed value on the tax rolls. Consequently, the 1% tax rate is expressed as $1 per $100 of taxable value.

Proposition 19. On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment ("Proposition 19"), which amends Article XIII A to (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any representation regarding the effect Proposition 19 may have on District revenues or the assessed valuation of real property in the District. The District cannot provide make any representation regarding the effect Proposition 19 may have on District revenues or the assessed valuation of real property in the District. Any reduction of assessed valuation, however, would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service on to the Bonds.

Prospective purchasers of the Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to pay debt service on the Bonds in full when due. Increases in tax rates, however, may impact the ability or willingness of taxpayers to pay their property taxes. See "— Tax Rates, Levies and Collections."

Assessed Valuation of Property Within the District

General. As required by State law, the District uses the services of the County for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as are the County, the City of Los Angeles, and other local agency and special district taxes.

State law exempts $7,000 of the full cash value of an owner-occupied dwelling from property tax, but this exemption does not result in any loss of revenue to local entities, including the District, because an amount equivalent to the taxes which would have been payable on such exempt values is paid by the State to the County for distribution to local agencies. The County levies property taxes on behalf of taxing agencies in the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Upon a change in ownership of property or completion of new construction, however, State law permits the County to recognize changes in the assessed valuation of real property before the next regular assessment role is complete in order to levy taxes based on the new assessed value. In such instances, the property is reassessed and a supplemental tax bill is sent to the new owner based on the new value prorated for the balance of the tax year.

The fiscal year 2024-25 Assessment Roll for property within the District's boundaries reflects an increase of approximately 4.61% in assessed value from the prior year. Under State law, in addition to reassessments requested by property owners pursuant to Proposition 8 when the current market value of property is less than assessed value as of January 1, the county assessor annually initiates reviews of property for reassessments due to decline-in-value. See "*—Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" below.

TABLE 3
LOS ANGELES UNIFIED SCHOOL DISTRICT
Historical Gross Assessed Valuation of Taxable Property[(1)]
Fiscal Years 2010-11 through 2024-25
($ in thousands)

Fiscal Year	Secured[(2)]	Unsecured	Total[(2)]	Change From Prior Year	Percent Change
2010-11	$442,092,473	$21,753,078	$463,845,551	$(11,131,740)	--
2011-12	447,830,204	21,265,021	469,095,225	5,249,674	1.13%
2012-13	458,767,053	21,308,439	480,075,492	10,980,267	2.34
2013-14	482,043,584	21,634,336	503,677,920	23,602,428	4.92
2014-15	510,371,502	22,562,705	532,934,207	29,256,287	5.81
2015-16	546,807,059	23,362,404	570,169,464	37,235,257	6.99
2016-17	581,473,213	24,495,794	605,969,007	35,799,543	6.28
2017-18	619,162,082	25,342,665	644,504,747	38,535,740	6.36
2018-19	665,355,078	27,377,547	692,732,625	48,227,878	7.48
2019-20	710,954,606	28,442,486	739,397,092	46,664,467	6.73
2020-21	759,004,739	28,679,270	787,684,010	48,286,918	6.53
2021-22	790,822,215	27,581,051	818,403,266	30,719,256	3.90
2022-23	848,435,713	29,196,328	877,632,041	59,228,775	7.24
2023-24	898,345,149	31,634,928	929,980,077	52,348,036	5.96
2024-25	940,379,767	32,489,350	972,869,117	42,889,040	4.61

(1) Full cash value.
(2) Includes utility valuations. For fiscal year 2024-25, the utility valuation is $115,414,917.
Source: California Municipal Statistics, Inc.

Assessed Valuation Reductions. Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in property values, including potential market declines caused by the effects of a reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, drought, flood, landslide, liquefaction, levee failure, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also "*—Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" below.

Property values could be reduced by factors beyond the District's control, including a depressed real estate market due to general economic conditions or other events. A pandemic, like the outbreak of the respiratory disease caused by COVID-19 which was declared a pandemic by the World Health Organization, could result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of property in the District. Events resulting in changing economic conditions may also alter the willingness or the ability of local taxpayers to pay *ad valorem* property taxes levied to repay the District's general obligation bonds. The District cannot predict whether events that may result in changing economic conditions will occur or the extent that a change in economic conditions will impact assessed value of property in the District or the willingness or ability of local taxpayers to pay *ad valorem* property taxes.

Aside from economic conditions, property values could be reduced by natural or manmade disasters. In recent years, portions of California, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. Furthermore, California has experienced severe drought conditions in recent years, but has also recently experienced periods of extreme precipitation. These and other extreme weather events are all effects of climate change. As greenhouse gas emissions continue to accumulate, climate change may intensify and increase the frequency of such extreme weather events. Moreover, the District is located in a seismically active region. Active earthquake faults include the San Andreas Fault that runs throughout the County, the Palos Verdes fault that runs along the coast and through a small portion of the County, and other smaller faults including the Lower Elysian Park thrust, the Upper Elysian Park fault and Puente Hills blind thrust system. The District cannot predict the timing, extent, or severity of any potential natural or manmade disaster and its impact on property values in the District.

2025 Wildfires. In January 2025, multiple fires broke out across areas of Los Angeles County burning thousands of acres and damaging or destroying thousands of structures. The three largest of said fires are the Hughes Fire, Eaton Fire, and Palisades Fires. The Hughes Fire burned approximately 10,400 acres, although no information is available on the number of structures that have been damaged or destroyed. The Eaton Fire has burned approximately 14,000 acres and has damaged or destroyed at least 10,000 structures. The Palisades Fire has burned approximately 23,500 acres and has damaged or destroyed at least 7,000 structures. Properties damaged or destroyed in the Palisades Fire are included within the boundaries of the District and represent a small percentage of the assessed value in the District. As a result of the fires, schools in the District were closed for 3 days and approximately 2,400 students were displaced. Three school campuses within District boundaries, Marquez Elementary School, Palisades Elementary School, and Palisades High School/Palisades Charter High School (Palisades Charter High School is an independent charter school), were significantly damaged by the fires and remain closed. The District expects to rebuild its damaged campuses, however, no assurances can be given that the District will rebuild any or all of its damaged facilities.

The County Assessor's Office allows for the reassessment of properties that are damaged or destroyed as a result of misfortune or calamity, which includes wildfires. Property owners may submit an application for the reassessment of the property within 12 months of the damage or destruction. Any such reassessment is retroactive to the date of damage or destruction. The District is unable at this time to quantify the loss in assessed value as a result of any such reassessment. The California Legislative Analyst's Office currently estimates a reduction of assessed value in the County to be between $10 and $20 billion. Such estimation includes areas located within and outside of the boundaries of the District. The District does not yet know the total decrease in assessed value within the District. The assessed value of property within the District for Fiscal Year 2024-25 was $972,869,117,538. Based on the California Legislative Analyst's Office estimates, the loss in assessed value from the reassessment of properties that were damaged or destroyed by the fires within the District is anticipated to be a small percentage of the assessed value of properties within the District for Fiscal Year 2024-25.

Additionally on January 16, 2025, the California Governor issued Executive Order 10-25 that (i) suspends until April 10, 2026, certain state tax laws that impose penalties, costs, and interest for late payment of property taxes due in calendar year 2025, and (ii) suspends certain additional state tax laws requiring the filing of various property tax statements. The orders apply to properties located in 9 zip codes that are included in the boundaries of the District. Additional executive orders have been issued to allow for a quicker redevelopment in fire-damaged areas. The District cannot predict the effect any executive orders will have on the timely collection of property taxes.

Prospective purchasers of the Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Bonds up to the maximum authorized pursuant to the applicable bond authorization. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to pay debt service on the Bonds in full when due. Increases in tax rates, however, may impact the ability or willingness of taxpayers to pay their property taxes. See "— Tax Rates, Levies and Collections."

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs. Any base year appeal must be made within four years of the change of ownership or new construction date.

The second type of appeal, commonly referred to as a Proposition 8 appeal, can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must submit an application to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (such pre-reduction level escalated by the annual inflation rate of no more than 2%) following the year for which the reduction application is filed. The county assessor, however, has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIIIA of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to representatives of the County Assessor's office, the County has in the past, pursuant to Article XIIIA of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

Assessed Valuation by Jurisdiction. The following Table 4 describes the percentage and value of the total assessed value of the property within the District's boundaries that resides in the various cities and unincorporated portions of the County, as well as the assessed value of property within the District relative to the County's assessed value, for fiscal year 2024-25.

TABLE 4
LOS ANGELES UNIFIED SCHOOL DISTRICT
Fiscal Year 2024-25 Assessed Valuation by Jurisdiction

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Bell	$1,933,479,137	0.20%	$ 2,414,124,043	80.09%
City of Bell Gardens	72,025,060	0.01	2,441,259,163	2.95
City of Beverly Hills	210,287,250	0.02	46,832,300,172	0.45
City of Calabasas	765,271	0.00	10,759,864,179	0.01
City of Carson	19,794,519,932	2.03	22,071,545,820	89.68
City of Commerce	533,688,688	0.05	7,658,549,581	6.97
City of Cudahy	1,143,370,331	0.12	1,143,614,537	99.98
City of Culver City	64,240,884	0.01	17,650,933,210	0.36
City of Downey	689	0.00	15,799,353,904	0.00
City of Gardena	9,150,825,275	0.94	9,150,825,275	100.00
City of Hawthorne	926,549,356	0.10	11,472,610,532	8.08
City of Huntington Park	4,082,771,047	0.42	4,082,771,047	100.00
City of Inglewood	46,809,932	0.00	19,383,745,247	0.24
City of Lomita	3,264,040,374	0.34	3,264,040,374	100.00
City of Long Beach	479,214,541	0.05	78,752,374,097	0.61
City of Los Angeles	856,602,169,661	88.05	857,077,816,813	99.94
City of Lynwood	62,670,181	0.01	4,846,505,304	1.29
City of Maywood	1,379,505,377	0.14	1,379,505,377	100.00
City of Montebello	13,375,141	0.00	8,345,803,232	0.16
City of Monterey Park	329,648,477	0.03	10,198,144,681	3.23
City of Rancho Palos Verdes	1,653,953,539	0.17	17,102,864,286	9.67
City of Rolling Hills Estates	32,633,536	0.00	4,842,227,350	0.67
City of San Fernando	2,757,445,983	0.28	2,757,445,983	100.00
City of Santa Clarita	55,017	0.00	46,379,275,473	0.00
City of Santa Monica	1,132,045	0.00	50,905,847,011	0.00
City of South Gate	6,570,577,338	0.68	8,063,625,032	81.48
City of Torrance	56,730,549	0.01	40,225,864,614	0.14
City of Vernon	8,236,475,068	0.85	8,236,475,068	100.00
City of West Hollywood	18,013,115,221	1.85	18,013,115,221	100.00
Unincorporated Los Angeles County	35,457,042,638	3.64	144,695,183,022	24.50
Total District	$972,869,117,538	100.00%		
Los Angeles County	$972,869,117,538	100.00%	$2,101,924,313,796	46.28%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following Table 5 sets forth the assessed valuation by land use of property within the District in fiscal year 2024-25.

TABLE 5
LOS ANGELES UNIFIED SCHOOL DISTRICT
Local Secured Assessed Valuation and Parcels by Land Use
Fiscal Year 2024-25

	2024-25 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial/Office Building	$155,567,196,084	16.55%	51,215	5.28%
Industrial	99,191,875,146	10.55	24,801	2.56
Recreational	2,754,616,053	0.29	1,369	0.14
Government/Social/Institutional	4,735,333,777	0.50	5,087	0.52
Miscellaneous	511,908,555	0.05	1,015	0.10
Subtotal Non-Residential	$262,760,929,615	27.95%	83,487	8.61%
Residential:				
Single Family Residence	$430,149,418,826	45.75%	579,316	59.75%
Condominium/Townhouse	85,562,205,194	9.10	138,914	14.33
Mobile Home Related	536,136,069	0.06	115	0.01
2-4 Residential Units	54,737,095,589	5.82	96,512	9.95
5+ Residential Units/Apartments	100,748,894,602	10.71	42,307	4.36
Miscellaneous Residential	54,418,136	0.01	333	0.03
Subtotal Residential	$671,788,168,416	71.45%	857,497	88.44%
Vacant Parcels	$5,715,254,324	0.61%	28,546	2.94%
Total	$940,264,352,355	100.00%	969,530	100.00%

(1) Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Homes. The following Table 6 sets forth the distribution of single-family homes within the District within various assessed valuation ranges in fiscal year 2024-25.

TABLE 6
LOS ANGELES UNIFIED SCHOOL DISTRICT
Assessed Valuations of Single Family Homes Per Parcel
Fiscal Year 2024-25

	No. of Parcels	2024-25 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential	579,316	$430,149,418,826	$742,513	$469,200

2024-25 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	42,482	7.333%	7.333%	$2,747,855,846	0.639%	0.639%
$100,000 - $199,999	60,387	10.424	17.757	9,238,488,693	2.148	2.787
$200,000 - $299,999	80,294	13.860	31.617	20,050,083,485	4.661	7.448
$300,000 - $399,999	66,514	11.481	43.099	23,163,835,488	5.385	12.833
$400,000 - $499,999	56,191	9.700	52.798	25,212,674,112	5.861	18.694
$500,000 - $599,999	49,385	8.525	61.323	27,083,091,379	6.296	24.990
$600,000 - $699,999	42,241	7.292	68.614	27,392,566,553	6.368	31.359
$700,000 - $799,999	34,202	5.904	74.518	25,592,303,402	5.950	37.308
$800,000 - $899,999	26,094	4.504	79.023	22,113,768,721	5.141	42.449
$900,000 - $999,999	19,354	3.341	82.363	18,326,552,738	4.261	46.710
$1,000,000 - $1,099,999	13,674	2.360	84.724	14,317,668,827	3.329	50.038
$1,100,000 - $1,199,999	10,466	1.807	86.530	12,013,403,431	2.793	52.831
$1,200,000 - $1,299,999	8,506	1.468	87.999	10,615,578,217	2.468	55.299
$1,300,000 - $1,399,999	7,716	1.332	89.331	10,406,480,106	2.419	57.718
$1,400,000 - $1,499,999	6,310	1.089	90.420	9,136,102,477	2.124	59.842
$1,500,000 - $1,599,999	5,596	0.966	91.386	8,659,117,809	2.013	61.855
$1,600,000 - $1,699,999	4,876	0.842	92.227	8,041,991,086	1.870	63.725
$1,700,000 - $1,799,999	4,165	0.719	92.946	7,282,731,636	1.693	65.418
$1,800,000 - $1,899,999	3,723	0.643	93.589	6,881,604,559	1.600	67.018
$1,900,000 - $1,999,999	3,291	0.568	94.157	6,415,523,183	1.491	68.509
$2,000,000 - $2,099,999	2,851	0.492	94.649	5,836,053,686	1.357	69.866
$2,100,000 - $2,199,999	2,443	0.422	95.071	5,249,061,863	1.220	71.086
$2,200,000 - $2,299,999	2,135	0.369	95.439	4,803,697,222	1.117	72.203
$2,300,000 - $2,399,999	1,951	0.337	95.776	4,585,886,331	1.066	73.269
$2,400,000 - $2,499,999	1,790	0.309	96.085	4,386,442,775	1.020	74.289
$2,500,000 - $2,599,999	1,545	0.267	96.352	3,935,986,640	0.915	75.204
$2,600,000 - $2,699,999	1,460	0.252	96.604	3,864,152,033	0.898	76.102
$2,700,000 - $2,799,999	1,359	0.235	96.839	3,732,732,262	0.868	76.970
$2,800,000 - $2,899,999	1,233	0.213	97.051	3,511,893,295	0.816	77.786
$2,900,000 - $2,999,999	1,079	0.186	97.238	3,182,483,834	0.740	78.526
$3,000,000 and greater	16,003	2.762	100.000	92,369,607,137	21.474	100.000
Total	579,316	100.000%		$430,149,418,826	100.000%	

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Largest Secured Taxpayers in the District. The following Table 7 sets forth the twenty taxpayers with the greatest combined ownership of secured taxable property in the District on the fiscal year 2024-25 tax roll, and the secured assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District.

TABLE 7
LOS ANGELES UNIFIED SCHOOL DISTRICT
Largest Local Secured Taxpayers[(1)]
Fiscal Year 2024-25

	Property Owner	Primary Land Use	2024-25 Assessed Valuation	% of Total[(2)]
1.	Universal Studios LLC	Movie Studio	$ 3,331,465,861	0.35%
2.	Rexford Industrial Realty LP	Industrial	2,487,368,051	0.26
3.	Douglas Emmett LLC	Office Building	2,236,389,404	0.24
4.	Essex Portfolio LP	Apartments	1,571,129,151	0.17
5.	CP Propco LLC	Residential/Hotel	1,506,046,490	0.16
6.	Next Century Partners LLC	Residential/Hotel	1,171,681,027	0.12
7.	Century City Mall LLC	Shopping Center/Mall	1,157,925,405	0.12
8.	FSP South Flower Street	Office Building	1,023,788,428	0.11
9.	CJDB LLC	Shopping Center/Mall	986,350,384	0.10
10.	Rochelle H. Sterling	Apartments	916,473,067	0.10
11.	Hanjin International Corp.	Hotel	902,051,175	0.10
12.	Anheuser Busch Commercial	Industrial	854,731,954	0.09
13.	One Hundred Towers LLC	Office Building	730,171,430	0.08
14.	Trizec 333 LA LLC	Office Building	715,039,055	0.08
15.	Onni Wilshire Courtyard LLC	Office Building	686,809,783	0.07
16.	Maguire Partners 355 S. Grand LLC	Office Building	668,708,619	0.07
17.	BRE HH Property Owner LLC	Office Building	663,572,214	0.07
18.	Olympic and Georgia Partners LLC	Hotel	635,727,910	0.07
19.	Tishman Speyer Archstone Smith	Apartments	635,579,964	0.07
20.	LA Live Properties LLC	Commercial	596,201,493	0.06
			$23,477,210,865	2.50%

(1) Excludes taxpayers with values derived from mineral rights or a possessory interest. Historically, among the top 10 taxpayers within the District are landowners with primary land use of oil and gas production, including Marathon Petroleum Corporation, Phillips 66 Company and Valero Energy Corporation, which are not reflected in the table above.
(2) 2024-25 Local Secured Assessed Valuation: $940,264,352,355 (which excludes utility property).
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control.

Tax Rates, Levies and Collections

General. Taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. Real property that changes ownership or is newly constructed is revalued at the time the change occurs or the construction is completed. The current year property tax rate is applied to the reassessed value, and the taxes are then adjusted by a proration factor that reflects the portion of the remaining tax year for which taxes are due. The annual tax rate is based on the amount necessary to pay all obligations payable from *ad valorem* property taxes and the assessed value of taxable property in a given year. Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster such as earthquake, drought, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the District's outstanding general obligation bonds.

For assessment and collection purposes, property is classified as either "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing property (real or personal) the taxes on which are a lien sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is listed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Properties on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then may be sold at public auction by the County Treasurer.

Property taxes on the unsecured roll are due in one payment on the January 1 lien date and become delinquent after August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (i) a civil action against the taxpayer; (ii) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (iv) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Proposition 13 and its implementing legislation impose the function of property tax allocation on counties in the State and prescribe how levies on countywide property values are to be shared with local taxing entities within each county. The limitations in Proposition 13, however, do not apply to *ad valorem* property taxes or special assessments to pay the interest and redemption charges on indebtedness, like the District's general obligation bonds, approved by the voters.

The County levies a 1% *ad valorem* property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situs" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions that serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas, which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

State Government Code Sections 29100 through 29107 provide the procedures that all counties must follow for calculating tax rates. The secured tax levy within the District consists of the District's share of the 1% general *ad valorem* property and unitary taxes assessed on a County-wide basis and amounts levied that are in excess of the 1% general *ad valorem* property taxes. These tax receipts are part of the District's operations. In addition, the secured tax levy also includes the amount for the District's share of special voter-approved *ad valorem* property taxes assessed on a District-wide basis, such as the *ad valorem* property taxes assessed for the District's general obligation bonds issued pursuant to the Authorizations and any related general obligation refunding bonds. *Ad valorem* property taxes levied for general obligation bonds are deposited with the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the District's general obligation bonds and general obligation refunding bonds. The District does not receive such funds nor are they available to pay any of the District's operating expenses. In addition, the total secured tax levy includes special assessments, improvement bonds, supplemental taxes or other charges which have been assessed on property within the District. Since State law allows homeowners' exemptions (described above) and certain business exemptions from *ad valorem* property taxation, such exemptions are not included in the total secured tax levy. See also "— California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes" above.

Further, State Education Code Section 15251 provides that all taxes levied with respect to general obligation bonds when collected will be paid into the county treasury of the county whose superintendent of schools has jurisdiction over the school district on behalf of which the tax was levied, to the credit of the debt service fund (or interest and sinking fund) of the school district, and will be used for the payment of the principal of and interest on the general obligation bonds and general obligation refunding bonds of the school district and for no other purpose. Accordingly, the County may not borrow or spend such amounts nor can the District receive such funds and use them for operating purposes.

Typical Tax Rate Area. The following Table 8 shows *ad valorem* property tax rates for the last five fiscal years in a typical Tax Rate Area of the District (TRA 0067). TRA 0067 comprises approximately 30.35% of the total fiscal year 2024-25 assessed value of the District.

TABLE 8
LOS ANGELES UNIFIED SCHOOL DISTRICT
Typical Tax Rates per $100 of Assessed Valuation (TRA 0067)
Fiscal Years 2019-20 through 2024-25

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25[3]
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Los Angeles Unified School District[1]	0.125520	0.139929	0.113228	0.121072	0.124219	0.128018
Los Angeles Community College District[1]	0.027175	0.040162	0.043759	0.024882	0.060231	0.051361
City of Los Angeles[1]	0.018084	0.016538	0.014721	0.016066	0.011448	0.013312
Metropolitan Water District of Southern California[2]	0.003500	0.003500	0.003500	0.003500	0.003500	0.007000
Total	1.174279%	1.200129%	1.175208%	1.165520%	1.199398%	1.199691%

(1) Tax rate relates to bonds authorized by voters subsequent to the approval of Proposition 13.
(2) Tax rate relates to bonds authorized by voters pursuant to a special election held in 1966 (prior to the approval of Proposition 13) in the service area of the Metropolitan Water District of Southern California.
(3) The 2024-25 assessed valuation of TRA 67 is $295,221,859,268 which is 30.35% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Secured Tax Charges and Delinquencies. The following Table 9A sets forth the real property tax charges and corresponding delinquencies for the District's general obligation bond debt service levy, with respect to the property located in the District, for fiscal years 2014-15 through 2023-24. For reference and as an indication of comparative delinquency rates, Table 9B sets forth the real property tax charges and corresponding delinquencies for the portion of the County's 1% general fund levy that is allocated to the District, with respect to property located in the District for fiscal years 2014-15 through 2023-24. The portion of the County's 1% general fund levy that is allocated to the District is not pledged to and does not secure the repayment of the Bonds.

TABLE 9
LOS ANGELES UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2014-15 through 2023-24

9A. District General Obligation Bond Debt Service Levy

Fiscal Year	Secured Tax Charge(1)	Amount Delinquent June 30	Percentage Delinquent June 30
2014-15	$752,855,468.94	$13,128,310.26	1.74%
2015-16	711,852,286.31	10,350,374.48	1.45
2016-17	762,676,169.42	10,152,397.66	1.33
2017-18	765,484,783.08	11,238,395.43	1.47
2018-19	826,147,438.29	13,737,180.29	1.66
2019-20	903,922,222.21	25,782,448.86	2.85
2020-21	1,072,754,468.10	22,715,092.01	2.12
2021-22	904,728,597.58	16,272,122.21	1.80
2022-23	1,033,041,998.26	20,269,504.57	1.96
2023-24	1,127,005,255.56	23,986,400.38	2.13

9B. 1% General Fund Apportionment Levy

Fiscal Year	Secured Tax Charge(2)	Amount Delinquent June 30	Percentage Delinquent June 30
2014-15	$1,005,565,868.63	$14,501,753.32	1.44%
2015-16	1,078,286,485.58	15,318,415.41	1.42
2016-17	1,142,718,955.32	13,595,654.87	1.19
2017-18	1,222,916,327.88	15,217,873.23	1.24
2018-19	1,311,715,583.78	17,950,532.81	1.37
2019-20	1,405,968,051.67	31,757,910.59	2.26
2020-21	1,499,191,370.12	25,590,654.61	1.71
2021-22	1,556,962,602.77	24,377,000.99	1.57
2022-23	1,665,617,645.15	26,045,738.38	1.56
2023-24	1,771,389,883.84	31,149,850.08	1.76

(1) District's general obligation bond debt service levy.
(2) 1% General Fund apportionment. Excludes redevelopment agency impounds.
Source: California Municipal Statistics, Inc.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire, or toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the

District to pay property taxes in the future. If delinquencies increase substantially as a result of events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

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

The District Participates in CSDTFA. The District is a member of the California Statewide Delinquent Tax Finance Authority ("CSDTFA"). CSDTFA is a joint exercise of powers agency formed for the purpose of purchasing delinquent *ad valorem* property taxes of its members in accordance with Section 6516.6 of the Government Code of the State of California. Historically, CSDTFA has from time to time purchased delinquent *ad valorem* property tax receivables related to the District's share of the 1% general *ad valorem* property tax levy (not the additional *ad valorem* property tax levy for debt service on the District's general obligation bonds) from the District. The District, however, cannot predict whether CSDTFA will continue to make such purchases in the future. CSDTFA purchased the District's delinquent *ad valorem* property tax receivables related to the 1% general *ad valorem* property tax levy attributable to fiscal year 2023-24 from the District at a purchase price equal to 108% of such receivables and is expected to purchase the District's delinquent *ad valorem* property tax receivables related to the 1% general *ad valorem* property tax levy attributable to fiscal year 2024-25 from the District at a substantially similar purchase price. Any penalty charges collected with respect to such delinquencies will be retained by CSDTFA.

Debt Service

Debt service on the Bonds, assuming no early redemptions, is as shown in the following Table 10.

TABLE 10
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds, Election of 2024, US Series A-1 (2025) Federally Tax-Exempt
General Obligation Bonds, Election of 2024, US Series A-2 (2025) Federally Taxable
General Obligation Bonds, Election of 2024, US Series B (2025) Federally Taxable
2025 General Obligation Refunding Bonds, Series A
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Combined Annual Debt Schedule

Year Ending July 1	Series A Bonds Principal(1)	Series A Bonds Interest(1)	Series B Bonds Principal	Series B Bonds Interest	Refunding Bonds Principal	Refunding Bonds Interest	Total Debt Service
2025	$29,645,000	$ 179,134.85	$ -	$ -	$ -	$ -	$ 29,824,134.85
2026	-	24,410,866.67	75,515,000	11,979,659.62	-	14,072,883.33	125,978,409.62
2027	-	21,539,000.00	80,270,000	7,223,463.10	29,235,000	12,417,250.00	150,684,713.10
2028	11,190,000	21,539,000.00	83,790,000	3,706,031.70	8,590,000	10,955,500.00	139,770,531.70
2029	11,745,000	20,979,500.00	-	-	28,125,000	10,526,000.00	71,375,500.00
2030	12,335,000	20,392,250.00	-	-	9,360,000	9,119,750.00	51,207,000.00
2031	12,950,000	19,775,500.00	-	-	-	8,651,750.00	41,377,250.00
2032	13,600,000	19,128,000.00	-	-	-	8,651,750.00	41,379,750.00
2033	14,280,000	18,448,000.00	-	-	29,440,000	8,651,750.00	70,819,750.00
2034	14,990,000	17,734,000.00	-	-	30,915,000	7,179,750.00	70,818,750.00
2035	15,740,000	16,984,500.00	-	-	32,460,000	5,634,000.00	70,818,500.00
2036	16,530,000	16,197,500.00	-	-	-	4,011,000.00	36,738,500.00
2037	17,355,000	15,371,000.00	-	-	17,595,000	4,011,000.00	54,332,000.00
2038	18,225,000	14,503,250.00	-	-	19,180,000	3,131,250.00	55,039,500.00
2039	19,135,000	13,592,000.00	-	-	20,850,000	2,172,250.00	55,749,250.00
2040	20,090,000	12,635,250.00	-	-	22,595,000	1,129,750.00	56,450,000.00
2041	21,095,000	11,630,750.00	-	-	-	-	32,725,750.00
2042	22,150,000	10,576,000.00	-	-	-	-	32,726,000.00
2043	23,260,000	9,468,500.00	-	-	-	-	32,728,500.00
2044	24,420,000	8,305,500.00	-	-	-	-	32,725,500.00
2045	25,640,000	7,084,500.00	-	-	-	-	32,724,500.00
2046	26,925,000	5,802,500.00	-	-	-	-	32,727,500.00
2047	28,270,000	4,456,250.00	-	-	-	-	32,726,250.00
2048	29,685,000	3,042,750.00	-	-	-	-	32,727,750.00
2049	31,170,000	1,558,500.00	-	-	-	-	32,728,500.00
Total	$460,425,000	$335,334,001.52	$239,575,000	$22,909,154.42	$248,345,000	$110,315,633.33	$1,416,903,789.27

(1) Series A-1 Bonds and Series A-2 Bonds combined.
Source: Los Angeles Unified School District.

Aggregate Fiscal Year Debt Service

The following Table 11 sets forth the semi-annual debt service obligations in each fiscal year for all of the District's outstanding general obligation bonds, including the Bonds. For more information on the District's outstanding general obligation bonds, see APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — DISTRICT FINANCIAL INFORMATION — District Debt."

TABLE 11
LOS ANGELES UNIFIED SCHOOL DISTRICT
General Obligation Bonds, Semi-Annual Debt Service Schedule

		The Bonds[1]			
Semi-annual Period through	**Outstanding General Obligation Bonds[2]**	**Principal**	**Interest**	**Semi Annual Debt Service**	**Total**
July 1, 2025	$1,156,047,100	$29,645,000	179,134.85	$ 29,824,134.85	$1,185,871,235
January 1, 2026	232,158,214	-	28,200,140.67	28,200,140.67	260,358,355
July 1, 2026	942,125,834	75,515,000	22,263,268.95	97,778,268.95	1,039,904,103
January 1, 2027	214,182,750	-	20,589,856.55	20,589,856.55	234,772,607
July 1, 2027	852,968,490	109,505,000	20,589,856.55	130,094,856.55	983,063,347
January 1, 2028	198,435,839	-	18,100,265.85	18,100,265.85	216,536,105
July 1, 2028	766,701,687	103,570,000	18,100,265.85	121,670,265.85	888,371,953
January 1, 2029	176,168,312	-	15,752,750.00	15,752,750.00	191,921,062
July 1, 2029	759,183,312	39,870,000	15,752,750.00	55,622,750.00	814,806,062
January 1, 2030	162,789,038	-	14,756,000.00	14,756,000.00	177,545,038
July 1, 2030	802,774,038	21,695,000	14,756,000.00	36,451,000.00	839,225,038
January 1, 2031	146,789,413	-	14,213,625.00	14,213,625.00	161,003,038
July 1, 2031	846,579,413	12,950,000	14,213,625.00	27,163,625.00	873,743,038
January 1, 2032	130,383,163	-	13,889,875.00	13,889,875.00	144,273,038
July 1, 2032	858,278,163	13,600,000	13,889,875.00	27,489,875.00	885,768,038
January 1, 2033	113,084,713	-	13,549,875.00	13,549,875.00	126,634,588
July 1, 2033	843,254,713	43,720,000	13,549,875.00	57,269,875.00	900,524,588
January 1, 2034	122,610,838	-	12,456,875.00	12,456,875.00	135,067,713
July 1, 2034	801,186,113	45,905,000	12,456,875.00	58,361,875.00	859,547,988
January 1, 2035	77,228,613	-	11,309,250.00	11,309,250.00	88,537,863
July 1, 2035	299,828,613	48,200,000	11,309,250.00	59,509,250.00	359,337,863
January 1, 2036	72,001,988	-	10,104,250.00	10,104,250.00	82,106,238
July 1, 2036	341,201,988	16,530,000	10,104,250.00	26,634,250.00	367,836,238
January 1, 2037	66,024,275	-	9,691,000.00	9,691,000.00	75,715,275
July 1, 2037	328,519,275	34,950,000	9,691,000.00	44,641,000.00	373,160,275
January 1, 2038	60,056,100	-	8,817,250.00	8,817,250.00	68,873,350
July 1, 2038	333,731,100	37,405,000	8,817,250.00	46,222,250.00	379,953,350
January 1, 2039	53,909,681	-	7,882,125.00	7,882,125.00	61,791,806
July 1, 2039	339,134,681	39,985,000	7,882,125.00	47,867,125.00	387,001,806
January 1, 2040	47,324,019	-	6,882,500.00	6,882,500.00	54,206,519
July 1, 2040	344,979,019	42,685,000	6,882,500.00	49,567,500.00	394,546,519
January 1, 2041	40,399,013	-	5,815,375.00	5,815,375.00	46,214,388
July 1, 2041	332,394,013	21,095,000	5,815,375.00	26,910,375.00	359,304,388
January 1, 2042	33,584,881	-	5,288,000.00	5,288,000.00	38,872,881
July 1, 2042	339,209,881	22,150,000	5,288,000.00	27,438,000.00	366,647,881
January 1, 2043	26,487,713	-	4,734,250.00	4,734,250.00	31,221,963
July 1, 2043	258,687,713	23,260,000	4,734,250.00	27,994,250.00	286,681,963
January 1, 2044	21,356,950	-	4,152,750.00	4,152,750.00	25,509,700
July 1, 2044	263,836,950	24,420,000	4,152,750.00	28,572,750.00	292,409,700
January 1, 2045	15,938,588	-	3,542,250.00	3,542,250.00	19,480,838
July 1, 2045	269,253,588	25,640,000	3,542,250.00	29,182,250.00	298,435,838
January 1, 2046	10,824,209	-	2,901,250.00	2,901,250.00	13,725,459
July 1, 2046	160,709,209	26,925,000	2,901,250.00	29,826,250.00	190,535,459
January 1, 2047	7,276,613	-	2,228,125.00	2,228,125.00	9,504,738
July 1, 2047	136,411,613	28,270,000	2,228,125.00	30,498,125.00	166,909,738
January 1, 2048	4,039,069	-	1,521,375.00	1,521,375.00	5,560,444
July 1, 2048	113,254,069	29,685,000	1,521,375.00	31,206,375.00	144,460,444
January 1, 2049	1,332,050	-	779,250.00	779,250.00	2,111,300
July 1, 2049	58,472,050	31,170,000	779,250.00	31,949,250.00	90,421,300
Total[3]	$14,583,108,667	$948,345,000	$468,558,789.27	$1,416,903,789.27	$16,000,012,456

(1) The Bonds have principal maturing on July 1 in each of the years and in the amounts set forth on the inside front cover page hereof.
(2) Excludes the Prior Bonds to be refunded; Includes set-aside payments for Qualified School Construction Bonds. Excludes federal subsidies related to Qualified School Construction Bonds. See APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — DISTRICT FINANCIAL INFORMATION — District Debt — *Limitations on the Receipt of Federal Funds*."
(3) Totals may not equal the sum of the components due to rounding.
Source: Los Angeles Unified School District.

The District's General Obligation Bond Program and Bonding Capacity

Voters within the District have approved a total of $36.605 billion of general obligation bonds in seven separate bond elections since 1997. See "INTRODUCTION — The District's General Obligation Bond Program." See also APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — DISTRICT FINANCIAL INFORMATION — District Debt" for additional information regarding the District's outstanding general obligation bonds. Pursuant to Section 15106 of the Education Code, the District's bonding capacity for general obligation bonds may not exceed 2.5% of taxable property value in the District as shown by the last equalized assessment of the County. The taxable property valuation in the District for fiscal year 2024-25 is $972.87 billion, which results in a total current bonding capacity of approximately $24.32 billion. The District's available capacity for the issuance of new general obligation bonds is approximately $13.26 billion (taking into account current outstanding debt before the issuance of the Bonds). The issuance of additional series of general obligation bonds, other than general obligation refunding bonds, in future fiscal years will depend upon, among other things, the assessed valuation of property within the District's boundaries, as determined by the District's analysis of information from, among other sources, the Office of the County Assessor. See "— California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes" above and APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — DISTRICT FINANCIAL INFORMATION — Future Financings — *General Obligation Bonds*."

Overlapping Debt Obligations

Set forth in Table 12 on the following page is the report prepared by California Municipal Statistics Inc., which provides information with respect to direct and overlapping debt within the District as of January 1, 2025 (the "Overlapping Debt Report"). The Overlapping Debt Report is included for general information purposes only. The District has not reviewed the Overlapping Debt Report for completeness or accuracy and makes no representations in connection therewith. The Overlapping Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The first column in Table 12 names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in Table 12) produces the amount shown in column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

TABLE 12
LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Direct and Overlapping Bonded Debt
As of January 1, 2025

2024-25 Assessed Valuation: $972,869,117,538

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 1/1/25
Metropolitan Water District	23.740%	$ 4,323,054
Los Angeles Community College District	81.856	4,026,910,013
Pasadena Area Community College District	0.001	1,494
Los Angeles Unified School District	**100.000**	**11,062,275,000**(1)
City of Los Angeles	99.945	1,024,201,379
Other Cities	Various	17,085,557
City Community Facilities Districts	100.000	58,875,000
Other City and Special District 1915 Act Bonds	0.006 -100.	17,808,327
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$16,211,479,824
Less: **Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series J (2010) Qualified School Construction Bonds: Election of 2005, Series H (2009) Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Asides for Repayment**		**461,235,000**(2)
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$15,750,244,824
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Los Angeles County General Fund Obligations	46.285%	$ 1,465,054,146
Los Angeles County Superintendent of Schools Certificates of Participation	46.285	1,079,262
Pasadena Area Community College District Certificates of Participation	0.001	285
Los Angeles Unified School District Certificates of Participation	**100.000**	**443,040,000**
City of Los Angeles General Fund Obligations	99.945	1,229,652,506
Other City General Fund and Pension Obligation Bonds	Various	546,272,264
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$ 3,685,098,463
Less: City supported obligations		183,684
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$ 3,684,914,779
OVERLAPPING TAX INCREMENT DEBT:		
City of Los Angeles Redevelopment Agency (Successor Agency)	100.000%	$ 221,675,000
Other Redevelopment Agencies (Successor Agency)	Various	165,252,012
TOTAL OVERLAPPING TAX INCREMENT DEBT		$ 386,927,012
GROSS COMBINED TOTAL DEBT		$20,283,505,299(3)
NET COMBINED TOTAL DEBT		$19,822,086,615

(1) Excludes general obligation bonds to be sold.
(2) Set aside amount as of 1/1/25.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2024-25 Assessed Valuation:
Direct Debt ($11,062,275,000).. 1.14%
Net Direct Debt ($10,601,040,000).. 1.09%
Total Gross Overlapping Tax and Assessment Debt... 1.67%
Total Net Overlapping Tax and Assessment Debt... 1.62%
Gross Combined Direct Debt ($11,505,315,000)... 1.18%
Net Combined Direct Debt ($11,044,080,000).. 1.14%
Gross Combined Total Debt.. 2.08%
Net Combined Total Debt 2.04%

Ratios to Redevelopment Incremental Valuation ($97,515,837,183)
Total Overlapping Tax Increment Debt... 0.40%

Source: California Municipal Statistics, Inc.

TAX MATTERS

Tax-Exempt Bonds

In the opinion of Best Best & Krieger LLP, Riverside, California, subject, however, to certain qualifications described in this Official Statement, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements, the interest on the Series A-1 Bonds and Refunding Bonds is excluded from gross income for federal income tax purposes, and interest on the Series A-1 Bonds and Refunding Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series A-1 Bonds and Refunding Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended ("Tax Code") that must be satisfied subsequent to the issuance of the Series A-1 Bonds and the Refunding Bonds. The District has made certain representations and covenanted to comply with each such requirement. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events, or matters.

If the initial offering price to the public (excluding bond houses and brokers) at which a Series A-1 Bond or Refunding Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Series A-1 Bond and Refunding Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturities of the Series A-1 Bonds and Refunding Bonds on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Series A-1 Bonds and Refunding Bonds to determine taxable gain upon disposition (including sale, prepayment, or payment on maturity) of such Series A-1 Bond and Refunding Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series A-1 Bonds and Refunding Bonds who purchase the Series A-1 Bonds and Refunding Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series A-1 Bonds and Refunding Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series A-1 Bonds and Refunding Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Series A-1 Bonds and Refunding Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Series A-1 Bonds and Refunding Bonds (said term being the shorter of the bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Series A-1 Bonds and Refunding Bonds for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Series A-1 Bond and Refunding Bond is amortized each year over the term to maturity of the Series A-1 Bond and Refunding Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Series A-1 Bond and Refunding Bond premium is not deductible for federal income tax purposes. Owners of premium Series A-1 Bonds and Refunding Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Series A-1 Bonds and Refunding Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest with respect to the Series A-1 Bonds and Refunding Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Series A-1 Bonds and Refunding Bonds. Prospective purchasers of the Series A-1 Bonds and Refunding Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The Internal Revenue Service ("IRS") has initiated an expanded program for auditing tax-exempt bond issues, including both random and targeted audits. It is possible that the Series A-1 Bonds or the Refunding Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit (or by an audit of similar bonds)

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Tax Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Tax Code.

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

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Possible Limitations on Remedies; Bankruptcy

General. State law contains certain safeguards to protect the financial solvency of school districts. See APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — STATE FUNDING OF SCHOOL DISTRICTS." If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent of Public Instruction (the "State Superintendent"), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing a petition under Chapter 9 of the Bankruptcy Code. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, then the "automatic stay" provisions of the Bankruptcy Code would prohibit the parties from taking any action to collect any amount from the District or the County (including *ad valorem* property tax revenues) or to enforce any obligation of the District or the County, without the bankruptcy court's permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, in such a proceeding, as part of such a plan, the District may be able to eliminate the obligation of the County to raise taxes if necessary to pay the Bonds.

As stated above, if a school district were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. For purposes of Chapter 9, a school district is a municipality. State law provides that the *ad valorem* property taxes levied to pay the principal and interest on the Bonds shall be used for the payment of principal and interest of the District's general obligation bonds and for no other purpose. If this restriction on the expenditure of such *ad valorem* property taxes is respected in a bankruptcy case, then the *ad valorem* property tax revenue could not be used by the District for any purpose other than to make payments on the Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to the California Government Code, all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax and the lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the bonds are executed and delivered. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS — Statutory Lien on Taxes (Senate Bill 222)." Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such tax collections without permission of the bankruptcy court, and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed.

Special Revenues. If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds (see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS — Pledge of Tax Revenues") are determined to be "special revenues" within the meaning of the Bankruptcy Code, then, subject to the following discussion, the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the general obligation bonds and the bond proceeds can only be used to fund projects involving the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, included in the proposition. There is no binding judicial precedent, however, dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payment of bonds in California, and no assurance can be given that a bankruptcy court will hold that the *ad valorem* property tax revenues are special revenues within the meaning of the Bankruptcy Code.

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in cases arising out of the insolvency proceedings of Puerto Rico, has held that this provision permits voluntary payments of debt service by the issuer of bonds backed by special revenues, but does not permit the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the Bonds may be prohibited from taking any action to require the District or the County to make payments on the Bonds, unless the bankruptcy court's permission is obtained. This could result in substantial delays in payments on the Bonds.

In addition, even if the *ad valorem* property tax revenues are determined to be "special revenues," the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could permit the District to use the *ad valorem* property tax revenues to pay necessary operating expenses of the District and its schools, before the remaining revenues are paid to the owners of the Bonds.

There continues to be litigation in the insolvency proceedings of Puerto Rico regarding the treatment of revenue bonds. The outcome of such litigation could affect the treatment of the Bonds should the District go into bankruptcy.

Possession of Tax Revenues; Remedies. If the District goes into bankruptcy and the District or the County has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the District or the County, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. A similar risk would exist if the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy). The United States Court of Appeals for the First Circuit, in another case arising out of the insolvency proceedings of Puerto Rico, has held that the Bankruptcy Code prohibits the bankruptcy court from requiring a governmental debtor to apply revenues in accordance with applicable non-bankruptcy law. In yet another case arising out of the insolvency proceedings of Puerto Rico, the United States Court of Appeals for the First Circuit has held that creditors cannot bring suit in a non-bankruptcy court to compel the governmental debtor to comply with non-bankruptcy law without first obtaining the permission of the bankruptcy court, and that the bankruptcy court has discretion as to whether to provide permission.

Effects of Bankruptcy. There may be delays in payments on the Bonds while the court considers any of these issues. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds, or other losses on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the existence of a District bankruptcy proceeding could have an adverse effect on the liquidity, value, and market price of the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights. The proposed form of opinion of Bond Counsel, included as Appendix D, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.

Amounts Held in County Treasury Pool

The County, on behalf of the District, is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's Treasury Pool, as described in Appendix F — "THE LOS ANGELES COUNTY TREASURY POOL." Should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Legality for Investment in the State

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

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") for each fiscal year by not later than 240 days following the end of the District's fiscal year (currently ending June 30), commencing with the Annual Report for fiscal year 2024-25, and to provide notices of the occurrence of certain specified events (collectively, the "Listed Events"). The information to be contained in the Annual Report and in a notice of a Listed Event is set forth in APPENDIX E — "FORM OF CONTINUING DISCLOSURE CERTIFICATE." The District will provide or cause to be provided the Annual Report and such notices to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system in the manner prescribed by the Securities and Exchange Commission ("SEC"). Copies of the District's annual reports and notices of Listed Event filings are available at the website of Digital Assurance Certification, L.L.C. ("DAC"), www.dacbond.com, and at the website of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system, emma.msrb.org. The information presented on these websites is not incorporated by reference in this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds. These covenants have been made in order to assist the Underwriters (defined herein) in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

Due to the impact of COVID-19 on California school district operations during fiscal year 2019-20, California Senate Bill 98 extended the deadline for school districts to file their audited financial statements for fiscal year 2019-20 with the State to March 31, 2021. As a result, at the time of filing the District's Annual Report for fiscal year 2019-20, the District's audited financial statements for fiscal year 2019-20 were not yet available. The District's audited financial statements for fiscal year 2019-20 were subsequently filed to EMMA on March 30, 2021. Additionally, within the past five years, certain of the District's annual report and Listed Events filings required in connection with its prior continuing disclosure undertakings were not properly linked to all CUSIP numbers for the District's outstanding bonds.

Certain Legal Matters

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Best Best & Krieger LLP, Riverside, California, Bond Counsel to the District, and certain other conditions. A complete copy of the proposed form of opinion of Bond Counsel with respect to the Bonds is contained in Appendix D. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will also be passed upon for the District by its General Counsel and by the District's Disclosure Counsel, Best Best & Krieger LLP, Riverside, California ("Disclosure Counsel"), and for the Underwriters by their counsel, Nixon Peabody LLP, San Francisco, California ("Underwriters' Counsel").

Each of Bond Counsel, Disclosure Counsel, and Underwriters' Counsel will receive compensation contingent upon the sale and delivery of the Bonds. From time to time, Bond Counsel and Disclosure Counsel each may represent one or more of the Underwriters in matters unrelated to the District or the Bonds.

FINANCIAL STATEMENTS

The District's Audited Annual Financial Report for fiscal year ended June 30, 2024, including its general purpose financial statements for the fiscal year ended June 30, 2024, is included as Appendix B. The basic financial statements of the District for the fiscal year 2023-24 have been audited by Simpson & Simpson, independent certified public accountants, as stated in their report appearing in Appendix B. The District has not requested nor has the District obtained the consent of Simpson & Simpson to the inclusion of its report in Appendix B. Simpson & Simpson has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Simpson & Simpson has not been requested to perform and has not performed any procedures relating to the Official Statement.

LITIGATION

There is no litigation pending against the District or, to the knowledge of its respective executive officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or the Authorizations or any proceedings of the District taken with respect to the issuance or sale thereof, or the levy or application of *ad valorem* property taxes for the payment of principal of and interest on the Bonds or the use of the proceeds of the Bonds. There are no pending lawsuits that, in the opinion of the District's General Counsel, challenge the validity of the Bonds, the existence of the District, or the title of the executive officers to their respective offices. There are a number of lawsuits and claims pending against the District. See APPENDIX A — "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION — DISTRICT FINANCIAL INFORMATION — Risk Management and Litigation." In the opinion of the District, the outcome of the presently pending suits and claims will not materially impair the District's repayment of the Bonds.

MISCELLANEOUS

Ratings

Fitch Ratings, Inc. ("Fitch"), Kroll Bond Rating Agency, LLC ("KBRA"), and Moody's Investors Service Inc. ("Moody's") have assigned their municipal bond ratings of "AAA," "AAA" and "Aa2," respectively, to the Bonds, which may include information that has not been included in this Official Statement. The District has furnished to each rating agency certain materials and information with respect to itself and the Bonds. Generally, rating agencies base their ratings on such information and materials and on their own investigations, studies and assumptions. Each rating reflects only the view of the respective rating agency, and any explanation of the significance of such rating may be obtained only from the issuing rating agency furnishing the same, at the following addresses: Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004, telephone: (212) 908-0800, Kroll Bond Rating Agency, LLC, 805 Third Avenue, 29th floor, New York, New York 10022, telephone: (212) 702-0707, and Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone: (212) 533-0300. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

Municipal Advisor

The District has retained KNN Public Finance, LLC as Municipal Advisor (the "Municipal Advisor") in connection with the issuance of the Bonds and certain other financial matters. The Municipal Advisor has not been engaged, nor has it undertaken, to audit, authenticate or otherwise verify the information set forth in this Official Statement, or any other related information available to the District, with respect to accuracy and completeness of disclosure of such information. The Municipal Advisor has reviewed this Official Statement but makes no guaranty, warranty or other representation respecting accuracy and completeness of the information contained in this Official Statement. The Municipal Advisor will receive compensation from the District contingent upon the sale and delivery of the Bonds.

Underwriting

The New Money Bonds are being purchased by Raymond James & Associates, Inc. and RBC Capital Markets, LLC, on behalf of a syndicate that also includes the other underwriters set forth on the cover hereof (collectively, the "Underwriters"). The Underwriters have agreed to purchase (i) the Series A-1 Bonds at the purchase price of $459,522,107.35 (which amount is equal to the aggregate principal amount of the Series A-1 Bonds, plus original issue premium of $29,826,367.20, less an Underwriters' discount of $1,084,259.85), (ii) the Series A-2 Bonds at the purchase price of $29,624,785.00 (which amount is equal to the aggregate principal amount of the Series A-2 Bonds, less an Underwriters' discount of $20,215.00), and (iii) the Series B Bonds at the purchase price of $239,172,058.27 (which amount is equal to the aggregate principal amount of the Series B Bonds, less an Underwriters' discount of $402,941.73), all pursuant to that certain Bond Purchase Agreement, dated April 23, 2025 (the "New Money Bonds Purchase Agreement"), by and among the Underwriters, the County and the District, relating to the New Money Bonds. Pursuant to the New Money Purchase Agreement, the Underwriters will purchase all of the New Money Bonds if any are purchased.

The Refunding Bonds are being purchased by Raymond James & Associates, Inc. and RBC Capital Markets, LLC, on behalf of a syndicate that also includes the other underwriters set forth on the cover hereof (collectively, the "Underwriters"). The Underwriters have agreed to purchase the Refunding Bonds at the purchase price of $270,074,877.09 (which amount is equal to the aggregate principal amount of the Refunding Bonds, plus original issue premium of $22,274,196.60, less an Underwriters' discount of $544,319.51), pursuant to that certain Bond Purchase Agreement, dated April 23, 2025 (the "Refunding Purchase Agreement"), by and among the Underwriters, the County and the District, relating to the Refunding Bonds. Pursuant to the Refunding Purchase Agreement, the Underwriters will purchase all of the Refunding Bonds if any are purchased.

The Underwriters may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement. The public offering prices may be changed from time to time by the Underwriters.

The Underwriters have provided the following paragraphs for inclusion in the section "MISCELLANEOUS — Underwriting." No representation is made by the District as to the accuracy, completeness or adequacy of such information.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the District and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RBC Capital Markets, LLC ("RBCCM"), an underwriter of the Bonds, has entered into a distribution arrangement with its affiliate City National Securities, Inc. ("CNS"). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, RBCCM may compensate CNS for its selling efforts with respect to the Bonds.

(Remainder of page intentionally blank)

Additional Information

The purpose of this Official Statement is to provide information to prospective buyers of the Bonds. Quotations from and summaries of the Bonds, the Resolutions, and the constitutional provisions, statutes and other documents described herein do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not a contract or agreement between the District and the purchasers or owners of any of the Bonds.

Execution and Delivery

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: /s/ Christopher D. Mount-Benites
Chief Financial Officer

APPENDIX A

DISTRICT FINANCIAL INFORMATION AND
REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

This Appendix A provides information concerning the operations and finances of the Los Angeles Unified School District (the "District") and certain demographic information in the area covered by the District. The Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District and are not an obligation of the County (defined herein) or of the general fund of the District. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the forepart of this Official Statement. See also "GLOSSARY OF CERTAIN TERMS AND ABBREVIATIONS" herein for a description of certain terms and abbreviations used in this Appendix A.

DISTRICT GENERAL INFORMATION

District Boundaries

The District, encompassing approximately 710 square miles, is located in the western section of the County of Los Angeles (the "County") in the State of California (the "State"). The District's boundaries include virtually all of the City of Los Angeles (the "City"), all of the Cities of Cudahy, Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Calabasas, Carson, Commerce, Culver City, Downey, Hawthorne, Inglewood, Long Beach, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Rolling Hills Estates, Santa Clarita, Santa Monica, South Gate, and Torrance. In addition, the District provides services to several unincorporated areas of the County, which include residential and industrial areas. The boundaries for the District are approximately 80% coterminous with the City, with the remaining 20% included in the smaller neighboring cities and unincorporated County areas described above. The District was formed in 1854 as the Common Schools for the City and became a unified school district in 1960.

District Governance; Senior Management

District Board. The District is governed by a seven-member Board of Education (the "District Board"), each member of which is a voting member and elected by voters within such member's designed district. The members of the District Board are elected to four-year terms in alternate slates of three and four, with elections held every two years. In an election year, if a candidate receives a majority of the votes cast for a District Board seat in the primary election, that candidate is elected to the office. In the event no candidate receives a majority of the votes cast for a District Board seat, there is a runoff election at the general election between the two candidates receiving the highest number of votes for the seat in the primary election. The current members of the District Board along with their district and term are set forth below.

District	Member	Term Ending
3	Scott Schmerelson, President	December 10, 2028
2	Dr. Rocio Rivas, Vice President	December 13, 2026
1	Sherlett Hendy Newbill	December 10, 2028
4	Nick Melvoin	December 13, 2026
5	Karla Griego	December 10, 2028
6	Kelly Gonez	December 13, 2026
7	Tanya Ortiz Franklin	December 10, 2028

Superintendent. The chief executive officer of the District, appointed by the District Board to manage the day-to-day operations of the District, is the Superintendent of Schools (the "Superintendent"). The District Board appointed Alberto M. Carvalho to serve as the Superintendent effective February 2022.

Strategic Plan. On June 21, 2022, the District Board unanimously adopted a strategic plan outlining the student outcomes expected by 2026 (the "2022-26 Strategic Plan") that focuses on the goal of ensuring that all District students graduate "ready for the world" and prepared to thrive in college, career, and life.

The 2022-26 Strategic Plan revolves around four goals, postsecondary preparedness, literacy, numeracy, and social-emotional wellness, and five pillars, each consisting of priorities that represent critical areas the District will focus on: academic excellence; joy and wellness; engagement and collaboration; operational effectiveness; and investing in staff.

Pursuant to the 2022-26 Strategic Plan, the first pillar of "Academic Excellence" prioritizes improving student outcomes through high-quality instruction, delivering enriching experiences to instill lifelong learning, eliminating opportunity gaps, and encouraging multiple paths for college and career readiness. The second pillar of "Joy and Wellness" prioritizes creating welcoming and inclusive learning environments, addressing student well-being through health, nutrition, and wellness services, cultivating strong social-emotional skills, and ensuring outstanding attendance to achieve consistent learning. The third pillar of "Engagement and Collaboration" prioritizes strengthening relationships between students, families, and schools, providing accessible information to the community, leading on local, state, and national levels, and honoring the perspectives of students. The fourth pillar of "Operational Effectiveness" prioritizes developing data-driven decision-making, modernizing facilities and technological infrastructure, sustainably implementing school and District budgets, and making the District a district of choice of families. The fifth pillar of "Investing in Staff" prioritizes recruiting and retaining a diverse workforce, providing rigorous and relevant professional learning, cultivating staff wellness, and maintaining consistent and high performance standards.

The District developed an Implementation Guide for the 2022-26 Strategic Plan with actions and practices for practitioners to implement in schools and classrooms. Pursuant to the 2022-26 Strategic Plan, the District intends to, among other endeavors, ensure processes and systems are in alignment by reviewing budgets, updating reporting structures, offering professional development for school and central office staff, and providing additional support for aligning school-level plans to the 2022-26 Strategic Plan. Furthermore, to ensure the 2022-26 Strategic Plan remains on track, the District is regularly engaging with the community to solicit feedback on its actions and expenditures, and has established districtwide systems to monitor progress of ongoing implementation, as well as progress toward achieving its targets for success – at both the central-office and school-site levels. The District has released a Year One Report (2022-23) and Year Two Report (2023-24) regarding the District's progress on implementation of the 2022-26 Strategic Plan.

Regions. In addition to the Superintendent of the District, the District organizes its schools into four (formerly six) geographically-based regions (each, a "Region"). Each Region has a separate superintendent to oversee the schools in the related area of the District. The current Region Superintendents are Dr. David Baca (North), Andre Spicer (South), José P. Huerta (East), and Dr. Denise Collier (West).

Biographies. Brief biographical information for Superintendent Alberto M. Carvalho and other senior management of the District is set forth below.

Alberto M. Carvalho, Superintendent. Alberto M. Carvalho has served as Superintendent of the District, the nation's second-largest school district, since February 2022. He was selected by the District Board in a unanimous vote following a comprehensive community engagement process and a nationwide search.

Since starting at the District, Superintendent Carvalho has led the development and implementation of the District's unanimously approved 2022-2026 Ready for the World Strategic Plan. Numerous initiatives and ideas have enhanced the plan, including the launch of the STEAM Lab Makerspaces, Education Transformation Office, Cultural Arts Passport, and Family Academy. Through Superintendent Carvalho's leadership, the District has also established nine new education compacts between the District and local municipalities, made significant progress in greening schools, and secured upgraded credit ratings, generating millions in savings.

During his 14-year tenure as Superintendent of Miami-Dade County Public Schools ("M-DCPS"), Superintendent Carvalho garnered local, state, national and international recognition. His honors include being named Florida's 2014 Superintendent of the Year; the 2014 National Superintendent of the Year; the 2016 Magnet Schools of America Superintendent of the Year, the 2016 winner of the Harold W. McGraw Prize in Education; the 2018 National Urban Superintendent of the Year; and the 2019 National Association for Bilingual Education (NABE) Superintendent of the Year.

Under his leadership, M-DCPS became one of the nation's highest-performing urban school systems, receiving systemwide accreditation from AdvancEd in 2014 and 2019. M-DCPS was named as the 2014 College Board Advanced Placement Equity and Excellence District of the Year and the 2012 winner of the Broad Prize for Urban Education. Superintendent Carvalho is now seeking to elevate the District to the premier spot in American urban education.

Superintendent Carvalho was appointed by the U.S. Secretary of Education to serve on the National Assessment Governing Board. He has served as a committee member for the National Academies of Science, Engineering, and Medicine and is currently serving as an Advisory Committee Member to the Harvard Program on Education Policy and Governance. Superintendent Carvalho is also a dedicated member the Homeland Security Academic Partnership Council, the National Board of Directors for Common Threads, the Posse Foundation, the Aspen Institute's Planet Media Task Force, and Code.org. He is a member of the Leadership Table for the Los Angeles County Executive Committee on Homelessness and serves on the Board of Directors of The Music Center of Los Angeles.

Superintendent Carvalho has been awarded many honorary degrees. He has been honored by the President of Portugal with the "Ordem de Mérito Civil" and by Mexico with the "Ohtli Award." He was also knighted by King Felipe VI of Spain with the Cross of the Orden de Isabel la Católica.

Jaime G. Torrens, Senior Advisor to the Superintendent. Mr. Torrens, Senior Advisor to the Superintendent of the District, is responsible for assisting and supporting the Superintendent in the overall operation of the District, the largest self-governing public school district in the nation. Mr. Torrens also oversees the district's eco-sustainability, compliance and audits, and environmental health and safety functions. Mr. Torrens previously served as Deputy Superintendent and Chief of Staff for Miami-Dade County Public Schools ("M-DCPS") where he oversaw a broad portfolio of functional areas. Among other duties, he led the M-DCPS' response and recovery related to COVID-19 (as defined herein).

As Chief Facilities Officer for over 12 years, he was responsible for all aspects of facilities planning, construction, maintenance, operations and inspections at the fourth largest school system in the nation. As a member of the Superintendent's Cabinet, he directed a staff of 1,000 professional and technical personnel responsible for all aspects of 3,100 buildings comprising 45 million square feet on over 400 school campuses and ancillary facilities.

Mr. Torrens also led the implementation of M-DCPS' $1.2 billion general obligation bond program approved by voters in 2012 to renovate, construct, and modernize school facilities throughout Miami-Dade County. This extensive capital improvement program included instructional technology upgrades at every school to provide equity throughout all campuses. Concurrently, he helped launch a comprehensive business development program which drastically expanded participation of small, minority and women-owned businesses that had been historically underrepresented in the construction industry.

Mr. Torrens served M-DCPS in various positions of increasing responsibility related to facilities management and district/emergency operations. He led M-DCPS' infusion of sustainability principles into design criteria and specifications for capital projects, implemented the Guaranteed Energy Performance

Contracting Program, and opened the first Gold Certified comprehensive high school under the LEED for Schools Program.

Mr. Torrens holds a Master of Science in Management Information Systems and a Bachelor of Science in Electrical Engineering from Florida International University, and he is a LEED Accredited Professional.

Mr. Pedro Salcido, Deputy Superintendent Business Services and Operations. Pedro Salcido has been a dedicated member of the District since 2012, advancing through a variety of roles that reflect his deep commitment to both educational equity and operational excellence. Currently serving as the Deputy Superintendent of Business Services and Operations, Mr. Salcido oversees the essential divisions that keep the District running, including finance, food services, facilities, information technology, medical services, procurement, school operations, school police, and transportation. His strategic priorities include addressing the digital divide, advancing school bus electrification and systems modernization, improving school meals, modernizing wireless networks, leading school building renovations, and implementing strategic budgeting efforts.

Since his appointment in November 2022, Mr. Salcido has spearheaded multiple initiatives that are critical to the District's long-term goals. Notably, he has been instrumental in efforts to close the digital divide and modernize technological systems, ensuring that all students and staff have access to state-of-the-art tools for teaching, learning, and communication. His leadership also extends to the District's sustainability efforts, such as the transition to electric school buses, and his work on improving the quality of school meals, making them both healthier and more appealing to students.

Before becoming Deputy Superintendent of Business Services and Operations, Mr. Salcido served as the Chief of Staff, where he played a pivotal role in managing the District’s academic and non-academic operations. As the Superintendent’s principal liaison to the Board of Education, he facilitated the execution of policies and worked closely with Superintendent Carvalho on the development of both the 100-Day Plan and the Strategic Plan. His work continues to focus on aligning the District’s resources with its most urgent priorities, ensuring that every decision is made with a focus on equity and efficiency.

One of Mr. Salcido’s most significant contributions to the District has been his leadership in the development and implementation of the Student Equity Needs Index (SENI), a funding allocation model designed to address the District’s most pressing equity challenges. Today, SENI has grown to distribute nearly $700 million to the schools that need it most. This initiative is just one example of how Mr. Salcido has worked tirelessly to expand both equitable financial practices and programmatic efforts across the District.

Mr. Salcido’s experience also includes serving as Senior Executive Director of Finance and Policy and Director of Government Relations, where he led state, federal, and local advocacy efforts, managed labor negotiations, and oversaw the District’s financial operations and policy development. He played a key role in the establishment of the District’s Local Control and Accountability Plan, aligning budget practices with a system of accountability and community engagement that continues to guide the District’s efforts.

As a first-generation Mexican American, son of immigrants, and the first in his family to graduate from high school and college, Mr. Salcido brings a personal perspective to his leadership. He connects deeply with the educational journeys of the District’s diverse students and is committed to listening to the voices of staff, students, and families to ensure that their experiences inform the decisions that shape the District’s future.

Mr. Salcido holds a Master of Public Administration from the University of Southern California and holds dual degrees in Politics and Latin American Studies from the University of California, Santa Cruz.

Devora Navera Reed, General Counsel. Devora Navera Reed serves as the General Counsel for the District, the largest school district in California. She was appointed by the Board of Education in 2020. She has served as legal counsel in various roles since 2006. As the General Counsel for the District, Devora is responsible for administering and overseeing the legal activities of the District's legal staff of over 100 talented individuals and outside legal firms. In addition, she advises the Board of Education, Superintendent, and senior leadership on matters of major importance to the District. She is a critical member of the executive cabinet focused on accelerating student achievement and equity in the District. Prior to joining the District in 2006, Devora served as an attorney for the Children's Law Center of Los Angeles for nearly a decade, where she represented and advocated for children in dependency court and the foster care system. In addition to her legal responsibilities, Devora serves as a board member of the California Minority Counsel Program promoting diversity, equity and inclusion in the legal field. Devora earned a Bachelor of Arts from the University of Southern California in 1992 and a Juris Doctorate degree from the University of San Francisco School of Law in 1996.

Christopher D. Mount-Benites, Chief Financial Officer. Mr. Mount began serving as the District's Interim Chief Financial Officer in August of 2024, and now holds the position, and previously served as the District's Chief Procurement Officer. Prior to coming to the District, Mr. Mount served as a Superintendent for three years and as a Deputy Superintendent, Chief Business Official and Chief Financial Official of various schools in the San Francisco Bay Area and Sacramento for over a decade with a specialization in schools that were experiencing fiscal distress. Prior to working on the business side of education, Mr. Mount was a Director of Curriculum and Instruction and both a high school and elementary school Principal for six years in New York and Los Angeles. He also taught high school English and Social Studies for a decade and served as an Operations Executive for an Educational and Training Company in Los Angeles. Mr. Mount earned his Bachelor's Degree from the State University of New York at Oswego, his Master of Arts degree in European and Asian History from the State University of New York at Cortland, his Master of Arts degree in Educational and Public Administration from California State University at Dominguez Hills and his California Chief Business Official certification from the University of Southern California.

Nolberto Delgadillo, Deputy Chief Financial Officer – Finance. Mr. Delgadillo joined the District in July 2023, taking on the role to support the District's fiscal strategy. He came to the District from Portland Public Schools (Oregon) where he served as Chief Financial Officer. Prior to his time at Portland Public Schools he served in the same role for Tulsa Public Schools (Oklahoma). Mr. Delgadillo has a track record for being responsible for ensuring that school district funds are managed responsibly and reported accurately while leading the full spectrum of financial services. Before his time with Tulsa Public Schools, Mr. Delgadillo served as Chief Operations Officer in Los Angeles, at the LA Promise Fund. He also previously supported finance operations at Green Dot Public Schools (California). Mr. Delgadillo also spent over 12 years in the health care sector. He is a graduate of the University of Southern California earning degrees in Chemistry and Spanish and earning a Master of Business Administration from Loyola Marymount University. He also completed a two-year program through The Broad Center, earning a Master's in Educational Leadership.

Ernie Thomas, Controller. Mr. Thomas joined the District in January 2024 from a national non-profit organization focused on education where he served for a decade, first as Controller and eventually as Treasurer and Controller for the last six years. He previously served as Corporate Controller for a community sector organization for two years. Prior to that, he served as Vice President at National Community Renaissance for a year. Before that, Mr. Thomas served at an entertainment company for over a decade, where he first held the position of Controller for three years, and then Chief Financial Officer for the last nine years. Mr. Thomas was also an auditor at Arthur Andersen & Co. and is a Certified Public Accountant (inactive). Mr. Thomas graduated from the University of California, Los Angeles with a Bachelor of Arts degree in Economics.

Timothy S. Rosnick, Director of Capital Planning and Budgeting. Mr. Rosnick joined the District in October 2006 and served as the District's Director of Accounting Controls from October 2006 through June 2007 and the Director of Treasury and Accounting Controls from July 2007 through June 2008. Mr. Rosnick served as the District's Controller from June 2008 through June 2011 and served as the District's Deputy Controller from June 2011 through September 2023. Mr. Rosnick became Director of Capital Planning and Budgeting in September 2023. Prior to joining the District, Mr. Rosnick served as an Administrator at the Orange County Department of Education and as a Financial Officer with the Los Angeles County Office of Education. Mr. Rosnick graduated from the University of Washington with a Bachelor of Arts degree with Distinction in Economics and received a Master of Business Administration degree from the University of Texas at Austin. Mr. Rosnick is a member of the Government Finance Officers Association and the CFA Institute.

School Facilities

The District is the largest public school district in the State and the largest self-governing public school district in the United States. As reflected in the District's Audited Annual Financial Report for fiscal year 2023-24, the District operated 1,232 schools and centers in fiscal year 2023-24, which consisted of 435 elementary schools, 78 middle/junior high schools, 87 senior high schools, 59 options schools, 29 multi-level schools, 12 special education schools, 264 magnet centers, 67 magnet schools, 18 primary school centers, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, and 81 California State preschools. As reflected in the District's Audited Annual Financial Report for fiscal year 2023-24, 51 of the District's schools were operated as Affiliated Charter Schools in fiscal year 2023-24. In addition, as reflected in the District's Audited Annual Financial Report for fiscal year 2023-24, the District oversaw 221 Fiscally Independent Charter Schools within the District's boundaries in fiscal year 2023-24. See "STATE FUNDING OF SCHOOL DISTRICTS – Charter School Funding."

Enrollment and Average Daily Attendance

At the time of preparation of the District's second interim report for fiscal year 2024-25 (the "2024-25 Second Interim Report"), the transitional kindergarten ("TK") through 12th grade enrollment in the District for fiscal year 2024-25 was projected to be approximately 402,561 students, including those attending magnet, opportunity, and continuation schools and centers, locally funded affiliated charter schools ("Affiliated Charter Schools"), and schools for people with disabilities. Such enrollment represents a projected decrease of 892 students or a decrease of approximately (0.22)% from the budgeted TK-12 enrollment in the District at the time of preparation of the District's original adopted budget for fiscal year 2024-25 (the "Fiscal Year 2024-25 Budget"). Such enrollment does not include students attending charter schools located within the District's boundaries and receiving funding directly from the State ("Fiscally Independent Charter Schools"), that was budgeted at 108,520 students at the time of preparation of the Fiscal Year 2024-25 Budget. Based on enrollment projections at the time of preparation of the 2024-25 Second Interim Report, the District projected enrollment to decline by (1.99)% on average through fiscal year 2025-26. For more information regarding District enrollment and average daily attendance, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance." While the District expects enrollment to continue to decline, the District's projected enrollment declines are subject to change as conditions change and more data becomes available throughout the fiscal year. The District attributes declining enrollment to, among other things, the reduced birth rate in the County, increased costs of living and housing costs in southern California, declining immigration trends in the Los Angeles area, and residual impacts of the Coronavirus Disease 2019 ("COVID-19") pandemic. The District's Strategic Enrollment & Program Planning Office continues to lead coordination of District-wide enrollment efforts by utilizing data-driven decision-making to expand successful district programs, improve marketing and outreach to communities, implement student retention and matriculation strategies, and streamline TK-12 pathways and programs. Additionally, the recent 2025 wildfires could additionally impact enrollment. See "*2025 Wildfires*" in the front part of the Official Statement. See also APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Budget – LACOE's Responses to Fiscal Year 2024-25 Budget," for information regarding District declining enrollment.

As a result of declining enrollment in District schools, the District's annual average daily attendance ("ADA") has declined in recent years and is expected to further decline in fiscal years 2024-25 through 2026-27 based on projections contained in the 2024-25 Second Interim Report. To ensure funding stability regardless of instructional model in light of the COVID-19 pandemic, the State budget for fiscal year 2020-21 included a hold-harmless provision for the purpose of calculating apportionments in fiscal year 2020-21, and it provided that average daily attendance for fiscal year 2020-21 was based on fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020). Although the State budget for fiscal year 2021-22 did not include an extension of the ADA hold-harmless provision in fiscal year 2021-22, school districts with enrollment declines in fiscal year 2021-22, like the District, retained the ability to receive their apportionment based on the higher of their fiscal year 2019-20 or fiscal year 2021-22 ADA as provided under the Local Control Funding Formula (the "LCFF"). See "STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula." In light of pervasive declining enrollment throughout nearly all school districts in the State, the Governor's State budget for fiscal year 2022-23 revised the LCFF calculation beginning with fiscal year 2022-23 to consider the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' ADA to allow school districts more time to adjust to enrollment-related LCFF funding declines. For purposes of fiscal year 2021-22, if a school district could demonstrate it provided independent study offerings to students in fiscal year 2021-22, such school district could consider the greater of its fiscal year 2021-22 ADA or its fiscal year 2021-22 enrollment adjusted for pre-COVID-19 absence rates. Such adjustment was applicable to fiscal year 2021-22 for purposes of calculating a school district's prior year ADA or the average of three prior years' ADA in fiscal year 2022-23 and beyond in accordance with the amendments made in connection with the Governor's State budget for fiscal year 2022-23. The following Table A-1 sets forth the District's actual and funded ADA for fiscal years 2015-16 through 2024-25. As reflected in Table A-1, the District's funded ADA for fiscal years 2015-16 through 2021-22 was based largely on actual prior year ADA for the second period of attendance ("P-2") for traditional TK-12 students, but current year P-2 ADA for students attending Affiliated Charter Schools. For fiscal years 2022-23 through 2024-25, the District's funded ADA was based largely on the average of three prior fiscal years' P-2 ADA for traditional TK-12 students, as adjusted in accordance with the COVID-19 ADA relief measures, but current year P-2 ADA for students attending Affiliated Charter Schools. As is shown in Table A-1, the revised LCFF calculation allowing the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' ADA delays, but does not eliminate, the effects of enrollment declines on LCFF funding, such effects to eventually be felt as higher attendance levels from earlier years continue phasing out of the District's average.

TABLE A-1
LOS ANGELES UNIFIED SCHOOL DISTRICT
Average Daily Attendance
Fiscal Years 2015-16 through 2024-25[1]

	Actual ADA			Funded ADA
Fiscal Year	**TK-12**[2]	**Affiliated Charter Schools**[3]	**Total**	**Total**
2015-16	463,735	39,632	503,367	512,625[7]
2016-17	450,713	41,143	491,856	500,648[7]
2017-18	438,359	40,232	478,591	483,710[7]
2018-19	415,100	38,910	454,010	470,127[7]
2019-20[4]	413,965	40,940	454,905	454,792[7]
2020-21[5]	N/A	N/A	N/A	455,356[7]
2021-22	345,896	35,043	380,939	449,937[7]
2022-23	348,544	35,466	384,010	433,929[8]
2023-24	345,702	35,587	381,289	410,914[8]
2024-25[6]	336,961	35,302	372,263	386,478[8]

(1) Data may differ from other District disclosures because adjustments were made in certain fiscal years due to additional attendance for non-public students, corrected attendance reports for District students, and/or audit findings.
(2) Includes non-public school special education students and District students attending schools operated by the County.
(3) Includes charter schools that are fiscally-affiliated with the District.
(4) Condensed reporting period. Does not reflect actual student attendance after February 29, 2020 due to the COVID-19 pandemic.
(5) Attendance reporting not required for fiscal year 2020-21. The fiscal year 2020-21 State budget included a hold harmless provision for the purpose of calculating apportionments under LCFF in fiscal year 2020-21, providing that ADA for fiscal year 2020-21 was based on ADA for fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020), as discussed in more detail above.
(6) Funded ADA, as reflected in the 2024-25 Second Interim Report; Actual ADA is based on projections provided in the 2024-25 Second Interim Report.
(7) Funded ADA is based largely on actual prior year P-2 ADA for TK-12 and current year P-2 ADA for Affiliated Charter Schools. For more information, see the discussion of ADA funding in the paragraph immediately preceding this table.
(8) Funded ADA is based largely on the average of three prior fiscal years' P-2 ADA for TK-12, as adjusted in accordance with the COVID-19 ADA relief measures, and current year P-2 ADA for Affiliated Charter Schools. For more information, see the discussion of ADA funding in the paragraph immediately preceding this table.

Sources: Los Angeles Unified School District; the District's Audited Annual Financial Report for fiscal year 2021-22 (actual ADA for fiscal years 2012-13 through 2021-22); unaudited actuals reports for fiscal years 2012-13 through 2022-23 (funded ADA for fiscal years 2012-13 through 2022-23; actual ADA for fiscal year 2022-23); Fiscal year 2023-24 Audited Annual Financial Report; and 2024-25 Second Interim Report (funded ADA for fiscal year 2024-25).

Federal Funding

The federal government provides funding for several District programs. On January 20, 2025, President Trump issued a series of executive orders, which include ensuring that federal funds are used in a manner approved by the current administration. In response to and in an effort to carry out such orders, on January 27, 2025, the White House Office of Management and Budget ("OMB") released its Memorandum M-25-13, Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs (the "OMB Memorandum"). The OMB Memorandum directed federal agencies to temporarily pause all activities related to obligation or disbursement of all federal financial assistance in order to review spending for consistency with the Trump Administration's policies, stating that the temporary pause was to become effective at 5:00 p.m. on January 28, 2025. The OMB Memorandum caused uncertainty as to whether certain Federal funding and grants would be paused.

Before the OMB Memorandum became effective, two separate lawsuits were filed in federal district courts in Rhode Island and the District of Columbia challenging the OMB Memorandum and seeking injunctions. On January 28, 2025, shortly before the OMB Memorandum became effective, a District of Columbia federal judge issued an emergency administrative stay through February 3, 2025, at which time a preliminary injunction hearing was set. On January 29, 2025, OMB rescinded the OMB

Memorandum. Although the OMB Memorandum was rescinded, the executive orders are in effect and the matter is ongoing as spending reviews are ongoing. On January 31, 2025, a Rhode Island federal judge issued a temporary restraining order on the pause. On February 3, 2025, the District of Columbia federal judge issued a temporary restraining order as well. On February 10, 2025, the Rhode Island federal judge granted a motion for a preliminary injunction and issued an Enforcement Order clarifying the scope of the temporary restraining order and ordering the Trump Administration to release federal funds and comply with the earlier order. The Trump Administration appealed the temporary restraining order to the U.S. Court of Appeals for the First Circuit. The Trump Administration's request to stay the temporary restraining order pending appeal was denied. The District cannot predict any action to be taken in carrying out the executive orders nor its effect on the District's federal funding or operations of the District. See also APPENDIX A "– District Debt."

On March 20, 2025, President Trump signed an executive order instructing the Secretary of Education to take all necessary steps to close the Department of Education (the "DOE") to the maximum extent appropriate and permitted by law. The executive order followed the mass dismissal of approximately half of the DOE's staff on March 11, 2025, and the cancellation of $1.5 billion in grants and contracts for the performance of DOE functions. The DOE provides funding to local school districts nationwide, including the District, primarily for special education services under the Individuals with Disabilities Education Act and under Title I to the Elementary and Secondary Education Act to districts that serve large populations of economically disadvantaged students.

Two separate complaints were filed on March 24, 2025, the first in the U.S. District Court for the District of Massachusetts by Democracy Forward, a plaintiff group acting on behalf of the Easthampton School District and certain labor and parent groups. The second complaint was filed in the U.S. District Court for the District of Maryland, by a plaintiff group including the National Association for the Advancement of Colored People, the National Education Association, and other parent groups and education proponents. Each lawsuit generally challenges the layoffs of DOE staff and the executive order dismantling the DOE as exceeding the constitutional authority of the executive branch.

The District is unable to predict whether the Trump Administration's review of spending will be upheld in full or in part or whether legal challenges to any freeze or pause in spending will be successful. Similarly, the District is unable to predict whether the executive order dismantling the DOE or the staff reductions or grant cancellations will be upheld after legal challenge. If the reductions in funding, elimination of the DOE, or staff layoffs are upheld in whole or in part, the District cannot anticipate whether the amount of federal revenues in the District's General Fund will be reduced, or the extent of any reduction, or whether any reduction would occur in the current or any future fiscal year.

Cybersecurity

General. The District collects, processes, and distributes large amounts of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. The size of the District's information assets creates a target-rich environment for a variety of threats such as cyber criminals and natural disasters. In March 2020, in response to the COVID-19 pandemic, the District rapidly implemented new remote learning and remote working capabilities, which increased the District's cyberattack surface area. The District implemented additional layers of technical and administrative controls to mitigate remote access risks.

2019 Cyberattack. In 2019, the District experienced a cyberattack that resulted in unauthorized access to a limited number of student records; the software vulnerability was resolved the same day it was discovered, and no material impact occurred.

August 2022 Outage. In August 2022, a Data Center power outage triggered by a failed electrical transformer owned by Los Angeles Department of Water and Power, resulted in temporary unavailability of some information systems. The District mitigated the risk by increasing electrical line and backup power capacity and successfully performing functional load tests.

September 2022 Cyberattack. On September 3, 2022, the District became aware of a cyberattack on its information technology assets and proactively suspended network traffic in and out of its data centers. In response to such incident, the District swiftly activated its incident response protocol and commenced an investigation with support from Kroll, LLC, an outside cybersecurity firm, to assist with containment, remediation, and forensic analysis. The Microsoft Detection and Response Team also assisted with the forensic investigation. The District also notified local and federal law enforcement agencies and continues to support their ongoing investigations. The District has identified, contained, and remediated the ransomware, and it found no evidence of additional malware related to the cyberattack or any other persistent malicious activity on its network or systems.

The District's investigation of the incident determined that on or about July 31, 2022, the threat actor began conducting digital monitoring of the District's environment remotely using a contractor account to gain unauthorized access to systems. The District did not pay a ransom to the threat actor in connection with the incident. The threat actor posted approximately 500 gigabytes of data it stole from the District to its "leak site" on the dark web. Most of the files exfiltrated by the threat actor were located on the District's facilities servers and systems. The District provided required notifications to those individuals and entities with personal information included among those materials posted by the threat actor. This included employees, former employees, job applicants, and employees and contractors of facilities services division vendors who had personally identifiable information posted. The District offered credit monitoring services to such individuals. Notifications were also provided to individuals, including students and employees, who had personal "medical information" posted in the form of positive COVID-19 test results collected through the District's COVID-19 testing program, and to individuals, mostly former students, who had information contained in student assessment reports, most of which was dated, posted.

As a result of the incident, the District initially restricted access to its servers and systems, including access to user accounts, email, and software applications. Many operations and processes that were automated or facilitated by technology had to be completed manually, and some still remain manual at this time. Nonetheless, school sites remained operational. Most servers and systems were gradually restored within days as they were determined to be safe, with the District's most critical systems being restored first. The District restored certain impacted systems from backups and continues to work to rebuild others. While the District maintains cyber liability insurance, not all costs incurred are covered thereunder, and certain covered costs, which continue to be identified and calculated may ultimately exceed applicable coverage limits. Further, the District implemented various security enhancements in light of the incident.

Three related lawsuits relating to the incident remain pending against the District, which were filed on behalf of individuals allegedly impacted by the cyberattack, and unidentified classes of others impacted. The District cannot predict the outcome or any potential financial impact that may result from such litigation. Further, the District cannot predict whether any other claims or litigation will be filed or estimate any potential financial impact that may result. For more information about the existing lawsuits, see "DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation."

June 2024 Cyberattack. On June 6, 2024, the District became aware of a malicious actor purporting to offer certain student and employee data for sale. Upon learning of this, the District launched an investigation and notified law enforcement. The District found no evidence that this incident involved any unauthorized access to its network or systems. Rather, the District's investigation found evidence that the data involved was taken from Snowflake, a cloud-based platform used for mass data storage by a former vendor of the District, and appears to have been stolen in a manner consistent with recently publicized thefts involving numerous Snowflake accounts. The District has recently concluded its investigation into the scope and extent of the data impacted, and is in the process of ensuring compliance under the Family Educational Rights and Privacy Act, and the District will provide any notifications that may be required to impacted individuals under applicable law.

Protective Measures. The District has implemented several protective measures with respect to access requirements to its systems to reduce the likelihood of a similar incident from occurring in the future. The District established an Independent Information Technology Task Force comprised of cybersecurity experts from private and public sectors to develop a set of recommendations to further strengthen the District's cybersecurity. The District has augmented its cybersecurity team, retained cybersecurity service providers, and implemented additional security controls and monitoring of its systems.

To minimize the impact and frequency of cybersecurity incidents, the District previously hired a Director of Information Technology Security in 2016 to develop and implement a risk-based information security management program ("ISMP"). The ISMP is designed to protect the confidentiality, integrity, and availability of information assets managed by the District's Information Technology Division and comply with all applicable information protection regulations including the Family Educational Rights and Privacy Act, Children's Internet Protection Act, and the Health Insurance Portability and Accountability Act. The ISMP includes a number of technical, administrative, and physical security safeguards that take into account the District's unique threats and vulnerabilities. The District and its third-party IT vendors are required to carry cyber liability insurance to offset the cost of business disruptions caused by cybersecurity incidents.

No assurance can be made in any networked environment that a future cyberattack or natural disaster would not compromise the confidentiality, integrity or availability of District information assets. The only viable mitigation of cybersecurity risks is a layered defense strategy. The District implements layered defenses as a principal driver of its information security program and continuously monitors the effectiveness of the program to proactively modify it when the cyberattack landscape changes.

Potential Vulnerabilities of Third Parties. The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes and its servers and systems for accounting and other matters, as well as other trustees, fiscal agents, dissemination agents and project management firms. No assurance can be given that future cyber threats and attacks against third party entities or service providers will not directly or indirectly impact the District or the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the District's continuing disclosure undertakings.

STATE FUNDING OF SCHOOL DISTRICTS

General

School districts in the State receive operating revenues from federal, State and local sources, including appropriations from the State's general fund and local property taxes derived from a school district's share of the 1% *ad valorem* property tax. School districts also currently receive revenues from the State attributable to temporary tax increases implemented by Proposition 30 (defined herein). In connection with voter approval of Proposition 55 (defined herein), certain of such temporary tax increases were extended by twelve years through 2030. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 30" herein. School districts, such as the District, may be eligible for other special categorical funding, including funding for certain State and federal programs. The amount of categorical funding appropriated to a school district may vary significantly from other school districts and yearly. At the time of preparation of the 2024-25 Second Interim Report, the District budgeted to receive approximately 68.18% of District General Fund revenues from funds of or controlled by the State related to LCFF funding. As a result, decreases in State revenues, or in State legislative appropriations made to fund education, may significantly affect District operations. For more information regarding the District's funding for fiscal year 2024-25, see "– State Budget Act – *2024-25 State Budget*," "– Local Control Funding Formula" and "DISTRICT FINANCIAL INFORMATION – District Budget" herein. See also, "District General Information – Federal Funding" herein.

Article XVI of the State Constitution requires that from all State revenues, there first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Constitutionally Required Funding of Education" herein. The State Legislature and the Governor approve the State's authorized appropriations for school districts each fiscal year in connection with the adoption of the State Budget Act (defined herein). Proposition 98 ("Proposition 98"), approved in November 1988 as a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act," provides the minimum funding formula for school districts. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98" herein. Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), there are currently three tests which determine the minimum level of K-14 funding. See "CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS" and "STATE FUNDING OF SCHOOL DISTRICTS– Local Control Funding Formula" herein. Proposition 98 permits the State Legislature, by two-thirds vote of both houses and with the Governor's concurrence, to suspend the K-14 schools' minimum funding formula for a one-year period. The amount of suspension is required to be repaid according to a specified State Constitutional formula, thereby restoring Proposition 98 funding to the level that would have been required in the absence of such suspension.

The actual appropriations and the timing of such appropriations are subject to, among other things, the estimated amount of State general fund revenues during the fiscal year and subsequent changes in State law. At times since the implementation of Proposition 98, the State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State did in fiscal years 2019-20 and 2020-21; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances. For more information on the Proposition 98 minimum guarantee under the 2024-25 State Budget, see "– State Budget Act – *2024-25 State Budget*" herein.

Since fiscal year 2013-14, the amount of funds an individual school district receives from State revenues depends on the amount of revenues the State calculates that the school district should receive based on the LCFF, less the amount the school district derives from such school district's share of the 1% *ad valorem* property tax. See "– Local Control Funding Formula" and "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Constitutionally Required Funding of Education" herein.

The State Budget Process

The State's fiscal year begins on July 1 and ends on June 30. According to the State Constitution, the Governor of the State (the "Governor") is required to propose a budget for the next fiscal year (the "Governor's Budget") to the State Legislature no later than January 10 of each year. State law requires the Governor to update the Governor's Budget projections and budgetary proposals by May 14 of each year (the "May Revision"). Proposition 25, which was adopted by voters in the State at an election held on November 2, 2010, amended the State Constitution such that a final budget must be adopted by a simple majority vote of each house of the State Legislature by no later than June 15 and the Governor must sign the adopted budget by no later than June 30. The budget becomes law upon the signature of the Governor (the "State Budget Act").

Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the State Legislature takes up the proposal. Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the State Budget Act, as approved by the State Legislature and signed by the Governor. The Governor may reduce or eliminate specific line items in the State Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the State Legislature. Appropriations also may be included in legislation other than the State Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the State Legislature and be signed by the Governor. Bills containing K-14 education appropriations require only a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse. See "– State Funding of Schools Without a State Budget" herein for a description of payments of appropriations during a budget impasse.

The description above and below of the State's budget has been obtained from publicly available information which the District believes to be reliable; however, the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not guarantee the accuracy or completeness of this information and have not independently verified such information. Additional information regarding State budgets is available at various State-maintained websites, including **www.dof.ca.gov**. The website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein.

State Budget Act

2024-25 State Budget. The Governor signed the fiscal year 2024-25 State budget on June 29, 2024, which was amended through a series of legislative trailer bills (as amended, the "2024-25 State Budget"). The 2024-25 State Budget notes that the State has experienced significant revenue volatility–seeing unprecedented revenue growth that was quickly followed by a sharp and deep correction back toward historical trends. The 2024-25 State Budget also notes that the unprecedented Internal Revenue Service tax filing and payment postponement in 2023 significantly clouded the State's revenue forecast, and indicates that, with the revenue picture now clearer, the 2024-25 State Budget takes steps to ensure the State is on sound fiscal footing by setting the State on a fiscally responsible long-term path that protects vital programs.

In this regard, the 2024-25 State Budget includes provisions intended to address a budget deficit of approximately $46.8 billion while also creating a positive fund balance in the State's Special Fund for Economic Uncertainties (the "SFEU") in fiscal years 2024-25 and 2025-26 and maintaining core programs for vulnerable populations. The 2024-25 State Budget includes approximately $16.0 billion in budgetary reductions, comprising (a) an approximately 7.95% reduction in the State's operations budget resulting in State general fund savings of approximately $2.2 billion, (b) a $1.5 billion permanent reduction in State departments' budgets for vacant positions, (c) a reduction of approximately $358.0 million in the State Department of Corrections and Rehabilitation budget in fiscal year 2024-25 and a total reduction of approximately $740.0 million in fiscal years 2022-23 through 2024-25, (d) a $500.0 million reduction to the State Student Housing Revolving Loan Program, (e) a $485.0 million reduction in unspent one-time Learning-Aligned Employment Program resources, (f) an ongoing reduction of $110.0 million to the Middle Class Scholarship Program, beginning in fiscal year 2025-26, (g) a $1.1 billion reduction in various affordable housing programs, and (h) a $746.1 million reduction for various healthcare workforce programs. The 2024-25 State Budget includes a $13.6 billion increase in revenues in fiscal year 2024-25 through fiscal year 2026-27 by means of additional revenue sources and internal borrowing from special funds. As part of this revenue increase, the 2024-25 State Budget includes suspension of net operating loss deductions for companies with over $1.0 million in taxable income and limits business tax credits to $5.0 million in fiscal years 2023-2024 through 2025-2026, which is projected to increase revenues by $5.95 billion in fiscal year 2024-25, $5.5 billion in fiscal year 2025-26 and $3.4 billion in fiscal year 2026-27. Additionally, the 2024-25 State Budget includes an increased managed care organization tax generating a projected $5.1 billion in fiscal year 2024-25, $4.6 billion in fiscal year 2025-26, and $4.0 billion in fiscal year 2026-27. Significantly, the 2024-25 State Budget provides for the withdrawal of approximately $12.2 billion from the State Rainy Day Fund (the "Rainy Day Fund" or "State Rainy Day Fund") over fiscal years 2024-25 and 2025-26 and approximately $900.0 million from the State Safety Net Reserve in fiscal year 2024-25.

Additional budgeting maneuvers include $6.0 billion in fund shifts, including (a) applying a prior CalPERS supplemental pension payment to the State's overall pension liability which reduces the State's required employer contributions in fiscal year 2024-25 by $1.7 billion, (b) shifting approximately $958.0 million from the State general fund to the State's Greenhouse Gas Reduction Fund for the Formula and Competitive Transit and Intercity Rail Capital Program, and (c) shifting approximately $3.0 billion from the State general fund to the State's Greenhouse Gas Reduction Fund for clean energy and other climate programs. The 2024-25 State Budget also delays funding for programs such as the State Food Assistance Program Expansion, Developmental Services, childcare slots and the State's broadband program by a total amount of approximately $3.1 billion. The 2024-25 State Budget also includes approximately $2.1 billion in payroll and University of California and California State University compact deferrals.

The 2024-25 State Budget projects total resources available in fiscal year 2023-24 of approximately $236.5 billion, including revenues and transfers of approximately $189.4 billion and a prior year balance of approximately $47.1 billion, and total expenditures in fiscal year 2023-24 of approximately $223.1 billion. The 2024-25 State Budget projects total resources available for fiscal year 2024-25 of approximately $225.6 billion, inclusive of revenues and transfers of approximately $212.1 billion and a prior year balance of approximately $13.4 billion. The 2024-25 State Budget projects total expenditures in fiscal year 2024-25 of approximately $211.5 billion, inclusive of non-Proposition 98 expenditures of approximately $128.9 billion and Proposition 98 expenditures of approximately $82.6 billion. The 2024-25 State Budget projects total reserve balances of $22.2 billion at the end of fiscal year 2024-25. This includes $17.6 billion in the State Rainy Day Fund, $3.5 billion in the SFEU, and $1.1 billion in the Public School System Stabilization Account (the "Proposition 98 Rainy Day Fund"). In addition, the 2024-25 State Budget maintains approximately $10.6 billion in the Reserve for Liquidation of Encumbrances. The 2024-25 State Budget includes total funding of $133.8 billion for all K-12 education programs, including $81.5 billion from the State's general fund and $52.3 billion from other funds. The 2024-25 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2024-25 State Budget include the following:

- Proposition 98 Minimum Guarantee. The 2024-25 State Budget suspends the Proposition 98 minimum guarantee in fiscal year 2023-24 and projects the Proposition 98 minimum guarantee to be in Test 1 in fiscal year 2024-25. In Test 1 years, the Proposition 98 minimum guarantee is equal to the percentage of State general fund appropriated for K-14 schools in fiscal year 1986-87. Suspending the Proposition 98 minimum guarantee is projected to create a maintenance factor obligation of approximately $8.3 billion in fiscal year 2023-24 and is projected to result in a $4.1 billion maintenance factor payment in fiscal year 2024-25, which will be paid in addition to the Proposition 98 minimum guarantee level in fiscal year 2024-25. The 2024-25 State Budget reflects Proposition 98 funding levels of $103.7 billion in fiscal year 2022-23, $98.5 billion in fiscal year 2023-24, and $115.3 billion in fiscal year 2024-25. Such funding represents approximately 39.2% of the State's general fund revenues, plus local property tax revenues and a $4.1 billion maintenance factor payment. To accommodate enrollment increases related to the expansion of transitional kindergarten, the 2024-25 State Budget increased the funding level from approximately 38.6% to approximately 39.2% to increase the percentage of State general fund revenues obligated to the Proposition 98 minimum guarantee.

- Proposition 98 Rainy Day Fund. The 2024-25 State Budget includes a withdrawal of the entire $8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24 and a discretionary payment of approximately $1.1 billion in fiscal year 2024-25, leaving a projected balance of $1.1 billion at the end of fiscal year 2024-25. Because there is no ending balance at the end of fiscal year 2023-24 and a balance of $1.1 billion at the end of fiscal year 2024-25, school district reserve caps would not be triggered in fiscal year 2024-25 and are not projected to be triggered in fiscal year 2025-26. See " – School District Reserves" and "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751."

- Local Control Funding Formula. The 2024-25 State Budget includes an LCFF cost-of-living adjustment of 1.07%. The cost-of-living adjustment, when combined with population growth adjustments, increases discretionary funding for local agencies by approximately $983.0 million. To fully fund the LCFF, the 2024-25 State Budget withdraws approximately $5.3 billion from the Proposition 98 Rainy Day Fund to support LCFF costs in fiscal year 2023-24, and uses available reappropriation and reversion funding of $253.9 million to support ongoing LCFF costs in fiscal year 2024-25.

- Deferrals. The 2024-25 State Budget reflects LCFF apportionment deferrals from fiscal year 2023-24 to fiscal year 2024-25 of approximately $3.6 billion and from fiscal year 2024-25 to fiscal year 2025-26 of approximately $246.0 million. Additionally, the 2024-25 State Budget reflects approximately $2.3 billion in categorical program deferrals from fiscal year 2022-23 to fiscal year 2023-24, with the deferred categorical amount being repaid using Proposition 98 Rainy Day Fund resources.

- Learning Recovery Emergency Block Grant. The 2024-25 State Budget focuses the use of allocated but unexpended Learning Recovery Emergency Block Grant funds on actions to address the needs of students most impacted by learning loss, based on an assessment of needs, and incorporates the use of these funds into the existing Local Control and Accountability Plan development process.

- Employee Protections. To ensure stable employment for school staff, the 2024-25 State Budget includes a suspension of the August 15, 2024, layoff window for certificated and classified staff.

- Instructional Continuity and Attendance Program. The 2024-25 State Budget includes statutory changes to allow local educational agencies to provide attendance recovery opportunities to students to make up lost instructional time, thereby offsetting student absences, and mitigating learning loss, as well as related fiscal impacts to local educational agencies. Beginning in fiscal year 2024-25, the 2024-25 State Budget allows local educational agencies to add up to 10 days of attendance recovery time per pupil to the attendance data submitted to the California Department of Education for funding purposes. Beginning July 1, 2025, the 2024-25 State Budget requires local educational agencies to include an instructional continuity plan in their School Safety Plan as a component of their emergency funding application. The plan must include procedures for student engagement within 5 days of an emergency and a plan to provide hybrid or remote learning opportunities to students within 10 instructional days. The 2024-25 State Budget also includes a $4.0 million in one-time Proposition 98 general fund resources to research existing, and develop new models of hybrid and remote learning to support students' attendance, including developing and disseminating guidance and resources for local educational agencies to develop their own hybrid and remote learning programs to enable instructional continuity.

- Teacher Professional Development and Preparation. To expand the State's educator training infrastructure, the 2024-25 State Budget (a) provides $25.0 million of one-time Proposition 98 general fund resources to support necessary costs, including training for educators to administer literacy screenings to meet the requirement to screen students in kindergarten through second grade for risk of reading difficulties, including dyslexia, by the 2025-26 school year; and (b) provides $20.0 million in one-time Proposition 98 general fund resources for a county office of education to work with the University of California Subject Matter Projects, as well as other well-qualified governmental or non-profit providers, to develop and provide training aligned with the new California Mathematics Framework for mathematics coaches and leaders who in turn can provide training and support to mathematics teachers to deliver high-quality instruction.

- State Preschool Program. The 2024-25 State Budget provides approximately $53.7 billion of State general fund resources to support reimbursement rate increases previously supported by available one-time federal stimulus funding. The 2024-25 State Budget reflects one-time savings of $190.7 million general fund and $522.3 million Proposition 98 general fund. The 2024-25 State Budget authorized State Preschool Program providers to serve two-year-old children, in addition to three and four-year old children, until June 30, 2027. The 2024-25 State Budget maintains that the State Preschool Program continue to require providers to reserve 5% of funded enrollment for children with disabilities. However, the 2024-25 State Budget suspends provisions to increase this requirement to 7.5% in fiscal year 2025-26 and 10% in fiscal year 2026-27.

- Transitional Kindergarten. The 2024-25 State Budget provides approximately $988.7 million in Proposition 98 general fund resources for the 2023-24 school year to support the second year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and April 2. The 2024-25 State Budget also provides approximately $390.2 million in Proposition 98 general fund resources to support the second year of adding one additional certificated or classified staff person in each transitional kindergarten classroom. Additionally, the 2024-25 State Budget provides approximately $1.5 billion in ongoing Proposition 98 general fund resources beginning in fiscal year 2024-25 to support the third year of expanded eligibility for transitional kindergarten to all children turning five-years-old between September 2 and June 2. The 2024-25 State Budget also provides approximately $515.5 million in ongoing Proposition 98 general fund resources to support the third year of adding one additional certificated or classified staff person in each transitional kindergarten classroom.

The 2024-25 State Budget solution-oriented measures that directly impact funding for school districts, including forgoing planned investments of (a) $875.0 million to support the School Facility Program, (b) $550.0 million support to the State Preschool, Transitional Kindergarten And Full-Day Kindergarten Facilities Grant Program, and (c) $500.0 million one-time Proposition 98 general fund investment in zero-emission school buses.

Additional budgeted programs and adjustments for K-12 education set forth in the 2024-25 State Budget include the following:

- Arts and Music in Schools. The 2024-25 State Budget provides approximately $907.1 million to support arts and music in schools.

- Nutrition. The 2024-25 State Budget provides an additional $179.4 million in ongoing Proposition 98 general fund resources and an additional $120.8 million one-time Proposition 98 general fund resources to fully fund the universal school meals program in fiscal years 2023-24 and 2024-25. This is in addition to the $1.6 billion base funding for such program.

The complete 2024-25 State Budget is available from the California Department of Finance website at **www.dof.ca.gov** or **www.ebudget.ca.gov**. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

LAO Analysis of the 2024-25 State Budget. The Legislative Analyst's Office (the "LAO"), a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the 2024-25 State Budget entitled "The 2024-25 Budget: Overview of the Spending Plan" on September 6, 2024 (the "2024-25 State Budget Analysis"). In the 2024-25 State Budget Analysis, the LAO assesses the budget problem that was addressed in the 2024-25 State Budget and analyzes the major proposals for K-12 education.

The LAO estimates that the State addressed a budget shortfall of $55.0 billion, which is larger than the budget shortfall of $47.0 billion cited in the 2024-25 State Budget. The main driver for the $8.0 billion difference is the difference in treatment of assumptions about baseline spending for schools and community colleges.

The LAO notes that the 2024-25 State Budget uses various maneuvers to address the budget shortfall, including reserve withdrawals, spending reductions, revenue increases, and cost shifts. The LAO indicates that spending-related adjustments (including school spending) were the largest component of the budget package, accounting for $39.0 billion and approximately 70% of the total solutions. The LAO also shows that reserve withdrawals were the second largest component, totaling $6.0 billion from the State Rainy Day Fund and the Safety Net Reserve. The report further details that cost shifts and revenue-related solutions were smaller components, amounting to $2.0 billion and $8.0 billion, respectively. The LAO estimates $16.0 billion in one time or temporary spending solutions (excluding school spending) and $4.0 billion in ongoing reductions, which grow to approximately $6 billion over time.

The LAO notes that the budget emergency proclamation by the Governor on June 26, 2024 allowed the 2024-25 State Budget to withdraw approximately $5.0 billion from the State Rainy Day Fund. The 2024-25 State Budget also includes a withdrawal of the $900.0 million balance from the Safety Net Reserve.

The LAO estimates that, pursuant to the 2024-25 State Budget, the State would end the 2024-25 fiscal year with $21.1 billion in General Fund reserves, including$17.6 billion in the State Rainy Day Fund and $3.5 billion in the SFEU. The LAO also estimates that the State would have room under the State appropriations limit in fiscal years 2022-23 through 2024-25. The LAO projects that revenues from the major tax sources would grow from fiscal year 2023-24 to fiscal year 2024-25, but not enough to offset the revenue shortfalls in the prior and current fiscal years.

The LAO explains that the 2024-25 State Budget includes $12.7 billion in reductions to Proposition 98 funding for schools and community colleges over fiscal years 2022-23 through 2024-25. This includes a reduction to the Proposition 98 funding by $2.6 billion for fiscal year 2022-23. For fiscal year 2023-24, the 2024-25 State Budget invokes a provision allowing the State to suspend the minimum requirement and reduces the amount of Proposition 98 funding by $8.3 billion. The LAO states that these reductions lower the Proposition 98 requirement on an ongoing basis but create an obligation to increase funding more rapidly in the future. Additionally, the 2024-25 State Budget introduces a new type of fiscal maneuver that accrues $6.2 billion in previous school and community college payments to future fiscal years. Specifically, the State will not recognize these payments as a cost to the State general fund in the year it provided them *i.e.*, fiscal year 2022-23. The maneuver does not delay or reduce any payments to schools or community colleges, nor does it reduce the Proposition 98 funding requirement in future fiscal years.

The LAO notes that the 2024-25 State Budget contains reserve withdrawals from the Proposition 98 Rainy Day Fund to mitigate the funding reductions to schools in fiscal year 2023-24. Additionally, the LAO estimates cost savings because the COVID-19 attendance policies preserving attendance numbers to pre-pandemic levels are being phased out. The LAO describes other minor savings for schools and community colleges from (1) deferring payments from fiscal year 2024-25 to fiscal year 2025-26, (2) reducing funding for the State Preschool program that is expected to go unused, and (3) repurposing certain unspent appropriations from previous years. The payment deferral involved deferring $487.0 million in payments from fiscal year 2024-25 to fiscal year 2025-26 by delaying a portion of payment to school districts from June 2025 to July 2025. The LAO notes that school districts may be exempt from this deferral if they can show the delay would cause fiscal insolvency. The purpose of the deferral is to reduce spending in fiscal year 2024-25 to the minimum level required by Proposition 98.

The LAO indicates that after accounting for these actions, the State has $1.5 billion available to augment school and community college programs. The LAO highlights that the budget allocates $1.0 billion of this amount to cover a 1.07 percent cost-of-living adjustment for existing programs. For schools, the 2024-25 State Budget also provides an increase of $300.0 million to cover cost increases of universal school meals. For community colleges, the 2024-25 Budget also provides $75.0 million to cover increased costs.

The 2024-25 State Budget Analysis is available on the LAO website at **www.lao.ca.gov**. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Governor’s Fiscal Year 2025-26 State Budget Proposal

On January 10, 2025, the Governor released his proposed State budget for fiscal year 2025-26 (the “2025-26 Proposed State Budget”). The 2025-26 Proposed State Budget reflects the Governor’s projection that the fiscal year 2025-26 Budget will be roughly balanced, and will represent a return to historical norms following a period of revenue volatility and a federal tax filing delay that contributed to significant State budget shortfalls over the past two fiscal years. The 2025-26 Proposed State Budget projects $217.9 billion in 2025-26 General Fund revenues.

Regarding the State's reserves and fund balances, the 2025-26 Proposed State Budget contemplates the continuation of a two-year drawdown of the State's Budget Stabilization account that began in the 2024-25 State Budget (with a withdrawal of $5.1 billion in 2024-25 and a projected withdrawal $7.1 billion projected in 2025-26). The balance of the Budget Stabilization account is projected to be $10.9 billion following the projected 2025-26 drawdown. The 2025-26 Proposed State Budget includes $376 million contribution to fund the Public School System Stabilization Account.

The stronger-than-anticipated performance of the economy, stock market, and cash receipts, combined with an improved economic outlook, have all contributed to the upgraded revenue forecast. While the 2025-26 Proposed State Budget does not forecast a recession, it recognizes several risk factors that could negatively affect the economy and state revenues, including stock market and asset price volatility and declines—particularly those affecting high-income earners—as well as geopolitical instability. Additional risks come from stated policy changes by the incoming federal administration that could negatively impact the State's economy—especially in the areas of international trade and immigration, as well as in health care. The 2025-26 Proposed State Budget does not include any adjustments to account for the damage caused by the Los Angeles-area fires, which is expected to be significant.

The Legislative Analyst's Office's analysis of the 2025-26 Proposed State Budget identifies three categories of discretionary proposals (those that are not already committed to under current law or policy): (1) proposals provide short-term budget savings that create more budget capacity which the LAO projects to generate a total of $2.2 billion General Fund savings within the budget window, (2) new discretionary spending proposals that use budget capacity by increasing spending or reducing revenues which the LAO projects to increase General Fund expenditures within the budget window by $700 million, and (3) increases to the State's discretionary reserves.

Discretionary savings proposals identified by Legislative Analyst's Office's Analysis include:

- $1.6 Billion Reduction in School and Community College Settle-Up Obligations. The 2025-26 Proposed State Budget proposes providing $1.6 billion less in total funding for schools and community colleges than the estimated constitutional minimum funding level for 2024-25. This provides one-time General Fund savings in that year, but also creates a "settle-up" obligation, which will need to be paid in a future year if revenues for 2024-25 were to remain unchanged. If revenues for 2024-25 come in below current projections, this obligation would also decline—potentially to zero. While the administration indicates it will provide this payment in the future—after the final calculation of the minimum funding requirement—it also has not scored this future obligation in its multiyear budget.

- Increases Revenue by Around $300 Million. The 2025-26 Proposed State Budget changes the rules about how taxable profits are determined for financial institutions. This change would increase revenues on an ongoing basis by around $300 million per year.

- Shifts Nearly $300 Million in General Fund Spending to Proposition 4 (2024) Climate Bond. The 2025-26 Proposed State Budget reduces and reverts significant General Fund appropriations for a variety of climate- and environmental-related activities totaling $273 million, achieving General Fund savings. These include funds for water recycling, wildfire prevention activities at state parks, and dam safety activities. The proposal would then provide a like amount of funding from Proposition 4, the climate bond approved by voters in November 2024. This would result in maintaining prior funding levels for these activities but would preclude this amount of Proposition 4 funds from supporting expanded service levels or additional projects.

New spending proposals identified by Legislative Analyst's Office's Analysis include:

- New Spending Proposals of Nearly $600 Million. The 2025-26 Proposed State Budget includes $570 million in new discretionary General Fund spending. After 2025-26, these proposals would add about $300 million in ongoing spending. Some of the largest spending augmentations proposed include: (1) $60 million to provide additional grants under the Cal Competes program; (2) the intent to partially restore an ongoing reduction to the trial courts, which, if enacted, would cost $42 million ongoing; and (3) a proposed expansion to College Corps, which would cost $5 million in 2025-26, but grow to $84 million ongoing.

- New Tax Expenditures of $150 Million. The 2025-26 Proposed State Budget includes revenue proposals, which would expand existing tax expenditures and create new ones. These include increasing the existing film tax credit from $330 million to $750 million per year and excluding some military retirement income from taxation. Taken together, these proposals would reduce revenues by around $150 million in 2025-26, reaching $300 million by 2028-29.

Adjustments to the State's discretionary reserves identified by Legislative Analyst's Office's Analysis include an increase of approximately $500 million to the State's Special Fund for Economic Uncertainties (SFEU). The SFEU is a general-purpose reserve used to provide capacity for unanticipated expenditures, including state costs associated with disasters and other emergencies. The state constitution has a balanced budget requirement, which means the balance of the SFEU must be set above zero for the upcoming fiscal year. Any level above zero is up to the discretion of the Legislature. Recent budgets have set the SFEU between $3.5 billion and $4 billion. The 2025-26 Proposed State Budget sets a $4.5 billion SFEU balance for the end of 2025-26.

K-12 Education Spending. The 2025-26 Proposed State Budget reduces total funding for all K-12 education programs by $300 million compared to 2024-25 State Budget funding levels, with total expenditures of $118.9 billion, including $83.1 billion from the State general fund and $35.8 billion from other sources. The 2025-26 Proposed State Budget includes a roughly $376 million discretionary payment into the Proposition 98 Rainy Day Fund in fiscal year 2025-26 to bring the fund balance to approximately $1.5 billion.

Significant features of the 2025-26 Proposed State Budget relating to K-12 and higher education funding identified by the Legislative Analyst's Office include the following:

- Funding for Schools and Community Colleges Up $7.1 Billion Across the Budget Window. The 2025-26 Proposed State Budget projects that the constitutional minimum funding level for schools and community colleges is up $7.1 billion. Of this increase, $3.9 billion is attributable to 2024-25 and $3.2 billion is attributable to 2025-26. (Spending is unchanged in 2023-24.) The increase is due primarily to higher General Fund revenue estimates. In addition, approximately $4 billion in one-time spending expires in 2025-26, freeing-up the underlying funding for other school and community college purposes.

- Funds Some Ongoing Increases. The 2025-26 Proposed State Budget provides approximately $2.5 billion to fund a 2.43% statutory cost-of-living adjustment (COLA) for existing school and community college programs. The 2025-26 Proposed State Budget also sets aside $1.1 billion to complete the expansion of transitional kindergarten in 2025-26. The 2025-26 Proposed State Budget also provides $746 million to reduce student-to-adult ratios in transitional kindergarten classrooms from 12:1 to 10:1. The 2025-26 Proposed State Budget provides a $435 million increase for the Expanded Learning Opportunities Program to increase the number of school districts that must offer enrichment programs (such as after school activities and summer school) to all of their students. The 2025-26 Proposed State Budget also includes $30 million to support 0.5 percent systemwide community college enrollment growth.

- Allocates One-Time Funds for Discretionary Grants, Staffing Enhancements, and Technology Activities. The largest education-related one-time proposal in the 2025-26 Proposed State Budget is to provide $1.8 billion for schools through a new discretionary block grant that could be used to fund new activities or cover costs of existing programs. The 2025-26 Proposed State Budget also includes $500 million to fund literacy and mathematics coaches at high-poverty schools that would expand upon a program the state funded in previous budgets. In addition, the 2025-26 Proposed State Budget includes a series of initiatives intended to advance teacher training and recruitment efforts at schools and implement a common technology platform across the community college system.

- Delays $1.6 Billion Payment in 2024-25 Pending Revised Revenue Data. As described above, under the 2025-26 Proposed State Budget, total funding for schools and community colleges in 2024-25 would be $1.6 billion less than the administration's estimate of the constitutional minimum funding level that year. The administration indicates it will provide this payment in the future after finalizing the calculation of the minimum requirement. If State revenues come in below the levels estimated in the 2025-26 Proposed State Budget, the constitutional funding requirement also would decrease.

The State has not entered into any contractual commitment with the District, the County, the Underwriters nor the Owners of the Bonds to provide State budget information to the District or the Owners of the Bonds. Although they believe the State sources of information listed herein are reliable, none of the District, the Municipal Advisor or the Underwriters assumes any responsibility for the accuracy of the State budget information set forth or referred to herein or incorporated by reference herein.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash and could impair the State's ability to fund schools during the current fiscal year and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Bonds are payable from *ad valorem* property taxes, the 2024-25 State Budget is not expected to have a material impact on the payment of the Bonds.

Additional Information. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of the State budget may be found at the website of the Department of Finance, **www.dof.ca.gov**, under the heading "California Budget." Various analyses of the budget may be found at the website of the LAO at **www.lao.ca.gov**. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found via the website of the State Treasurer, **www.treasurer.ca.gov**. The information presented in these websites is not incorporated by reference in this Official Statement.

State Funding of Schools Without a State Budget

Although the State Constitution requires that the State Legislature adopt a budget for the State by June 15 of the prior fiscal year and that the Governor sign a budget by June 30, this deadline has been missed from time to time. Delays in the adoption of a Budget Act in any fiscal year could impact the receipt of State funding by the District. On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the

State of California), et al. (also referred to as White v. Davis) ("Connell"). The California Court of Appeal concluded that, absent an emergency appropriation, the State Controller may authorize the payment of State funds during a budget impasse only when payment is either (i) authorized by a "continuing appropriation" enacted by the State Legislature, (ii) authorized by a self-executing provision of the State Constitution, or (iii) mandated by federal law. The Court of Appeal specifically concluded that the provisions of Article XVI, Section 8 of the State Constitution—the provision establishing minimum funding of K-14 education enacted as part of Proposition 98—did not constitute a self-executing authorization to disburse funds, stating that such provisions merely provide formulas for determining the minimum funding to be appropriated every budget year but do not appropriate funds. Nevertheless, the State Controller has concluded that the provisions of the State Education Code establishing K-12 and county office of education revenue limit funding (the predecessor to the LCFF) do constitute continuing appropriations enacted by the State Legislature and, therefore, has indicated that State payments of such amounts would continue during a budget impasse. The State Controller, however, has concluded that K-12 categorical programs are not authorized pursuant to a continuing appropriation enacted by the State Legislature and, therefore, cannot be paid during a budget impasse. To the extent the Connell decision applies to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of some payments to the District while such required legislative action is delayed, unless the payments are self-executing authorizations, continuing appropriations or are subject to a federal mandate. The District, however, does not expect any delays in payments from the State to adversely affect its ability to pay the principal of and interest on the Bonds described in the forepart of this Official Statement, which are payable from voter-approved *ad valorem* property taxes.

Local Control Funding Formula

General. Funding for school districts, charter schools and county offices of education in connection with the LCFF includes State apportionments for general operating costs ("State Aid") and funding for categorical programs. During fiscal year 2023-24, approximately 60.04% of the District's General Fund revenues were pursuant to the LCFF. At the time of preparation of the 2024-25 Second Interim Report, the District projected that approximately 68.40% of the District's fiscal year 2024-25 General Fund revenues will consist of funds determined under the LCFF. For fiscal years 2020-21 through 2023-24, LCFF revenues comprised a lower percentage of the District's total General Fund revenues as a result of increases in one-time federal funding for COVID-19 relief. The following Table A-2 sets forth the percentage of the District's General Fund revenues that are derived from revenues under the LCFF, federal revenues, other State revenues and other local revenues for fiscal years 2020-21 through 2024-25.

TABLE A-2
LOS ANGELES UNIFIED SCHOOL DISTRICT
General Fund Revenue Sources
Percentage of Total District General Fund Revenues(1)
Fiscal Years 2020-21 through 2024-25

Revenue Source	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24(2)	Fiscal Year 2024-25(3)
LCFF	64.68%	62.42%	55.99%	60.04%	68.40%
Federal Revenues	19.15	19.13	19.57	18.91	7.63
Other State Revenues	13.99	18.08	22.77	15.85	18.18
Other Local Revenues	2.18	0.37	1.67	5.19	5.80

(1) Sum of percentages may not equal 100% due to rounding.
(2) Audited.
(3) Projected. For more information regarding State funding during fiscal year 2024-25, see "– State Budget Act – *2024-25 State Budget*" and "DISTRICT FINANCIAL INFORMATION – District Budget."
Sources: Audited Annual Financial Report for fiscal years 2020-21 through 2023-24; and 2024-25 Second Interim Report.

The LCFF allocates State funding based on a school district's demographics. Each school district receives a base grant (the "Base Grant") per ADA in an amount determined by the State. The Governor's State budget for fiscal year 2022-23 revised the LCFF calculation beginning with fiscal year 2022-23 to consider the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' ADA. See "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance." Pursuant to the LCFF, each local education agency ("LEA") is required to, among other things, show progress toward an average class enrollment of no more than 24 pupils in kindergarten through grade 3, unless the LEA has entered into a collective bargaining agreement specifying an annual alternative average class enrollment in those grades for each school. Accordingly, the LCFF includes an adjustment to the Base Grant for kindergarten through grade 3 (the "K-3 Grade Span Adjustment") of approximately 10.4% in order to cover the costs associated with class size reduction. In addition, the LCFF includes an adjustment to the Base Grant for grades 9 through 12 of approximately 2.6% to cover the costs of, among other things, providing career technical education.

Based on the ADA of the given demographic classification, school districts are eligible to receive a 20% supplemental grant (the "Supplemental Grant") for students classified as English learners ("EL"), students eligible to receive a free or reduced-price meal ("FRPM"), and students classified as foster youth ("LI"). The State expects the Supplemental Grants to reflect the additional costs associated with the education of EL, FRPM and LI students. In addition, school districts are eligible to receive a concentration grant (the "Concentration Grant") if the school district has a significant concentration of students classified as EL, FRPM or LI (collectively, "Unduplicated Pupils"). The LCFF uses an unduplicated student count to determine the amount of the Supplemental Grant and Concentration Grant authorized for a school district. A school district may only count a student one time if such student is classified in more than one of the EL, FRPM and LI categories. In the event the percentage of Unduplicated Pupils exceeds 55% of a school district's total enrollment, the LCFF provides additional funding to the school district through a Concentration Grant. The Concentration Grant will be an amount equal to an additional 65% of the school district's adjusted Base Grant, which includes the cost of living adjustment and grade span adjustments, if any, for each Unduplicated Pupil above the 55% threshold.

Starting with the 2023-24 fiscal year, an additional Equity Multiplier was added for LEAs who qualify by having both (1) a prior year nonstability rate of greater than 25% and (2) a prior year socioeconomically disadvantaged pupil rate of greater than 70%. The nonstability rate refers to the percentage of students who do not complete the year due to factors like expulsion or other reason without stable subsequent enrollment at another school. The socioeconomically disadvantaged pupil rate refers to the percentage of students who (i) do not have a parent with a high school diploma, (ii) are eligible for free or reduced-price meals, (iii) are migratory, (iv) are homeless youth, (v) are foster youth or (vi) are enrolled in a county juvenile court school. Every year, the state will allocate $300 million to the qualifying LEAs on a per-unit basis based on the LEA's prior year adjusted cumulative enrollment, but each qualifying school will receive at least $50,000. The Equity Multiplier revenue must be used for evidence-based services and support for pupils.

The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2024-25, the LCFF provided to school districts and charter schools: (a) a Base Grant for each LEA equivalent to $11,068 per ADA for transitional kindergarten/kindergarten through grade 3 (including the grade span adjustment); (b) a Base Grant for each LEA equivalent to $10,177 per ADA for grades 4 through 6; (c) a Base Grant for each LEA equivalent to $10,478 per ADA for grades 7 and 8; (d) a Base Grant for each LEA equivalent to $12,460 per ADA for grades 9 through 12 (including the grade span adjustment). The Base Grant amount for fiscal year 2024-25 includes a COLA of 1.07%. The amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants is subject to the discretion of the State.

Since the full implementation of the LCFF in fiscal year 2018-19, there is no longer a gap between a school district's prior year funding and the target amount of funding under the LCFF for the current year. Further, there is no longer a difference between the District's target entitlement under the LCFF – the amount available once the LCFF is fully funded – and the District's transition entitlement. In fiscal year 2018-19, the District reached its target entitlement for the District and the Affiliated Charter Schools, such that there is no transition entitlement for the District and the Affiliated Charter Schools. Accordingly, the District's historically significant increases in LCFF funding from year to year are not reflective of the District's current and expected LCFF funding since the LCFF is fully funded.

The difference between the amount a school district or charter school would have received under the old funding system and the estimated amount it would receive for LCFF funding at full implementation, based on certain criteria is referred to as the "Economic Recovery Target." Only school districts and charter schools that were at, or below, the 90th percentile of per-pupil funding rates of school districts under the pre-fiscal year 2013-14 funding system, as determined at the certification of the State's second principal apportionment in fiscal year 2013-14, are eligible for Economic Recovery Target payments. Based on this criteria, the District is not entitled to receive Economic Recovery Target funding. Certain of the District's Affiliated Charter Schools, however, are entitled to the Economic Recovery Target funding and received $990,310, collectively, in fiscal year 2023-24, and budget to receive approximately the same amount, collectively, in fiscal year 2024-25.

The District has the largest ADA in the State. See "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance" herein. In addition, the District's ADA includes a significant number of students classified as Unduplicated Pupils. Accordingly, the District expects to receive more LCFF funding than other school districts in the State. The 2024-25 Second Interim Report projects that approximately 85.72% of students attending non-charter schools of the District will be classified as Unduplicated Pupils under the LCFF during fiscal year 2024-25. The percentage of students classified as Unduplicated Pupils is based on a three-year rolling average. The District's calculation of ADA with respect to Unduplicated Pupils, which is used to determine Supplemental and Concentration Grant revenues, is subject to adjustment upon review thereof by the District's independent auditor.

The following Table A-3 sets forth the District's Base Grant per ADA with grade span adjustments for fiscal years 2015-16 through 2024-25 under the LCFF.

TABLE A-3
LOS ANGELES UNIFIED SCHOOL DISTRICT
Adjusted Base Grant Per Average Daily Attendance
Fiscal Years 2015-16 through 2024-25

Fiscal Year	Grades TK/K-3	Grades 4-6	Grades 7-8	Grades 9-12
2015-16	$ 7,820	$ 7,189	$ 7,403	$ 8,801
2016-17	7,820	7,189	7,403	8,801
2017-18	7,941	7,301	7,518	8,939
2018-19[1]	8,235	7,571	7,796	9,269
2019-20	8,503	7,818	8,050	9,572
2020-21	8,503	7,818	8,050	9,572
2021-22	8,935	8,215	8,458	10,057
2022-23	10,119	9,304	9,580	11,391
2023-24	10,951	10,069	10,367	12,327
2024-25	11,068	10,177	10,478	12,460

(1) LCFF was fully funded in fiscal year 2018-19.

Sources: California Department of Education.

Local Control and Accountability Plan. Pursuant to the LCFF, since July 1, 2014, school districts, county offices of education and charter schools have been required to develop, adopt and annually update a three-year LCAP. The LCAP is required to identify goals and measure progress for student subgroups across multiple performance indicators. The Education Code requires each school district to file with the county superintendent of schools such school district's LCAP or annual update thereof not later than five days after its adoption. On or before August 15 of each year, the county superintendent of schools may seek clarification, in writing, from the governing board of such school district about the contents of the LCAP. The school district has the opportunity to respond to such request and the county superintendent is authorized to submit recommendations for amendments to the LCAP. On or before October 8 of each year, the county superintendent of schools is required to approve each school district's LCAP pending a determination that the school district has adhered to the template adopted by the State Board of Education, the school district's budget includes expenditures sufficient to implement the specific actions and strategies included in the LCAP based on projected costs, and the school district has adhered to the Education Code with respect to funds apportioned for Unduplicated Pupils.

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

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

Risks Affecting School District Revenue. Many school districts in the State are funded based on the LCFF, which allocates a Base Grant per unit of ADA with additional supplemental funding in the form of Supplemental Grants and Concentration Grants based on certain factors. Thus, a temporary shutdown of a school or an entire school district or other event resulting in reduced enrollment or attendance would reduce the ADA of a school district and could impact the funding a school district receives. For example, events like the outbreak of a highly contagious disease or epidemic disease could harm a school district's financial results or result in a temporary shutdown of the school district's facilities. Such an event could also have impacts on the State's tax and other revenue receipts which may, in turn, impact educational funding that school districts receive from the State. The outbreak of the respiratory disease caused by COVID-19 was declared a pandemic by the World Health Organization, a national emergency by former President Trump and a state of emergency by the Governor. While State and federal one-time COVID-19 relief funding provided some immediate relief to school districts, including the District, during the COVID-19 pandemic, the District cannot predict whether similar legislation providing State and federal one-time relief funding would be enacted in the future in the event the outbreak of COVID-19 were to increase in intensity or a similar or other outbreak of a highly contagious disease or epidemic disease or other event resulting in reduced enrollment or attendance were to occur in the future.

In January 2025, multiple fires broke out across areas of the County burning thousands of acres and damaging or destroying thousands of structures. The three largest of said fires are the Hughes Fire, Eaton Fire, and Palisades Fires. The Hughes Fire burned approximately 10,400 acres, although no information is available on the number of structures that have been damaged or destroyed. The Eaton Fire has burned approximately 14,000 acres and has damaged or destroyed at least 10,000 structures. The Palisades Fire has burned approximately 23,500 acres and has damaged or destroyed at least 7,000 structures. Properties damaged or destroyed in the Palisades Fire are included within the boundaries of the District and represent a small percentage of the assessed value in the District. As a result of the fires, schools in the District were closed for 3 days and approximately 2,400 students were displaced. Three school campuses within District boundaries, Marquez Elementary School, Palisades Elementary School, and Palisades High School/Palisades Charter High School (Palisades Charter High School is a Fiscally Independent Charter School), were significantly damaged by the fires and remain closed. The District estimates that the costs of rebuilding the three damaged campuses will be approximately $600 million, and debris removal at the sites is nearly complete. The District expects to rebuild its damaged campuses, however, no assurances can be given that the District will rebuild any or all of its damaged facilities. The District is unable at this time to quantify the overall loss as a result of the fires.

The County Assessor's Office allows for the reassessment of properties that are damaged or destroyed as a result of misfortune or calamity, which includes wildfires. Property owners may submit an application for the reassessment of the property within 12 months of the damage or destruction. Any such reassessment is retroactive to the date of damage or destruction. The District is unable at this time to quantify the loss in assessed value as a result of any such reassessment. The California Legislative Analyst's Office currently estimates a reduction of assessed value in the County, including impacted areas located within and outside of the boundaries of the District, to be between $10 and $20 billion.

Additionally on January 16, 2025, the California Governor issued Executive Order 10-25 that (i) suspends until April 10, 2026, certain state tax laws that impose penalties, costs, and interest for late payment of property taxes due in calendar year 2025, and (ii) suspends certain additional state tax laws requiring the filing of various property tax statements. The orders apply to properties located in 9 zip codes that are included in the boundaries of the District. Additional executive orders have been issued to allow for a quicker redevelopment in fire-damaged areas. The District cannot predict the effect any executive orders will have on the timely collection of property taxes.

Charter School Funding

A charter school is a public school authorized by a school district, county office of education or the State Board of Education. State law requires that charter petitions be approved if they comply with the statutory criteria. The District has certain fiscal oversight and other responsibilities with respect to both Affiliated Charter Schools and Fiscally Independent Charter Schools located in the District geographic boundaries. Fiscally Independent Charter Schools, however, are separate LEAs and receive revenues directly from the State. Affiliated Charter Schools receive their funding from the District and are included in the District's budgets and audit reports. Information regarding enrollment, ADA, budgets and other financial information relating to Fiscally Independent Charter Schools is not included in the District's audit reports or in this Official Statement unless otherwise noted.

Pursuant to the LCFF, Fiscally Independent Charter Schools and Affiliated Charter Schools will receive a Base Grant per ADA and are eligible to receive Supplemental Grants, Concentration Grants and Equity Multiplier funds. See " – Local Control Funding Formula" herein. In fiscal year 2023-24, the District operated 51 Affiliated Charter Schools and oversaw 221 Fiscally Independent Charter Schools within the District boundaries. The fiscal year 2023-24 funded ADA of the Affiliated Charter Schools and the Fiscally Independent Charter Schools was 35,586 and 101,451 (unaudited), respectively. An increase in the number of Fiscally Independent Charter Schools within the boundaries of a school district or an increase in the number of students transferring to a Fiscally Independent Charter School or an Affiliated Charter School from a traditional school within a school district may cause a net reduction in the District's ADA.

Limitations on School District Reserves

Unless a school district is granted an exemption by its county superintendent of schools, amounts in its reserves may not exceed the limitations set forth in the Education Code once certain conditions precedent are met. Pursuant to Section 42127.01 of the Education Code, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total of State general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised shall not contain a combined assigned or unassigned ending general fund balance that is in excess of 10% of total General Fund expenditures and other financing uses. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the reserves limitation for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserves limitation. The limitation applies once the Superintendent of Public Instruction notifies school districts and county offices of education that the conditions precedent are met. The Superintendent of Public Instruction is also required to notify school districts and county offices of education when those conditions no longer exist.

The State-imposed minimum recommended reserve for the District is accounted for in the District's reserve for economic uncertainties. Payments allocated to the Proposition 98 Rainy Day Fund by the State in fiscal years 2021-22 and 2022-23 triggered the limitations on school district reserves under the Education Code in fiscal years 2022-23 and 2023-24. The State's economic and revenue outlook, however, has changed. Although the 2024-25 State Budget provides for a discretionary payment of approximately $1.1 billion to the Proposition 98 Rainy Day Fund in fiscal year 2024-25, the 2024-25 State Budget also provides for a withdrawal of the entire $8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24, leaving a projected balance of $1.1 billion at the end of fiscal year 2024-25. Given 2024-25 State Budget provisions relating to the Proposition 98 Rainy Day Fund, school district reserve caps will not be triggered in fiscal year 2024-25 and are not projected to be triggered in fiscal year 2025-26. See "– State Budget Act."

DISTRICT FINANCIAL INFORMATION

District Financial Policies and Related Practices

General. The District has three key financial policies: a budget and finance policy (the "Budget and Finance Policy"), a debt management policy (the "Debt Management Policy") and an investment policy (the "Investment Policy").

Budget and Finance Policy. The District has adopted a Budget and Finance Policy pursuant to which the District creates and funds reserves for operating purposes (collectively, the "Operating Reserves") and liability management purposes. The Budget and Finance Policy reflects reserve categories promulgated by the Government Accounting Standards Board ("GASB") and incorporates certain reserve categories established by the District. See "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves" herein.

Operating Reserves. The District uses the Operating Reserves to manage its budget for each fiscal year. A portion of the District's authorized appropriations are set aside in the Operating Reserves. The District generally appropriates amounts from the General Fund based on the amount estimated in its budget. The District may, however, appropriate funds from unspent balances within the Operating Reserves, if necessary. Accordingly, the District uses the Operating Reserves to ensure that appropriations reflect the District's actual General Fund expenditures. The current Operating Reserves include nonspendable reserves, restricted reserves, committed reserves, assigned reserves, and unassigned reserves (generally described as fund balances), the latter of which includes the District's reserve for economic uncertainties. Pursuant to the California Code of Regulations, school districts with an ADA of over 250,001 students, such as the District, must maintain a reserve for economic uncertainties of 1% of General Fund appropriations.

Pursuant to the Budget and Finance Policy, the District's total General Fund balance may not be less than an amount equal to 5% of total General Fund expenditures and net transfers out during a fiscal year (the "5% Minimum Reserve Threshold"). In addition, the Budget and Finance Policy requires the projected General Fund balance to satisfy the 5% Minimum Reserve Threshold in each of the two subsequent fiscal years which the District includes in its interim financial reports. In the event that the District's estimates indicate that the total General Fund balance will not satisfy the 5% Minimum Reserve Threshold in any of the current fiscal year or two subsequent fiscal years, the Budget and Finance Policy directs the District to develop and implement budget proposals to restore reserve balances to the 5% Minimum Reserve Threshold.

Based on the 2024-25 Second Interim Report, the District's Operating Reserves are expected to satisfy both the 5% Minimum Reserve Threshold and the 1% statutory reserve requirement for fiscal years 2024-25, 2025-26 and 2026-27. Unlike the 5% Minimum Reserve Threshold, the 1% statutory reserve requirement is based on the unrestricted and unassigned ending fund balance (including the reserve for economic uncertainties) only and does not take into account the restricted, committed, or assigned ending fund balances. See "– District Budget – 2024-25 Second Interim Report" herein.

Liability Management. Pursuant to the Budget and Finance Policy, the District has established a health and welfare reserve (the "Health and Welfare Benefits Fund"), and an other-post-employment benefits ("OPEB") trust (the "OPEB Trust Fund"). Annual appropriations are made to address other identified liabilities, such as pension, vacation, and retiree healthcare.

The District is in the process of transitioning certain liabilities and potential claims previously covered by District reserves and purchased lines of coverage to a captive insurance company, designed to mitigate financial risks, enhance control over the insurance processes, potentially reduce costs, and tailor coverage to meet the District's specific needs. The Captive Insurer (as defined below) is a separate legal entity. See "Risk Management and Litigation – *Captive Insurance Program*." The Captive Insurer will determine the reserves, liabilities, and insurance policy premiums charged to the District from actuarial information. The Captive Insurer is liable for losses and will record the liability on its books.

The liability for auto, general, and workers' compensation, prior to July 1, 2024, was based upon information from an independent actuary. Effective July 1, 2024, coverage and reserves with respect to automobile, general, sexual abuse and molestation, and workers' compensation liabilities was and is being transferred to the Captive Insurer, with required reserves, liabilities and insurance policy premiums determined by the Captive Insurer and charged to the District using actuarial information. See "Risk Management and Litigation – *Captive Insurance Program*." The District is currently evaluating the following lines of coverage to be provided by the Captive Insurer: boiler and machinery; crime and fiduciary; property; cyber security; and medical malpractice.

For certain current claims for sexual abuse and molestation pending settlement, funds have been set aside or transferred to the Captive Insurer. Remaining sources of funds to resolve claims for sexual abuse and molestation are expected to include limited insurance including through the Risk Management Authority (as defined herein), amounts provided and available to the Captive Insurer, and other legally available funds whether made payable as due or by payments spread over several years for a period commencing with the judgment or court's order approving a settlement with dismissal of the action. See "Risk Management and Litigation – Sexual Misconduct Cases" and "Future Financings – AB 218 and Similar Claims."

Prior to the establishment of the Captive Insurer, the District maintained a workers' compensation reserve (the "Workers' Compensation Fund") with the amount required to be on deposit therein established with information from an independent actuary at an amount necessary to fund its outstanding workers' compensation liability to the actuarially recommended level based on the central estimate approach and by additionally calculating the amount necessary for claims and operation of the Workers' Compensation Fund. See "– Risk Management and Litigation" herein. As used herein, the central estimate represents an expected value over the range of reasonably possible outcomes.

The Health and Welfare Benefits Fund is used to pay all health and welfare payments for active employees and retirees. The District determines funding of the Health and Welfare Benefits Fund based on the applicable health benefits agreement for each of the applicable years. See "– Employees and Labor Relations – Negotiations Regarding Labor Contracts" herein. As of June 30, 2024, the net position of the Health and Welfare Benefits Fund was in deficit at approximately $(2.0) million. The deficit will be addressed by increasing the annual employee contribution rate for fiscal year 2024-25, from $15,500 to $18,400 per employee. The Fiscal Year 2024-25 Budget includes contributions of $1.4 billion for the Health and Welfare Benefits Fund.

The District Board approved the creation of the OPEB Trust Fund in May 2014 as an irrevocable trust for its OPEB liability. The Budget and Finance Policy directs the District, subject to approval by the District Board, to make annual contributions to the OPEB Trust Fund when the balance in the General Fund exceeds the 5% Minimum Reserve Threshold to the extent possible. In the event that the unrestricted portion of the General Fund balance is above 5% of the unrestricted revenues (after the annual OPEB contribution has been determined), the Budget and Finance Policy directs the District to make an additional contribution to the OPEB Trust Fund. See "– Other Postemployment Benefits" herein. As of a June 30, 2024 measurement date, the net position of the OPEB Trust Fund was approximately $820 million.

Budgeting Practices. Since Fiscal Year 2022-23 the District has updated and implemented new budgeting practices to improve timeliness, accuracy and transparency. In Fiscal Year 2024-25, the District named these collective actions as strategic budgeting. To support this effort, departments are now able to view daily updates of budget to actuals analysis for their respective departments, which facilitates effective and timely decision-making regarding opportunities for internal budget adjustments and/or reallocations that may be available for both labor and non-labor resources (this data is refreshed on a nightly basis). The District also implemented budget sweeps of positions that have been vacant for more than 180 days. In addition, to improve transparency of anticipated underspend in multi-year projections, the District refined its use of contras (i.e. underspend projections) in budgeting to better reflect actual expenditures for current and future years. The district is also beta testing a budget transparency dashboard for public use to improve the communication of central office and school site budgetary information (to external audiences); the first phase is scheduled to go live July 1, 2025. In summary, the strategic budgeting process aims to align non-labor budgeting to need, eliminate aged vacancies, reassess budget needs with actual spend and enrollment trends, while improving transparency for both internal and external stakeholders.

Debt Management Policy. The Debt Management Policy establishes formal guidelines for the issuance and management of the District's debt and other financial obligations. The Debt Management Policy establishes targets and ceilings for certificates of participation ("COPs") and unhedged variable rate exposure and sets forth benchmark debt ratios that include both COPs and the District's general obligation bonds. The Debt Management Policy also requires the District to annually publish a comprehensive debt report that, among other things, provides information on tax rates related to the District's general obligation bonds and credit factors that reflect the District's ratings.

The Debt Management Policy is required to be reviewed annually. The current Debt Management Policy was approved by the District Board on June 18, 2024. The District is in compliance with the Debt Management Policy. The Debt Management Policy establishes a ceiling of 2.0% for the ratio of COPs gross annual debt service to District General Fund expenditures. The District Board may increase the target at the time a new debt issuance is proposed, but such authority is not intended to exceed the ceiling established in the Debt Management Policy. As of January 1, 2025, the maximum fiscal year COPs debt service was approximately 0.45% of the District's General Fund budgeted expenditures for Fiscal Year 2024-25. As of January 1, 2025, the District has outstanding COPs in the aggregate principal amount of approximately $443.0 million, which includes the portion to be refunded by the Series B Bonds. (See " – District Debt – Certificates of Participation" for more information.) The Debt Management Policy limits unhedged variable rate debt to $100 million and requires reporting of the debt ratios and benchmarks. The District currently has a variable interest rate exposure of $69.95 million. The variable rate debt is associated with the District's 2024-25 Tax and Revenue Anticipation Notes which serve as an interim financing mechanism in connection with the District's refinancing of claims arising from AB 218 and similar claims.

Investment Policy. The foremost objective of the District's Investment Policy is safety. In addition, the Investment Policy directs the District to invest public funds in a manner that will maximize the investment return on all of its funds with maximum security while meeting the daily cash flow demands of each portfolio of the District and conforming to all federal, State, and local statutes governing the investment of public funds. Further, the Investment Policy directs that all investments of the District be undertaken to ensure the preservation of capital in the overall portfolio. To attain this objective, the District may diversify its investments by investing funds among a variety of securities offering independent returns. In addition, the Investment Policy requires the District's investment portfolios remain sufficiently liquid to enable the District to meet its operating requirements and be structured to attain a maximum return commensurate with its investment risk constraints and the cash flow characteristics of each portfolio.

The District's operating funds and all of the debt service funds maintained for repayment of general obligation bonds are deposited in the County Treasury Pool in accordance with State law and managed pursuant to the County's Investment Policy, a copy of which can be found at http://ttc.lacounty.gov/. Such website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein. See APPENDIX F – "THE LOS ANGELES COUNTY TREASURY POOL." With the concurrence of the County's Treasurer and Tax Collector, however, the District may direct the investment of funds in certain of its operating funds and debt service funds so long as such direction complies with both the County's investment policy and the District's Investment Policy. In addition, the District can direct the investment of indentured funds held by third party trustees with regard to certain issuances of COPs pursuant to a prescribed list of permitted investments.

Significant Accounting Policies, System of Accounts and Audited Financial Statements

The CDE imposes by law uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the California School Accounting Manual. The District uses fund accounting and maintains governmental funds, proprietary funds and fiduciary funds. The General Fund is the chief operating fund of the District. For a description of the other major funds of the District, see the description thereof contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024." Note 1 to such audited financial statements sets forth significant accounting policies that the District follows. Simpson & Simpson Certified Public Accountants ("Simpson"), Los Angeles, California, served as independent auditor to the District for its audited financial statements for fiscal year 2023-24. Simpson has not been requested to consent to the use or to the inclusion of its reports in this Official Statement, and it has not audited or reviewed this Official Statement. The District's audited financial statements for the fiscal year ended June 30, 2024, are included as Appendix B to this Official Statement. The complete audited financial statements of the District, including the notes thereto, are an integral part of this Official Statement.

Typically, the District is required to file its audited financial statements for the preceding fiscal year with the State Controller's Office, the CDE and the County Superintendent of Schools by December 15 of each year. During the last five years, the District timely filed its audited financial reports with the State Controller's Office, the CDE, and LACOE pursuant to the Education Code and any applicable legislation amending the filing deadline thereof by the respective deadlines therefor.

The audited financial statements for fiscal year 2023-24 include certain audit findings and questioned costs. With respect to the audited financial statements for fiscal year 2023-24, Simpson identified 13 audit findings and questioned costs totaling approximately $770.1 million. For detailed information regarding such findings and questioned costs, see Appendix B. Notably, in fiscal year 2023-24 – like the three previous fiscal years – the District did not meet the minimum threshold of General Fund spending on classroom teacher salaries and benefits in accordance with Education Code Section 41372. Under Education Code Section 41372, a unified school district, like the District, is required to spend a minimum of 55% of its General Fund resources on classroom salaries and benefits. In fiscal year 2023-24, the District spent approximately 47.08% of its General Fund resources on classroom salaries and benefits, which is approximately 7.92% or $763.9 million below such minimum threshold set forth in the Education Code. Such discrepancy is the result of the COVID-19 pandemic that caused the District to spend significant General Fund revenues on COVID-19 related expenses that were non-classroom teacher salaries and benefits. In each of fiscal year 2020-21, fiscal year 2021-22, and fiscal year 2022-23, the District Board approved the submission of a waiver request to the County Superintendent, and each was approved by the County Superintendent. The District expects to submit a waiver request for fiscal year 2023-24 to the County Superintendent after notice is received from the Los Angeles County Office of Education.

In addition, the audited financial statements for fiscal year 2023-24 included a finding that the District did not meet the transitional kindergarten and early enrollment average class enrollment and adult-to-pupil requirements pursuant to Education Code Section 48000. The District has implemented measures to ensure compliance with class size and adult-to-pupil ratio requirements, including the distribution of a Transitional Kindergarten Resources and Communication Toolkit to school sites and district administrators.

Copies of the District's audited financial statements as well as budgets and interim financial reports may be obtained from the website of the District: **www.lausd.org**. The website is not incorporated herein by reference and the District, its counsel (including Bond Counsel and Disclosure Counsel), the Municipal Advisor, the Underwriters and their counsel do not make any representation as to the accuracy of the information provided therein.

Audited Financial Report

Fiscal Year 2023-24 Audited Annual Financial Report. The District's fiscal year 2023-24 Audited Annual Financial Report (the "Fiscal Year 2023-24 Audit") has been submitted to the District. The Fiscal Year 2023-24 Audit reflects the District's audited financial results for fiscal year 2023-24. The Fiscal Year 2023-24 Audit reflects a General Fund adjusted beginning balance of approximately $5.71 billion, total revenues of $11.22 billion, total expenditures of $10.55 billion, other financing sources and uses of $45.64 million, and an ending balance of $6.42 billion. The Fiscal Year 2023-24 Audit indicates that the General Fund ending balance of approximately $6.42 billion consists of approximately $244.90 million for the mandatory reserve for economic uncertainties, $2.92 million of non-spendable revolving cash, stores, and prepaid expenditures, $1.79 billion of restricted ending balances, $2.97 billion of committed ending balances, $491.52 million of assigned ending balances and $869.03 million of unassigned and unappropriated ending balances. In fiscal year 2023-24, the District was able to meet its financial commitments and its required ending balances, as set forth in the Budget and Finance Policy. See "– District Financial Policies and Related Practices" for more information on the Budget and Finance Policy.

District Budget

General School District Budget Process and Oversight. State law requires that each school district maintain a balanced budget in each fiscal year. The California Department of Education imposes a uniform budgeting and accounting format for school districts. Under current law, a school district governing board must adopt and file with the county superintendent of schools a budget by July 1 of each fiscal year. The District is under the jurisdiction of the County of Los Angeles Superintendent of Schools.

The county superintendent of schools must approve, conditionally approve, or disapprove the adopted budget for each school district by September 15 in accordance with the Education Code. The county superintendent of schools is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. The county superintendent of schools is also required to determine whether the adopted budget will allow the school district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments. The Education Code directs the county superintendent of schools to disapprove any school district budget if it determines that the budget does not include expenditures necessary to implement an LCAP or an annual update to the LCAP. See "STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula – *Local Control and Accountability Plan*" herein for more information about LCAP.

In the event that the county superintendent of schools conditionally approves or disapproves the school district's budget, the county superintendent of schools will submit to the governing board of the school district no later than September 15 of such year recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent of schools can approve that budget. In addition, school districts must make available for public review any revisions to revenues and expenditures that it has made to its budget to reflect the funding made available by the State Budget Act (defined herein) not later than 45 days after the enactment of the State Budget Act.

The governing board of the school district, together with the county superintendent of schools, must review and respond to the recommendations of the county superintendent of schools before October 8 at a regular meeting of the governing board of the school district. The county superintendent of schools will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent of schools disapproves a revised budget, the county superintendent of schools will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the county superintendent of schools may impose a budget and will report such school district to the State Legislature and the Department of Finance. In prior years, LACOE has granted a conditional approval to certain of the District's budgets pending, among other things, approval of the District's LCAP, information regarding collective bargaining and other budgetary considerations. However, in the last ten years, LACOE has not disapproved any budget submitted to it by the District. LACOE approved the Fiscal Year 2024-25 Budget. See *"– Fiscal Year 2024-25 Budget"* and *"– LACOE's Response to Fiscal Year 2024-25 Budget"* below.

Subsequent to approval, the county superintendent of schools will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations. If the county superintendent of schools determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent of schools will notify the school district's governing board, the Superintendent of Public Instruction and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the Superintendent of Public Instruction and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent of schools will also make a report to the Superintendent of Public Instruction and the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent of schools. The county superintendent of schools, however, may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent of schools assumed authority.

Fiscal Stabilization Plans. While LACOE and the District will partner to implement actions necessary to stabilize and improve the financial condition of the District as and when needed, LACOE has not required nor has the District implemented a fiscal stabilization plan since 2019 in light of the District's positive certification on its recent interim reports. In the event that the District's financial condition were to change in future fiscal years, LACOE may require the District to implement a fiscal stabilization plan to stabilize and improve the financial condition of the District.

Fiscal Year 2024-25 Budget. The Fiscal Year 2024-25 Budget was adopted by the District Board on June 25, 2024. The Fiscal Year 2024-25 Budget was developed with the assumptions contained in the Governor's May revision to the proposed fiscal year 2024-25 State Budget. The Fiscal Year 2024-25 Budget projects a General Fund beginning balance of approximately $6.36 billion, total budgeted revenues of $9.41 billion, total budgeted expenditures of $11.16 billion, budgeted other financing sources and uses of negative $20.16 million, and a budgeted ending balance of $4.58 billion. The Fiscal Year 2024-25 Budget projects that its budgeted General Fund ending balance of $4.58 billion is expected to consist of approximately $112.24 million for the mandatory reserve for economic uncertainties, $47.98 million of non-spendable revolving cash, stores, and prepaid expenditures, $1.67 billion of restricted ending balances,

$1.80 billion of committed ending balances, $726.09 million of assigned ending balances, and $224.78 million of undesignated and unassigned ending balances.

The Fiscal Year 2024-25 Budget includes certain assumptions and policies, including:

- a COLA of 1.07% for the LCFF, Special Education and selected categorical programs outside of LCFF;
- a net enrollment decline of 8,888 to 403,453 in fiscal year 2024-25 from 412,341 in fiscal year 2023-24 for non-charter and Affiliated Charter Schools and a Fiscally Independent Charter School enrollment decline of 1,227 to 108,520 in fiscal year 2024-25 from 109,747 in fiscal year 2023-24;
- LCFF-funded ADA of 351,116 for non-charter schools, which is based on the average of 3 prior years' ADA, and 35,231.96 for Affiliated Charter Schools, which is based on projected fiscal year 2024-25 P-2 ADA; the percentage of ADA to enrollment is 92%;
- State Special Education funding reflects increased base rate to $897 per ADA;
- estimated unduplicated pupil count and three-year rolling average unduplicated pupil percentage of 314,904 and 85.75%, respectively, for non-charter schools (including County Program students) and 18,018 and 48.10%, respectively, on average for Affiliated Charter Schools;
- an LCFF allocation of $1.22 billion from the Education Protection Account (the "Education Protection Account") established by Proposition 30 (defined herein) to be spent for instruction;
- LCFF supplemental and concentration expenditure of $1.51 billion;
- lottery unrestricted rate per ADA is estimated at $177 per ADA and restricted rate per ADA is estimated at $72 per ADA;
- receipt of approximately $472.0 million from the ELOP in fiscal year 2024-25, which the District anticipates using, together with approximately $472.0 million in ELOP funds carried over from fiscal year 2023-24;
- receipt of approximately $74.0 million from Arts and Music in Schools and LCFF Equity Multiplier of $21.5 million;
- certificated and classified salaries include bargaining agreements with AALA (Certificated and Classified Management), LASPMA, LASPA, Los Angeles/Orange Counties Building & Construction Trades Council, District Represented, and UTLA, and the agreement for revised instructional calendar is also included (See "– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*" for information regarding labor agreements not reflected in Fiscal Year 2024-25 Budget.);
- funding for employee health and medical benefits at the per participant rate set forth in the Health and Welfare Agreement (defined herein);
- a contribution to the OPEB Trust Fund of $40 million from all funds of the District for fiscal year 2024-25;
- a contribution rate for CalSTRS (defined herein) of 19.10%;

- an increase of 0.37% of CalPERS (defined herein) employer contribution rate for fiscal year 2024-25 from 26.68% to 27.05%;

- a California consumer price index of 3.1% on other operating expenditures, except utilities which is projected to decline by 13.6% as result of lifting the 24-hour heating, ventilation, and air conditioning runtime and switching to occupancy-based usage;

- ongoing and major maintenance resources totaling $326.9 million, reflecting approximately 3% of budgeted General Fund expenditures and other financing uses, excluding CalSTRS on behalf payments made by the State;

- a contribution from all funds of $102.0 million to the Workers' Compensation Fund and inclusion of total Workers' Compensation actuarially determined funded liability of $380.5 million;

- inclusion of bond measure, debt service, COP proceeds funds, and other financing sources/uses;

- a reserve for economic uncertainties totaling $112.2 million, reflecting the statutory 1% budgeted expenditure requirement and other financing uses;

- inclusion of beginning balances in the General Fund and other funds for fiscal year 2024-25, reflecting the updated estimated actual ending balance as of June 30, 2024;

- estimated ending balances for the General Fund and other funds for fiscal year 2024-25, which reflect the difference between estimated revenue and expenditure levels for fiscal year 2024-25;

- adherence to the 10% cap on reserves (combined assigned and unassigned balances);

- release of a committed balance of $211 million for OPEB, as approved by the District Board on June 20, 2023;

- authority to transfer amounts, as necessary, to implement technical adjustments related to the Fiscal Year 2024-25 Budget;

- authority to implement new revenues for fiscal year 2024-25, if any, and increase budgeted appropriations accordingly; and

- a transfer from the Community Redevelopment Agency Fund to repay the General Fund of $30 million initially allocated for ongoing and major maintenance resources.

The District does not expect to adopt revisions to the Fiscal Year 2024-25 Budget prior to what is incorporated into the District's second interim report for fiscal year 2024-25.

LACOE's Response to Fiscal Year 2024-25 Budget. In its August 2024 letter to the District, LACOE approved the Fiscal Year 2024-25 Budget. LACOE noted that the District projected operating deficits in fiscal years 2024-25, 2025-26 and 2026-27 of unrestricted General Fund expenditures and other outgo, indicating that the unrestricted General Fund is projected to decrease from a beginning balance of $4,475.8 million in 2024-25 to an ending balance of $1,452.42 million in 2026-27, a decline of approximately $3,023.44 million, or 67.55% over three years. LACOE indicated that, while the District projected maintaining the required reserve levels by releasing assigned and committed fund balances, LACOE is concerned about the projected trend of deficit spending and recommends that the District monitor the causes for deficit spending to keep it manageable and prevent further erosion of the fund balance. LACOE noted further that the Fiscal Year 2024-25 Budget reflected declining enrollment and funded three-year average daily attendance from fiscal year 2024-25 to fiscal year 2026-27, reflecting a two-year loss of 20,109 of funded ADA, or a 5.20% decline. As LACOE explained more specifically, continued declines in enrollment and attendance will result in a loss of revenue for the District in future years. Accordingly, LACOE recommended that the District carefully monitor its enrollment and attendance trends and adjust financial projections for the current and subsequent fiscal years accordingly to reflect the resulting impact and indicated that staffing needs and facilities planning should be assessed and adjusted based on the projected rate of decline in enrollment. For more information on the Fiscal Year 2024-25 Budget, see "–Fiscal Year 2024-25 Budget." See also "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance," for more information regarding the District's declining enrollment.

District General Fund Budgets and Audited Actuals. The following Table A-4 sets forth the District's Adopted Budgets for the District General Fund, inclusive of regular and specially funded programs, for fiscal years 2020-21 through 2024-25, the audited results for fiscal years 2020-21 through 2023-24. The budgeted beginning balance for each fiscal year reflects the estimated ending balance for the prior fiscal year based upon information as of the budget adoption date. Accordingly, the budgeted ending balance for a fiscal year and the subsequent budgeted beginning balance may differ from the actual ending balance and actual beginning balance.

(Remainder of page intentionally left blank)

TABLE A-4
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL FUND BUDGET FOR FISCAL YEARS 2020-21 THROUGH 2024-25
AUDITED ACTUALS FOR FISCAL YEARS 2020-21 THROUGH 2023-24[(1)(2)]
($ IN MILLIONS)

	Revised Adopted Budget 2020-21[(3)]	Audited Actuals 2020-21	Adopted Budget 2021-22	Audited Actuals 2021-22	Adopted Budget 2022-23	Audited Actuals 2022-23	Adopted Budget 2023-24	Audited Actuals 2023-24	Adopted Budget 2024-25[(4)]
Beginning Balance	$ 1,866.7	$ 2,049.5	$ 2,714.4	$ 2,855.3	$ 3,567.6	$ 3,328.3	$ 5,179.3	$ 5,708.3	$ 6,356.9
Revenue									
State Apportionment	$ 4,122.2	$ 4,133.6	$ 4,357.5	$ 4,487.2	$ 4,573.8	$ 4,844.3	$ 5,080.1	$ 4,963.7	$ 4,725.7
Property Taxes	1,407.7	1,522.3	1,466.2	1,551.0	1,511.6	1,749.9	1,658.2	1,771.8	1,721.6
Total LCFF	5,529.9	5,655.9	5,823.7	6,038.2	6,085.4	6,594.2	6,738.3	6,735.5	6,447.3
Federal	1,576.6	1,674.4	4,446.0	1,850.5	2,823.3	2,304.2	1,840.5	2,121.5	862.8
Other State	963.1	1,223.8	1,374.3	1,748.8	1,717.9	2,681.9	1,678.0	1,778.4	1,694.7
Other Local	142.5	190.8	132.5	35.5	168.1	196.2	274.2	582.3	402.5
Total Revenue	$ 8,212.1	$ 8,745.0	$11,776.5	$ 9,672.9	$10,794.7	$11,776.5	$10,531.0	$11,217.6	$ 9,407.3
Total Beginning Balance and Revenue	$10,078.8	$10,794.5	$14,490.9	$12,528.2	$14,362.3	$15,104.8	$15,710.3	$16,925.9	$15,764.3
Expenditures									
Certificated Salaries	$ 3,252.1	$ 3,086.7	$ 3,411.4	$ 3,379.8	$ 3,772.5	$ 3,474.9	$ 3,730.4	$ 3,877.7	$ 4,185.7
Classified Salaries	1,073.5	1,159.8	1,107.2	1,257.2	1,260.8	1,346.1	1,434.0	1,516.3	1,574.1
Employee Benefits	2,169.1	2,151.4	2,437.6	2,370.1	2,798.4	2,592.9	2,820.2	2,919.8	3,069.8
Books and Supplies	1,001.9	621.3	1,638.0	479.4	2,793.8	670.5	1,893.1	602.8	1,196.8
Other Operating Expenses	893.4	1,067.8	1,076.5	1,726.4	1,045.9	1,272.1	1,718.5	1,506.1	1,069.3
Capital Outlay	81.5	95.7	54.3	94.9	17.9	111.1	53.6	113.1	104.3
Debt Service	0.4	0.1	0.3	5.7	0.1	22.4	4.8	26.8	-
Other Outgo	7.7	5.5	7.7	5.5	5.3	6.9	5.8	7.1	6.9
Transfers of Indirect Cost	(27.0)	(22.3)	(31.6)	(24.9)	(30.4)	(24.0)	(20.0)	(20.1)	(43.4)
Total Expenditures	$ 8,452.7	$ 8,166.0	$ 9,701.5	$ 9,294.1	$11,664.3	$ 9,472.9	$11,640.2	$10,549.6	$11,163.5
Excess (Deficiency) of Revenue Over (Under) Expenditures	$ (240.6)	$ 579.0	$ 2,075.0	$ 378.9	$ (869.6)	$2,303.6	$(1,109.2)	$ 668.0	$(1,756.2)
Total Other Financing Sources (Uses)	$ 286.6	$ 226.8	$ (25.1)	$ 94.2	$ 4.6	$ 76.3	$ 2.8	$ 45.6	$ (20.2)
Change in Fund Balance	$ 46.0	$ 805.8	$ 2,049.9	$ 473.0	$ (865.0)	$2,379.9	$(1,106.4)	$ 713.6	$(1,776.4)
Ending Balance	$ 1,912.7	$2,855.3	$ 4,764.3	$ 3,328.3	$2,702.6	$5,708.2	$ 4,072.9	$ 6,421.9	$ 4,580.5

Source: Los Angeles Unified School District.

TABLE A-4 (CONT.)

LOS ANGELES UNIFIED SCHOOL DISTRICT
General Fund Budget for Fiscal Years 2020-21 through 2024-25
Audited Actuals for Fiscal Years 2020-21 through 2023-24[(1)(2)(3)]
(Continued)
($ in millions)

Fund Balance[(5)]									
Nonspendable	$ 27.3	$ 58.0	$ 37.7	$ 48.0	$ 46.6	$ 47.5	$ 43.0	$ 49.8	$ 48.0
Restricted	55.2	200.0	2,731.6	544.3	208.6	1,843.0	1,258.0	1,794.5	1,672.6
Committed	--	--	--	--	1,491.3	2,920.9	1,972.8	2,972.0	1,796.9
Assigned	568.2	1,064.1	592.1	1,596.0	351.6	510.9	451.9	491.5	726.1
Reserved for Economic Uncertainties	85.2	92.0	97.7	199.9	234.1	238.8	233.5	244.9	112.2
Undesignated/Unassigned	1,176.8	1,441.3	1,305.3	940.2	370.4	147.1	113.7	869.0	224.8
	$1,912.7	$2,855.3	$4,764.3	$3,328.3	$2,702.6	$5,708.2	$4,072.9	$6,421.9	$4,580.5

____

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

(2) Includes the Regular Program and the Specially-Funded Programs.

(3) The District's original budget for fiscal year 2020-21 was adopted by the District Board on June 30, 2020. On August 25, 2020, the District Board adopted a revised budget for fiscal year 2020-21, which reflects the revised assumptions contained in the Governor's fiscal year 2020-21 State budget. Figures are based on the revised budget for fiscal year 2020-21.

(4) For information regarding labor agreements not reflected in Fiscal Year 2024-25 Budget, see "– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*" below.

(5) The nonspendable, restricted, committed, assigned, reserved for economic uncertainties and undesignated/unassigned general fund balances in millions of dollars for fiscal years 2013-14 through 2019-20 are as follows: $19.6, 192.9, --, 336.4, 65.4 and 85.9, respectively, for fiscal year 2013-14; $20.7, 126.5, --, 418.4, 65.4 and 188.8, respectively, for fiscal year 2014-15; $31.1, 182.8, 218.3, 558.7, 72.4 and 247.0, respectively, for fiscal year 2015-16; $23.5, 163.1, --, 783.9, 73.4, and 721.3, respectively, for fiscal year 2016-17; $27.6, 135.8, --, 1,057.4, 75.4, and 714.7, respectively, for fiscal year 2017-18; $27.3, 114.6, 174.6, 916.1, 75.6, and 908.6, respectively, for fiscal year 2018-19; and $37.3, 103.9, 87.6, 1,248.9, 79.0, and 492.4, respectively, for fiscal year 2019-20.

Sources: Los Angeles Unified School District's Adopted Budgets for fiscal years 2020-21 through 2024-25; Audited Annual Financial Report for fiscal years 2020-21 through 2023-24.

Historical Review of District General Fund Actual Revenues and Expenditures. The following Table A-5 sets forth the District's total revenues, total expenditures and the difference reflected in the actual results for fiscal years 2004-05 through 2023-24.

TABLE A-5
LOS ANGELES UNIFIED SCHOOL DISTRICT
Historical Review of District General Fund Audited Revenues and Expenditures for Fiscal Years 2004-05 through 2023-24
($ in millions)

Fiscal Year	Total Revenues[(1)]	Total Expenditures[(2)]	Difference
2004-05	$ 6,461.93	$ 6,436.35	$ 25.58
2005-06	6,572.70	6,487.75	84.95
2006-07	6,994.08	6,733.36	260.72
2007-08	6,954.29	6,992.29	(38.00)
2008-09	6,764.50	6,671.80	92.70
2009-10	6,302.12	6,389.17	(87.05)
2010-11	6,428.93	6,193.37	235.56
2011-12	5,919.59	5,998.31	(78.72)
2012-13	5,722.96	5,955.05	(232.09)
2013-14	5,896.35	5,788.82	107.53
2014-15	6,452.84	6,333.28	119.56
2015-16	7,213.53	6,723.15	490.38
2016-17	7,292.27	6,837.31	454.96
2017-18	7,308.08	7,062.45	245.63
2018-19	7,788.71	7,582.63	206.08
2019-20	7,613.72	7,781.09	(167.37)
2020-21[(3)]	9,010.00	8,204.19	805.82
2021-22[(3)]	9,781.49	9,308.46	473.03
2022-23[(3)]	11,868.39	9,488.47	2,379.92
2023-24[(3)]	11,288.37	10,574.69	713.68

(1) Includes Other Financing Sources.
(2) Includes Other Financing Uses.
(3) Increases due to revenues and expenditures related to COVID-19.
Sources: Audited Annual Financial Report for fiscal years 2004-05 through 2023-24.

District Interim Financial Reports. A State law adopted in 1991 (known as "A.B. 1200") imposed financial reporting requirements on school districts and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 *et. seq.*), each school district is required to file two interim certifications with the county superintendent of schools (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent of schools reviews the certification and issues either a positive, negative or qualified certification. In the past five fiscal years, the District has received a qualified certification for its first interim report for fiscal year 2021-22.

A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent of schools, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent of schools, the State Controller and the Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30. Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent of schools determines that the school district's repayment of indebtedness is probable.

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

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the Superintendent of Public Instruction will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

Second Interim Financial Report for Fiscal Year 2024-25. The District submitted the Fiscal Year 2024-25 Second Interim Report to LACOE with a positive certification. Based on the 2024-25 Second Interim Report, the District expects to meet its financial commitments and satisfy the 5% Minimum Reserve Threshold and the 1% statutory reserve requirement for fiscal years 2024-25, 2025-26 and 2026-27. The 2024-25 Second Interim Report provides that the District continues to be challenged with deficit spending wherein expenditures are greater than projected revenues.

The 2024-25 Second Interim Report projects a General Fund ending balance of approximately $4.188 billion for fiscal year 2024-25, consisting of a projected unrestricted General Fund ending balance of approximately $3.38 billion and a projected restricted General Fund ending balance of $804.3 million for fiscal year 2024-25. The projected Fiscal Year 2024-25 unrestricted General Fund ending balance consists of non-spendable, assigned, unassigned reserve for economic uncertainties and unassigned/unappropriated components in the amounts of approximately $49.47 million, $1.22 billion, $132.75 million, and $1.98 billion, respectively.

The 2024-25 Second Interim Report acknowledges the 2024-25 State Budget addressed a $47 billion deficit through a mix of solutions and included plans to tackle the fiscal year 2025-26 budget deficit as well. The 2024-25 Second Interim Report further acknowledges LAO's warning of potential annual operating State deficits beginning in fiscal year 2026-27. See "STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act." In May 2025, the Governor will revise the Proposed 2025-26 State Budget based on updated information available at such time. Such revision may differ substantially from the Proposed 2025-26 State Budget, and could result in negative impacts to State K-12 education funding in fiscal year 2024-25. The District cannot predict the impact that the final fiscal year 2025-26 State budget, or subsequent budgets, will have on its finances and operations.

The District revises its projections of revenues, expenditures, and ending fund balances contained in the Fiscal Year 2024-25 Budget as more financial data becomes available throughout the fiscal year. The 2024-25 Second Interim Report reflects the District's projections for fiscal year 2024-25 for the period from July 1, 2024 through January 31, 2025. It also reflects multi-year projections through fiscal year 2026-27. The achievement of certain results or other expectations contained in the 2024-25 Second Interim Report involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates, and other forward-looking statements contained in the 2024-25 Second Interim Report are expressly qualified in their entirety by the foregoing and the other cautionary statements.

The following Table A-6 sets forth budgeted revenues and expenditures and projected year-end amounts, including projected and year-end General Fund Balances, as reported in the Fiscal Year 2024-25 Budget and the 2024-25 Second Interim Report.

TABLE A-6
LOS ANGELES UNIFIED SCHOOL DISTRICT
District General Fund Summary of Fund Balances, Revenues and Expenditures
Fiscal Year 2024-25
($ in millions)

	Fiscal Year 2024-25 Final Adopted Budget	**Fiscal Year 2024-25 Second Interim Report**
Beginning Balance	$6,413.6[(1)]	$6,413.6[(2)]
Revenues	9,407.3	9,425.2
Expenditures	11,163.6	11,046.8
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses	(1,756.2)	(1,621.6)
Other Financings Sources/Uses	(20.16)	(612.7)
Ending Balance	$4,580.5	$4,187.6

(1) Does not include restatements.
(2) Does not include audit adjustments.
Sources: Los Angeles Unified School District Fiscal Year 2023-24 Final Adopted Budget; 2024-25 Second Interim Report.

LACOE's Review of Fiscal Year 2024-25 First Interim Report. In its January 2025 letter to the District, LACOE concurred with the District's positive certification on the 2024-25 First Interim Report. LACOE pointed out that the 2024-25 First Interim Report projected operating deficits in fiscal years 2024-25 and 2025-26, emphasizing the erosion of projected General Fund balances. LACOE acknowledged that the 2024-25 First Interim Report projected maintaining the required level of reserves but recommended that the District monitor causes for deficit spending to prevent additional fund balance erosion. LACOE also indicated that the 2023-24 First Interim Report reflected declining enrollment and funding under LCFF based on three-year average daily attendance for fiscal years 2024-25, 2025-26, and 2026-27, and highlighted the impacts of declining enrollment, emphasizing that continued declines in enrollment and attendance will result in a loss of revenue for the District in future years. LACOE recommended the District carefully monitor its enrollment and attendance trends and adjust financial projections for the current and subsequent fiscal years accordingly to reflect the resulting impact. LACOE also indicated that staffing needs and facilities planning should also be assessed and adjusted based on the projected rate of decline in enrollment.

Employees and Labor Relations

General. The District has twelve bargaining units with existing contracts. The largest bargaining unit among the District's employees is United Teachers Los Angeles ("UTLA"), which is comprised of among other employees, teachers, counselors, advisers, nurses, psychologists, and social workers. In addition, certain employees are not represented by a formal bargaining unit (the "District Represented Employees"). The following Table A-7 sets forth the number of members of each bargaining unit as of January 1, 2025, and the expiration dates of the existing or successor labor agreements with each of the District's employee bargaining units.

TABLE A-7
LOS ANGELES UNIFIED SCHOOL DISTRICT
Employee Bargaining Units and Contract Expiration Dates
As of January 1, 2025

Employee Bargaining Unit	Members	Contract Expiration Date (June 30)
Associated Administrators of Los Angeles ("AALA") (Certificated)	2,599	2025
Unit A (School Police)	258	2025
Unit B (Instructional Aides)	14,245	2024[2]
Unit C (Operations – Support Services)	8,189	2024[2]
Unit D (Office – Technical and Business Services)	4,512	2026
Unit E (Skilled Crafts)	1,436	2025
Unit F (Teacher Assistants)	1,328	2024[2]
Unit G (Playground Aides)	6,757	2024[2]
Unit H (Sergeants and Lieutenants)	50	2025
Unit J (Classified Management)	429	2025
Unit S (Classified Supervisors)	3,271	2024[2]
United Teachers Los Angeles	37,399	2025
District Represented Employees[1]	488	N/A

(1) District-represented employees include employees that are not represented by a union due to their designation as management, confidential or unrepresented employees. Does not include unrepresented seasonal employees or employees in positions not yet assigned to a union.
(2) Each bargaining unit with an expired contract is operating under the terms of the expired contract until a new contract is negotiated and agreed upon.
Source: Los Angeles Unified School District Office of Labor Relations.

Negotiations Regarding Labor Contracts. The United Teachers Los Angeles ("UTLA") and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the "UTLA Agreement"). For fiscal year 2022-23, the UTLA Agreement provides for a 3% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule retroactive wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023. For fiscal year 2023-24, the UTLA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024. For fiscal year 2024-25, the UTLA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. In addition, the UTLA Agreement (a) provides for certain on schedule salary increases for certain employee groups, including special and early education teachers, nurses and table employees, (b) provides for academic class size reduction in certain schools, (c) for adjustments in staffing ratios for counselors, pupil services and attendance counselors (PSA) and psychiatric social workers (PSW), (d) provides for additional funding for certain community schools, (e) for additional community school coach positions, and (f) includes differential pay increases for certain positions and programs. There are no reopeners provided for in the UTLA Agreement. The financial impacts of the UTLA Agreement are incorporated as expenditures in the Fiscal Year 2024-25 Budget. UTLA and the District have commenced successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28.

SEIU Local 99 (Units B, C, F and G) and the District reached a one-year agreement for fiscal year 2020-21, and a three-year agreement for fiscal years 2021-22 through 2023-24 (collectively, the "SEIU Agreements"). Under the SEIU Agreements, (a) based on the salary table effective July 1, 2021, all SEIU bargaining unit members will receive a 6% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (b) based on the salary table effective July 1, 2022, all SEIU bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (c) based on the salary table effective July 1, 2023, all SEIU bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and (d) based on the salary table effective January 1, 2024, there will be a $2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. In addition, the SEIU Agreements (a) provide for the funding an Education and Professional Development Fund in the amount of $3 million, (b) effective January 1, 2024, make employees assigned 4 hours per day or 80 hours per month, with respect to Units F and G, eligible (along with eligible dependents) to enroll in certain low cost health insurance plans or receive a cash amount if the employee opts out, and (c) include certain pay differentials and one-time pay increases. There are no reopeners provided for in the SEIU Agreements. SEIU Local 99 (Units B, C, F and G) and the District are in successor negotiations for a three-year agreement for Fiscal Years 2024-25, 2025-26 and 2026-27. Any financial impacts of a successor agreement will be incorporated into future budget projections once negotiations are concluded and the agreements are ratified by the unions and adopted by the Board.

AALA (Certificated Administrators) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the "AALA (Certificated Administrators) Agreement") with on schedule salary increases to be applied to the AALA (Certificated Administrators) master salary table comparable to the increases provided to UTLA in the UTLA Agreement. There are no reopeners provided for in the AALA (Certificated Administrators) Agreement. As a result of such agreement, the District anticipates an increase in fiscal year 2023-24 expenditures of approximately $87.07 million (all funds), of which approximately $81.10 million relate to the District's general fund. Of such amounts, approximately $25.07 million (all funds) of such expenditures ($23.36 million related to the District's general fund) reflect expenditures attributable to fiscal year 2022-23 and are to be paid in fiscal year 2023-24. The financial impacts of the AALA (Certificated Administrators) Agreement are incorporated as expenditures in the Fiscal Year 2024-25 Budget. AALA (Certificated Administrators) and the District have commenced successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28.

CSEA (Unit D – Technical and Business Services) and the District have reached a three-year agreement for fiscal years 2023-24 through 2025-26 (the "CSEA Agreement"). The CSEA Agreement provides for one reopener for fiscal year 2024-25 and fiscal year 2025-26. Based on the salary table effective July 1, 2023, all CSEA bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and based on the salary table effective January 1, 2024, there will be a $2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. The CSEA Agreement also provides for an increase to $22.52 effective January 1, 2024, for the classifications of Office Technician, Parent Education Support Assistant, Parent Resource Assistant, Microfilm Operator, Clerk, and Student Integration Helper. The financial impacts of the CSEA Agreement are incorporated in the Fiscal Year 2024-25 Budget. CSEA (Unit D – Technical and Business

Services) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2026-27 through 2028-29 after January 1, 2026.

Teamsters (Unit S – Classified Supervisors) and the District reached a three-year agreement for fiscal years 2021-22 through 2023-24 (the "Teamsters Agreement"). Under the Teamsters Agreement (a) based on the salary table effective July 1, 2021, all Teamsters bargaining unit members will receive a 1% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables (which is in addition to the 5% increase previously agreed to and applied); (b) based on the salary table effective July 1, 2022, all Teamsters bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables; (c) based on the salary table effective July 1, 2023, all Teamsters bargaining unit members will receive a 7% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables, and (d) based on the salary table effective January 1, 2024, there will be a $2.00 per hour on-schedule wage increase applied to all pay scale groups and levels of the base salary table. Teamsters (Unit S – Classified Supervisors) and the District are in successor negotiations for a three-year agreement for Fiscal Years 2024-25, 2025-26 and 2026-27. Any financial impacts of a successor agreement will be incorporated into future budget projections once negotiations are concluded and the agreements are ratified by the unions and adopted by the Board.

LASPA (Unit A – School Police) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the "LASPA Agreement"). The LASPA Agreement provides, with respect to sworn officers, (a) for fiscal year 2022-23, a 3% retroactive on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% retroactive on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. The LASPA Agreement provides, with respect to school safety officers, (a) for fiscal year 2022-23, a 7% retroactive on schedule wage increase applied to the base salary tables effective July 1, 2022; (b) for fiscal year 2023-24, a 7% on schedule wage increase applied to the base salary tables effective July 1, 2023; and (b) for a Step 1 an increase to $22.52 effective January 1, 2024, with the subsequent Steps applied accordingly. The classification of school safety officer is not included in the on-schedule fiscal year 2024-25 wage increase as the additional increase is being provided on January 1, 2024. There are no reopeners provided for in the LASPA Agreement. The financial impacts of the LASPA Agreement are incorporated as expenditures into the Fiscal Year 2024-25 Budget. LASPA and the District are currently in dispute over LASPA's assertion that they are entitled to a $1.00 per hour increase for fiscal year 2019-20. LASPA (Unit A – School Police) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 in 2025.

LASPMA (Unit H – School Police Management) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the "LASPMA Agreement"). For fiscal year 2022-23, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023. For fiscal year 2023-24, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024. For fiscal year 2024-25, the LASPMA Agreement provides for a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024 and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. There are no reopeners provided for in the LASPMA Agreement. The financial impacts of the LASPMA Agreement are incorporated as expenditures into the Fiscal Year 2024-25 Budget. LASPMA (Unit H – School Police Management) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 in 2025.

"Trades" (Unit E) and the District reached agreements for fiscal years 2022-23 through 2024-25 (the "Trades Agreement"). The Trades Agreement provides (a) for fiscal year 2022-23, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. During the term of the Trades Agreement for fiscal years 2022-23 through 2024-25, the District and Trades have agreed to reopen on two items – health and welfare and deferred compensation, but have not begun negotiations. The financial impacts of the Trades Agreement for scheduled wage increases are incorporated into the Fiscal Year 2024-25 Budget. "Trades" (Unit E) and the District are expected to begin successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28 in 2025.

AALA (Unit J – Classified Managers) and the District reached a three-year agreement for fiscal years 2022-23 through 2024-25 (the "AALA Agreement"). The AALA Agreement provides (a) for fiscal year 2022-23, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2022, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2023; (b) for fiscal year 2023-24, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2023, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2024; and (c) for fiscal year 2024-25, a 3% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective July 1, 2024, and a 4% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective January 1, 2025. There are no reopeners provided for in the AALA Agreement. The financial impacts of the AALA Agreement are incorporated as expenditures in the Fiscal Year 2024-25 Budget. AALA (Unit J – Classified Managers) and the District have commenced successor negotiations for a three-year agreement for fiscal years 2025-26 through 2027-28.

Employees that are classified as "District-represented" are not in a formal bargaining unit. In alignment with District Board-approved labor agreements discussed above, District-represented employees will receive comparable compensation adjustments. District-represented employees as well as employees in positions that have not yet been assigned a union, totaling approximately 2,200 positions, with salaries within the range of union-represented classifications, will receive a 21% wage increase, beginning with 3% effective July 1, 2022; 4% on January 1, 2023; 3% on July 1, 2023; 4% on Jan. 1, 2024; 3% on July 1, 2024; and 4% on Jan. 1, 2025. District-represented employees, totaling approximately 87 positions, with salaries outside of the range of union-represented classifications, will receive a 15% wage increase, beginning with 3% effective July 1, 2022; 4% on January 1, 2023; 2% on July 1, 2023; 2% on Jan. 1, 2024; 2% on July 1, 2024; and 2% on Jan. 1, 2025. The financial impacts of the District-represented agreement are incorporated as expenditures into the Fiscal Year 2024-25 Budget.

The District entered a memorandum of understanding with SEIU and UTLA modifying the three-year tentative instructional calendar approved by the District Board on March 27, 2023, to a two-year instructional calendar (fiscal years 2023-24 and 2024-25). The memorandum of understanding maintains a three-week (15 days) winter break, provides for three additional instructional days to make up for lost instructional days in March 2023, and provides for instruction, enrichment, nutrition and child supervision through a voluntary winter recess academy in each such fiscal year. Subsequently, on December 11, 2023, the District entered a memorandum of understanding with CSEA with the same provisions outlined above in the SEIU and UTLA instructional calendar memorandum of understanding. The financial impacts of the memorandum of understanding with SEIU and UTLA and memorandum of understanding with CSEA are incorporated into the Fiscal Year 2024-25 Budget.

Health and Welfare Agreement. On October 5, 2023, the District reached a two-year agreement (the "Health and Welfare Agreement") with all of its bargaining units for calendar years 2024 and 2025 to continue providing health and welfare benefits for active employees and retirees at no additional cost to participants. Under the Health and Welfare Agreement, the District will make contributions to fully fund the per-participant actual costs of current health and welfare benefits, including administrative cost, for the 2024 and 2025 calendar years. This is exclusive of any plan design changes that increase benefit costs and is different than previous agreements where the District's obligation was to pay a fixed dollar amount for each participant category. The Health and Welfare Agreement also provides that any unspent health care reserve funds held pursuant to the District's prior health and welfare agreements will be maintained as reserves for the term of the Health and Welfare Agreement and used to improve or adjust health care plan designs as agreed to from time to time by the parties and approved by the District Board. As of June 30, 2023, and June 30, 2024, the District had $107.7 million and $(7.0) million, respectively, in health care reserves. The deficit has been addressed by increasing the annual rate for fiscal year 2024-25, from $15,500 to $18,400 per employee. The financial impacts of the Health and Welfare Agreement are incorporated as expenditures in the Fiscal Year 2024-25 Budget. Future District health and welfare contributions are subject to negotiations for a successor agreement. It is anticipated that such negotiations will commence in 2025.

Reduction in Force and Release Notices. In general, pursuant to Sections 44949 and 44951 of the Education Code, the District must give written notice to a certificated employee no later than March 15 if such certificated employee is to be released or reassigned for the ensuing school year. Similarly, pursuant to Section 45117 of the Education Code, the District must give written notice to a classified employee no later than March 15 if such classified employee is to be laid off for the ensuing school year. Further, pursuant to Sections 44955.5 and 45117(d) of the Education Code (as applicable), the District Board has the authority to terminate the services of certificated and classified employees between the period commencing five days after the enactment of the annual State Budget Act and August 15 of the fiscal year to which the State Budget Act applies if the District's LCFF apportionment per unit of ADA has not increased by at least 2% for such fiscal year. To provide flexibility in the event budget reductions are necessary in a given fiscal year, the District Board may approve the use of reduction in force and release notices for a portion of its certificated and classified employees. The Board approved release notices, which were sent to certificated employees before March 15, 2025. To date, however, no employees have been released. There were no reduction in force notices approved by the District before March 15, 2025, for the 2025-26 school year.

Retirement Systems

General. The District currently participates in CalSTRS, CalPERS and PARS (defined herein). The amounts of the District's contributions to CalSTRS, CalPERS and PARS are subject to, among other things, modifications to or approvals of collective bargaining agreements and any changes in actuarial assumptions used by CalSTRS, CalPERS and PARS.

The information set forth below regarding CalSTRS and CalPERS and their respective actuarial valuations and comprehensive annual financial reports has been obtained from publicly available sources and has not been independently verified by the District and is not guaranteed as to the accuracy or completeness thereof by or to be construed as a representation by the District. Furthermore, the summary data below should not be read as current or definitive, as recent gains or losses on investments made by the retirement systems generally may have changed the unfunded actuarial accrued liabilities stated below.

The following Table A-8 sets forth the District's aggregate contributions to CalSTRS, CalPERS and PARS, inclusive of employee contributions to CalPERS paid by the District, for fiscal years 2020-21 through 2023-24 and the budgeted contribution for fiscal year 2024-25 and these contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2020-21 through 2024-25. See Table A-8 "Annual Regular CalSTRS Contributions," Table A-10 "Annual CalPERS Regular Contributions" and Table A-13 "Annual PARS Contribution." See also the District's financial statements contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024."

TABLE A-8
LOS ANGELES UNIFIED SCHOOL DISTRICT
Aggregate Employer Contributions to CalSTRS, CalPERS and PARS
Fiscal Years 2020-21 through 2024-25
($ in millions)

Fiscal Year	District Contributions(1)	District Contribution as Percentage of Total Governmental Funds Expenditures
2020-21	$ 762.30	7.06%
2021-22	869.20	7.12
2022-23	1,040.40	8.36
2023-24(2)	1,201.06	8.60
2024-25(3)	1,344.09	8.58

(1) Reflects data for all District Funds, including the District's General Fund. Excludes on-behalf payments from the State to CalSTRS and CalPERS.
(2) Audited.
(3) Budgeted in Fiscal Year 2024-25 Budget. Amounts do not reflect labor agreements not reflected in Fiscal Year 2024-25 Budget. For a discussion of pending labor agreements not reflected in the Fiscal Year 2024-25 Budget, see "– Employees and Labor Relations – Negotiations Regarding Labor Contracts" above.
Sources: Audited Annual Financial Report for fiscal years 2020-21 through 2023-24; Fiscal Year 2024-25 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

California State Teachers' Retirement System. CalSTRS is a defined benefit plan that covers all full-time certificated District employees and some classified District employees, which are District employees employed in a position that does not require a teaching credential from the State. Benefit provisions are established by State legislation in accordance with the State Teachers' Retirement Law. CalSTRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of CalSTRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282. Copies of CalSTRS' comprehensive annual financial reports may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275. The information presented in these reports is not incorporated by reference in this Official Statement.

Member benefits are determined pursuant to the Education Code and are generally based on a member's age, final compensation and years of credited service. Members are 100% vested in retirement benefits after five years of credited service and are eligible for "normal" retirement at age 60 and for early retirement at age 55 or at age 50 with 30 years of credited service. The normal retirement benefit is 2% of final compensation (as defined in the Education Code) for each year of credited service (up to 2.4% of final compensation for members retiring after age 60), and members who retire on or after January 1, 2011 with 30 or more years of service by December 31, 2010 receive monthly bonus payments of up to $400 per month. Members hired on or after January 1, 2013 who retire at age 62 are eligible for a benefit equal to 2% of final compensation for each year of credited service (up to 2.4% of final compensation for members retiring after age 62). Benefits include a 2% cost of living increase (computed on a simple, non-compounded, basis based on the initial allowance) on each September 1 following the first anniversary of the effective date of the benefit. See "*– California Public Employees' Pension Reform Act of 2013*" herein and Note 9 set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024."

Funding; Contributions. The CalSTRS defined benefit plan (the "DB Plan") is funded through a combination of investment earnings and statutorily set contributions from members of CalSTRS, the participating employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily-set rate did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employer, employee and State contributions to the DB Plan were not sufficient to pay actuarially required amounts. To address the shortfall, Assembly Bill 1469 ("AB 1469"), signed into law by the Governor as part of the State budget for fiscal year 2014-15, increased member, employer and State contributions as part of a plan to eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014.

Pursuant to AB 1469, since fiscal year 2021-22, the State Teachers' Retirement Board is authorized to modify the percentages paid by employers and employees to eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations and subject to certain limitations. The State Teachers' Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers' Retirement Board may also adjust the State's contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate by June 30, 2046, CalSTRS' unfunded liability for service credited to members of the CalSTRS defined benefit program before July 1, 2014, based upon actuarial recommendations. The District cannot predict the impact of State, national, and international events on investment earnings and contribution rates or the amount the District will be required to pay for pension related costs in future fiscal years.

The State is not an employer (with certain limited exceptions) in any of the CalSTRS programs but contributes to the DB Plan and a supplemental benefits maintenance account pursuant to provisions of the Education Code. For fiscal year 2023-24, the State contributed 8.328% of members' annual earnings to the DB Plan and an additional 2.5% of member earnings into the CalSTRS supplemental benefit maintenance account, which is used to maintain the purchasing power of benefits. The State's contribution rate for fiscal year 2024-25 will remain at 8.328% of members' annual earnings to the DB Plan and an additional payment of 2.5% of member earnings into the CalSTRS supplemental benefit maintenance account.

The District's employer contribution rate for fiscal year 2023-24 was 19.10% of covered payroll. The District's employer contribution rate for fiscal year 2024-25 will remain at 19.10% of covered payroll. The District's employer contribution rate is inclusive of the employer base contribution of 8.25% of payroll provided by the Education Code.

The employee contribution rate for CalSTRS members first hired on or before December 31, 2012 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 60 members) was 10.25% for fiscal years 2016-17 through 2023-24 and will remain at 10.25% for fiscal year 2024-25. The employee contribution rate for CalSTRS members first hired on or after January 1, 2013 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 62 members) was 9.205% for fiscal years 2016-17 and 2017-18, 10.205% for fiscal years 2018-19 through 2023-24, and will remain at 10.205% for fiscal year 2024-25.

The following Table A-9 sets forth the District's regular annual contributions to CalSTRS for fiscal years 2020-21 through 2023-24 and the budgeted contribution for fiscal year 2024-25 and such contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2020-21 through 2024-25. The District has always paid all required CalSTRS annual contributions. As of January 1, 2025, 39,045 District employees were members of CalSTRS.

TABLE A-9
LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual Regular CalSTRS Contributions
Fiscal Years 2020-21 through 2024-25
($ in millions)

Fiscal Year	CalSTRS Employer Rate	District Contributions[1]	District Contribution as Percentage of Total Governmental Funds Expenditures
2020-21	16.15%	$497.7	4.61%
2021-22	16.92	563.9	4.62
2022-23	19.10	663.9	5.33
2023-24[2]	19.10	740.7	5.30
2024-25[3]	19.10	819.5	5.23

(1) Reflects data for all District Funds, including the District's General Fund. Excludes on-behalf payments from the State to CalSTRS.
(2) Audited.
(3) Budgeted in Fiscal Year 2024-25 Budget. Amounts do not reflect labor agreements not reflected in Fiscal Year 2024-25 Budget. For a discussion of pending labor agreements not reflected in the Fiscal Year 2024-25 Budget, see "– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*" above.
Sources: Audited Annual Financial Report for fiscal years 2020-21 through 2023-24; Fiscal Year 2024-25 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

Actuarial Valuation. The State Teachers' Retirement Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the DB Plan. CalSTRS actuarial consultant (the "Actuarial Consultant") determines the actuarial value of the DB Plan's assets by using a one-third smoothed recognition method of the difference between the actual market value of assets to the expected actuarial value of assets. Accordingly, the actuarial value of assets will not reflect the entire impact of certain investment gains or losses on an actuarial basis as of the date of the valuation or legislation enacted subsequent to the date of the valuation.

The actuarial valuation for the entire CalSTRS defined benefit program as of June 30, 2023 (the "2023 CalSTRS Actuarial Valuation") showed an estimated unfunded actuarial liability of $86.59 billion, a decrease of approximately $1.97 billion from the June 30, 2022, valuation. Such estimated unfunded actuarial liability was projected to decrease in the June 30, 2022, valuation, which projected an unfunded actuarial liability of $88.10 billion as of June 30, 2023. The actual unfunded actuarial liability as of June 30, 2023, represents a net actuarial gain of approximately $1.52 billion. Such net actuarial gain is due primarily to change in actuarial value assumptions based on the most recent experience analysis, member salary increases being more than assumed, market value returns (estimated at 6.50%) being less than assumed (7.00%) and returns on actuarial value of assets (estimated at 7.20%) being greater than assumed as the recognition of actuarial investment gains which were previously deferred had a greater impact on recognition of the less-than-assumed market return for the most recent year. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2023, and June 30, 2022, based on the actuarial assumptions, were approximately 75.90% and 74.40%, respectively. According to the 2023 CalSTRS Actuarial Valuation, the funded ratio increased by 1.50% during the past year. As described in the 2023 CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the new assumptions and contributions made to pay down the unfunded actuarial obligation in fiscal year 2022-23. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District's required contributions to CalSTRS will not increase in the future, subject to the limitations of AB 1469.

The following are certain of the actuarial assumptions set forth in the 2023 CalSTRS Actuarial Valuation: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," an assumed

7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, 3.25% payroll growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The 2023 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013, are subject to the provisions of PEPRA (as defined herein). See *"− California Public Employees' Pension Reform Act of 2013"* below for a discussion of the pension reform measure signed by the Governor in September 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

The CalSTRS ACFR for fiscal year 2022-23 (the "2022-23 CalSTRS ACFR") states that during fiscal year 2022-23, CalSTRS included 39,127 covered employees of the District in its State Teachers' Retirement Program and 3,956 covered employees of the District in its tax-deferred defined contribution plans under Sections 403(b) and 457 of the Internal Revenue Code (the "Pension2 Program"). Accordingly, covered employees of the District represented approximately 7.60% and 11.40% of covered employees in the State Teachers' Retirement Program and Pension2 Program, respectively.

The UAAL and funded status of the CalSTRS pension fund as of June 30 of fiscal years ended June 30, 2019, through June 30, 2023, are set forth in the following Table A-10. The fair market value of the CalSTRS pension fund as of June 30, 2022, and June 30, 2023, was approximately $260.29 billion and $274.17 billion, respectively, based on total system assets less amounts allocable to the CalSTRS Supplemental Benefits Maintenance Account Reserve. The individual funding progress for the District and the District's proportionate share of CalSTRS' net pension liability is set forth in the District's audited financial statements. See "*– Pension Accounting and Financial Reporting Standards*" herein and Note 9 set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024."

TABLE A-10
Actuarial Value of CalSTRS Defined Benefit Program
Valuation Dates June 30, 2019 through June 30, 2023
($ in billions)

Valuation Date (June 30)	Actuarial Obligation	Actuarial Value of Assets[(1)]	Market Value of Assets	Unfunded Actuarial Obligation	Funded Ratio (Actuarial Value)	Funded Ratio (Fair Market Value)
2019	$310.719	$205.016	$225.466	$105.7	66.0%	67.0%
2020	322.127	216.252	233.253	105.9	67.1	66.5
2021	332.082	242.363	292.980	89.7	73.0	81.9
2022	346.089	257.537	283.340	88.6	74.4	75.2
2023	359.741	273.155	299.148	86.6	75.9	76.2

(1) Actuarial Value of Assets does not include amounts allocable to the CalSTRS Supplemental Benefits Maintenance Account Reserve which was $17.38 billion as of June 30, 2019, $19.13 billion as of June 30, 2020, $21.03 billion as of June 30, 2021, and $23.05 billion as of June 30, 2022; and $24.98 billion as of June 30, 2023.
Sources: California State Teachers' Retirement System Defined Benefit Program Actuarial Valuations as of June 30, 2019 through June 30, 2023.

District Proportionate Share. As of June 30, 2024, the District's proportionate share of CalSTRS' net pension liability was approximately $4.0 billion, based on a discount rate of 7.10%. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the fiscal year 2022-23 employer contributions calculated by CalSTRS with consideration given to separately financed and irregular employer contributions relative to the projected contributions of all participating employer and non-employer contributing entities. At June 30, 2023, the District's proportionate rate was 5.133%. See Note 9(b) of the District's financial statements in APPENDIX

B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024."

California Public Employees' Retirement System. CalPERS is a defined benefit plan that covers classified personnel who work four or more hours per day. CalPERS is operated on a Statewide basis and, based on publicly available information, has significant unfunded liabilities. CalPERS issues a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS ACFRs and actuarial valuations may be obtained from the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information set forth therein is not incorporated by reference in this Official Statement. Benefit provisions are established by State legislation in accordance with the Public Employees' Retirement Law and are generally based on a member's age, final compensation, and years of credited service. For a description of member benefits for both the Safety Plan and Miscellaneous Plan of the District administered by CalPERS, see Note 9(a) set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024."

Funding; Contributions. All qualifying classified employees of K-12 school districts in the State are members in CalPERS. All school districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. Unlike contributions to CalSTRS, however, which incrementally increase at statutorily set rates, school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability of CalPERS. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. School districts' contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot make any predictions as to the effect of State, national or international events on investment earnings and school district contributions. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of fifty percent of normal costs of benefits or an actuarially determined rate of 8.00% in fiscal year 2023-24, which remains at 8.00% in fiscal year 2024-25. School districts are required to contribute to CalPERS at an actuarially determined rate, which was originally 20.733% and 22.68% of eligible salary expenditures for fiscal years 2019-20 and 2020-21, respectively. The employer contribution rate for fiscal year 2019-20, however, was reduced to 19.721% as a result of the State's buy-down of employer contribution rates in fiscal year 2019-20. Similarly, the fiscal year 2020-21 State budget allocated funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to approximately 20.70% and 22.91%, respectively. The actuarially determined rate for employer contributions was 25.37% for fiscal year 2022-23 and 26.68% for fiscal year 2023-24 and is 27.05% for fiscal year 2024-25. For a description of employer and member contribution rates, see Note 9(a) set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024."

The following Table A-11 sets forth the District's employer contribution rates, regular annual contributions, inclusive of employee contributions paid by the District to CalPERS for fiscal years 2020-2021 through 2023-24, and the budgeted contribution for fiscal year 2024-25, and such contributions as a percentage of the District's Total Governmental Funds expenditures for said fiscal years. The District has always paid all required CalPERS annual contributions. As of January 1, 2025, 31,329 District employees were members of CalPERS.

TABLE A-11
LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual CalPERS Regular Contributions
Fiscal Years 2020-21 through 2024-25
($ in millions)

Fiscal Year	CalPERS Employer Rate (Miscellaneous)	CalPERS Employer Rate (Safety)	District Contributions[1]	District Contribution as Percentage of Total Governmental Funds Expenditures
2020-21	20.700%	47.268%	$257.3	2.38%
2021-22	22.910	48.900	298.4	2.44
2022-23	25.370	50.130	370.3	2.98
2023-24[2]	26.680	53.680	453.0	3.24
2024-25[3]	27.050	64.58	516.7	3.30

(1) Reflects data for all District Funds, including the District's General Fund.
(2) Audited.
(3) Budgeted in Fiscal Year 2024-25 Budget. Amounts do not reflect labor agreements not reflected in Fiscal Year 2024-25 Budget. For a discussion of pending labor agreements not reflected in the Fiscal Year 2024-25 Budget, see "– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*" above.

Sources: Audited Annual Financial Report for fiscal years 2020-21 through 2023-24 ; Fiscal Year 2024-25 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

Actuarial Valuation. Since the June 30, 2015, valuation, CalPERS has employed an amortization and smoothing policy that apportions all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period. In contrast, the previous policy spread investment returns over a 15-year period with experience gains and losses spread over a rolling 30-year period. The amounts of the pension/award benefit obligation or UAAL will vary from time to time depending upon actuarial assumptions, and actual rates of return on investments, salary scales, and levels of contribution. See Table A-12 – "Actuarial Value of Schools Portion of CalPERS – Historical Funding Status" herein.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2023 (the "2023 CalPERS Schools Pool Actuarial Valuation"), was released in August 2024, and such valuation reported an actuarial accrued liability of approximately $124.92 billion with the market value of assets at approximately $84.29 billion, and a funded status of approximately 67.50%. From June 30, 2022, to June 30, 2023, the funded status of the CalPERS Schools Pool decreased by approximately 0.40%, and the unfunded accrued liability increased by approximately $3.04 billion, largely due to salary increases in Fiscal Year 2022-23 being higher than expected.

CalPERS reported a 5.8% net return on investments for fiscal year 2022-23. In Fiscal Year 2021-22, however, CalPERS' reported its first negative return on investments since fiscal year 2008-09. Such negative return generated an actuarial investment loss of approximately $12.40 billion, which will be amortized over 20 years with a five-year phase in, and increased the component of the expected employer contribution rate related to the unfunded liability contribution in fiscal year 2023-24 by 1.69% of payroll. The 2023 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rates for fiscal years 2025-26, 2026-27, 2027-28, 2028-29, and 2029-30 are projected to be 27.60%, 28.00%, 29.20%, 29.00%, and 28.80%, respectively. Such projections assume that all actuarial assumptions will be realized, including net investment returns in such fiscal years of 6.80%, and that no further changes to assumptions, contributions, benefits or funding will occur during such fiscal years. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases reflected in the 2023 CalPERS Schools Pool Actuarial Valuation. Actual contribution rates will differ from such projections. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District's required contributions to CalPERS will not significantly increase in the future.

The 2023 CalPERS Schools Pool Actuarial Valuation as summarized assumes, among other things, 2.30% price inflation, 2.80% wage inflation and payroll growth of 2.80% compounded annually. The 2023 CalPERS Schools Pool Actuarial Valuation as summarized reflects a discount rate of 6.80% compounded annually (net of investment and administrative expenses) as of June 30, 2023. The CalPERS Board of Administration adopted new demographic assumptions on November 17, 2021, including a reduction in the discount rate from 7.00% as of June 30, 2020, to 6.80% as of June 30, 2021, a reduction in the inflation assumption from 2.50% as of June 30, 2020 to 2.30% as of June 30, 2021, and an increase in payroll growth from 2.75% as of June 30, 2020 to 2.80% as of June 30, 2021. Such assumption changes result in increases in both the normal cost and unfunded liabilities contributions to be paid in the future. The actuarial funding method used in the 2023 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method."

In November 2024, PERS released its 2024 Annual Review of Funding Levels and Risk (the "2024 PERS Funding Levels and Risk Report"), which provided a summary of the current funding levels of the system, the near-term outlook for required contributions and risks faced by the system in the near and long-term. The 2024 PERS Funding Levels and Risk Report notes that over the next several years there is the potential for various factors to either further increase required contributions or add additional financial strain on employers and their ability to make required contributions, including inflation and near-term economic turmoil. The 2024 PERS Funding Levels and Risk Report notes that over the last few years, price inflation has been significantly higher than the PERS long-term assumption of 2.3%, which can affect liability measures and investment returns in several ways and which can be difficult to quantify. The most direct impact of high inflation is that retirees can receive higher than expected cost of-living adjustments and active employees can receive higher than expected salary increases, which could increase actuarial losses in the future. The 2024 PERS Funding Levels and Risk report concludes that, as of June 30, 2023, the PERS Retirement System had experienced a couple of years of investment returns below the expected return of 6.8%, and actuarial losses primarily due to high inflation which resulted in unexpected cost of living adjustments for retirees and higher than expected member pay increases, which resulted in increased employer contributions along with further increases forecasted for the near future. Despite the strong investment return for the fiscal year ending June 30, 2024, the 2024 PERS Funding Levels and Risk Report notes that employer contributions are currently at relatively high levels due to large amounts of unfunded accrued liability, and uncertainty within the economy suggests possible economic turmoil in the near future. The 2024 PERS Funding Levels and Risk Report concludes that the ability of employers to continue making required contributions to the system is the area of greatest concern.

The UAAL and funded status of the schools portion of CalPERS as of June 30 of fiscal years ended June 30, 2019 through June 30, 2023 are set forth in the following Table A-12.

TABLE A-12
Actuarial Value of Schools Portion of CalPERS
Historical Funding Status
Valuation Dates June 30, 2019 through June 30, 2023
($ in millions)

Valuation Date (June 30)	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liability/ (Surplus) (MVA)	Projected Payroll for Determining Contributions	Unfunded Liability/ (Surplus) as % of Payroll
2019	$ 99,528	$ 68,177	68.5%	31,351	14,844	211.2
2020	104,062	71,400	68.6	32,662	15,295	213.6
2021	110,507	86,519	78.3	23,988	15,181	158.0
2022	116,982	79,386	67.9	37,596	16,731	224.7
2023	124,924	84,292	67.5	40,632	19,055	213.2

Source: CalPERS Schools Pool Actuarial Valuation as of June 30, 2023.

District Proportionate Share. As of June 30, 2024, the District reported a net pension liability of $2.8 billion for its proportionate share of the net pension liability of the Miscellaneous Plan. The net pension liability of the Miscellaneous Plan was measured by CalPERS as of June 30, 2023, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by CalPERS pursuant to an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on the fiscal year 2022-23 employer contributions calculated by CalPERS. As of June 30, 2024, the District's proportion of the CalPERS net pension liability was approximately 7.746%. See "– *Pension Accounting and Financial Reporting Standards*" herein and Note 9(a) to the audited financial statements of the District contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024."

Safety Plan Actuarial Valuation; Net Pension Liability. The CalPERS Safety Plan of the Los Angeles Unified School District (Employer # 3614620780) Annual Valuation Report as of June 30, 2023 uses the "Entry Age Normal Cost Method" as the actuarial funding method and assumes, among other things, a 6.80% investment rate of return (net of administrative expenses), projected annual salary increases based on category, entry age, and duration of service, projected inflation of 2.30% and projected payroll growth of 2.80%. The UAAL and funded status of the District's Safety Plan, which is an individual component of CalPERS, as of June 30 of fiscal years ended June 30, 2019 through June 30, 2023, are set forth in the following Table A-13. As of June 30, 2024, the District's net pension liability under the CalPERS Safety plan was $128.0 million. The net pension liability of the CalPERS Safety plan is measured as of June 30, 2023, using standard update procedures. See Note 9(a) to the audited financial statements of the District contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024."

TABLE A-13
CalPERS Actuarial Value of LAUSD Safety Plan[1]
Historical Funding Status
Valuation Dates June 30, 2019 through June 30, 2023
($ in millions)

Valuation Date (June 30)	Accrued Liability	Market Value of Assets[2]	Unfunded Liability	Funded Ratio	Annual Covered Payroll
2019	$438.7	$320.7	$118.0	73.1%	$33.7
2020	459.1	335.9	123.2	73.2	33.3
2021	479.3	412.9	66.4	86.1	26.2
2022	508.4	377.1	131.3	74.2	23.5
2023	540.0	394.3	145.6	73.0	23.2

(1) Reflects information relating to the District's Safety Plan and does not include information relating to the Miscellaneous Plan. Actuarial information relating to the historical funding status of the District's Miscellaneous Plan is not available from CalPERS as a separate report but is incorporated in the combined schools portion of CalPERS' pension fund as set forth in Table A-12 above.
(2) CalPERS no longer uses an actuarial value of assets and only uses the market value of assets.
Source: CalPERS Safety Plan of the Los Angeles Unified School District (Employer # 3614620780) Annual Valuation Report as of June 30, 2023.

Public Agency Retirement System. On July 1, 1992, the District joined the Public Agency Retirement System ("PARS"), a multiple-employer retirement trust. This defined contribution plan covers the District's part-time, seasonal, temporary and other employees not otherwise covered by CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax. Benefit provisions and other requirements are established by District management based on agreements with various bargaining units. The District is unable to predict the amount of the contributions which the District may be required to make to PARS in the future. Accordingly, there can be no assurances that the District's required contributions to PARS will not significantly increase in the future above current levels. The District has always paid all required PARS annual contributions. As of January 1, 2025, 12,691 active District employees were members of PARS.

The following Table A-14 sets forth the District's annual contributions to PARS for fiscal years 2020-21 through 2023-24 and the budgeted annual contribution to PARS for fiscal year 2024-25, and the contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2020-21 through 2024-25.

TABLE A-14
LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual PARS Contribution
Fiscal Years 2020-21 through 2024-25
($ in millions)

Fiscal Year	District Contributions[1][2]	District Contribution as Percentage of Total Governmental Funds Expenditures
2020-21	$7.3	0.07%
2021-22	6.9	0.06
2022-23	6.2	0.05
2023-24[3]	7.4	0.05
2024-25[4]	7.9	0.05

(1) Reflects payments to PARS for pension costs associated with the District's regular and specially funded programs.
(2) Includes amounts related to prior years' PARS contributions.
(3) Audited.
(4) Budgeted in Fiscal Year 2024-25 Budget. Amounts do not reflect labor agreements not reflected in Fiscal Year 2024-25 Budget. For a discussion of pending labor agreements not reflected in the Fiscal Year 2024-25 Budget, see "– Employees and Labor Relations – *Negotiations Regarding Labor Contracts*" above.

Sources: Audited Annual Financial Report for fiscal years 2020-21 through 2023-24; Fiscal Year 2024-25 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

California Public Employees' Pension Reform Act of 2013. In September 2012, the Governor approved Assembly Bill 340, the California Public Employees' Pension Reform Act of 2013 ("PEPRA"). Among other things, PEPRA establishes new retirement formulas for employees hired on or after January 1, 2013 ("PEPRA Employees") and prohibits public employers from offering defined benefit pension plans to PEPRA Employees that exceed the benefits provided thereunder. PEPRA increases the retirement age for new State, school, city and local agency employees depending on job function and limits the annual CalPERS and CalSTRS pension benefit payouts. PEPRA applies to all public employers except the University of California, charter cities and charter counties. PEPRA is, however, applicable to those entities which contract with CalPERS.

PEPRA mandates equal sharing of normal costs between a contracting agency or school employer and their employees and that employers not pay any of the required employee contribution. PEPRA limits, however, the contribution to an amount not in excess of 8% of pay for local miscellaneous or school members, not more than 12% of pay for local police officers, local firefighters, and county peace officers, and not more than 11% of pay for all local safety members. PEPRA requires employers to complete a good faith bargaining process as required by law prior to implementing changes regarding the contribution requirements. The contribution requirements of PEPRA went into effect on January 1, 2018. See "– *California State Teachers' Retirement System*" and "*– California Public Employees' Retirement System*" herein.

In addition, PEPRA amends existing laws to redefine final compensation for purposes of pension benefits for PEPRA Employees. Further, PEPRA permits certain public employers who have offered a lower defined benefit retirement plan before January 1, 2013 to continue to offer such plan to PEPRA Employees. If a public employer adopts a new defined benefit plan on or after January 1, 2013, however, such plan will be subject to PEPRA requirements unless, among other things, its retirement system's chief actuary and retirement board certify that the new plan is not riskier or costlier to the public employer than the defined benefit formula required under PEPRA.

Pension Accounting and Financial Reporting Standards. In 2012, the Governmental Accounting Standards Board issued Governmental Accounting Standards Board Statement No. 68 – "Accounting And Financial Reporting For Pensions" ("GASB 68"), which revises and establishes new financial reporting requirements for most public employers, such as the District, that provide pension benefits to their employees. GASB 68, among other things, requires public employers providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability and provides greater guidance on measuring the annual costs of pension benefits, including thorough guidelines on projecting benefit payments, use of discount rates and use of the "entry age" actuarial cost allocation method. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. GASB 68 became effective for the financial statements of plan employers, including the District's financial statements, commencing the fiscal year ended June 30, 2015.

Pursuant to GASB 68, CalSTRS and CalPERS will use a new blended rate that reflects a long-term rate of return on plan assets, which reflects a pension fund's long-term investment strategy, and a high-quality, non-taxable municipal bond index rate, to account for the potential need to borrow funds to pay pension benefits after net assets have been fully depleted. CalSTRS has cautioned that use of the new, blended discount rate may cause the financial statements of plans, such as CalSTRS, to reflect an increased unfunded liability.

Other Postemployment Benefits

General. In addition to employee health care costs, the District provides post-employment health care benefits ("OPEB") in accordance with collective bargaining agreements and the health benefits agreement. The District's OPEB consists of post-employment benefits for health, prescription drug, dental, and vision coverage for retirees and their dependents. As of June 30, 2024, there were approximately 61,692 active employees who meet the eligibility requirements for OPEB benefits, 39,777 inactive employees or beneficiaries currently receiving benefits, and 183 inactive employees entitled to but not yet receiving benefits, for a total of 101,652 current and former employees entitled to receive benefits under the District's OPEB plan. Historically, the District has funded these benefits on a pay-as-you-go basis, paying an amount in each fiscal year equal to the benefits distributed or disbursed in that fiscal year. Beginning in fiscal year 2013-14, the District's policy, subject to District Board approval, is to prefund a portion of its OPEB costs for employees, retirees and their beneficiaries by allocating funds for the express purpose of funding future other postemployment benefit costs to the extent possible. See "– District Financial Policies and Related Practices – *Budget and Finance Policy* – Liability Reserves" herein. The District Board approved the creation of the OPEB Trust Fund in May 2014.

As of June 30, 2024, the District has contributed approximately $583.3 million to the OPEB Trust Fund, inclusive of the District's contributions of $60 million in July 2014, $30 million in September 2014, $45 million in September 2015, $6 million in March 2016, $78 million in October 2016, $120 million in October 2017, $33.3 million in August 2023, $52.8 million in September 2023, $17.6 million in each of October 2023, November 2023, December 2023, January 2024, February 2024, March 2024, April 2024 and May 2024, and $17.4 million in June 2024. The District did not contribute to the Trust Fund in fiscal years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23, although the District, for internal purposes, designated $33.3 million of the $244.3 million contributed to the OPEB Trust Fund in fiscal year 2023-24 as a fiscal year 2022-23 contribution. As of a June 30, 2024 measurement date, the OPEB Trust Fund's net position was $820 million. Based on the Fiscal Year 2024-25 Budget, the District has budgeted to contribute $40.0 million from all funds of the District with eligible employees (not just the General Fund) to the OPEB Trust Fund in fiscal year 2024-25, $33.0 million of which has been deposited in the OPEB Trust Fund as of April 8, 2025. The District expects to deposit the remaining $7.0 million budgeted for fiscal year 2024-25 into the OPEB Trust Fund monthly in the amount of $3.3 million in May 2025 and $3.7 million in June 2025.

In the April 2024 Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2023, measurement date for fiscal year 2023-24 (the "2023 Actuarial Valuation"), Aon Hewitt indicated that based on the District's current funding policy, projected cash flows, and the assumed asset return, the assets in the OPEB Trust Fund are projected to be depleted in fiscal year 2037-38 if such assets were drawn upon to pay benefits as they come due without the District funding such benefits on a pay-as-you-go basis. The year of depletion was projected to be fiscal year 2035-36 in the District's audited financial statements for fiscal year ended June 30, 2024. See Note 9 to the audited financial statements of the District contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024."

The following Table A-14 sets forth the District's funding of other postemployment benefits for fiscal years 2020-21 through 2023-24, the budgeted contribution for fiscal year 2024-25, and the contributions as a percentage of the District's Total Governmental Funds expenditures for said fiscal years. In addition, Table A-15 sets forth the District's contribution to the OPEB Trust Fund for fiscal years 2020-21 through 2024-25.

TABLE A-15
LOS ANGELES UNIFIED SCHOOL DISTRICT
Expenditures for Other Postemployment Benefits
Fiscal Years 2020-21 through 2024-25
($ in millions)

Fiscal Year	Pay-as-You-Go Amount	OPEB Trust Fund Contribution[2]	Total Amount	Expenditure as Percentage of Total Governmental Funds Expenditures
2020-21	$231.2	$0.0	$231.2	2.14%
2021-22	231.1	0.0	231.1	1.89
2022-23	235.9	0.0[3]	235.9	1.90
2023-24	245.8	244.3[3]	490.1	3.58
2024-25[1]	219.9	40.0[4]	259.9	1.66

(1) Budgeted.
(2) As of June 30, 2024, the District has contributed approximately $583.3 million to the OPEB Trust Fund, inclusive of the District's contributions of $60 million in July 2014, $30 million in September 2014, $45 million in September 2015, $6 million in March 2016, $78 million in October 2016, $120 million in October 2017, $33.3 million in August 2023, $52.8 million in September 2023, $17.6 million in each of October 2023, November 2023, December 2023, January 2024, February 2024, March 2024, April 2024 and May 2024, and $17.4 million in June 2024.
(3) The District, for internal purposes, designated $33.3 million of the $244.3 million contributed to the OPEB Trust Fund in fiscal year 2023-24 as a fiscal year 2022-23 contribution.
(4) As of April 8, 2025, $33.0 million of which has been deposited in the OPEB Trust Fund. The District expects to deposit the remaining $7.0 million budgeted for fiscal year 2024-25 into the OPEB Trust Fund monthly in the amount of $3.3 million in May 2025 and $3.7 million in June 2025.

Sources: Audited Annual Financial Reports for fiscal years 2019-20 through 2023-24; Fiscal Year 2024-25 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

Postemployment Benefits Other Than Pensions Accounting and Financial Reporting Standards. In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions ("GASB 75"), which revised and established new accounting and financial reporting requirements for state and local governments, such as the District, that offer OPEB to employees. Pursuant to GASB 75, net OPEB liabilities are required to be recognized in the financial statements for such state and local governments. In addition, GASB 75 provides additional guidance with respect to recognizing and measuring liabilities, deferred outflows and inflows of resources, and expense/expenditures. GASB 75 directs the use of "entry age normal" as the actuarial cost allocation method to be used and the various procedures, assumptions and discount rates to be used in connection with the calculation of liabilities. In connection therewith, states and local governments that do not pre-fund their respective OPEB obligations may report increased liabilities. GASB 75, among other things, requires additional note disclosures and the presentation of required supplementary information in financial statements. GASB 75 was implemented in the District's audited financial statements beginning in fiscal year 2017-18.

The District's net OPEB liability takes into consideration the adoption of GASB 75, under which the District is required to recognize in full its total net OPEB liability rather than on an incremental basis. Over the past few years, the District has taken steps to (i) reduce its OPEB liability through a more cost-effective healthcare plan and (ii) pre-fund its OPEB liability by making deposits from time to time to an irrevocable trust when its reserves exceed the 5% Minimum Reserve Threshold, subject to District Board approval.

Changes in Net OPEB Liability. The District's net OPEB liability has fluctuated over time based on a variety of factors, including changes in healthcare plans and actuarial assumptions and the funded status of the OPEB Trust Fund. In the June 2023 Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2022, measurement date for fiscal year 2022-23 (the "2022 Actuarial Valuation"), the District's actuary, Aon Hewitt, pointed out that a byproduct of the GASB 75 standards is the potential for increased volatility of results from year to year, which the District has experienced since the implementation of GASB 75. In January 2019, the District implemented a less costly healthcare plan, the Anthem Preferred PPO (50 state Medicare Advantage Plan) (the "Anthem PPO"), which replaced the United HealthCare Group Medicare Advantage Plan and the Anthem Blue Cross Medicare (EPO) plan. The implementation of the Anthem PPO together with certain updated actuarial assumptions resulted in a significant reduction in the District's net OPEB liability from $14.97 billion as of June 30, 2018 (prior to the Anthem PPO implementation) to $11.18 billion as of June 30, 2019 (after the Anthem PPO implementation) to $8.58 billion as of June 30, 2020 (based on further revised actuarial assumptions). However, the District's net OPEB liability as of June 30, 2021 increased to $11.06 billion and then decreased to $10.19 billion as of June 30, 2022 based on certain changes in actuarial assumptions described in more detail below. As of June 30, 2023, the District's net OPEB liability decreased to $8.48 billion also based on certain changes in actuarial assumptions also described in more detail below. See "– *2022 Actuarial Valuation*" below for more information. As of June 30, 2024, the District net OPEB liability increased to $8.99 billion. See "– *2023 Actuarial Valuation*" below for more information.

2022 Actuarial Valuation. The District's net OPEB liability decreased by approximately $1.70 billion from $10.19 billion as of June 30, 2022 to $8.48 billion as of June 30, 2023. According to the 2022 Actuarial Valuation, the 150-basis point increase in the discount rate from the March 2022 Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2021 measurement date for fiscal year 2021-22 (the "2021 Actuarial Valuation") had a considerable impact in the 2022 Actuarial Valuation, decreasing the value of liabilities by more than 20%. As explained in the 2022 Actuarial Valuation, such impact, which is somewhat offset by low asset returns as of the measurement date, decreases the net OPEB liability and the OPEB expense for fiscal year 2022-23. The 2022 Actuarial Valuation reflects updated financial information for fiscal year 2022-23 and is based on the census data, actuarial assumptions, and plan provisions used in the 2021 Actuarial Valuation with the following changes:

- Assets: $469,939,493 as of June 30, 2022, measurement date
- Municipal Bond Rate: 3.54% as of June 30, 2022, based on the *Bond Buyer* General Obligation Bond 20-Bond Municipal Bond Index
- Contributions: Additional contribution of $211 million to OPEB Trust Fund scheduled to be made for fiscal years ending 2023, 2024 and 2025. The District currently budgets to contribute $244.3 million in fiscal year 2023-24, $33.3 million of which the District, for internal purposes, designated as a fiscal year 2022-23 contribution.
- Expected Long-Term Return on Assets: 6.10% as of June 30, 2022, based on District's revised expectations for certain asset allocations
- Discount Rate: 3.70% as of June 30, 2022, after reassessment based on updated assets and municipal bond rate as of June 30, 2022

2023 Actuarial Valuation. The District's net OPEB liability increased by approximately $509 million from $8.48 billion as of June 30, 2023 to $8.99 billion as of June 30, 2024. The 2023 Actuarial Valuation reflects updated financial information for fiscal year 2023-24 and is based on the census data, actuarial assumptions, and plan provisions used in the 2022 Actuarial Valuation with the following changes:

- Assets: $499,889,641 as of June 30, 2023, measurement date
- Municipal Bond Rate: 3.65% as of June 30, 2023, based on the *Bond Buyer* General Obligation Bond 20-Bond Municipal Bond Index
- Contributions: Additional contribution of $33.3 million for fiscal year ending 2023, to be made in fiscal year ending 2024; $211 million to be made in fiscal year ending 2024; and $40 million for all future fiscal years.
- Expected Long-Term Return on Assets: 6.20% as of June 30, 2023, based on District's revised expectations for certain asset allocations
- Discount Rate: 3.80% as of June 30, 2023, after reassessment based on updated assets and municipal bond rate as of June 30, 2023

The following Table A-16 shows the impact of the changes to the actuarial assumptions in the 2023 Actuarial Valuation on the District's Net OPEB Liability for the fiscal year ending June 30, 2024 compared to fiscal year June 30, 2023 that was based on the 2022 Actuarial Valuation.

TABLE A-16
LOS ANGELES UNIFIED SCHOOL DISTRICT
NET OPEB LIABILITY
As of June 30, 2023 and June 30, 2024
($ in billions)

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2024
(1) OPEB Liability		
(a) Retired Participants and Beneficiaries Receiving payment	$2.755	$3.353
(b) Active Participants	6.197	6.139
(c) Total	8.952	9.491
(2) Plan Fiduciary Net Position	0.470	0.500
(3) Net OPEB Liability	8.482	8.991
(4) Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.25%	5.27%
(5) Deferred Outflow of Resources for Contributions Made After Measurement Date	$0.236	-

Source: 2023 Actuarial Valuation.

The District cannot predict the impact future changes in healthcare plans and actuarial assumptions and the funded status of the OPEB Trust Fund will have on the District's net OPEB liability.

For more information on the District's OPEB plan, OPEB liability and related assumptions for fiscal year ended June 30, 2024, see Note 9 to the audited financial statements of the District contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024" attached hereto.

Risk Management and Litigation

General. The District's administration of claims liabilities, insurance coverage and retentions is under review and transition as the District begins to employ the use of a recently-formed Captive Insurer (as defined below) which was incorporated for the benefit of the District. The District created the Captive Insurer in June 2024, effective July 1, 2024, to insure and manage the non-insured/retained auto liability, general liability, and workers' compensation exposures of the District as well as other insurance coverages deemed necessary by the Captive Insurer in the future. The lines of insurance coverage provided by the Captive Insurer are intended to replace certain of the District's third-party insurance and its program of self-insurance and reserves for the related liabilities.

In the aggregate, the District's outstanding liability (losses plus loss adjustment expense) for general, auto, and sexual molestation as of June 30, 2024, on a nominal basis and at the central estimate, is approximately $621 million. See "– Sexual Misconduct Cases – Current Claims Exposure" below. This estimate is substantially based on an independent third-party actuarial report. The District is in the process of analyzing pending claims, timing of liabilities and potential liabilities, and estimates of liability for claims in accordance with GASB Statement Nos. 10 and 56, which require that the District recognize liabilities as of June 30, 2024, to the extent that the liability is (1) probable, and (2) an amount of the liability can be reasonably estimated. As described above, this liability estimate reflects an accounting perspective. Detailed information is not yet final, and this estimate is provided based on certain averages, assumptions, and opinion.

Captive Insurance Program. The District has reorganized its insurance program to include a captive insurance company, effective July 1, 2024, officially named the Los Angeles Unified School District Insurance Company, LLC (the "Captive Insurer"), a manager-managed Vermont limited liability company. The Captive Insurer was organized for the purpose of writing insurance and/or reinsurance as a pure captive insurance company operating pursuant to Title 8, Vermont Statutes Annotated, Chapter 141, Captive Insurance, and other relevant laws of the State of Vermont.

The primary purpose of the Captive Insurer is to manage certain risks of the District, offering tailored insurance that may not be available or affordable in the traditional insurance market. Advantages sought with the Captive Insurer include: (a) greater flexibility in customizing coverage to meet specific needs, which may not be fully addressed by conventional insurance policies; (b) enhanced ability to control claims management and underwriting processes, leading to more efficient handling and potentially reduced claims costs; and (c) strategic management of investments and reserves to optimize returns and ensure adequate funding for future claims.

The Captive Insurer evaluates risks, sets premium levels, and invests capitalization and premium payments for future claim payouts. This structure is expected to provide the District with greater control over its insurance costs, claims handling, and risk management practices. The Captive Insurer was established initially to insure and manage the District's non-insured/retained automobile, general, sexual abuse and molestation, and workers' compensation liabilities as well as other insurance coverages deemed necessary by the Captive Insurer in the future. The District will continue to assess its insurance portfolio to identify additional lines of insurance to include in the Captive Insurer. The District is currently evaluating the following lines of coverage to include in the Captive Insurer: boiler and machinery; crime and fiduciary; property; cyber security; and medical malpractice. Currently, a portion of the District's liabilities for sexual abuse and molestation are included in the Captive Insurer.

The District is authorized to budget and appropriate funds for the development and implementation of the Captive Insurer, including capital, premiums, funds and fees in lines of insurance coverage to be provided by the Captive Insurer. Upon substantial implementation of the Captive Insurer in Fiscal Year 2024-25, the District expects to transfer applicable and eligible portions of the District's Internal Service Fund and Liability Self Insurance Fund to the Captive Insurer to be managed, invested, and applied to pay claims. As of July 9, 2024, approximately $50 million had been transferred to the Captive Insurer. The District has completed subsequent transfers to the Captive Insurer of approximately $998 million in Fiscal Year 2024-25 and anticipates approximately $230 million in Fiscal Year 2025-26. Upon its substantial implementation, the District expects that use of the Captive Insurer, together with traditional insurance, reinsurance, and self-insured retentions, will efficiently regulate and minimize insurance costs and secure liability insurance coverage in order to mitigate financial risks.

For fiscal year 2024-25, the Captive Insurer has provided the District with $5 million of general liability (automobile and sexual abuse and molestation) coverage for lawsuits and settlements. Thereafter, the Captive Insurer has a commercial policy for $15 million in aggregate in excess of the $5 million. Lawsuits and settlements over that threshold are covered by the Captive Insurer. As an authorized self-insurer for workers' compensation claims, which reserves the Captive Insurer will manage, invest, and apply to claims, such insurance will provide initial coverage and the District will continue its practice of unlimited coverage for such claims, actuarially determined by, and annually capitalized to, the Captive Insurer.

Traditional Insurance. In addition to the insurance coverage provided by the Captive Insurer, the District maintains various excess property, casualty, and fidelity insurance with varying self-insured retentions. The District's excess property coverage is provided currently through its membership in the Public Entity Property Insurance Program ("PEPIP"), an insurance pool comprised of certain cities, counties, and school districts. The District maintains excess property insurance on all District facilities under a combination of self-insurance retentions and varying sublimits through the excess insurance policies of PEPIP. The current self-insured retention for fire loss damage for excess property coverage is $2,500,000 per occurrence maintained through a combination of excess policies with an occurrence limit of $500 million. With respect to this exposure, the District maintains what it considers to be adequate reserves to cover losses within the self-insurance retention. District General Fund resources are used to pay for property loss insurance and uninsured repairs for property damage. In addition to the above excess property policies, the District purchases a separate boiler and machinery policy with $100 million in occurrence limits and a Fidelity crime coverage policy with $15 million in occurrence limits.

Prior to Fiscal Year 2013-14, the District's liability coverage generally included coverage for sexual misconduct and molestation claims with some limited exceptions as described herein with respect to claims potentially revived and made actionable after the passage of Assembly Bill 218. See "– Sexual Misconduct Cases – Assembly Bill 218 and Statute of Limitations in Childhood Sexual Assault Claims" herein. Liability coverage beginning in Fiscal Year 2013-14 did not include this coverage because the District determined that it was not available at reasonable rates from any insurance provider. In March 2014, the District Board approved a joint powers authority agreement by and between the District and Los Angeles Trust Children's Health Inc., a nonprofit public benefit corporation organized under the laws of the State of California, to establish the Los Angeles Unified School District Risk Management Authority (the "Risk Management Authority") which became effective July 1, 2014. The Risk Management Authority allows the District to purchase reinsurance for excess liability coverage for incidents such as sexual misconduct and molestation, to the extent such coverage is available. The Risk Management Authority was capitalized by the District and provides an insurance program for the District and the Los Angeles Trust Children's Health Inc. The Risk Management Authority allows the District to purchase reinsurance for excess liability coverage which is not presently available to self-insured public agencies such as the District. See "– Sexual Misconduct Cases" herein. The District currently maintains excess liability coverage for lawsuit settlements which covers certain sexual misconduct and molestation claims, among others, with a limit of $15 million above a $5 million self-insurance retention; see "Risk Management and Litigation – *Captive Insurance Program*" above.

Workers' Compensation. The District is authorized to self-insure for workers' compensation claims and had previously established the Workers' Compensation Fund for such claims. With the establishment of the Captive Insurer, the District will fund such self-insurance through the Captive Insurer for its workers' compensation liability, which amounts the Captive Insurer will manage, invest, and apply to claims. As described above, a portion of this liability may be covered by insurance obtained by the Captive Insurer.

Pollution Legal Liability Policy. The District purchased a pollution legal liability ("PLL") policy through Allied World National Assurance Company with coverage of $10.0 million per incident and $10.0 million in aggregate, effective May 1, 2023 to May 1, 2026.

Owner-Controlled Insurance Program. The District has arranged for its construction projects to be insured under its owner-controlled insurance program ("OCIP"). An OCIP is a single insurance program that insures the District, the District Board, all enrolled contractors, and enrolled subcontractors, and other designated parties for work performed at project sites. The District pays the insurance premiums for the OCIP coverages and requires each eligible bidder to exclude from its bid price the cost of insurance coverage. The exclusion of the cost of insurance premiums from each bid is intended to result in lower overall bids for projects, which would in turn lower the contract award amount and general obligation bond and other funds spent. In addition, the District may be able to pay a lower overall insurance cost than a single contractor because of the economies of scale gained by the purchase of an OCIP.

Litigation Regarding Insurance Providers. In September 2015, the District filed a lawsuit entitled *Los Angeles Unified School District v. ACE et al.* (the "Miramonte Coverage Action"), in the Los Angeles Superior Court seeking more than $200 million in damages from twenty-seven of the District's current and former insurance providers who failed to fund the defense and reimburse the District for settlement amounts paid by the District in connection with claims by hundreds of students and parents alleging that negligent hiring, supervision, and retention of former teachers Mark Berndt and Martin Springer at Miramonte Elementary School resulted in sexual abuse of the students. In April 2017, the District filed a second lawsuit in the Los Angeles Superior Court entitled *Los Angeles Unified School District v. AIU Insurance Company, et. al.* (the "Telfair Coverage Action"), seeking more than $40 million in damages from eight of the District's current and former insurance providers in connection with the lawsuits filed against the District alleging that negligence of its employees in hiring, retaining, and supervising Paul Chapel resulted in sexual abuse of approximately twenty students at Telfair Elementary School. In August 2017, the District filed a third lawsuit in the Los Angeles Superior Court entitled *Los Angeles Unified School District v. Allied World et al.* (the "De La Torre Coverage Action"), seeking more than $60 million in damages from seven of the District's current and former insurance providers who failed to fund the defense and reimburse the District for settlement amounts paid by the District in connection with claims by over twenty students and their parents alleging that negligent hiring, supervision, and retention of former teacher Robert Pimentel at De La Torre Elementary School resulted in sexual abuse of the students. The District has not been reimbursed by any of the defendants for amounts expended in conjunction with resolving the underlying sexual abuse litigation described in this section. While no insurer agreed to pay any of the District's defense costs before the coverage actions were filed, rulings obtained in the Miramonte Coverage Action have forced AIG to reimburse the District for over $21 million in defense costs. Further, the District has alleged that the insurance providers have not only breached their respective insurance obligations owed to the District in connection with underlying litigation but also breached the implied covenant of good faith and fair dealing. In 2021, following a bench trial, the court found that the insurer breached its duty to indemnify the District under one insurance policy at issue in the Miramonte Coverage Action for its settlements of the underlying claims. In the Miramonte Coverage Action and Telfair Coverage Action, the Court has provided guidance to the District in allocating defense costs to exhaustion of the District's self-insured retentions for specific policy periods, which has allowed the District to recover some additional indemnity payments from certain insurers. In the De La Torre Coverage Action, the Court entered judgment in favor of Lexington Insurance Company, and the District has filed a notice of appeal from that judgment. The District is considering its options with respect to additional motion practice and appellate review.

On November 4, 2020, the District filed another round of lawsuits against its insurers, *Los Angeles Unified School District v. Starr Indemnity & Liability Co., et al.* (the "Cahuenga Coverage Action") and *Los Angeles Unified School District v. Ins. Co. of the State of Pennsylvania, et al.* (the "Franklin Coverage Action"), in which it is seeking more than $25 million and $8 million, respectively, in settlement reimbursements plus defense costs relating to underlying litigation involving the alleged abuse of multiple students at Franklin High School and Cahuenga High School. The District cannot predict the final outcome of or remedy imposed by any court with respect to these complaints or the amounts, if any, by which any of the insurance providers will reimburse the District for settlements and defense costs in the underlying litigation matters. In 2021, the District moved for summary adjudication to establish that the Insurance Company of State of Pennsylvania (an AIG Co.) had breached its duty to defend the District under a 2002-2003 insurance policy, which the court denied. In April 2024, in the Cahuenga Coverage Action, the Court denied the motion for summary judgment of Starr Indemnity & Liability Company, finding triable issues of fact under the Starr policies. In July 2024, in the Franklin Coverage Action, the Court granted the defendant insurers' motion for summary judgment and entered judgment in favor of the defendants. The District is considering its options with respect to additional motion practice and a limited trial in the Cahuenga Coverage Action.

On September 29, 2022, the District filed a new lawsuit against its insurers, *Los Angeles Unified School District v. Everest National Insurance Company, et al.*, in which it is seeking more than $11 million in settlement reimbursements plus defense costs relating to underlying litigation involving the alleged abuse of multiple students at El Sereno Elementary School. One insurer has reimbursed some, but not all, of the District's defense costs in connection with the underlying litigation. The District cannot predict the final outcome of or remedy imposed by any court with respect to this complaint or the amount, if any, by which any of the insurance providers will reimburse the District for settlements and defense costs in the underlying litigation. In April 2024, the Court granted the motion for summary adjudication by Insurance Company of State of Pennsylvania regarding its duties to defend and indemnify under a 2003-2004 policy. The District is considering its options with respect to additional motion practice and appellate review.

On June 26, 2024, the District filed a new lawsuit against its insurers, *Los Angeles Unified School District v. Aetna Insurance Company, et al.*, in which it is seeking more than $9 million in settlement reimbursements, declaratory relief that would result in its insurers indemnifying future settlement and/or verdict payments, defense costs incurred to defend approximately sixty lawsuits arising out of sexual abuse allegations from the 1950s, 1960s, and 1970s, and punitive damages. The District cannot predict the final outcome of or remedy imposed by any court with respect to this complaint or the amount, if any, by which any of the insurance providers will reimburse the District for settlements and defense costs in the underlying litigation.

Wrongful Death Cases. In August 2020, the mother of an elementary school student filed a lawsuit seeking unspecified damages in excess of $1,000,000 against the District for the alleged wrongful death of her son on December 26, 2019, after he died from injuries sustained while at a District employee's home, during the employee's non-working hours and when school was out for winter break. The death was later ruled a homicide and the employee was subsequently criminally convicted. A jury trial in the wrongful death matter commenced on July 31, 2023, in the Van Nuys Courthouse of the Los Angeles Superior Court and on August 10. 2023, the jury found the District 90% at fault and plaintiff 10% at fault and awarded plaintiff a total of $30 million. On October 17, 2023, the District brought a motion for a new trial which the Court denied. On November 8, 2023, the District filed its Notice of Appeal and will seek to overturn the verdict based on a number of grounds that the District believes to have strong merit. Should the District's appeal be unsuccessful, thus obligating the District to pay its share of the judgment ($27 million), the District's expected share will be $5 million (self-insured retention amount) and the balance of the judgment would be expected to be covered by the District's reinsurers through the Risk Management Authority. The matter has been fully briefed, and the parties are awaiting an oral argument hearing date.

In September 2022, two high school students overdosed in a bathroom on campus after ingesting a pill believed to have been laced with Fentanyl. The students were found on campus after school hours: one deceased in the bathroom and the second student in the courtyard outside the bathroom. The surviving student found in the courtyard was transported to the hospital. On December 12, 2022, the deceased student's mother filed a complaint in the Los Angeles Superior Court against the District seeking unspecified damages for negligence and wrongful death. She has since made an offer to dismiss her lawsuit in exchange for $50 million. Trial in that matter is currently set for May 9, 2025. On October 13, 2023, the surviving student filed a lawsuit against the District in the Los Angeles Superior Court, seeking unspecified damages for negligence. The surviving student has not made any offers to resolve her lawsuit. The trial in that matter is currently scheduled for September 9, 2025.

On March 5, 2024, a high school student was involved in a fight on campus, wherein she allegedly sustained injuries, including head trauma. It is further alleged that as a result of these claimed injuries, the student passed away ten days later. A report issued by the Los Angeles County Medical Examiner's Office concluded that the cause of death was head trauma sustained from a fall down a set of stairs on March 10, 2024, while the decedent was attending a party. On September 20, 2024, the mother and the decedent's estate filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for wrongful death. Trial in the matter is currently set for August 3, 2026 and the litigation is in the discovery phase.

In April 2016, a middle school student experienced sudden cardiac arrest during physical education class and died. On July 21, 2017, the father of the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for wrongful death. The case was tried in April 2023, resulting in a $15 million jury verdict. On August 11, 2023, the District filed a Notice of Appeal, which is currently pending. The matter has been fully briefed and oral argument was recently scheduled for April 30, 2025.

Catastrophic Injury Cases. In January 2020, a non-verbal special education student claims to have sustained injury on a District special education campus when he allegedly pulled a soccer goal post net, causing himself and the goal to fall, hitting him on the head. The student underwent emergency cervical spine surgery as a result of the incident, and his medical bills/costs known to date exceed $1,000,000. On January 11, 2022, the court appointed conservator for the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages. The matter settled on September 23, 2024 for $4.2M and approved by the Board of Education on November 20, 2024.

In February 2017, an elementary school student claimed to have fallen and struck her head during the school day, on campus. On November 22, 2017, the mother of the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for traumatic brain injury. Plaintiff alleged the District failed to provide the requisite medical care and failed to contact emergency medical personnel in a timely manner. A verdict was entered against the District in the amount of $7,083,194.86.

In February 2018, a middle school student suffered a non-fatal injury when a gun, brought to school by another student, accidentally discharged in class causing a bullet fragment to strike the student in the temple. A personal injury action was subsequently filed on behalf of the injured student in the Los Angeles Superior Court against the District and other parties seeking unspecified damages for traumatic brain injury. During litigation, the District brought a motion for summary judgment which the trial court granted in its entirety. Plaintiff subsequently appealed the granting of the motion for summary judgment and dismissal of the case and the California Court of Appeal reversed, in part, the trial court's ruling and remanded the matter to the trial court. Plaintiff's last settlement demand was in excess of $20 million. In November 2024 the jury returned a defense verdict; plaintiff is pursuing an appeal.

COVID-19 Distance Learning Lawsuits. On September 24, 2020, a class action lawsuit was filed on behalf of nine named plaintiffs in the Los Angeles Superior Court asserting that the District's instructional plan in response to the COVID-19 pandemic denied plaintiffs' children their basic education rights under the California Constitution. The complaint alleges that the District's distance learning approach was inadequate in that it allegedly reduced instructional and professional development time, eliminated student assessments, failed to provide adequate access to technology, and failed to reengage students who did not participate in online learning in the spring of 2020 after the closure of school facilities due to the COVID-19 pandemic. The operative first amended complaint asserts various causes of action for injunctive and declaratory relief, including claims for alleged violations of statutory and Constitutional rights and claims of discrimination and disparate treatment. On April 9, 2021, the District's motion to strike certain allegations in the complaint with respect to individualized education program services was granted, but its demurrer to the first amended complaint was overruled. After plaintiffs filed a second amended complaint, the District filed another demurrer. On August 16, 2021, the Court sustained the District's demurrer with leave to amend. The Court further struck plaintiffs' claims seeking retrospective injunctive relief on a class wide basis. Plaintiffs were given 20 days to file an amended complaint. In September 2021, the Court dismissed the action in its entirety, with prejudice, and entered judgment in favor of the defendants, including the District. Plaintiffs subsequently filed a notice of appeal with the Court of Appeal of California, Second Appellate District. On September 19, 2023, the California Court of Appeal issued its decision reversing in part the September 2021 order dismissing the lawsuit. The Court of Appeal found that dismissal of the case and denial of class certification was premature, permitting the plaintiffs to move forward on three of their eight causes of action, but sustaining the dismissal of the remaining claims in favor of the District. The matter has now been remanded back to the trial court to proceed. Discovery and settlement negotiations are in process. The District will continue to defend the case and also determine any potential settlement options.

COVID-19 Employee Vaccinations Lawsuit. Since the Fall of 2021, the District has been named in at least thirty-four different lawsuits challenging the District's previous COVID-19 vaccination mandate, filed by current and former employees and job applicants, asserting various causes of action for wrongful termination, employment discrimination, and violations of Constitutional rights, among other theories of recovery. As of January 2025, twelve of the thirty-four cases had settled. While certain of the lawsuits have been filed on behalf of a single named plaintiff, others are filed on behalf of groups of plaintiffs ranging from 6 to 167. The earliest filed of such actions, *Health Freedom Defense Fund v. Carvalho, et al.*, is presently on appeal before the Ninth Circuit Court of Appeals, following the U.S. District Court for the Central District of California's grant of the District's motion for judgment on the pleadings in September 2022. On June 7, 2024, the Ninth Circuit reversed the Central District of California's decision. On February 4, 2025, the Ninth Circuit ordered En Banc review.

In general, the District believes it has strong defenses to these employee vaccination mandate lawsuits, and anticipates that most will result in defense verdicts. Nevertheless, given the inherent uncertainty of litigation and the different factual scenarios presented in each of them, the District faces potential exposure to claims for damages, including lost wages, a claim in at least one case for emotional distress damages, claims for punitive damages, and perhaps most significantly, exposure to potential awards of prevailing party attorneys' fees, which in some employment cases, can reach seven figures. The damages sought in these lawsuits vary significantly, particularly depending on the number of plaintiffs involved, the causes of action asserted, and remedies sought. As such, the District cannot predict the total damages that might be recovered in the event that it does not prevail in one or more of the lawsuits.

Sexual Misconduct Cases. The District is occasionally subject to claims relating to the sexual misconduct of District personnel and other students. There are currently threatened and pending claims against the District brought on behalf of minor students as a result of such alleged sexual misconduct. The District is in various stages of litigation relating to such pending claims and cannot predict the outcome and effects of such claims or provide any assurances that such claims will not be successful. The damages requested by the plaintiffs in the various pending sexual misconduct cases are substantial, but vary significantly, in multiple instances there are demands for several million dollars. The District, however, cannot predict any final award of damages or settlement amounts. The District also cannot predict the damages sought by any threatened litigation.

As described above, the information below reflects an accounting perspective. The District is in the process of analyzing pending claims, the timing of liabilities and potential liabilities, and estimates of liability for claims by class and at levels of potential exposure. Detailed information is not yet final, and this estimate is provided based on certain averages, assumptions, and opinion.

Miramonte. In the Miramonte sexual abuse litigation, involving Mark Berndt (who in 2013 pleaded no contest to 23 felony counts of lewd acts on children and was sentenced to 25 years in prison), there have previously been over $250 million in settlements with 225 students. This amount was a contingent liability reported in the Fiscal Year 2023-24. There are multiple active cases pending with 75 plaintiffs. This includes several recent complaints filed and served on behalf of 29 plaintiffs. The earliest trial date is scheduled for November 3, 2025, in a four-plaintiff matter. The other remaining matters do not have trial dates yet.

Assembly Bill 218 and Statute of Limitations in Childhood Sexual Assault Claims. Pursuant to Assembly Bill 218 ("AB 218"), which became effective on January 1, 2020, certain changes were made to the claim prerequisites and the applicable statute of limitations periods for claims of childhood sexual assault, including claims against public entities like the District. AB 218 impacted the District's liability exposure because it (1) extended the statute of limitations periods for claims of childhood sexual assault, (2) did away altogether with the Tort Claims Act's presentation requirements for claims involving childhood sexual assault under which many claims were found to be late, and (3) revived certain claims for which applicable statute of limitations periods have otherwise already expired (if brought within three years of January 1, 2020). Pursuant to AB 218, a plaintiff's ability to bring a claim was extended to twenty-two years from the age of majority or five years after the plaintiff discovered or reasonably should have discovered psychological injury or illness occurring after the age of majority caused by the alleged childhood sexual assault. With respect to claims that otherwise would have been barred as of January 1, 2020, AB 218 revived such claims for a period of three years, which period expired on December 31, 2022.

In 2023, the California State Legislature passed, and the Governor signed into law, AB 452 which eliminated the statute of limitations for the recovery of civil damages suffered as a result of childhood sexual assault. AB 452 applies prospectively for civil claims that arise on or after January 1, 2024.

Currently, the District has active cases involving 222 AB 218 claimants who allege misconduct by former employees. Since the District is in the middle of litigation on many of the pending AB 218 lawsuits, the District cannot fully predict the extent of its liability in such cases, whether the claimants will prevail, and if so, how a final court decision or settlement agreement with respect to each such lawsuit may affect the financial status, policies or operations of the District, as the nature of the court's remedy and the responses thereto are unknown at the present time.

***Current Claims Exposure*.** Based on information available to the District as of June 30, 2024, the District estimates its liability for claims arising from AB 218 and similar sexual abuse and molestation claims (losses and allocated loss adjustment expenses) at levels of potential exposure of approximately $500 million. This estimate is substantially based on an independent third-party actuarial report. Without the benefit of a current actuarial report, which is pending, the District anticipates that its exposure to these types of claims may be closer to $650 million. It should be noted that these cases include a significant number of claimants in the Miramonte sexual abuse litigation matters described above, among others, and does not include that amount settled with claims dismissed. Further, funds have been set aside as accrued expenses for all current claims pending settlement. As further described elsewhere herein, this exposure estimate reflects an accounting perspective and the District is in the process of analyzing pending claims. Detailed information is not yet final, and this estimate is provided based on certain averages, assumptions, and opinion.

In the aggregate, the District's outstanding liability (losses plus loss adjustment expense) for general, auto, and sexual molestation as of June 30, 2024, on a nominal basis and at the central estimate, is approximately $621 million. This estimate is substantially based on an independent third-party actuarial report issued in 2024. Without the benefit of a current actuarial report, which is pending, the District anticipates that its exposure to these claims may be closer to $770 million. The District is in the process of analyzing pending claims, timing of liabilities and potential liabilities, and estimates of liability for claims in accordance with GASB Statement Nos. 10 and 56, which require that the District recognize liabilities as of June 30, 2024, to the extent that the liability is (1) probable, and (2) an amount of the liability can be reasonably estimated. As described above, this liability estimate reflects an accounting perspective. Detailed information is not yet final, and this estimate is provided based on certain averages, assumptions, and opinion.

It is important to note that this projected liability is an estimate, subject to variables including the potential for a changing claims environment over time as may be informed by jury verdicts involving the District and other public agencies subject to the provisions of AB 218 and the results of the District's further analysis of pending claims, with the potential for the movement of claims into higher loss layers than were initially assumed or assumed over time. This potential for claims includes inflation over time, among other variables, and may be inconsistent with the accounting perspective described above and, future loss emergence will likely deviate, perhaps substantially, from these estimates.

Certain recent sexual molestation claims, as described immediately below, have been outside of District expectations and actuarial assumptions at the per claims level and are, for example, respectively, proceeding to trial and approved for settlement on an assumed expectation for coverage since denied. Notwithstanding, the District believes that its expected nominal, central estimate of total liability is within the range of probabilities, based on current claims analysis. As discussed, the estimates herein at this time are subject to the variables described above and necessarily constitute forward looking statements. Actual results may differ or differ materially from those contemplated in such forward-looking statements.

From October 8, 2020, to June 3, 2022, seventeen former elementary school students filed complaints (nine total complaints) in the Los Angeles Superior Court against the District seeking unspecified damages for negligence and the failure to file a mandatory report of suspected child abuse based on allegations that from Fall 1988 to Spring 1991, they were victims of sexual abuse by their 1st grade teacher. The plaintiffs allege District employees knew or should have known of the alleged abuse and failed to take action to remove the teacher and failed to notify the authorities of suspected child abuse. On November 4, 2024, a $68 million settlement was reached subject to Board approval. The Board approved the settlement on January 15, 2025.

On May 12, 2021, three former elementary school students filed a complaint in the Los Angeles Superior Court against the District seeking unspecified damages for negligence and the failure to file a mandatory report of suspected child abuse based on allegations that from Fall 2006 to Spring 2008, they were victims of their 4th grade (for two of the plaintiffs) and 1st grade (for one of the plaintiffs) teacher. The plaintiffs allege District employees knew or should have known of the alleged abuse and failed to take action to remove the teacher and failed to notify the authorities of suspected child abuse. A settlement of $24 million was reached following a second mediation on May 17, 2024, with the District's expectation being that its insurer would pay much of the settlement given applicable coverages. The District Board approved the settlement on September 11, 2024, the same day the District's insurer for the relevant time period denied coverage for the claims. The District is currently weighing all options, including pursuing a coverage action against its insurer.

The District has set aside an amount in its Liability Self-Insurance Fund to pay certain existing claims amounts arising under AB 218. Additional amounts are expected to be provided and available to the Captive Insurer, with required reserves, liabilities and insurance policy premiums determined by the Captive Insurer and charged to the District using actuarial information. The District's total liability arising from existing AB 218 claims may ultimately exceed such amounts. The District expects to amortize payments on remaining claims beyond the year in which they accrue. See "- Assembly Bill 218 and Statute of Limitations in Childhood Sexual Assault Claims" above. While the District may be able to access insurance coverage for a portion of some of the AB 218 claims, the District is not currently able to determine what amount of the total liability may be covered by prior insurance policies or existing insurance policies for excess coverage. The District has identified certain gaps in insurance coverage prior to 1992 for which it is actively investigating the availability of policies that may provide coverage for claims arising from AB 218. Additionally, under AB 218, individuals who were over the age of 26 and under 40 on December 31, 2022, will still be able to timely file a lawsuit until they turn 40, and the District is unable to estimate the potential liability associated with this group of potential claimants.

The California Government Code requires the District to pay each judgment in the fiscal year that it becomes due, to the extent funds are available, or if its funds are not sufficient, in the "ensuing fiscal year immediately upon the obtaining of sufficient funds for that purpose." Such liabilities demanding prompt payment may in the aggregate exceed the amount currently reserved for settlements and monetary damages and not otherwise amortized beyond the year in which they accrue. The District may finance or refinance certain judgments arising from AB 218 and similar claims, essentially refunding claims such that claims liabilities can be spread over several years, whether pursuant to California law applicable to local agencies such as the District, or by court order for a period not to exceed ten years commencing with the judgment or court's order approving a settlement with dismissal of the action. See "Future Financings – AB 218 and Similar Claims." Without amortization of pending and projected claims, such liabilities could decrease the District's net position as of June 30, 2024 from the amount set forth in the District's financial statements for Fiscal Year 2023-24.

Within the District, the treatment of child abuse and related reporting has evolved significantly over the past several decades. Prior to 1981, District employees did not have child abuse and neglect reporting obligations under California law, and there was limited, if any, training provided to District employees. Since 1981, California law mandates District employees to report suspected child abuse or neglect. The

District's policies on such reporting have evolved and improved since then consistent with changes to California law. The District currently maintains (a) policies regarding child abuse and neglect reporting, sexual harassment (student-to-student, adult-to-student, and student-to-adult), social media for employees and associated persons, responsible use of technology, and ethics, (b) a code of conduct with students, and (c) protocols and procedures for reporting and investigating allegations of employee misconduct. The District also offers a variety of online and in-person training courses and resources to District employees. Currently, all District employees are subject to background checks prior to employment and are required to complete yearly child abuse training. For further reference, certain of the District's policies, protocols, training materials are made available online at the District's website. The District regularly reviews its policies, procedures, and protocols with respect to these topics and updates them periodically to address evolving circumstances.

Litigation Regarding September 2022 Cyberattack. Four separate lawsuits have been filed against the District relating to the 2022 cyberattack on the District. The first three cases have been deemed related, with the matter of *M.M., et al. v. Los Angeles Unified School District*, Case No. 22STCV37822, serving as the lead case. The three lawsuits, filed on behalf of named individuals and purported classes of individuals whose personal information was allegedly posted to the dark web as a result of the cyberattack, have been deemed complex, and plaintiffs' counsel filed a consolidated complaint against the District and Defendant Infosys, Ltd. Therein, on February 13, 2024. The District filed its demurrer in response to the consolidated complaint on March 22, 2024. The District's demurrer was sustained as to 14 of 16 causes of action on June 6, 2024, with leave to amend. Plaintiffs filed their First Amended Class Action Complaint on September 27, 2024, asserting twelve causes of action, including several that were subject to the previous demurrer. The parties engaged in mediation on October 24, 2024, but the mediation did not result in a settlement. The District's demurrer to the amended pleading is set to be heard on April 28, 2025. A separate limited jurisdiction lawsuit related to the 2022 cyberattack was filed in October 2023, and has been settled and dismissed. For more information related to the cyberattack, see "DISTRICT GENERAL INFORMATION – Cybersecurity."

Charter School Co-Location Policy Litigation. On April 2, 2024, the California Charter Schools Association ("CCSA"), on behalf of itself, member charter schools and students they serve, filed a civil action in the Los Angeles Superior Court, challenging the District Board's September 26, 2023, adoption of the resolution titled, "Creating a Charter Schools Co-Location Policy to Mitigate Impacts Caused by Proposition 39" ("Charter School Co-Location Resolution") and March 19, 2024 approval of the "Proposition 39 Charter Schools Co-Location Policy" ("Charter School Co-Location Policy"). On May 20, 2024, the District filed a demurrer and motion to strike. On July 31, 2024, CCSA filed a Verified First Amended Petition for Writ of Mandate and Complaint for Declaratory Relief ("CCSA First Amended Petition"), asserting two writ causes of action and a declaratory relief cause of action. The CCSA First Amended Petition claims that, among other things, by adopting the Charter School Co-Location Policy, the District has violated its mandatory and non-discretionary duty to comply with the California Education Code. The CCSA First Amended Petition also seeks a preliminary injunction prohibiting the District from implementing the Charter School Co-Location Resolution and the Charter School Co-Location Policy until the merits of the lawsuit have been determined. The CCSA First Amended Petition also alleges that the District has failed to comply with the California Public Records Act by refusing to make records available in response to CCSA's request seeking documents related to the District's Proposition 39 compliance and the development/passage of the Charter School Co-Location Resolution and the Charter School Co-Location Policy. The CCSA First Amended Petition seeks, among other things, a writ of mandate that sets aside the Charter School Co-Location Resolution and the Charter School Co-Location Policy, and rescinds all Board policies, administrative regulations and internal directives or guidance documents that restrict the availability of District facilities to charter schools for any reasons not expressly authorized by state law. Additionally, the CCSA First Amended Petition seeks a writ of mandate that commands the District to comply with the California Public Records Act by promptly providing to CCSA all of the records requested in its request. Further, the CCSA First Amended Petition seeks a declaratory judgment stating that the Charter School Co-Location Resolution and the Charter School Co-Location Policy do not comply with

Proposition 39 and are unnecessary, unenforceable, and void. The CCSA First Amended Petition also seeks a preliminary injunction commanding the District to not enforce the Charter School Co-Location Resolution and the Charter School Co-Location Policy. Lastly, the CCSA First Amended Petition seeks recovery of CCSA's attorneys' fees and costs. On October 29, 2024, the court overruled the District's demurrer to the CCSA First Amended Petition, finding that it satisfied the minimum pleading standard. But the court also denied CCSA's motion for a preliminary injunction, stating, in part, "on its face, the policy does not necessarily violate Proposition 39. Contrary to CCSA's argument, the District has not implemented a 'ban' on these co-locations. Rather, the policy contains guidelines to be considered in selecting co-locations for charter schools. The law is clear that school districts retain substantial discretion in making decisions under Proposition 39. The policy itself states that these preferences will be considered to the extent that doing so does not violate the law." The court has set trial for April 25, 2025.

Proposition 28 Litigation. In February 2025, the District's former superintendent, among others, filed a civil action against the District and the Superintendent, alleging misuse of approximately $77 million in taxpayer funds that voters approved pursuant to Proposition 28 to expand arts and music education. The District has not yet been served with the complaint and cannot predict the outcome of the matter.

District Debt

General Obligation Bonds. From July 1997 through March 2003, the District issued the entire amount of $2,400,000,000 general obligation bonds authorized pursuant to Proposition BB approved by voters on April 8, 1997 (the "Proposition BB Authorization"). From May 2003 to May 2010, the District issued the entire amount of $3,350,000,000 general obligation bonds pursuant to Measure K approved by voters on November 5, 2002 (the "Measure K Authorization"). From September 2004 through October 2021, the District issued the entire amount of $3,870,000,000 general obligation bonds pursuant to Measure R approved by voters on March 2, 2004 (the "Measure R Authorization"). From February 2006 through October 2021, the District issued the entire amount of $3,985,000,000 general obligation bonds pursuant to Measure Y approved by voters on November 8, 2005 (the "Measure Y Authorization").

A $7,000,000,000 general obligation bond authorization was approved by voters on November 4, 2008 (the "Measure Q Authorization"). The District has issued $4,800,955,000 of Measure Q general obligation bonds, leaving $2,199,045,000 available under the Measure Q Authorization. A $7,000,000,000 general obligation bond authorization was approved by the voters on November 3, 2020 (the "Measure RR Authorization"). The District has issued $1,600,000,000 of Measure RR general obligation bonds, leaving $5,400,000,000 available under the Measure RR Authorization.

A $9,000,000,000 general obligation bond authorization was approved by voters on November 5, 2024 (the "Measure US Authorization"). Following the issuance of the New Money Bonds, the first issuance of bonds pursuant to the Measure US Authorization, the District will have issued $700,000,000 of Measure US general obligation bonds, leaving $8.3 billion available under the Measure US Authorization.

Under the District's general obligation bond program, approximately 24,475 new school construction, rehabilitation, modernization and replacement projects, which are intended to upgrade facilities and improve the learning environment for students, have been completed. In addition, 822 projects valued at approximately $8.5 billion are currently underway, including 590 projects valued at nearly $3.7 billion in pre-construction, and 232 projects valued at nearly $4.8 billion under construction.

Pursuant to Section 1(b)(3) of Article XIIIA of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the State Education Code, as amended, and other applicable law (collectively, the "Act"), the District Board has appointed the LAUSD School Construction Bond Citizens' Oversight Committee (the "Citizens' Bond Oversight Committee"). The Citizens' Bond Oversight Committee is composed of 15 members representing numerous community groups and operates to inform the public concerning the spending of Measure K, Measure R, Measure Y, Measure Q, Measure RR, and Measure US

Authorization bond funds authorized by the Act. The Citizens' Bond Oversight Committee regularly reviews the potential bond projects and budgets and provides non-binding advice to the District Board on how to allocate and reallocate scarce bond proceeds in order to ensure the completion of viable projects and to avoid non-completion of projects once commenced. The Citizens' Bond Oversight Committee also informs the public concerning the spending of funds attributable to the Proposition BB Authorization, although Proposition BB was approved under statutes other than the Act. The Citizens' Bond Oversight Committee meets monthly in order to review all matters including, among other things, changes in budget, scope and schedules that relate to the District's general obligation bonds and the projects proposed to be funded therefrom. In addition, the Citizens' Bond Oversight Committee makes recommendations to the District Board regarding such matters. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 39" herein. The District's Office of the Inspector General conducts audits on a selected number of the construction management firms on an annual basis to ensure that funds from the School Upgrade Program and other legacy bond programs are spent in compliance with the Act and the District's policies relating thereto. The District's outside auditor, Simpson & Simpson, currently prepares the required bond audits regarding the expenditures of general obligation bond proceeds.

The members of the District's Citizens' Bond Oversight Committee and the community groups represented by such members are set forth in Table A-17 below.

TABLE A-17
LOS ANGELES UNIFIED SCHOOL DISTRICT
Citizens' Bond Oversight Committee
(As of January 1, 2025)

Member	Community Group Represented
D. Michael Hamner, FAIA, Chair	American Institute of Architects
Robert Campbell, Vice Chair	Los Angeles County Auditor-Controller's Office
Dr. Samantha Rowles, Secretary	LAUSD Student Parent
Patrick MacFarlane, Executive Member	Early Childhood Alliance
Scott Pansky, Executive Member	Los Angeles Area Chamber of Commerce
Neelura Bell	California Charter School Association
Sandra Betts	California Tax Reform Association
Chad Boggio	Los Angeles County Federation of Labor AFL-CIO
Aleigh Lewis	Los Angeles City Controller's Office
Jennifer McDowell	Los Angeles City Mayor's Office
Brian Mello	Associated General Contractors of California
Santa Ramirez	Tenth District Parent Teacher Student Association
William O. Ross IV	Thirty-First District Parent Teacher Student Association
Dr. Bevin Ashenmiller	Tenth District Parent Teacher Student Association (Alternate)
Ashley Kaiser	Association of General Contractors of California (Alternate)
Connie Yee	Los Angeles County Auditor-Controller's Office (Alternate)
(Vacant)	LAUSD Student Parent
(Vacant)	Senior Citizens' Organization

Source: Los Angeles Unified School District.

The following Table A-18, Table A-19, Table A-20, Table A-21, Table A-22 and Table A-23 set forth the outstanding series of general obligation bonds and the amount outstanding as of January 1, 2025, under the Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and Measure RR Authorizations, respectively. The tables below do not reflect the issuance of the Bonds. For more information, see "PLAN OF FINANCE AND REFINANCE" in the forepart of this Official Statement.

TABLE A-18
LOS ANGELES UNIFIED SCHOOL DISTRICT
Proposition BB (Election of 1997) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of January 1, 2025	Date of Issue
2015 Refunding Bonds, Series A[(1)]	$326,045	$ 15,940	May 28, 2015
2016 Refunding Bonds, Series A[(1)]	202,420	53,950	April 5, 2016
2017 Refunding Bonds, Series A[(1)]	139,265	50,230	May 25, 2017
TOTAL	$667,730	$120,120	

(1) Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Proposition BB Authorization are not counted against the Proposition BB Authorization of $2.4 billion.
Source: Los Angeles Unified School District.

TABLE A-19
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure K (Election of 2002) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of January 1, 2025	Date of Issue
2016 Refunding Bonds, Series B[(1)]	$ 227,535	$ 224,920	September 15, 2016
2017 Refunding Bonds, Series A[(1)]	941,565	457,950	May 25, 2017
2019 Refunding Bonds, Series A[(1)]	153,285	109,760	May 29, 2019
2020 Refunding Bonds, Series A[(1)]	112,350	106,680	October 6, 2020
2021 Refunding Bonds, Series B[(1)]	48,855	47,015	November 10, 2021
2024 Refunding Bonds, Series A[(1)]	193,740	191,190	April 30, 2024
TOTAL	$1,677,330	$1,137,515	

(1) Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure K Authorization, are not counted against the Measure K Authorization of $3.35 billion.
Source: Los Angeles Unified School District.

TABLE A-20
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure R (Election of 2004) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of January 1, 2025	Date of Issue
2016 Refunding Bonds, Series A[(1)]	$ 56,475	$ 29,265	April 5, 2016
2016 Refunding Bonds, Series B[(1)]	176,455	176,455	September 15, 2016
2019 Refunding Bonds, Series A[(1)]	349,350	243,585	May 29, 2019
Series RYQ Bonds (2020)	36,000	27,560	April 30, 2020
2020 Refunding Bonds, Series A[(1)]	113,150	94,335	October 6, 2020
Series RYRR (2021)	123,990	101,235	November 10, 2021
2024 Refunding Bonds, Series A[(1)]	1,243,800	1,224,780	April 30, 2024
TOTAL	$2,099,220	$1,897,215	

(1) Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure R Authorization, are not counted against the Measure R Authorization of $3.87 billion.
Source: Los Angeles Unified School District.

TABLE A-21
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure Y (Election of 2005) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of January 1, 2025	Date of Issue
Series H Bonds (2009) (Qualified School Construction Bonds)	$ 318,800	$ 318,800[2]	October 15, 2009
Series J Bonds (2010) (Qualified School Construction Bonds)	290,195	290,195[3]	May 6, 2010
2016 Refunding Bonds, Series A[1]	92,465	43,215	April 5, 2016
2016 Refunding Bonds, Series B[1]	96,865	96,865	September 15, 2016
Series M-1 Bonds (2018)	117,005	98,345	March 8, 2018
2019 Refunding Bonds, Series A[1]	91,970	65,895	May 29, 2019
Series RYQ Bonds (2020)	182,000	139,340	April 30, 2020
2020 Refunding Bonds, Series A[1]	76,500	74,215	October 6, 2020
Series RYRR (2021)	70,150	57,275	November 10, 2021
2024 Refunding bonds, Series A[1]	1,537,405	1,516,185	April 30, 2024
TOTAL	$2,873,355	$2,700,330	

(1) Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure Y Authorization, are not counted against Measure Y Authorization of $3.985 billion.
(2) Includes the set-aside deposits totaling $206.44 million for fiscal years 2019-20 through 2023-24. An additional $54.12 million was set-aside on September 15, 2024.
(3) Includes the set-aside deposits totaling $200.68 million for fiscal years 2018-19 through 2023-24.
Source: Los Angeles Unified School District.

TABLE A-22
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure Q (Election of 2008) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of January 1, 2025	Date of Issue
Series A Bonds (2016)	$ 648,955	$ 320,505	April 5, 2016
Series B-1 Bonds (2018)	1,085,440	918,175	March 8, 2018
Series RYQ Bonds (2020)	724,940	555,030	April 30, 2020
Series C Bonds (2020)	1,057,060	822,255	November 10, 2020
2021 Refunding Bonds, Series A[1]	164,095	144,260	April 29, 2021
Series QRR (2022)	100,000	94,775	November 22, 2022
Series QRR (2023)	525,000	476,315	November 7, 2023
Series QRR (2024)	525,000	474,745	October 8, 2024
TOTAL	$4,830,490	$3,806,060	

(1) Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure Q Authorization, are not counted against Measure Q Authorization of $7.00 billion.
Source: Los Angeles Unified School District.

TABLE A-23
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure RR (Election of 2020) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of January 1, 2025	Date of Issue
Series RYRR (2021)	$ 300,000	$ 244,940	November 10, 2021
Series QRR (2022)	400,000	329,495	November 22, 2022
Series QRR (2023)	325,000	306,640	November 7, 2023
Series QRR (2024)	575,000	519,960	October 8, 2024
TOTAL	$1,600,000	$1,401,035	

Source: Los Angeles Unified School District.

Lease Obligations and Certificates of Participation. As of January 1, 2025, the District has outstanding lease obligations in the form of COPs in the aggregate principal amount of approximately $443.04 million. The District estimates that the aggregate payment of principal and interest evidenced by COPs will be approximately $605.60 million until the final maturity thereof. The District's lease obligations are not subject to acceleration in the event of a default thereof. The following Table A-24 sets forth the District's existing lease obligations paid from the District General Fund with respect to its outstanding COPs as of January 1, 2025. The table below does not reflect the issuance of the Bonds expected to defease a portion of the District's outstanding COPs -- see "PLAN OF FINANCE AND REFINANCE" in the forepart of this Official Statement. See " – Future Financings – *Lease Financings*" for more information. A portion of the District's 2023 COPs will be prepaid with a portion of the proceeds of the Series B Bonds.

TABLE A-24
LOS ANGELES UNIFIED SCHOOL DISTRICT
Certificates of Participation Lease Obligations Debt Service Schedule[1]
(as of January 1, 2025)
($ in thousands)

Fiscal Year Ending (June 30)	Paid From General Fund[2][3]
2025	$ 10,496,986[4]
2026	50,166,678
2027	50,165,837
2028	50,170,829
2029	50,163,720
2030	48,411,327
2031	48,412,291
2032	38,004,125
2033	38,001,075
2034	37,992,000
2035	37,985,550
3036	36,406,750
2037	36,409,000
2038	36,410,750
2039	36,408,000
Total[3]	$605,604,918

(1) The lease payments reflect the net obligations of the District due to the defeasance of certain COPs.
(2) The District expects to pay all or a portion of the final debt service payments evidenced by certain series of COPs from funds on deposit in the related debt service reserve fund.
(3) Total may not equal sum of component parts due to rounding.
(4) Only reflects remaining debt service for fiscal year ending June 30, 2025, as of January 1, 2025. Total debt service for fiscal year ending June 30, 2025 is $50.2 million.
Source: Los Angeles Unified School District.

Limitations Related to Receipt of Federal Subsidy Payments. On March 1, 2013, then-President Barack Obama signed an executive order (the "Sequestration Executive Order") to reduce budgetary authority in certain accounts subject to sequester in accordance with the Budget Control Act of 2011 (the "Budget Control Act") and the American Taxpayer Relief Act of 2012 (the "Taxpayer Relief Act"). Pursuant to the Sequestration Executive Order, budget authority for all accounts in the domestic mandatory spending category including, among others, accounts for the payments to issuers of "Direct Pay Bonds," which includes the District's outstanding Series J (Qualified School Construction Bonds) (the "Series J Bonds"), are subject to sequestration. Direct Pay Bonds are issued as taxable bonds and provide credits to the District from the federal government pursuant to Section 54AA(d) and 54AA(g) of the Code.

Pursuant to the Bipartisan Budget Act of 2013, enacted in December 2013, the District's Direct Pay Bonds are subject to the full amount of sequestration budget cuts. The federal subsidy for the Direct Pay Bonds for the federal fiscal year ended September 30, 2023, was reduced by 5.7%, and the U.S. Treasury Department has announced a decrease in subsidy amounts by 5.7% through federal fiscal year ending 2031. During the federal fiscal year ended September 30, 2024, the sequester resulted in a reduction in the aggregate amount of approximately $0.9 million with respect to the refundable credits for the Series J Bonds.

Congress can terminate, extend or otherwise modify reductions in federal subsidy payments on Direct Pay Bonds due to sequestration at any time. Furthermore, due to recent federal legislation, it was reported that the Congressional pay-as-you-go or PAYGO budget rule and scorecard could increase the overall sequestration percentage from the current level of 5.7% (under the Budget Control Act) to 100%. The Consolidated Appropriations Act of 2023, enacted in December 2022, prevented the PAYGO sequestration provisions from being triggered in January 2023 and delaying PAYGO sequestration until

January 2025, absent further legislation. Accordingly, the District cannot predict what action, if any, that Congress may take with respect to the federal subsidy and its impact on the District's Direct Pay Bonds in future federal fiscal years. The District's Series J Bonds, however, are payable from and secured by *ad valorem* property taxes which are to be assessed in amounts sufficient to pay principal of and interest on the Series J Bonds when due. The County has levied and will continue to levy *ad valorem* property taxes in an amount sufficient to pay principal of and interest on the Series J Bonds when due regardless of the amount of federal subsidy.

On January 20, 2025, President Trump issued a series of executive orders, which include ensuring that federal funds are used in a manner approved by the current administration. In response to and in an effort to carry out such orders, on January 27, 2025, the White House Office of Management and Budget ("OMB") released its Memorandum M-25-13, Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs (the "OMB Memorandum"). The OMB Memorandum directed federal agencies to temporarily pause all activities related to obligation or disbursement of all federal financial assistance, and said temporary pause was to become effective at 5:00 p.m. on January 28, 2025. The OMB Memorandum caused mass confusion as to whether certain Federal funding and grants would be paused. On January 28, 2025, shortly before the OMB Memorandum became effective, a federal judge blocked the pause on federal funding. On January 29, 2025, OMB rescinded the OMB Memorandum. Although the OMB Memorandum was rescinded, the executive orders are in effect and the matter is ongoing as spending reviews are ongoing. On January 31, 2025, a federal judge issued a temporary restraining order that says the administration cannot pause, freeze, imped, block, cancel, or terminate federal financial assistance obligations to the states. Responding to the petition of several state Attorneys General, on February 10, 2025, a federal judge issued an Enforcement Order clarifying the scope of temporary restraining order and ordering the Trump Administration to release federal funds and comply with the earlier order. The Trump Administration's request to stay the temporary restraining order was denied. The District cannot predict any action to be taken in carrying out the executive orders nor its effect on the District's federal funding or operations of the District.

Tax and Revenue Anticipation Notes. On November 22, 2024, the District issued $54,563,613 aggregate principal amount of its 2024-25 Tax and Revenue Anticipation Notes, Series A (the "2025A TRANs"). On January 30, 2025, the District issued $1,362,475.87 of its 2024-25 Tax and Revenue Anticipation Notes, Series B (the "2025B TRANs"). On March 27, 2025, the District issued $14,026,452.50 aggregate principal amount of its 2024-25 Tax and Revenue Anticipation Notes, Series C (the "2025C TRANSs"). The 2025A TRANs, the 2025B TRANs and the 2025C TRANs all mature on August 1, 2025. The District anticipates paying the 2025A TRANs, 2025B TRANs and 2025C TRANs through the issuance of judgement obligation bonds. See "- Future Financings – *Judgment Obligation Bonds*" below.

Future Financings

General Obligation Bonds. The District may not issue general obligation bonds without voter approval and may not issue general obligation bonds in an amount greater than its bonding capacity. The District may not issue general obligation bonds under the Measure US Authorization if the tax rate levied to meet the debt service requirements under the related Authorization for general obligation bonds is projected to exceed $60 per year per $100,000 of taxable property in accordance with Article XIIIA of the State Constitution. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the State Constitution" and "– Proposition 39" herein.

Pursuant to the Education Code, the District's bonding capacity for general obligation bonds may not exceed 2.5% of taxable property valuation in the District as shown by the last equalized assessment roll of the County. The taxable property valuation in the District for fiscal year 2024-25 is approximately $972.87 billion, which results in a total current bonding capacity of approximately $24.32 billion. The

District's available capacity for the issuance of new general obligation bonds is approximately $13.26 billion (taking into account current outstanding debt before the issuance of the Bonds). The fiscal year 2024-25 assessed valuation of property within the District's boundaries of approximately $972.87 billion reflects an increase of 4.61% from fiscal year 2023-24. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District" in the forepart of this Official Statement and "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the State Constitution" herein. See also "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District - *2025 Wildfires*" in the forepart of this Official Statement.

Following the issuance of the Bonds, the District has $8.3 billion authorized and unissued general obligation bond authorization remaining under the Measure US Authorization. The District may issue additional general obligation bonds or general obligation refunding bonds in the future depending upon project needs and market conditions.

As provided in the text of each of the ballots of Proposition BB, Measure K, Measure R, Measure Y, Measure Q, Measure RR, and Measure US, the District Board does not guarantee that the respective bonds authorized and issued under the Proposition BB, Measure K, Measure R, Measure Y, Measure Q, Measure RR, and Measure US Authorizations will provide sufficient funds to allow completion of all potential projects listed in connection with said measures.

Lease Financings. The District may finance capital projects through the execution and delivery of certificates of participation or other obligations secured by general fund lease payments from time to time. In particular, the District may utilize lease financing, from time to time, to fund projects that are not eligible to be funded with general obligation bond proceeds, that are not authorized to be funded under existing general obligation bond measures, or for which there is not sufficient general obligation bond authorization to fund. See also "– District Financial Policies and Related Practices – Debt Management Policy" herein.

AB 218 and Similar Claims. With respect to a portion of the District's pending and potential liabilities for sexual misconduct and similar claims including those brought pursuant to AB 218, the District has approved the issuance of certain judgment obligation notes and bonds for the refinancing and amortization of such claims resulting in settlement and final judgment of the court. See "DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation – *Sexual Misconduct Cases*."

The refinancing and amortization of these claims over a ten-to-twenty-year period as general unsecured obligations of the District payable from legally available revenues will result in more manageable annual payment obligations in the near term and minimize detrimental impacts upon the District's operations and currently enrolled and future students. To provide for the issuance of the judgment obligation notes and bonds, the District Board adopted an approving resolution and the District filed a complaint in the Los Angeles Superior Court for judicial validation in June 2024. Judicial validation is necessary for the District to deliver the notes, bonds and related agreements to the satisfaction of lenders and bond investors as legally enforceable obligations of the District meeting an exception to the constitutional debt limitation under the California constitution. Answers and objections to the complaint were filed by certain claimants but have now been withdrawn. After the date of this Official Statement, on April 24, 2025, the court issued its decision on the District's ex parte motion for judgment of validation in favor of the District. The District is not aware of any appeal of the court's decision, however, it cannot predict whether one will be filed, or if filed, whether any such an appeal would be successful.

Tax and Revenue Anticipation Notes. The District may issue additional tax and revenue anticipation notes in fiscal year 2024-25 for purposes of paying obligations of the District payable or accruing during fiscal year 2024-25, particularly as an interim financing mechanism in connection with its refinancing of claims arising from AB 218 and similar claims. See "– AB 218 and Similar Claims" above.

The District may also issue tax and revenue anticipation notes in future fiscal years depending on State and federal funding.

Judgement Obligation Bonds. The District expects to issue judgement obligation bonds, in order to pay the District's outstanding 2024-25 tax and revenue anticipation notes issued as an interim financing mechanism in connection with its refinancing of claims arising from AB 218 and similar claims. See "– AB 218 and Similar Claims" above. The District may issue judgement obligation bonds in future fiscal years as well.

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

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues there shall first be set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. California school districts receive a significant portion of their funding from State appropriations. As a result, decreases as well as increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIIIA of the State Constitution

On June 6, 1978, California voters approved Proposition 13 ("Proposition 13"), which added Article XIIIA to the State Constitution ("Article XIIIA"). On June 3, 1986, California voters approved Proposition 46 ("Proposition 46") which amended Article XIIIA to permit local governments and school districts to increase the *ad valorem* property tax rate above 1% if two-thirds of those voting in a local election approve the issuance of such bonds and the proceeds of such bonds are used to acquire or improve real property. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes – *Article XIIIA of the California Constitution*" in the forepart of this Official Statement.

The provisions of Article XIIIA were subsequently modified pursuant to Proposition 39, which was approved by California voters on November 7, 2000. See "– Proposition 39" below. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year or reduced in the event of declining property value caused by substantial damage, destruction or other factors including a general economic downturn. Subsequent amendments further limit the amount of any *ad valorem* tax on real property to 1% of the full cash value except that additional taxes may be levied to pay debt service on bonded indebtedness approved by the requisite percentage of voters voting on the proposition.

Legislation Implementing Article XIIIA

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

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the up to 2% annual inflationary adjustment of the 1% tax base are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years. Separate *ad valorem* property taxes to pay voter approved indebtedness such as general obligation bonds are levied by the County on behalf of the local agencies. Article XIIIA effectively prohibits the levying of any other *ad valorem* property tax above the Proposition 13 limit except for taxes to support such indebtedness.

The full cash value of taxable property under Article XIIIA represents the maximum taxable value for property. Accordingly, the fair market value for a given property may not be the equivalent of the full cash value under Article XIIIA. During periods in which the real estate market within the District evidences an upward trend, the fair market value for a given property, which has not been reappraised due to a change in ownership, may exceed the full cash value of such property. During periods in which the real estate market demonstrates a downward trend, the fair market value of a given property may be less than the full cash value of such property and the property owner may apply for a "decline in value" reassessment pursuant to Proposition 8. Reassessments pursuant to Proposition 8, if approved by the Office of the County Assessor, lower valuations of properties (where no change in ownership has occurred) if the current value of such property is lower than the full cash value of record of the property. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District" in the forepart of this Official Statement. The value of a property reassessed as a result of a decline in value may change, but in no case may its full cash value exceed its fair market value. When and if the fair market value of a property which has received a downward reassessment pursuant to Proposition 8 increases above its Proposition 13 factored base year value, the Office of the County Assessor will enroll such property at its Proposition 13 factored base year value.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment ("Proposition 19"), which amends Article XIIIA to (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any representation regarding the effect Proposition 19 may have on District revenues or the assessed valuation of real property in the District. The District cannot provide make any representation regarding the effect Proposition 19 may have on District revenues or the assessed valuation of real property in the District. Any reduction of assessed valuation, however, would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service on to the Bonds.

State-Assessed Utility Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions. Under the State Constitution, such property is assessed by the State Board of Equalization ("SBE") as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, non-utility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula.

Article XIIIB of the State Constitution

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979 thereby adding Article XIIIB to the State Constitution ("Article XIIIB"). In June 1990, Article XIIIB was amended by the voters through their approval of Proposition 111. Under Article XIIIB, the State and each local governmental entity have an annual "appropriations limit" and are not permitted to spend certain moneys that are called "appropriations subject to limitation" (consisting of tax revenues, State subventions and certain other funds) in an amount higher than the appropriations limit. Article XIIIB does not affect the appropriations of moneys that are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in costs of living and changes in population, and adjusted where applicable for transfer of financial responsibility of providing services to or from another unit of government. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. However, in the event that a school district's revenues exceed its spending limit, the district may, in any fiscal year, increase its appropriations limit to equal its spending by borrowing appropriations limit from the State, provided the State has sufficient excess appropriations limit in such year. See "STATE FUNDING OF SCHOOL DISTRICTS" herein.

The 2025-26 State Budget Proposal projects that the State will not be below its appropriations limit (also referred to as the Gann Limit) for fiscal year 2025-26. The District Board adopted the annual appropriation limit for both fiscal year 2023-24 and fiscal year 2024-25 of approximately $4.00 billion and $4.06 billion, respectively. The limitation applies only to proceeds of taxes and therefore does not apply to service fees and charges, investment earnings on non-proceeds of taxes, fines, and revenue from the sale of property and taxes received from the State and federal governments that are tied to special programs.

Article XIIIC and Article XIIID of the State Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds percent vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds percent vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIIID deals with assessments and property-related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however, it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. Proposition 218 does not affect the *ad valorem* property taxes to be levied to pay debt service on the Bonds.

Proposition 98

On November 8, 1988, State voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit, primarily by guaranteeing State funding for K-12 school districts and community college districts (collectively, "K-14 districts").

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (i) in general, a fixed percent of the State general fund's revenues ("Test 1"), (ii) the amount appropriated to K-14 districts in the prior year, adjusted for changes in the cost of living (measured as in Article XIIIB by reference to State per capita personal income) and enrollment ("Test 2"), or (iii) a third test, which would replace Test 2 in any year when the percentage growth in per capita State general fund revenues from the prior year plus 0.05% is less than the percentage growth in State per capita personal income ("Test 3"). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a "credit" to schools which would be the basis of payments in future years when per capita State general fund revenue growth exceeds per capita personal income growth. Legislation adopted prior to the end of fiscal year 1988-89 that implemented Proposition 98, determined the K-14 districts' funding guarantee under Test 1 to be 40.3% of the State general fund tax revenues, based on 1986-87 appropriations. However, that percentage has been adjusted to 34.559% to account for a subsequent redirection of local property taxes whereby a greater proportion of education funding now comes from local property taxes.

Proposition 98 permits the State Legislature, by a two-thirds vote of both houses of the State Legislature and with the Governor's concurrence, to suspend the K-14 districts' minimum funding formula for a one-year period. In the fall of 1989, the State Legislature and the Governor utilized this provision to avoid having 40.3% of revenues generated by a special supplemental sales tax enacted for earthquake relief go to K-14 districts. In the fall of 2004, the State Legislature and the Governor agreed to suspend the K-14 districts' minimum funding formula set forth pursuant to Proposition 98 in order to address a projected shortfall during fiscal year 2004-05. Proposition 98 also contains provisions transferring certain State tax revenues in excess of the Article XIIIB limit to K-14 districts.

The 2024-25 State Budget suspends the Proposition 98 guarantee in 2023-24, which is projected to create a maintenance factor payment to be paid in future fiscal years of approximately $8.3 billion in 2023-24 and $4.1 billion in 2024-25. The maintenance factor obligation will be paid in addition to the Proposition 98 guarantee funding in 2024-25. The 2024-25 State Budget projects the Proposition 98 guarantee to fall under Test 1 for fiscal year 2023-24, resulting in funding estimates of $103.7 billion in fiscal year 2022-23, $98.5 billion in fiscal year 2023-24, and $115.3 billion in fiscal year 2024-25. For more information on the Proposition 98 funding under the 2024-25 State Budget, see "STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act –*2024-25 State Budget*" herein. The 2025-26 Proposed State Budget, due to the implementation of universal transitional kindergarten, estimates that the Proposition 98 guarantee will fall under Test 1 for fiscal year 2025-26 and will increase to $199.2 billion for fiscal year 2024-25 and $118.9 billion in 2025-26. The 2025-26 Proposed State Budget expects an increased repayment of $5.6 billion for the maintenance factor obligation, lowering the remaining balance to $2.9 billion. There is no scheduled repayment proposed for fiscal year 2025-26.

Proposition 39

Proposition 39, which was approved by California voters in November 2000 ("Proposition 39"), provides an alternative method for passage of school facilities bond measures by lowering the constitutional voting requirement from two-thirds to 55% of voters and allows property taxes to exceed the current 1% limit in order to repay such bonds. The lower 55% vote requirement would apply only to bond issues to be used for construction, rehabilitation, or equipping of school facilities or the acquisition of real property for school facilities. The State Legislature enacted additional legislation which placed certain limitations on this lowered threshold, requiring that (i) two-thirds of the governing board of a school district approve placing a bond issue on the ballot, (ii) the bond proposal be included on the ballot of a Statewide or primary election, a regularly scheduled local election, or a Statewide special election (rather than a school district election held at any time during the year), (iii) the tax rate levied as a result of any single election not exceed $25 for a community college district, $60 for a unified school district, or $30 for an elementary school or high school district per $100,000 of taxable property value, and (iv) the governing board of the school district appoint a citizen's oversight committee to inform the public concerning the spending of the bond proceeds. In addition, the school board of the applicable district is required to perform an annual, independent financial and performance audit until all bond funds have been spent to ensure that the funds have been used only for the projects listed in the measure. The District's Measure K, Measure R, Measure Y, Measure Q, and Measure RR bond programs were authorized pursuant to Proposition 39. See "DISTRICT FINANCIAL INFORMATION – District Debt – *General Obligation Bonds*" herein. The District is in full compliance with all Proposition 39 requirements.

Proposition 1A

Proposition 1A, which was approved by California voters in November 2004 ("Proposition 1A"), provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provided, however, that beginning in fiscal year 2008-09, the State could shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the vehicle license fee rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates. The State's ability to initiate future exchanges and shifts of funds will be limited by Proposition 22. See "– Proposition 22" below.

Proposition 22

Proposition 22, which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State general fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See "– Proposition 1A" herein. In addition, Proposition 22 generally eliminated the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increased school and community college district's share of property tax revenues, prohibited the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibited the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO stated that Proposition 22 would prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. However, the California Supreme Court, in *California Redevelopment Association v. Matosantos*, held that the dissolution provisions set forth in Assembly Bill No. 26 of the First Extraordinary Session (2011) were constitutional and permitted the State to allocate revenues that would have been directed to the redevelopment agencies to make pass-through payments (*i.e.*, payments that such entities would have received under prior law) to local agencies and to successor agencies for retirement of the debts and certain administrative costs of the redevelopment agencies.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The LAO stated that Proposition 22 would require the State to adopt alternative actions to address its fiscal and policy objectives, particularly with respect to short-term cash flow needs. The District does not believe that the adoption of Proposition 22 will have a significant impact on their respective revenues and expenditures.

Proposition 30

Proposition 30, which was approved by voters in the State in November 2012 ("Proposition 30") authorized the State to temporarily increase the maximum marginal personal income tax rates for individuals, heads of households and joint filers above 9.3% by creating three additional tax brackets of 10.3%, 11.3% and 12.3%. The tax increases set forth in Proposition 30 were in effect from tax year 2012 to tax year 2018. In addition, Proposition 30 temporarily increased the State's sales and use tax rate by 0.25% from 2013 to 2016.

Pursuant to Proposition 30, the State included revenues from the temporary tax increases in the general fund calculation of the Proposition 98 minimum guarantee for education spending. The State deposited a portion of the new general fund revenues into an Education Protection Account established to support funding for schools and community colleges. The remainder of the new general fund revenues was available to help the State balance its budget through fiscal year 2017-18. However, the allocation of such revenues to particular programs was subject to the discretion of the Governor and the State Legislature.

In addition, Proposition 30 amended the State Constitution to address certain provisions relating to the realignment of State program responsibilities to local governments. Proposition 30 required the State to continue to provide tax revenues that were redirected in calendar year 2011 (or equivalent funds) to local governments to pay for transferred program responsibilities. Further, Proposition 30 permanently excluded sales tax revenues that are redirected to local governments from the calculation of the Proposition 98 minimum guarantee for schools and community colleges.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. The voters, however, approved on November 8, 2016, the California Tax Extension to Fund Education and Healthcare Initiative ("Proposition 55"), which extended by twelve years the temporary personal income tax increases on incomes over $250,000 that was first enacted by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

Proposition 2

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

State Rainy Day Fund. The Proposition 2 constitutional amendments related to the State Rainy Day Fund (i) require deposits into the State Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the State Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (defined herein as the "Proposition 98 Rainy Day Fund") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Proposition 98 Rainy Day Fund unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created. For more information on limitations on school district reserves and the District's commitment of funds in fiscal years 2022-23 and 2023-24, see "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves."

SB 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Proposition 98 Rainy Day Fund, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

SB 751. Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Proposition 98 Rainy Day Fund is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

Although the 2024-25 State Budget provides for a discretionary payment of approximately $1.1 billion to the Proposition 98 Rainy Day Fund in fiscal year 2024-25, the 2024-25 State Budget also provides for a withdrawal of the entire $8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24, leaving a projected balance of $1.1 billion at the end of fiscal year 2024-25. The 2025-26 Proposed State Budget replaces the discretionary payment of $1.1 billion into the Proposition 98 Rainy Day Fund in 2024-25 with a mandatory payment of $1.2 billion, and another mandatory payment in 2025-26 of $376 million. School district reserve caps will not be triggered in fiscal year 2024-25 and are not projected to be triggered in fiscal year 2025-26. The District, which has an ADA of over 250,001 students, is required to maintain a reserve for economic uncertainty in an amount equal to 1% of its general fund expenditures and other financing uses. For more information on limitations on school district reserves and the District's commitment of funds in fiscal year 2023-24, see "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves."

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

State School Facilities Bonds

General. The District applies for apportionments from State bond initiatives and historically has received funding from such State bond initiatives. No assurances can be given that the District will continue to apply for apportionments from current or future State bond initiatives or that the District will continue to receive funding from State bond initiatives for which it applies. Typically, the District receives State funds from the below mentioned propositions. As a result, as of January 1, 2025, the District has received $296.84 million in General Funds.

Proposition 47. The Class Size Reduction Kindergarten – University Public Education Facilities Bond Act of 2002 appeared on the November 5, 2002 ballot as Proposition 47 ("Proposition 47") and was approved by State voters. Proposition 47 authorized the sale and issuance of $13.05 billion in general obligation bonds by the State to fund construction and renovation of K-12 school facilities ($11.4 billion) and higher education facilities ($1.65 billion). Proposition 47 includes $6.35 billion for acquisition of land and new construction of K-12 school facilities. Of this amount, $2.9 billion is set aside to fund backlog projects for which school districts submitted applications to the State on or prior to February 1, 2002. The balance of $3.45 billion would be used to fund projects for which school districts submitted applications to the State after February 1, 2002. To be eligible for bond proceeds under Proposition 47, K-12 school districts are required to pay 50% of the costs for land acquisition and new construction with local revenues. In addition, Proposition 47 provided that up to $100 million of the $3.45 billion would be allocated for charter school facilities. Proposition 47 provides up to $3.3 billion for reconstruction or modernization of existing K-12 school facilities. Of this amount, $1.9 billion will be set aside to fund backlog projects for which school districts submitted applications to the State on or prior to February 1, 2002 and the balance of $1.4 billion would be used to fund projects for which school districts submitted applications to the State after February 1, 2002. K-12 school districts will be required to pay 40% of the costs for reconstruction or modernization with local revenues. Proposition 47 provides a total of $1.7 billion to K-12 school districts which are considered critically overcrowded, specifically to schools that have a large number of pupils relative to the size of the school site. In addition, $50 million will be available to fund joint-use projects. Proposition 47 also includes $1.65 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in the State's public higher education systems. As of January 1, 2025, the District has received approximately $949.88 million in funds attributable to Proposition 47.

Proposition 55 (2004). The Kindergarten-University Public Education Facilities Bond Act of 2004 appeared on the March 2, 2004 ballot as Proposition 55 ("Proposition 55 (2004)") and was approved by State voters. Proposition 55 (2004) authorizes the sale and issuance of $12.3 billion in general obligation bonds by the State to fund construction and renovation of public K-12 school facilities ($10 billion) and public higher education facilities ($2.3 billion). Proposition 55 (2004) includes $5.26 billion for the acquisition of land and construction of new school buildings. Under Proposition 55 (2004), a school district is required to provide a 50% matching share for new construction or a 60% matching share for modernization projects with local resources unless it qualifies for state hardship funding. Proposition 55 (2004) also allocates up to $300 million of new construction funds for charter school facilities.

Proposition 55 (2004) makes $2.25 billion available for the reconstruction or modernization of existing public school facilities. School districts would be required to pay 40% of project costs from local resources. Proposition 55 (2004) directs a total of $2.44 billion to school districts with schools which are considered critically overcrowded. These funds would go to schools that have a large number of pupils relative to the size of the school site. Proposition 55 (2004) also makes a total of $50 million available to fund joint-use projects. Proposition 55 (2004) includes $2.3 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in these buildings for the State's public higher education systems. The measure allocates $690 million to the University of California and California State University and $920 million to community colleges in the State. The Governor and the State Legislature select specific projects to be funded by the bond proceeds. As of January 1, 2025, the District has received approximately $2.31 billion in funds attributable to Proposition 55 (2004).

Proposition 1D. The Kindergarten-University Public Education Facilities Bond Act of 2006 was approved by State voters at the November 7, 2006 ballot as Proposition 1D ("Proposition 1D"). Proposition 1D authorizes the sale and issuance of $10.4 billion in general obligation bonds by the State to fund construction and renovation of public K-12 school facilities ($7.3 billion) and public higher education facilities ($3.1 billion). Proceeds of bonds issued by the State under Proposition 1D are required to be deposited in the 2006 State School Facilities Fund established in the State Treasury under the Greene Act and allocated by the State Allocation Board. Proposition 1D includes $1.9 billion for land acquisition and construction of new school buildings. Under Proposition 1D, a school district is required to pay for 50% of costs with local resources unless it qualifies for state hardship funding. Proposition 1D also allocates $500 million for charter school facilities.

Proposition 1D makes $3.3 billion available for the reconstruction or modernization of existing public school facilities. Districts would be required to pay 40% of project costs from local resources. Proposition 1D directs a total of $1.0 billion to school districts with schools that are considered critically overcrowded. These funds would go to schools that have a large number of pupils relative to the size of the school site. Proposition 1D also makes a total of $29 million available to fund joint-use projects. Proposition 1D includes $3.1 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in these buildings for the State's public higher education systems. Pursuant to Proposition 1D, the Governor and the State Legislature select specific projects to be funded by the bond proceeds. As of January 1, 2025, the District has received approximately $819.50 million in funds attributable to Proposition 1D.

Proposition 51. The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 was approved by State voters at the November 8, 2016 ballot as Proposition 51 ("Proposition 51"). Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds by the State to fund new construction of school facilities ($3 billion), school facilities for charter schools ($500 million), modernization of school facilities ($3 billion), facilities for career technical education programs ($500 million), and acquisition, construction, renovation, and equipping of community college facilities ($2 billion). Proceeds of bonds issued by the State for K-12 under Proposition 51 are required to be deposited in the 2016 State School Facilities Fund established in the State Treasury under the Greene Act and allocated by the State Allocation Board. As of January 1, 2025, the District has received approximately $397.31 million in funds attributable to Proposition 51.

Proposition 2 (2024). The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024 (also known as Proposition 2 and referred to herein as "Proposition 2 (2024)") was a ballot measure that was approved by State voters on November 5, 2024. Proposition 2 (2024) authorizes the sale and issuance of $10 billion in State general obligation bonds for the repair, upgrade and construction of facilities at K-12 public schools, community colleges and career technical education programs, including the development of health and safety conditions. Proposition 2 (2024) includes $3.3 billion for the new construction of K-12 facilities and an additional $4 billion for the modernization of existing K-12 facilities. Up to $10 million of the allocation for new constructions will be reserved for small school districts with an enrollment of fewer than 2,501 students. Of the $4 billion assigned for modernization of existing K-12 facilities, up to $115 million will be allocated for the repairment of lead in water at school facilities. In addition, a total of $1.2 billion will be available for the modernization and new construction of charter school facilities ($600 million) and technical education facilities ($600 million). The State will award funds to technical education and charter school through an application process, and charter schools must be deemed financially sound before project approval. The District is pursuing but cannot guarantee that it will qualify for or receive Proposition 2 (2024) State facilities funding.

Future Initiatives

The foregoing described amendments to the State Constitution and propositions were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted that further affect District revenues or the District's ability to expend revenues.

REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION

The District is located in the City of Los Angeles and portions of the County of Los Angeles. The following economic and demographic information pertains to the City of Los Angeles (the "City") and the County of Los Angeles (the "County"). The historical data and results presented in the tables that follow may differ materially from future results as a result of economic or other factors.

The Bonds are general obligations of the District secured by and payable from *ad valorem* property taxes levied within the District. The Bonds are not general obligations of the City or the County.

Population

The following Table A-25 sets forth the estimates of the population of the City, the County and the State in calendar years 2020 through 2024.

TABLE A-25
POPULATION ESTIMATES
2020 through 2024

Year (as of January 1)	City of Los Angeles	County of Los Angeles	State of California
2020	3,898,536	10,014,009	39,538,223
2021	3,871,886	9,955,445	39,327,868
2022	3,822,940	9,861,493	39,114,785
2023	3,804,420	9,819,312	39,061,058
2024	3,814,318	9,824,091	39,128,162

Source: Department of Finance, 2020 Census Benchmark.

Income

The following Table A-26 sets forth the median household income for the City, the County, the State and the United States for calendar years 2019 through 2023.

TABLE A-26
MEDIAN HOUSEHOLD INCOME[(1)]
2019 through 2023

Year	City of Los Angeles	County of Los Angeles	State of California	United States
2019	67,418	72,797	80,440	65,712
2020	65,290	71,358	78,672	64,994
2021	70,372	77,456	84,907	69,717
2022	76,135	82,516	91,551	74,755
2023	79,701	86,587	95,521	77,719

(1) Estimated. In inflation-adjusted dollars.
Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

The following Table A-27 sets forth the distribution of income by certain income groupings per household for the City, the County, the State and the United States for calendar year 2023.

TABLE A-27
INCOME GROUPINGS 2023[(1)]
(Percent of Households)

Income Per Household	City of Los Angeles	County of Los Angeles	State of California	United States
$24,999 & Under	17.5%	14.9%	13.0%	15.2%
$25,000-49,999	15.6	14.6	13.5	17.0
$50,000 & Over	67.1	70.5	73.5	67.7

(1) Estimated. In inflation-adjusted dollars. Data may not add up due to rounding.
Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

Employment

The District is within the Los Angeles-Long Beach Primary Metropolitan Statistical Area Labor Market (Los Angeles County). The following Table A-28 sets forth wage and salary employment in the County from calendar years 2019 through 2023.

TABLE A-28
LABOR FORCE AND EMPLOYMENT IN THE COUNTY OF LOS ANGELES[1]
2019 through 2023

	2019	2020	2021	2022	2023
Civilian Labor Force	5,153,100	4,968,900	4,994,100	4,984,800	5,015,600
Employment	4,926,100	4,355,900	4,548,900	4,739,900	4,763,600
Unemployment	227,000	613,000	445,200	244,900	252,000
Unemployment Rate	4.4%	12.3%	8.9%	4.9%	5.0%
Wage and Salary Employment					
Farm	4,400	4,400	4,600	4,900	4,700
Mining and Logging	1,900	1,700	1,600	1,600	1,700
Construction	149,800	146,500	149,800	150,900	151,000
Manufacturing	340,700	315,100	311,700	321,800	319,200
Trade, Transportation and Utilities	851,000	788,000	817,600	837,400	826,400
Information	215,300	191,000	213,200	235,000	193,000
Financial Activities	223,600	212,600	210,800	215,900	211,000
Professional and Business Services	647,000	599,800	629,500	668,900	652,500
Educational and Health Services	839,900	820,300	839,600	873,600	914,500
Leisure and Hospitality	547,200	393,500	429,300	511,300	534,100
Other Services	158,400	128,700	134,100	153,500	157,800
Government	586,900	570,200	558,200	568,500	582,300
Total[1]	4,566,100	4,171,700	4,300,000	4,543,400	4,548,200

(1) Totals may not equal sum of component parts due to rounding.
Source: California Employment Development Department, Labor Market Information Division.

The following Table A-29 sets forth taxable sales in the County for the calendar years 2019 through 2023.

TABLE A-29
COUNTY OF LOS ANGELES
TAXABLE TRANSACTIONS[(1)]
2019 through 2023
($ in thousands)

Type of Business	2019	2020	2021	2022	2023
Motor Vehicle and Parts Dealers	$ 18,954,470	$ 18,534,326	$ 23,555,049	$ 25,236,081	$ 23,403,883
Home Furnishings and Appliance Stores	7,308,501	6,608,482	8,177,309	7,682,325	6,946,670
Building Materials and Garden Equipment and Supplies Dealers	8,698,495	9,556,946	10,450,185	10,997,781	10,640,811
Food and Beverage Stores	7,255,360	7,650,294	7,861,401	8,137,012	8,224,646
Gasoline Stations	12,491,790	8,132,307	12,405,237	16,114,153	14,239,588
Clothing and Clothing Accessories Stores	12,536,982	9,498,705	13,957,944	14,388,631	13,904,314
General Merchandise Stores	12,910,844	12,263,784	14,541,309	15,072,717	14,514,788
Food Services and Drinking Places	25,097,944	17,006,158	23,577,050	27,861,821	29,314,178
Other Retail Group	17,190,290	24,164,972	24,407,441	24,618,548	24,281,294
Total Retail and Food Services	$122,444,678	$113,415,974	$138,932,925	$150,109,069	$145,470,173
All Other Outlets	$ 49,868,925	$ 44,322,010	$ 53,340,253	$ 62,671,752	$ 61,880,723
TOTAL ALL OUTLETS	$172,313,603	$157,737,984	$192,273,178	$212,780,821	$207,350,896

(1) Totals may not equal sum of component parts due to rounding.
Source: California Department of Tax and Fee Administration, Taxable Sales in California.

Leading County Employers

The economic base of the County is diverse with no one sector being dominant. Some of the leading activities include government (including education), business/professional management services (including engineering), health services (including training and research), tourism, distribution, and entertainment. The following Table A-30 sets forth the major employers in the County as of August 2024.

TABLE A-30
COUNTY OF LOS ANGELES
MAJOR EMPLOYERS[1]
2024

Employer	Product/Service	Employees
U.S. Government – Federal Executive Board[2]	Government	260,000
Los Angeles County	Government	116,571
Los Angeles Unified School District	Education	74,741
University of California, Los Angeles	Education	54,148
Kaiser Permanente Southern California	Nonprofit health plan	47,438
City of Los Angeles[3]	Government	35,206
University of Southern California	Private university	24,099
Northrop Grumman Corp.	Systems and products in aerospace, electronics and information systems	18,708
Walt Disney Co.	Media and entertainment	13,400
Home Depot	Home improvement retailer	12,000
UPS	Logistics, transportation and freight	11,542
Los Angeles Department of Water & Power	Energy	11,500
Long Beach Unified School District	Education	11,000
Boeing Co.	Aerospace and defense, commercial jetliners, space and security systems	10,783
Providence	Health care	10,153
Target Corp.	Retailer	10,020
NBCUniversal	Media and entertainment	8,576
Cedars-Sinai	Health system	8,427
California Institute of Technology	Private university, operator of Jet Propulsion Laboratory	8,419
Albertsons Cos.	Retail grocer	7,476
Allied Universal	Provider of security services and technology solutions	6,866
AT&T Inc.	Telecommunications, DirecTV, cable, satellite and television provider	6,475
City of Hope	Treatment and research center for cancer, diabetes and other life-threatening diseases	6,427
City of Long Beach	Government	6,000
Bank of America Corp.	Banking and financial services	5,490
Space Exploration Technologies Corp.	Rockets and spacecraft	5,467
Children's Hospital Los Angeles	Nonprofit freestanding children's hospital	5,305
Amazon	Online retailer	5,200
Inter-Con Security	Premier security services	5,165
Costco Wholesale	Membership chain of warehouse stores	5,143
California State University, Long Beach	Education	5,000
Ralphs	Grocery retailer	4,435
Capital Group	Financial services	4,251
California State University, Northridge	Education	4,163
Los Angeles World Airports	Airport authority owner and operator	4,000
Pomona Unified School District	Education	4,000
CommonSpirit Health[4]	Health care	3,360
Los Angeles County Metropolitan Transportation Authority	Transportation	3,023
California State University, Los Angeles	Education	2,657
Cal Poly Pomona	Education	2,648
Santa Monica Community College District	Education	2,459
Mt. San Antonio Community College District	Education	2,306
City of Santa Monica	Government	2,000
Montebello Unified School District	Education	1,900
Cal State Dominguez Hills	Education	1,761
City of Torrance	Government	1,683
City of Pasadena	Government	1,661
Conejo Valley School District	Education	1,550
Glendale Unified School District	Education	1,431
Los Angeles Community College District	Education	1,223

---

(1) This information was provided by representatives of the employers, company financial and annual budget reports, company LinkedIn profiles. Government agencies and companies are ranked by the current number of full-time employees in the County. Several organizations and companies may have qualified for this list but failed to submit information or do not break out local employment data.
(2) Excludes law enforcement and judiciary employees.
(3) Excludes proprietary departments (LADWP, LAWA, Port of LA).
(4) Previously known as Dignity Health.
Source: "Largest Public-Sector Employers" and "Largest Private Sector Employers," *Los Angeles Business Journal*, August 26-September 1, 2024.

Construction

The following Table A-31 sets forth the valuation of permits for new residential buildings and the number of new single-family and multi-family dwelling units in the City for the years 2020 through 2024.

TABLE A-31
CITY OF LOS ANGELES
PERMIT VALUATIONS AND UNITS OF CONSTRUCTION[(1)]
2020 through 2024
($ in thousands)

Year	New Residential Valuation	New Single Family Dwelling Units	New Multi-Family Dwelling Units	Total New Units
2020	$3,235,640	1,887	10,448	12,335
2021	3,013,650	2,469	11,667	14,136
2022	3,783,606	3,042	13,049	16,091
2023	2,389,320	689	8,438	9,127
2024[(2)]	1,294,450	349	2,982	3,331

(1) Total may not equal sum of component parts due to rounding.
(2) Values include data through June 30, 2024.
Source: California Homebuilding Foundation | Construction Industry Research Board.

The following Table A-32 sets forth information with respect to building permits and building valuations in the County from 2020 through 2024.

TABLE A-32
COUNTY OF LOS ANGELES
BUILDING PERMITS AND VALUATIONS[(1)]
2020 through 2024

	2020	2021	2022	2023	2024[(2)]
Residential Building Permits (Units)					
New Residential Permits					
Single Family	6,198	7,327	8,301	2,462	1,207
Multi-Family	14,056	16,718	18,912	7,769	4,381
Total Residential Building Permits	20,254	24,045	27,213	10,231	5,588
Building Valuations ($ in millions)					
Residential Building Valuations					
Single Family	$1,874	$2,086	$2,180	$1,056	$ 575
Multi-Family	2,790	3,027	3,524	1,369	681
Alterations and Additions	1,014	908	1,423	1,060	1,112
Residential Building Valuations Subtotal	$5,678	$6,021	$7,127	$3,485	$2,369
Non-Residential Building Valuations					
New Industrial Buildings	$ 32	$ 28	$ 25	$ 129	$ 3
Office Buildings	242	162	69	75	103
Store & Other Mercantile	897	170	879	348	146
Hotels and Motels	232	53	40	68	0
Alterations and Additions	1,241	946	2,417	1,352	918
Amusement and Recreation	2	38	3	15	113
Parking Garages	103	0	80	445	99
Service Stations and Repair Garages	72	1	6	1	0
Other	691	466	661	497	261
Non-Residential Building Valuations Subtotal	$3,513	$1,863	$4,184	$2,929	$1,642
Total Building Valuations	$9,191	$7,884	$11,311	$6,414	$4,011

(1) Totals may not equal sum of component parts due to rounding.
(2) Values include data through June 30, 2024.
Sources: California Homebuilding Foundation | Construction Industry Research Board.

GLOSSARY OF CERTAIN TERMS AND ABBREVIATIONS

The following are definitions and abbreviations of certain terms used in this Appendix A.

"AALA" means the Associated Administrators of Los Angeles, which represents the middle managers in the District.

"ACFR" means annual comprehensive financial report.

"ADA" means average daily attendance, a measure of pupil attendance used as the basis for providing revenue to school districts and as a measure of unit costs. ADA includes only in-seat attendance.

"CalPERS" means the California Public Employees' Retirement System, a defined benefit plan which covers classified personnel who work four or more hours per day.

"CalSTRS" means the California State Teachers' Retirement System, a defined benefit plan which covers all full-time certificated and some classified District employees.

"CARES Act" means Coronavirus Aid, Relief and Economic Security Act.

"CDE" means the California Department of Education.

"COLA" means cost-of-living adjustments, which is used in determining the District's funding from the State.

"Common Core" means Common Core State Standards.

"COPS" means certificates of participation.

"COVID-19" means Coronavirus Disease 2019.

"CSEA" means California School Employees Association.

"EL" means English learners, a classification for students.

"FRPM" means free or reduced-price meal.

"GASB" means the Governmental Accounting Standards Board, an operating entity of the Financial Accounting Foundation establish to set standards of financial accounting and reporting for state and local governmental entities.

"ISMP" means the Information Security Management Program.

"LACOE" means the Los Angeles County Office of Education.

"LAO" means the Legislative Analyst's Office of the State of California.

"LASPA" means the Los Angeles Sheriff's Professional Association.

"LASPMA" means the Los Angeles School Police Management Association.

"LCAP" means the Local Control and Accountability Plan.

"LCFF" means the Local Control Funding Formula.

"LEA" means local education agency as defined under the NCLB Act.

"LI" means students classified as foster youth.

"OCIP" means owner controlled insurance program.

"OPEB" means Other Post-Employment Benefits.

"PARS" means the Public Agency Retirement System, a defined contribution plan which covers the District's part-time, seasonal, temporary and other employees not otherwise covered by CalPERS or CalSTRS, but whose salaries would otherwise be subject to Social Security tax.

"PEPIP" means the Public Entity Property Insurance Program, an insurance pool comprised of certain cities, counties and school districts.

"PEPRA" means the California Public Employees' Pension Reform Act of 2013.

"PERB" means the Public Employee Relations Board.

"PLL" means pollution legal liability.

"SEIU" means Service Employees International Union.

"SUP" means School Upgrade Program.

"UAAL" means unfunded actuarial accrued liability.

"UTLA" means the United Teachers Los Angeles, which is the collective bargaining unit representing teachers and support service personnel of the District.

APPENDIX B

AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024

[THIS PAGE INTENTIONALLY LEFT BLANK]

Los Angeles Unified School District

Audited Annual Financial Report

For Fiscal Year Ended June 30, 2024

11

2023-24

Los Angeles, California

LOS ANGELES UNIFIED SCHOOL DISTRICT
LOS ANGELES, CALIFORNIA

AUDITED ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024

MR. ALBERTO M. CARVALHO
SUPERINTENDENT OF SCHOOLS

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

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

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

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

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

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

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

PREPARED BY
ACCOUNTING AND DISBURSEMENTS DIVISION

333 S. BEAUDRY AVENUE
LOS ANGELES, CALIFORNIA 90017

LOS ANGELES UNIFIED SCHOOL DISTRICT
Audited Annual Financial Report
Year Ended June 30, 2024

Table of Contents

LOS ANGELES UNIFIED SCHOOL DISTRICT

Audited Annual Financial Report

Year Ended June 30, 2024

Table of Contents

Table of Contents

OTHER INFORMATION

OTHER INDEPENDENT AUDITOR REPORTS

INTRODUCTORY SECTION

Alberto M. Carvalho
Superintendent

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

December 16, 2024

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

Dear Board Members:

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

Independent Audit

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

Management Discussion and Analysis (MD&A)

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

Profile of the Los Angeles Unified School District

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

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

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

Economic Condition and Outlook

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

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

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

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

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

Superintendent's Strategic Plan

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

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

Financial Information

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

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

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

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

Financial Results

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

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

Audit Results

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

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

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

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

Acknowledgments

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

Respectfully submitted,

Alberto M. Carvalho
Superintendent of Schools

Prepared by:

Nolberto Delgadillo
Deputy Chief Financial Officer

Christopher Mount-Benites
Chief Financial Officer

BOARD OF EDUCATION
as of December 15, 2024

Scott M. Schmerelson, President
Board District 3

Sherlett Hendy Newbill
Board District 1

Dr. Rocio Rivas
Board District 2

Nick Melvoin
Board District 4

Karla Griego
Board District 5

Kelly Gonez
Board District 6

Tanya Ortiz Franklin
Board District 7

PRINCIPAL SCHOOL DISTRICT OFFICIALS

Alberto M. Carvalho
Superintendent of Schools

Pedro Salcido
Deputy Superintendent, Business Services and Operations

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

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

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

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

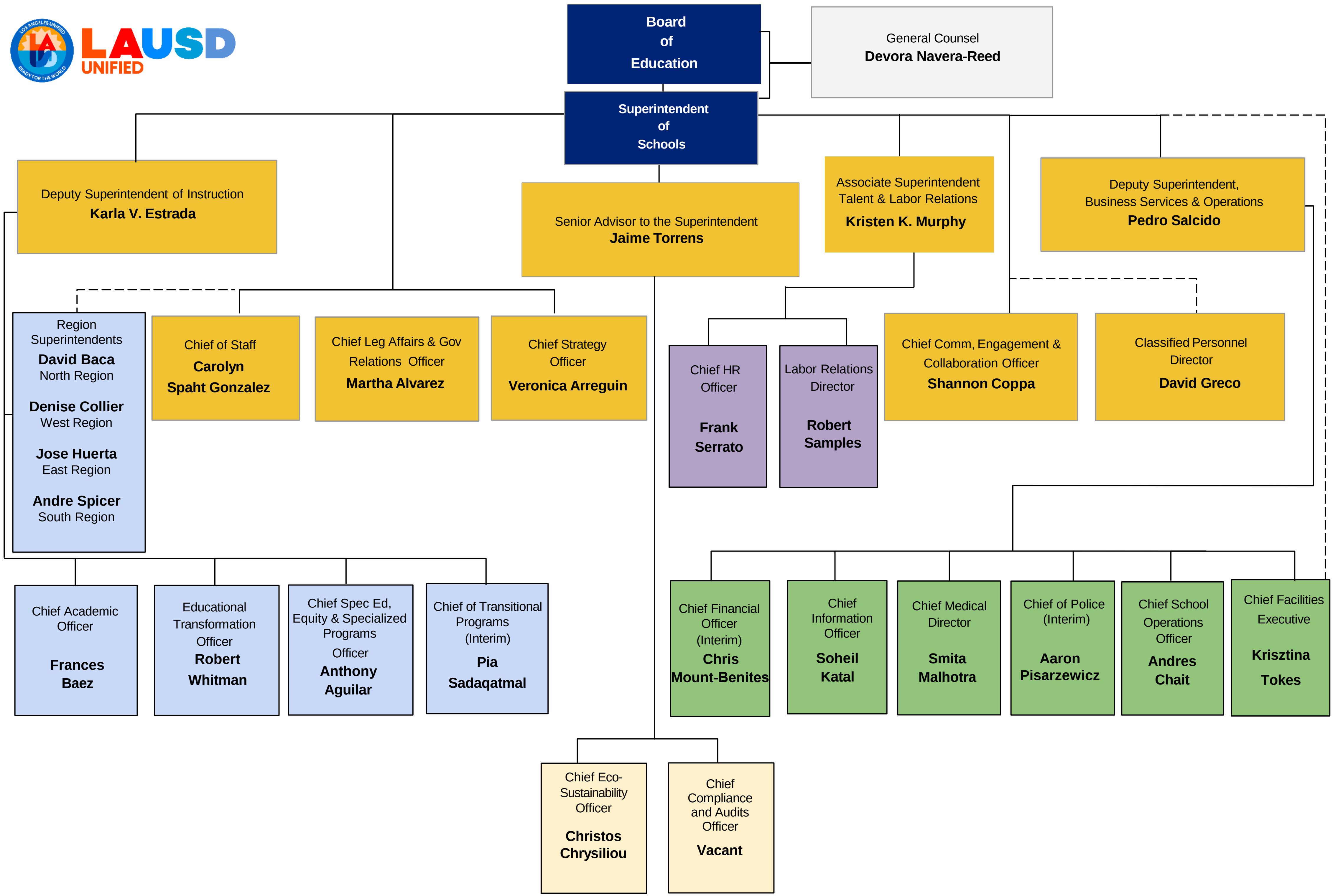
Ernie Thomas
Controller
(Effective January 8, 2024)

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

REGION OFFICIALS

as of December 15, 2024

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



2024-2025 Organization Chart
July 1, 2024

FINANCIAL INFORMATION

SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 2600
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

Independent Auditor's Report

To The Honorable Board of Education
Los Angeles Unified School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Los Angeles Unified School District** (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Los Angeles Unified School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of California Code of Regulations (CCR), Title 5, Education, Section 19810. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 14 and the required supplementary information on pages 76 to 85 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on pages 86 to 113, 118 to 119, 122 to 127, and 136, and the schedule of expenditures of federal awards and related notes on pages 137 to 142, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the supplementary information on pages 115 to 117, 120 to 121, 128 to 135, and 143 to 144 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Simpson & Simpson

Los Angeles, California
December 16, 2024

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

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

Financial Highlights

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

Overview of the Basic Financial Statements

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

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

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

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

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

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

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

(Continued)

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

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

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

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

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

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

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

(Continued)

Summary Statements of Net Position (in thousands)

As of June 30, 2024 and 2023:

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

See accompanying notes to basic financial statements.

Summary Statements of Changes in Net Position (in thousands)

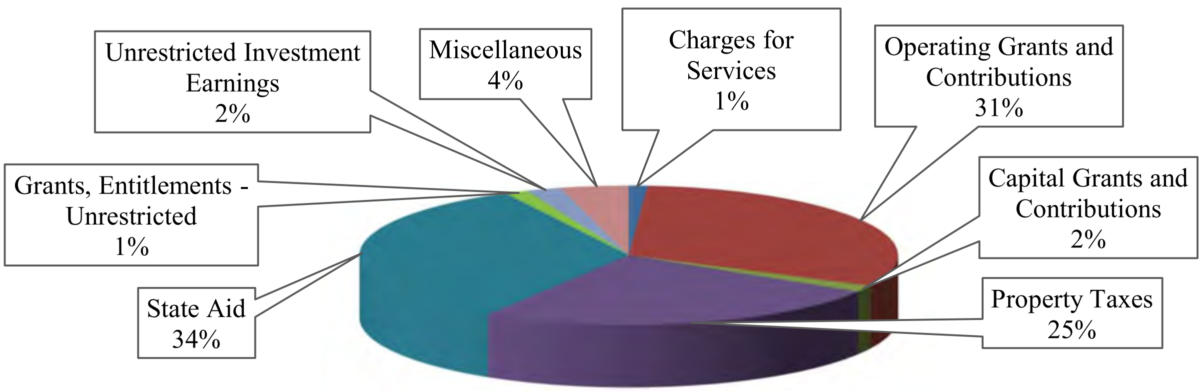
Year ended June 30, 2024 and 2023:

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

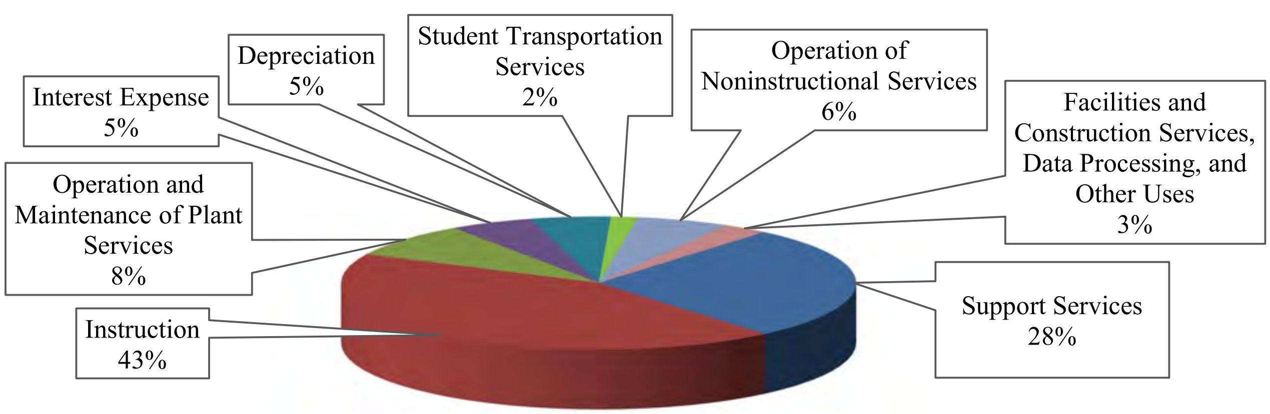
(Continued)

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

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



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



Financial Analysis of the Governmental Funds

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

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

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

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

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

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

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

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

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

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

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

General Fund Budgetary Highlights

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

Modified Final Budget vs. Original Final Budget

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

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

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

(Continued)

Actual vs. Modified Final Budget

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

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

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

Capital Assets and Debt Administration

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

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

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

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

Debt Administration

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

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

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

Long-Term Credit Ratings

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

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

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

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

Requests for Information

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Statement of Net Position

June 30, 2024

(in thousands)

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

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2024
(in thousands)

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

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

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

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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

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

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Position
June 30, 2024
(in thousands)

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

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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

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

See accompanying notes to basic financial statements.

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

Net Changes in Fund Balances – Governmental Funds	$ 1,335,601
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	566,379
Proceeds of new debt and repayment of debt principal are reported as other financing sources and uses in the governmental funds, but constitute additions and reductions to liabilities in the statement of net position.	(168,003)
Premiums, discounts, and refunding charges are reported as other financing sources and uses in the governmental funds, but constitute additions and reductions to liabilities in the statement of net position.	(403,840)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues for this year.	1,744
In the statement of activities, compensated absences and other retirement benefits are measured by the amounts the employees earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(16,670)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of financial resources. In the statement of activities, however, interest expense is recognized as interest accrues, regardless of when it is due.	(104,141)
Some expenses, including legal settlements and rebatable arbitrage, are recognized in the government wide statements as soon as the underlying event has occurred but not until due and payable in the governmental funds.	
An internal service fund is used by the District's management to charge the costs of health	(3,155)
and welfare, workers' compensation and liability self-insurance premiums and claims to the individual funds. The net revenue of the internal service fund is reported with governmental activities.	(417,101)
Legal settlement gains are recognized in the government wide statements as soon as the underlying event has occurred but not until collected in the governmental funds.	(1,879)
Adoption of GASB 68 recognizes actuarial pension expense in the government wide statements and reclassify actual pension contribution in the current year as deferred outflow of resources.	285,705
Adoption of GASB 75 recognizes actuarial OPEB expense in the government wide statements and reclassify actual pension contribution in the current year as deferred outflow of resources.	812,088
Change in Net Position of Governmental Activities	$ 1,886,728

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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

General Fund

Year Ended June 30, 2024

(in thousands)

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

See accompanying notes to basic financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
Governmental Activities – Internal Service Funds
June 30, 2024
(in thousands)

Assets:	
Cash in county treasury, in banks, and on hand	$ 1,058,470
Accounts receivable – net	62,939
Accrued interest and dividends receivable	10,248
Prepaids	13,911
Other assets	6,165
Total Assets	1,151,733
Deferred Outflows of Resources	7,910
Liabilities:	
Current:	
Vouchers and accounts payable	16,804
Accrued payroll	1,057
Other payables	19,786
Due to other funds	30,000
Estimated liability for self-insurance claims	380,240
Total Current Liabilities	447,887
Noncurrent:	
Estimated liability for self-insurance claims	732,912
Net other postemployment benefits liability	10,837
Net pension liability	12,108
Total Noncurrent Liabilities	755,857
Total Liabilities	1,203,744
Deferred Inflows of Resources	6,392
Total Net Position – Unrestricted	$ (50,493)

See accompanying notes to basic financial statements.

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

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

See accompanying notes to basic financial statements.

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

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

See accompanying notes to basic financial statements.

(1) Summary of Significant Accounting Policies

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

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

(a) Reporting Entity

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

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

Blended Component Units

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

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

(b) Government-wide and Fund Financial Statements

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

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

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

(c) Measurement Focus and Basis of Accounting

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

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

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

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

(Continued)

(d) Financial Statement Presentation

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

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

(e) Fund Accounting

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

Major Governmental Funds

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

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

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

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

Other Governmental Funds

The District has the following nonmajor governmental funds:

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

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

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

Proprietary Funds

The District has the following Proprietary Funds:

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

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

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

(f) Budgetary Control and Encumbrances

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

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

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

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

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

(g) Cash and Investments

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

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

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

(h) Short-term Interfund Receivables/Payables

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

(i) Inventories

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

(j) Capital Assets

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

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

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

(k) Contracts Payable

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

(l) Compensated Absences

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

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

(m) Pensions

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

(n) Long-term Obligations

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

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

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

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

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

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

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

Another funding component to the total LCFF is the Education Protection Account (EPA). The EPA provides LEAs with general purpose state aid funding pursuant to Proposition 30, The Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012. Proposition 30 temporarily increases the state's sales tax rate for all taxpayers until the end of 2016 and the personal income tax rates for upper-income taxpayers until the end of 2018. Proposition 55 was passed on November 8, 2016, extending the temporary personal income tax increases enacted in 2012 by 12 years. A portion of the revenues generated by the measure's temporary tax increases is deposited into the EPA which is used to support increased school funding.

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

(p) Estimates

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

(q) New Pronouncement

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

(2) Tax and Revenue Anticipation Notes

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

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

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

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

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

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

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

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

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

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

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

(4) Budgetary Appropriation Amendments

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

(5) Cash and Investments

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

Statement of net position:	
Cash	$ 10,863,147
Investments	13,735
Cash held by trustee	800,940
Total cash and investments	$ 11,677,822

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) Accounts Receivable, net

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

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

(7) Capital Assets

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

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

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

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

(8) Deferred Outflows and Inflows of Resources

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

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

(9) Retirement, Termination and Other Postemployment Benefit Plans

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

Retirement Plans

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

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

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

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

Safety Plan

Plan Description and Benefits Provided

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

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

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

Employees Covered

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

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended.

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

Net Pension Liability

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

Actuarial Methods and Assumptions

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

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

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

Change of Assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, 7.65% for measurement dates June 30, 2015, through June 30, 2016, and 7.50% for measurement date June 30, 2014.

Change in Benefit Terms

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

Discount Rate

The discount rate used to measure the total pension liability of the Safety Plan was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

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

(a) An expected inflation of 2.30% used for this period.
(b) Figures are based on the 2021 Asset Liability Management study.

Changes in the Net Pension Liability

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

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

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

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

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

	Safety		
	1.00% Decrease 5.90%	Current Discount Rate (6.90%)	1.00% Increase (7.90%)
District's net pension liability	$ 202,609	$ 127,967	$ 67,279

Pension Plan Fiduciary Net Position

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

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

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

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

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

The $14.2 million reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows (in thousands):

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

Payable to the Pension Plan

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

Miscellaneous Plan

Plan Description and Benefits Provided

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

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

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended.

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

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

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

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

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

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

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

Actuarial Methods and Assumptions

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

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

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

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Discount Rate

The discount rate used to measure the total pension liability of the Miscellaneous Plan was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

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

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

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

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

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

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

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

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

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

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

Plan Description and Benefits Provided

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

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

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

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

Contributions

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

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

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

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

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

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

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

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

The $740.7 million reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows:

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

Actuarial Methods and Assumptions

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

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

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

Discount Rate

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS' general investment consultants as inputs to the process. The actuarial investment rate of return assumption was adopted by the Board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2023, are summarized in the following table:

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

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

(Continued)

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

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

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

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

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

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

(c) Public Agency Retirement System (PARS)

Plan Description

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

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

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

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

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

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

Postemployment Benefits – Health and Welfare for Retirees

Plan Description

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

a. Those hired prior to March 11, 1984, must have served a minimum of five consecutive qualifying years immediately prior to retirement.

b. Those hired from March 11, 1984, through June 30, 1987, must have served a minimum of 10 consecutive qualifying years immediately prior to retirement.

c. Those hired from July 1, 1987, through May 31, 1992, must have served a minimum of 15 consecutive qualifying years immediately prior to retirement, or served 10 consecutive qualifying years immediately prior to retirement plus an additional previous 10 years which are not consecutive.

d. Those hired from June 1, 1992, through February 28, 2007, must have at least 80 years combined total of qualifying service and age. For those employees that have a break in service, this must include 10 consecutive years immediately prior to retirement.

e. Those hired from March 1, 2007, through March 31, 2009, must have at least 80 years combined total of qualifying service and age. In addition, the employee must have 15 consecutive years of qualifying service immediately prior to retirement.

f. Those hired on or after April 1, 2009, except School Police, must have at least 85 years combined total of qualifying service and age. In addition, the employee must have a minimum of 25 consecutive years of qualifying service immediately prior to retirement.

g. School Police (sworn personnel) hired on or after April 1, 2009, must have at least 80 years combined total of qualifying service and age. In addition, the employee must have a minimum of 20 consecutive years of qualifying service immediately prior to retirement.

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

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

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

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

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

Employees Covered

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

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

Contributions

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

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

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

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

Net OPEB Liability

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

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

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

Changes of Assumptions

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

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

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

Discount Rate

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

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

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

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

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

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

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

Changes in the OPEB Liability

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

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

 (Continued)

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

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

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

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

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

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

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

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

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

(Continued)

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

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

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

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

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

(10) Risk Management

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

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

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

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

Liability. Liabilities for loss and loss adjustment expenses under school operations workers' compensation and general liability are based on the estimated present value of the ultimate cost of settling the claims including the accumulation of estimates for losses reported prior to the balance sheet date, estimates of losses incurred but not reported, and estimates of expenses for investigating and adjusting reported and unreported losses. Such liabilities are estimates of the future expected settlements and are based upon analysis of historical patterns of the number of incurred claims and their values. Individual reserves are continuously monitored and reviewed and as settlements are made, or reserves adjusted, differences are reflected in current operations. The amount of the total claims liabilities recorded for health and welfare, workers' compensation, and liability self-insurance was $1,113.2 million.

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

(Continued)

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

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

(11) Certificates of Participation

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

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

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

(12) Long-Term Obligations

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

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

* The amounts shown above include unamortized premiums and discounts.

** Premium on bonds and premium and discount amortization.

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

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

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

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

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

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

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

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

In October 2023, Moody's Investor Services, Fitch Ratings, and KBRA assigned ratings to the District's General Obligation Bonds, Series QRR (2023) ("the Bonds") of Aa3, AAA and AAA, respectively. The District then successfully sold $850 million of the new money Bonds on October 24, which were issued to finance school facilities projects and included $525 million of Measure Q Bonds and $325 million of Measure RR Bonds. The sale was also the District's third issuance of Sustainability Bonds. The 2023 Series QRR General Obligation Bonds were sold at a true interest cost of 4.55 percent over 25 years, and the transaction closed on November 7, 2023.

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

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

Debt Liquidation

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

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

(13) Leases

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

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

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

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

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

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

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

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

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

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

<u>The District as Lessee</u>

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

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

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

The District as Lessor

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

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

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

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

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

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

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

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

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

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

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

(Continued)

(15) Interfund Transfers

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

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

(16) Fund Balances

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

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

(Continued)

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

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

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

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

Unassigned fund balances represent all other spendable amounts.

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

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

Minimum Fund Balance Policy

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

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

(17) Contingencies and Commitments

(a) General

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

(b) Grants

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

(c) Construction Contracts

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

(18) Subsequent Events

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

LAUSD
UNIFIED

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

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

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

Schedule of Contributions
For the Year Ended June 30, 2024

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

See accompanying independent auditor's report.

2020-2021	2021-2022	2022-2023	2023-2024
$ 291,399	$ 437,026	$ 450,849	$ 294,791
330,177	271,654	243,430	337,814
—	(1,143,508)	—	(234,984)
—	—	—	—
2,098,757	(93,876)	(2,240,059)	377,218
(221,166)	(231,192)	(231,063)	(235,929)
2,499,167	(759,896)	(1,776,843)	538,910
8,989,783	11,488,950	10,729,054	8,952,211
$ 11,488,950	$ 10,729,054	$ 8,952,211	$ 9,491,121
$ 221,166	$ 231,192	$ 231,063	$ 235,929
14,563	117,080	(72,625)	30,185
(221,166)	(231,192)	(231,063)	(235,929)
(205)	(240)	(264)	(235)
14,358	116,840	(72,889)	29,950
411,631	425,989	542,829	469,940
425,989	542,829	469,940	499,890
$ 11,062,961	$ 10,186,225	$ 8,482,271	$ 8,991,231
3.71%	5.06%	5.25%	5.27%
$ 4,174,000	$ 4,192,000	$ 4,307,000	$ 4,614,000
265.04%	242.99%	196.94%	194.87%

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

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

See accompanying independent auditor's report.

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

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

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

Notes to Schedule:

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

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

See accompanying independent auditor's report.

(Continued)

	2018-2019	2019-2020	2020-2021	2021-2022	2022-23	2023-24
	$ 12,992	$ 14,611	$ 13,900	$ 12,215	$ 12,359	$ 14,210
	(12,992)	(14,611)	(13,900)	(12,215)	(12,359)	(14,210)
	$ —	$ —	$ —	$ —	$ —	$ —
	$ 46,849	$ 45,139	$ 34,583	$ 29,289	$ 31,588	$ 36,077
	27.73%	32.37%	40.19%	41.71%	39.13%	39.39%
	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Dollar	Level Dollar	Level Dollar
	Market Value of Assets	Market Value of Assets	Market Value of Assets	Market Value of Assets	Market Value of Assets	Market Value of Assets
	2.75% compounded annually	2.63% compounded annually	2.50% compounded annually	2.50% compounded annually	2.50% compounded annually	2.30% compounded annually
	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service
	3.0%	2.9%	2.75%	2.75%	2.75%	2.80%
	7.5%	7.25%	7.00%	7.00%	7.00%	6.80%
	The probabilities of retirement are based on the 2014 CalPERS Experience Study.	The probabilities of retirement are based on the 2017 CalPERS Experience Study.	The probabilities of retirement are based on the 2017 CalPERS Experience Study.	The probabilities of retirement are based on the 2017 CalPERS Experience Study.	The probabilities of retirement are based on the 2017 CalPERS Experience Study.	The probabilities of retirement are based on the 2017 CalPERS Experience Study.
	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 20 years of projected on-going mortality improvements using Scale BB published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.

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

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

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

2. Schedule of District Contributions

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

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

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

See accompanying independent auditor’s report.

(Continued)

2018-2019	2019-2020	2020-2021	2021-2022	2022-23	2023-24
7.9678%	8.0858%	7.8905%	7.8531%	7.8184%	7.7465%
$ 2,124,474	$ 2,356,549	$ 2,421,053	$ 1,596,877	$ 2,690,237	$ 2,804,142
$ 1,116,870	$ 1,228,585	$ 1,221,081	$ 1,256,381	$ 1,449,675	$ 1,595,725
190.22%	191.81%	198.27%	127.10%	185.58%	175.73%
70.85%	70.05%	70.00%	80.97%	69.76%	69.96%

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
$ 205,346	$ 224,546	$ 243,447	$ 286,190	$ 357,900	$ 438,819
205,346	224,546	243,447	286,190	357,900	438,819
$ —	$ —	$ —	$ —	$ —	$ —
$ 1,228,585	$ 1,221,081	$ 1,256,381	$ 1,449,675	$ 1,595,725	$ 1,808,927
16.71%	18.39%	19.38%	19.74%	22.43%	24.26%

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

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

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

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

2. Schedule of District Contributions

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

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

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

See accompanying independent auditor’s report.

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

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

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

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

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

See accompanying independent auditor's report.

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

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

See accompanying independent auditor’s report.

Special Revenue Funds

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

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

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

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

Debt Service Funds

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

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

Capital Projects Funds

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

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

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

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

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

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

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

LAUSD
UNIFIED

LOS ANGELES UNIFIED SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Balance Sheet (Continued)

June 30, 2024

(in thousands)

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

See accompanying independent auditors' report.

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

(Continued)

LOS ANGELES UNIFIED SCHOOL DISTRICT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024
(in thousands)

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

See accompanying independent auditors' report.

Projects

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

(in thousands)

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

See accompanying independent auditor's report.

(Continued)

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

(Continued)

LOS ANGELES UNIFIED SCHOOL DISTRICT

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

(in thousands)

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

See accompanying independent auditor’s report.

(Continued)

Projects

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

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

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

See accompanying independent auditor's report.

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

(Continued)

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

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

See accompanying independent auditor's report.

(Continued)

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Debt Service Funds

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

Year Ended June 30, 2024

(in thousands)

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

See accompanying independent auditor's report.

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

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

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

See accompanying independent auditor’s report.

(Continued)

Capital Facilities Account

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

(Continued)

LOS ANGELES UNIFIED SCHOOL DISTRICT

Capital Projects Funds

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

Year Ended June 30, 2024

(in thousands)

County School Facilities Bonds

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

See accompanying independent auditor's report.

(Continued)

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

(Continued)

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

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

See accompanying independent auditor's report.

(Continued)

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

LAUSD
UNIFIED

LOS ANGELES UNIFIED SCHOOL DISTRICT

Internal Service Funds

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

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

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

LOS ANGELES UNIFIED SCHOOL DISTRICT
Internal Service Funds
Combining Statement of Net Position
June 30, 2024
(in thousands)

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

See accompanying independent auditor's report.

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

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

See accompanying independent auditor's report.

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

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

See accompanying independent auditor's report.

LAUSD
UNIFIED

SUPPLEMENTARY INFORMATION

LOS ANGELES UNIFIED SCHOOL DISTRICT

Assessed Value of Taxable Property
Last Ten Fiscal Years
(in thousands)
(Unaudited)

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

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

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

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

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

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

[c] Adjusted for fiscal year 2019-20 audit finding.

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

See accompanying independent auditor's report.

LOS ANGELES UNIFIED SCHOOL DISTRICT

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

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

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

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

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

LOS ANGELES UNIFIED SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
(in thousands)
(Unaudited)

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

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

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

See accompanying independent auditor's report.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Instructional Time Offered
Year Ended June 30, 2024

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

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

(1) Elementary schools only.

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

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

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

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

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Average Daily Attendance

Year Ended June 30, 2024

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

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

LOS ANGELES UNIFIED SCHOOL DISTRICT
Average Daily Attendance
Annual Report
Last Ten Fiscal Years
(Unaudited)

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

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

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

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

(Continued)

LOS ANGELES UNIFIED SCHOOL DISTRICT

Average Daily Attendance
Annual Report
Last Ten Fiscal Years
(Unaudited)

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

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

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

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Average Daily Attendance – Affiliated Charter Schools

Year Ended June 30, 2024

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

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

Grades 4-6 ADA				Grades 7-8 ADA			
Total		Classroom-based		Total		Classroom-based	
Second Period Report	Annual Report	Second Period Report	Annual Report	Second Period Report	Annual Report	Second Period Report	Annual Report
568.90	567.63	568.90	567.63	1,175.53	1,173.48	1,175.53	1,173.48
173.58	173.67	173.58	173.67	0.00	0.00	0.00	0.00
118.63	118.40	118.63	118.40	0.00	0.00	0.00	0.00
88.77	88.42	88.77	88.42	0.00	0.00	0.00	0.00
110.96	111.26	110.96	111.26	0.00	0.00	0.00	0.00
271.21	270.91	271.21	270.91	0.00	0.00	0.00	0.00
178.06	177.90	178.06	177.90	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
212.94	212.84	212.94	212.84	0.00	0.00	0.00	0.00
157.28	157.36	157.28	157.36	0.00	0.00	0.00	0.00
135.30	135.46	135.30	135.46	0.00	0.00	0.00	0.00
157.96	158.63	157.96	158.63	0.00	0.00	0.00	0.00
173.09	172.50	173.09	172.50	0.00	0.00	0.00	0.00
141.00	141.46	141.00	141.46	0.00	0.00	0.00	0.00
173.87	173.07	173.87	173.07	303.32	301.47	303.32	301.47
61.78	61.84	61.78	61.84	0.00	0.00	0.00	0.00
148.66	148.13	148.66	148.13	0.00	0.00	0.00	0.00
460.48	459.76	460.48	459.76	852.43	850.23	852.43	850.23
547.65	543.46	547.65	543.46	1,114.08	1,105.84	1,114.08	1,105.84
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
89.22	90.06	89.22	90.06	0.00	0.00	0.00	0.00
108.73	108.23	108.73	108.23	0.00	0.00	0.00	0.00
185.83	185.10	185.83	185.10	127.84	127.19	127.84	127.19
113.87	114.25	113.87	114.25	0.00	0.00	0.00	0.00
133.35	133.85	133.35	133.85	0.00	0.00	0.00	0.00
117.85	117.65	117.85	117.65	0.00	0.00	0.00	0.00
128.98	128.37	128.98	128.37	0.00	0.00	0.00	0.00
363.67	361.62	363.67	361.62	763.56	758.43	763.56	758.43
100.23	100.31	100.23	100.31	0.00	0.00	0.00	0.00
127.20	127.32	127.20	127.32	0.00	0.00	0.00	0.00
131.15	130.75	131.15	130.75	0.00	0.00	0.00	0.00
118.92	118.63	118.78	118.52	0.00	0.00	0.00	0.00
552.05	548.77	552.05	548.77	1,063.48	1,054.45	1,063.48	1,054.45
85.58	85.18	85.58	85.18	0.00	0.00	0.00	0.00
160.31	160.20	160.31	160.20	0.00	0.00	0.00	0.00
73.28	73.88	73.28	73.88	99.20	99.40	99.20	99.40
116.90	117.62	116.90	117.62	0.00	0.00	0.00	0.00
168.68	169.09	168.68	169.09	0.00	0.00	0.00	0.00
120.97	120.92	120.97	120.92	0.00	0.00	0.00	0.00
153.50	154.13	153.50	154.13	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55.27	55.43	55.27	55.43	0.00	0.00	0.00	0.00
182.11	181.98	182.11	181.98	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
126.99	126.87	126.99	126.87	0.00	0.00	0.00	0.00
272.45	271.97	272.45	271.97	0.00	0.00	0.00	0.00
193.23	192.64	193.23	192.61	0.00	0.00	0.00	0.00
148.56	147.26	148.56	147.26	0.00	0.00	0.00	0.00
154.78	154.51	154.78	154.51	0.00	0.00	0.00	0.00
167.87	167.87	167.87	167.87	0.00	0.00	0.00	0.00
8,331.65	8,317.16	8,331.51	8,317.02	5,499.44	5,470.49	5,499.44	5,470.49

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Average Daily Attendance – Affiliated Charter Schools

Year Ended June 30, 2024

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

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

(Continued)

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Average Daily Attendance – Affiliated Charter Schools

Year Ended June 30, 2024

Totals

Total ADA		Classroom-based ADA	
Second Period Report	Annual Report	Second Period Report	Annual Report
1,744.43	1,741.11	1,744.43	1,741.11
571.99	572.47	571.99	572.47
389.82	390.62	389.82	390.62
288.51	287.38	288.51	287.38
353.06	353.94	353.06	353.94
807.91	808.95	807.91	808.95
582.40	583.52	582.40	583.52
1,570.66	1,550.69	1,570.66	1,550.69
704.79	704.82	704.79	704.82
425.24	425.52	425.24	425.52
478.17	478.64	478.17	478.64
585.06	586.32	585.06	586.32
561.03	559.46	561.03	559.46
418.77	420.32	418.77	420.32
477.19	474.54	477.19	474.54
182.13	182.40	182.13	182.40
519.52	518.73	519.52	518.73
1,312.91	1,309.99	1,312.91	1,309.99
1,661.73	1,649.30	1,661.73	1,649.30
2,535.90	2,516.05	2,535.90	2,516.05
278.72	280.39	278.72	280.39
360.55	361.92	360.55	361.92
501.40	500.40	501.40	500.40
391.52	393.79	391.52	393.79
440.71	441.46	440.71	441.46
351.87	352.07	351.87	352.07
420.20	420.44	420.20	420.44
1,127.23	1,120.05	1,127.23	1,120.05
294.37	294.03	294.37	294.03
395.17	396.77	395.17	396.77
381.18	380.49	381.18	380.49
367.74	367.46	367.54	367.28
1,615.53	1,603.22	1,615.53	1,603.22
251.94	251.78	251.94	251.78
523.89	526.07	523.89	526.07
1,239.49	1,229.90	1,239.49	1,229.90
369.47	371.93	369.47	371.93
508.73	510.68	508.73	510.68
449.92	452.25	449.92	452.25
425.07	426.76	425.07	426.76
1,372.33	1,364.16	1,372.33	1,364.16
2,056.08	2,044.99	2,056.08	2,044.99
211.98	213.28	211.98	213.28
560.11	559.03	560.11	559.03
1,287.30	1,269.32	1,287.30	1,269.32
400.98	401.76	400.98	401.76
730.63	730.09	730.63	730.09
592.67	595.00	592.62	594.91
514.44	512.80	514.44	512.80
523.42	524.92	523.42	524.92
573.43	574.70	573.43	574.70
35,689.29	35,586.68	35,689.04	35,586.41

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Financial Trends and Analysis

Year Ended June 30, 2024

(in thousands)

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

The General Fund has maintained a positive ending fund balance for the past four fiscal years presented in this schedule.
For a district this size, the State has recommended available reserves to be at least 2% of total General Fund expenditures and other financing uses.
The District has been able to meet these requirements for the past four fiscal years.

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

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

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

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

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

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

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

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools
Year Ended June 30, 2024
(Unaudited)

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

(Continued)

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools
Year Ended June 30, 2024
(Unaudited)

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

LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Charter Schools
Year Ended June 30, 2024
(Unaudited)

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

(Continued)

LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Charter Schools
Year Ended June 30, 2024
(Unaudited)

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

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

LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Charter Schools
Year Ended June 30, 2024
(Unaudited)

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

(Continued)

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

(Continued)

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools
Year Ended June 30, 2024
(Unaudited)

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

(1) Statistical Data

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

(2) Purpose of Schedules

(a) Schedule of Average Daily Attendance

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

(b) Schedule of Instructional Time Offered

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

(c) Schedule of Financial Trends and Analysis

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

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

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

(e) Schedule of Charter Schools

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

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

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

(Continued)

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

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

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

(Continued)

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

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

(1) General

The accompanying schedule of expenditures of federal awards (Schedule) presents the expenditures of all federal financial assistance programs of the Los Angeles Unified School District (District). The District's reporting entity is defined in the notes to the District's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

(2) Basis of Accounting

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

(3) Indirect Cost Rate

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

(4) Noncash Assistance

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

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

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

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

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

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

OTHER INFORMATION

LOS ANGELES UNIFIED SCHOOL DISTRICT

Organization Structure
Year Ended June 30, 2024
(Unaudited)

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

Geographical Area: 710 square miles

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

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

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

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

LOS ANGELES UNIFIED SCHOOL DISTRICT
Organization Structure
Year Ended June 30, 2024
(Unaudited)

Date of Establishment: 1854 as the Common Schools for the City of Los Angeles and became a unified school district in 1960.
Fiscal Year: July 1 – June 30
Number of Schools:

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

See accompanying independent auditor's report.

OTHER INDEPENDENT AUDITOR REPORTS

SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 2600
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To The Honorable Board of Education
Los Angeles Unified School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Los Angeles Unified School District** (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

District's Response to Findings

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

Purpose of This Report

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

Simpson & Simpson

Los Angeles, California
December 16, 2024

SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 2600
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

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

To The Honorable Board of Education
Los Angeles Unified School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Los Angeles Unified School District's** (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Simpson & Simpson

Los Angeles, California
December 16, 2024

SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 2600
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

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

To The Honorable Board of Education
Los Angeles Unified School District

Report on Compliance

Opinion

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

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

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and

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

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

2023-24 K-12 Audit Guide Procedures	Procedures Performed
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A (2)
N. Middle or Early College High Schools	Yes
O. K-3 Grade Span Adjustment	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Yes
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A (3)
TT. Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	N/A (4)
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunity Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunity Program (ELO-P)	Yes
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	Yes
BB. Mode of Instruction	Yes
CC. Nonclassroom-Based Instruction/Independent Study	No (5)
DD. Determination of Funding for Nonclassroom-Based Instruction	No (5)
EE. Annual Instructional Minutes – Classroom Based	Yes
FF. Charter School Facility Grant Program	N/A (6)

(1) We did not perform any procedures related to the Early Retirement Incentive Program because the District did not offer early retirement incentives during the fiscal year.

(2) We did not perform any procedures related to Juvenile Court Schools because the District does not offer this program.

(3) The District's Board of Education did not elect to operate as a school District of Choice.

(4) The District does not have any Independent Study-Course Based Programs; therefore, we did not perform any testing related to this requirement.

(5) The District's Average Daily Attendance generated from Nonclassroom-Based Instruction/Independent Study for Charter Schools fell under the materiality level stipulated in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*; therefore, we did not perform any testing related to this requirement.

(6) The District's charter schools did not receive Charter School Facility Grant Program funding; therefore, we did not perform any testing related to this requirement.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying Schedule of Findings and Questioned Costs as items S-2024-001 through S-2024-013. Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Accordingly, this report is not suitable for any other purpose.

Simpson & Simpson

Los Angeles, California
December 16, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements?	No

Federal Awards

Internal control deficiencies over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No

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

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2024

Assistance Listing Number	Name of Federal Program	Opinion

- Any audit findings disclosed which are required to be reported in accordance with 2 CFR 200.516(a): No
- Dollar threshold used to distinguish between type A and type B programs: $7,426,289
- Auditee qualified as low risk auditee No

State Awards

Type of auditor's report issued on compliance for state programs: Unmodified

****

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

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

State Audit Guide Finding Code: 30000

Criteria

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

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

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

- ISO27001 Standard; A.12.6 "Technical Vulnerability Management":

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

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

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

<u>SAP Vulnerability</u>

Condition

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

Cause and Effect

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

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

Recommendation

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

View of Responsible Officials and Corrective Action Plan

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

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

Corrective Action

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

The following compensating controls were implemented to mitigate this vulnerability:

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

Target Completion: Completed 9/30/2024

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/Information Technology Services (ITS)
Telephone: 213.241.1586

<u>MiSiS Vulnerability</u>

Condition

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

Cause and Effect

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

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

Recommendation

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

View of Responsible Officials and Corrective Action Plan

Information Technology Services (ITS) agrees with this finding.

<u>Risk Assessment Results</u>

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

<u>Corrective Action</u>

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

The following compensating controls were implemented to mitigate this vulnerability:

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

Target Completion: Completed 9/30/2024.

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/ITS
Telephone: 213.241.1586

CMS Vulnerability

Condition

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

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

Cause and Effect

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

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

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

Recommendation

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

View of Responsible Officials and Corrective Action Plan

July 2023 – September 2023 Vulnerabilities

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

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

Compensating Controls

The following compensating controls were implemented to mitigate this vulnerability:

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

Corrective Action

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

Target Completion: Completed 4/30/2024

October 2023 – December 2023 Vulnerabilities

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Vulnerability relates to the use of deprecated encryption protocol.

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

Corrective Action

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

The following compensating controls were implemented to mitigate this vulnerability:

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

Target Completion: Completed 9/30/2024

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/ITS
Telephone: 213.241.1586

Welligent Vulnerability

Condition

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

Cause and Effect

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

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

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

Recommendation

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

View of Responsible Officials and Corrective Action Plan

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Critical vulnerability relates to log4j vulnerability.

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

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

Corrective Action

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

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

The following compensating controls were implemented to mitigate this vulnerability:

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

Target Completion: Completed 9/30/2024.

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/ITS
Telephone: 213.241.1586

Maximo Vulnerability

Condition

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

Cause and Effect

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

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

Recommendation

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

View of Responsible Officials and Corrective Action Plan

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Same critical vulnerability on 11 servers has known exploit.

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

Corrective Action

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

The following compensating controls were implemented to mitigate this vulnerability:

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

Target Completion: Completed 9/30/2024

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/ITS
Telephone: 213.241.1586

Application Code Vulnerability Management

Criteria

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

- NIST SP 800-53 Revision 5, "Security and Privacy Controls for Federal Information Systems and Organizations, RA-5 (Vulnerability Monitoring and Scanning)":
  Remediate legitimate vulnerabilities in accordance with an organizational assessment of risk.

- ISO27001 Standard; A.12.6 "Technical Vulnerability Management":
  Information on technological vulnerabilities of information systems used should be obtained in a timely manner, the exposure of the organization to such vulnerabilities should be assessed and appropriate measures taken to address the risk involved.

- LAUSD Vulnerability Management Policy - BUL-129101: Section IV. Critical Vulnerabilities:
  Critical security patches may be performed outside the default or customized maintenance schedule and must be installed as soon as reasonably possible, but no later than ***30 days after discovery*** *unless approved by the Director of IT Security.*

Condition

Unavailable Application Code Vulnerability Scan Reports

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

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

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

Unresolved Application Code Vulnerabilities

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

Cause and Effect

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

Recommendation

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

View of Responsible Officials and Corrective Action Plan

MISIS Application Code

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

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

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

Corrective Action

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

The following compensating controls were implemented to mitigate this vulnerability:

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

Target completion: Completed 9/30/2024

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/ITS
Telephone: 213.241.1586

MAXIMO Application Code

Not Applicable.

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

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

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/ITS
Telephone: 213.241.1586

COLIN Application Code

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

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

Compensating Controls

The following compensating controls were implemented to mitigate this vulnerability:

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

Corrective Action

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

Target Completion: 6/30/2025

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/ITS
Telephone: 213.241.1586

CMS Application Code

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

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

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/ITS
Telephone: 213.241.1586

Welligent Application Code

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

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

Compensating Controls

The following compensating controls were implemented to mitigate this vulnerability:

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

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

Corrective Action

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

Target Completion: 12/31/2024

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/ITS
Telephone: 213.241.1586

<u>SAP Application Code</u>

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

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

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

Compensating Controls

The following compensating controls were implemented to mitigate this vulnerability:

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

Corrective Action

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

Target completion: Completed 3/31/2024

Name: Douglas Le
Title/Division: Senior ERP Director Business Systems/ITS
Telephone: 213.241.1586

Section III – Findings and Questioned Costs Relating to Federal Awards

No matters were reported.

Section IV – Findings and Questioned Costs Relating to State Awards

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

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

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

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

Criteria

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

Condition, Cause and Effect

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

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

- **7th Street Elementary Arts Integration Magnet -** Out of the 984 days of attendance and 42 days of absences sampled, we noted the following exceptions:
  - We identified three (3) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.

- **Balboa Elementary Gifted/Highly Gifted/High Ability Magnet -** Out of the 1,345 days of attendance and 32 days of absences sampled, we noted the following exceptions:
  - Four (4) students were absent for a total of four (4) days, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Benjamin Banneker Career and Transition Center -** Out of the 621 days of attendance and 66 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Bret Harte Preparatory Middle School -** Out of the 1,086 days of attendance and 124 days of absences sampled, we noted the following exceptions:
  - One (1) student was absent for a total of four (4) days, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Burton Street Elementary -** Out of the 1,109 days of attendance and 89 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Caroldale Learning Community -** Out of the 2,120 days of attendance and 122 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Century Park Elementary -** Out of the 838 days of attendance and 55 days of absences sampled, we noted the following exceptions:
  - One (1) student was absent for a total of two (2) days, as evidenced by an absence note, but was recorded as present in the SMASR.

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

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

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

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

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

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

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

- **Elizabeth LC DL Two-Way Im Arabic -** Out of the 690 days of attendance and 46 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Elizabeth Learning Center -** Out of the 1,875 days of attendance and 158 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Fairburn Avenue Elementary -** Out of the 1,489 days of attendance and 88 days of absences sampled, we noted the following exceptions:
  - One (1) student was absent for a total of two (2) days, as evidenced by an absence note but was marked as present in the SMASR.

- **Garvanza Elementary Technology/Leadership Magnet -** Out of the 1,103 days of attendance and 75 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Glenwood Elementary -** Out of the 1,177 days of attendance and 67 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was marked as present in the SMASR.

- **Grape Street Elementary -** Out of the 993 days of attendance and 78 days of absences sampled, we noted the following exceptions:
  - Four (4) students were absent for a total of four (4) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Halldale Elementary -** Out of the 1,082 days of attendance and 80 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was marked as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P3 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P3 reporting, this does not lead to questioned costs.

- **Hancock Park Elementary -** Out of the 1,328 days of attendance and 85 days of absences sampled, we noted the following exceptions:
  - We identified three (3) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.

- **Haskell Elementary STEAM Magnet -** Out of the 1,308 days of attendance and 60 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Horace Mann UCLA Community School -** Out of the 1,133 days of attendance and 94 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.
  - We identified three (3) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.

- **Lanai Road Elementary -** Out of the 1,309 days of attendance and 40 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was marked as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.

- **Lankershim Elementary -** Out of the 1,167 days of attendance and 83 days of absences sampled, we noted the following exceptions:

  Two (2) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Legacy Senior High Sci Tech Engineering Arts Math -** Out of the 1,783 days of attendance and 98 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was marked as present in the SMASR.

- **Leo Politi Elementary -** Out of the 488 days of attendance and 82 days of absences sampled, we noted the following exceptions:
  - We identified two (2) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.

- **Liberty Boulevard Elementary -** Out of the 1,183 days of attendance and 79 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was marked as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P3 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P3 reporting, this does not lead to questioned costs.

- **Lillian Street Elementary -** Out of the 1,038 days of attendance and 64 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.

- **Los Angeles Senior High STEAM Magnet -** Out of the 292 days of attendance and 12 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Los Feliz Science/Tech/Engineer/Math/Medicine Magnet -** Out of the 1,181 days of attendance and 86 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of four (4) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Loyola Village Elementary Fine/Performing Arts Magnet -** Out of the 917 days of attendance and 71 days of absences sampled, we noted the following exceptions:
  - Four (4) students were absent for a total of five (5) days, as evidenced by an absence note, but were recorded as present in the SMASR.
  - We identified three (3) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.

- **Mark Twain Middle School -** Out of the 1,437 days of attendance and 64 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Mark Twain Middle School World Languages Magnet -** Out of the 344 days of attendance and 17 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Narbonne SH-Humanities & Arts (HArts) Academy of Los Angeles -** Out of the 1,273 days of attendance and 95 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Orthopaedic Hospital Senior High Medical Magnet -** Out of the 1,046 days of attendance and 56 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Oxnard Street Elementary** – Out of the 818 days of attendance and 97 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Panorama City Elementary** – Out of the 1,265 days of attendance and 46 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **RFK Comm Schls - New Open World Academy K-12 -** Out of the 2,361 days of attendance and 147 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Rowan Avenue Elementary -** Out of the 591 days of attendance and 36 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Samuel Gompers MS University Pathways Medical Magnet Academy -** Out of the 910 days of attendance and 105 days of absences sampled, we noted the following exceptions:
  - Eight (8) students were absent for a total of thirteen (13) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Sharp Avenue Elementary -** Out of the 1,035 days of attendance and 105 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.
  - We identified two (2) teachers for which the school was unable to provide absence notes. As such, we were unable to perform procedures over the absence notes and unable to determine the existence of questioned costs.

- **Sierra Park Elementary -** Out of the 1,181 days of attendance and 138 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.

- **Sylvan Park Elementary -** Out of the 864 days of attendance and 90 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

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

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

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

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

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

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

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

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

Questioned Costs

- Grades TK/K-3: 33 days/142 days = 0.23 ADA overstated * $15,008.62 = $3,451.98
- Grades 4 to 6: 26 days/142 days = 0.18 ADA overstated * $13,799.82 = $2,483.97
- Grades 7 to 8: 12 days/142 days = 0.08 ADA overstated * $14,208.23 = $1,136.66
- Grades 9 to 12: 35 days/142 days = 0.25 ADA overstated * $16,894.46 = $4,223.62

- Balboa Elementary Gifted/Highly Gifted/High Ability Magnet
    - Grades TK/K-3: 2 days/142 days in single track school year
    - Grades 4 to 6: 2 days/142 days in single track school year
- Benjamin Banneker Career and Transition Center
    - Grades 9 to 12: 1 day/142 days in single track school year
- Bret Harte Preparatory Middle School
    - Grades 7 to 8: 4 days/142 days in single track school year
- Burton Street Elementary
    - Grades 4 to 6: 1 day/142 day in single track school year
- Caroldale Learning Community
    - Grades 7 to 8: 2 days/142 days in single track school year
- Century Park Elementary
    - Grades TK/K-3: 2 days/142 days in single track school year
- Cesar E Chavez Learning Academy - Academy of Sci Exploration
    - Grades 9 to 12: 8 days/142 days in single track school year
- Compton Avenue Elementary
    - Grades 4 to 6: 1 day/142 days in single track school year
- Danube Avenue Elementary
    - Grades 4 to 6: 2 days/142 days in single track school year
- Diane S Leichman Career Preparatory and Transition Center
    - Grades 9 to 12: 8 days/142 days in single track school year
- Dr James Edward Jones Primary Center
    - Grades TK/K-3: 2 days/142 days in single track school year
- Elizabeth LC DL Two-Way Im Arabic
    - Grades TK/K-3: 1 day/142 days in single track school year
- Elizabeth Learning Center
    - Grades 4 to 6: 3 days/142 days in single track school year
- Fairburn Avenue Elementary
    - Grades 4 to 6: 2 days/142 days in single track school year
- Garvanza Elementary Technology/Leadership Magnet
    - Grades 4 to 6: 2 days/142 days in single track school year
- Glenwood Elementary
    - Grades TK/K-3: 1 day/142 days in single track school year
- Grape Street Elementary
    - Grades TK/K-3: 4 days/142 days in single track school year
- Haskell Elementary STEAM Magnet
    - Grades TK/K-3: 2 days/142 days in single track school year

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

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

Recommendation

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

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

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

1. **Automated Reminders in MiSiS or Other LAUSD System**: Pupil Services will consult with the MiSiS team to explore the possibility of setting up automated reminders in MiSiS. These reminders will prompt designated school staff to review and correct attendance data in the SMASR before the end of each month. Pupil Services will define the specific user roles that will receive the reminders, the frequency of the notifications, and the duration by January 2025.

2. **Self-Audit Tool for Schools**: Pupil Services will develop a self-audit tool to assist schools in reviewing their attendance data monthly. This tool will focus on common errors identified in past audit findings. This tool will be available to all LAUSD staff via the Pupil Services SharePoint by January 2025.

3. **Virtual Drop-In Sessions with Office of Organizational Excellence**: Pupil Services in collaboration with Office of Organizational Excellence participate in virtual drop-in sessions twice a year, where school staff can ask questions about common audit findings and review SMASR-related issues beginning in **October 2024.**

4. **Guidance on Attendance Data Review:** Pupil Services will develop training material including SMASR and additional MiSiS reports to support accurate attendance taking procedures. Pupil Services will continue to support the schools by providing adequate training in attendance reporting so that proper attendance reporting procedures are adhered to. The training titled "Tools to Support Accurate Attendance & Withdrawal Procedures" will include SMASR and additional MiSiS reports to support accurate attendance taking procedures and will be available to all school staff by March 2025. Pupil Services will be trained during the second semester of 2024-25 school year. Pupil Services will maintain documentation reflecting that each of the schools identified above has been successfully trained.

5. **SMASR Timeline Reminders:** Pupil Services will develop a school year timeline with monthly dates for school staff to review attendance data reflected on the SMASR and assist with correcting attendance discrepancies. PSA will include the SMASR MiSiS job aide to support this process. Reminders will be posted on Schoology to remind staff about the timeline and tools by January 2025.

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

Name: Elsy Rosado
Title: Director, Pupil Services and Attendance
Telephone: (213) 241-3844

S-2024-002 – Teacher Certification and Misassignments

State Audit Guide Finding Codes: 40000 and 71000

Schools Affected

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

Criteria

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

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

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

(b) “Multiple subject instruction” means the practice of assignment of teachers and students for multiple subject matter instruction, as is commonly practiced in California elementary schools and as is commonly practiced in early childhood education. The holder of a multiple subject teaching credential or a standard elementary credential who has completed 20 semester hours of coursework or 10 semester hours of upper division or graduate coursework approved by the commission at an accredited institution in any subject commonly taught in grades 9 and below shall be eligible to have that subject appear on the credential as authorization to teach the subject in departmentalized classes in grades 9 and below. The governing board of a school district by resolution may authorize the holder of a multiple subject teaching credential or a standard elementary credential to teach any subject in departmentalized classes to a given class or group of pupils below grade 9, provided that the teacher has completed at least 12 semester units, or six upper division or graduate units, of coursework at an accredited institution in each subject to be taught. The authorization shall be with the teacher’s consent. However, the commission, by regulation, may provide that evidence of additional competence is necessary for instruction in particular subjects, including, but not limited to, world languages. The commission may establish and implement alternative requirements for additional authorizations to the multiple subject credential on the basis of specialized needs.

(c) "Specialist instruction" means any specialty requiring advanced preparation or special competence, including, but not limited to, reading specialist, mathematics specialist, specialist in special education, or early childhood education, and such other specialties as the commission may determine.

(d) "Designated subjects" means the practice of assignment of teachers and students to designated technical, trade, or career technical courses which courses may be part of a program of trade, technical, or career technical education.

Condition, Cause and Effect

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

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

- **92nd Street Elementary** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

- **Century Park Elementary** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

- **Elizabeth Learning Center** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

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

- **International Studies Learning Center** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

- **John Marshall Senior High** – Two (2) teachers were assigned to teach in a position not consistent with the authorization of their certifications due to having a late consent form on file.

- **Legacy Senior High Sci Tech Engineering Arts Math –** Two (2) teachers were assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.

- **Linda Esperanza Marquez Senior High HPIAM** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.

- **Mark Twain Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.

- **Maywood Center for Enriched Studies (MaCES) Magnet** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.

- **Narbonne SH-Humanities & Arts (HArts) Academy of Los Angeles** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

- **Oliver Wendell Holmes Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.

- **Orville Wright Engineering and Design Magnet** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.

- **Wilmington Middle School STEAM Magnet** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification due to having a late consent form on file.

- **Young Empowered Scholars Academy** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential. The teacher maintained a valid 30-Day Substitute Teaching Permit for the time period of July 1, 2023, through June 30, 2024. As the teacher maintained a valid and active teaching permit, this is considered a misassignment.

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

Questioned Costs

Not Applicable.

Recommendation

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

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

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

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

<u>K-12 Assignment Monitoring:</u>
Name: Luz Ortega
Title: Director, Certificated Employment
Contact Information: luz.ortega@lausd.net

<u>Substitute Unit:</u>
Name: Jorge Amador
Title: Assistant Director, Substitute Teacher Unit
Contact Information: jorge.amador@lausd.net

Name: Maria Sotomayor
Title: Director, Organizational Effectiveness
Contact Information: msotomay@lausd.net

S-2024-003 – Kindergarten Continuance

State Audit Guide Finding Codes: 40000

Schools Affected

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

Criteria

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

Condition, Cause and Effect

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

- **Germain Academy for Academic Achievement** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.

- **Haskell Elementary STEAM Magnet** – A signed agreement, approved in form and content by the CDE, was signed after the start of the school year or after the student began their second year of kindergarten for one (1) student.

- **Hope Street Elementary** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.

- **Lankershim Elementary** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.

- **Riverside Drive Charter School** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.

- **Topanga Elementary Charter School** – A signed agreement, approved in form and content by the CDE, was signed after the start of the school year or after the student began their second year of kindergarten for one (1) student.

- **Valerio Street Elementary** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.

- **Young Empowered Scholars Academy** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.

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

Questioned Costs

- Grades K-3 – 773 days / 182 days = 4.25 ADA overstated * $15,008.62 = $63,786.64

  - Germain Academy for Academic Achievement
    - 144 days overstated / 182 days in single track school year
  - Haskell Elementary STEAM Magnet
    - 4 days overstated / 182 days in single track school year
  - Hope Street Elementary
    - 162 days overstated / 182 days in single track school year
  - Lankershim Elementary
    - 157 days overstated / 182 days in single track school year
  - Valerio Street Elementary
    - 160 days overstated / 182 days in single track school year
  - Young Empowered Scholars Academy
    - 146 days overstated / 182 days in single track school year

Charter Schools

- Riverside Drive Charter School
- Grades K-3: 166 days/182 days in single track school year
  - Grades K-3: 166 days/182 = 0.91ADA overstated * $11,900.89 = $10,829.81

- Topanga Elementary Charter School
- Grades K-3: 4 days/182 days in single track school year
  - Grades K-3: 4 days/182 = 0.02 ADA overstated * $11,405.90 = $228.12

Recommendation

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

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

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

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

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

Name: Elizabeth Bernal
Title: Administrator, Elementary Instruction
Telephone: (213) 241-6603

S-2024-004 Independent Study – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

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

Criteria

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

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

Condition, Cause and Effect

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

- **Franklin Avenue Elementary**

  - Teacher Evaluations were not maintained on record for fourteen (14) students. The students were marked present for 126 days.

- **Virtual Academy Arts and Entertainment**

  - Parent signatures of the master agreements for two (2) students were not on file before the first day of instruction. The students were marked present for 174 days.
  - The school did not maintain work products for three (3) students. The students were marked present for 7 days.

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

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

Questioned Costs

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

- Franklin Avenue Elementary
  - Grades TK/K-3: 63 days/142 days in single track school year
  - Grades 4 to 6: 63 days/142 days in single track school year
- Virtual Academy Arts & Entertainment
  - Grades TK/K-3: 3 days/142 days in single track school year
  - Grades TK/K-3: 174 days/182 days in single track school year
  - Grades 7 to 8: 4 days/142 days in single track school year
- Virtual Academy STEAM
  - Grades TK/K-3: 78 days/142 days in single track school year
  - Grades TK/K-3: 447 days/182 days in single track school year
  - Grades 7 to 8: 131 days/142 days in single track school year
  - Grades 9 to 12: 9 days/142 days in single track school year

Recommendation

We recommend that the District strengthen its review process over independent study to ensure that all elements of the master agreements are complete and that all records of attendance contain readily available corresponding pupil work products, teacher evaluations, and daily participation reports. We also recommend that the district provide proper training to ensure attendance is reported accurately and policies are adhered to.

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

Virtual Academy Schools

This is to acknowledge the importance of ensuring that the long-term independent study enrollment process includes ensuring the master agreement document is signed before enrollment, and all records of attendance accurately reflect the attendance codes that is reported in MISIS.

Planned corrective actions are as follows:

1. Review findings and corrective actions with administrators from each of the six Virtual Academies in the long-term Independent Study Program.
2. Provide training to review enrollment process at each of the Virtual Academies to include the master agreement being signed by all parties, parent, student, and teacher before the student is enrolled and attendance is reported into the school.
3. Provide training for teachers of all six virtual academies on recording attendance in MSIS according to the attendance days earned on the corresponding records of assignments and student work samples.
4. Provide training for teachers on submitting and maintaining student daily participation records in MISIS for all days the student is enrolled in the long-term independent study Virtual Academy program.

The implementation target date for the above corrective action plan is November 30, 2024.

Name: Connie L. Brandstetter
Title: Administrator of Instruction, Office of Virtual Academy and Educational Option Schools
Telephone: (213) 241-1933

Short Term Independent Study Program

Planned corrective actions are as follows:

1. District will provide training for all Principals and School Administrative Assistants (SAAs) on BUL-6779.5, Guideline for Independent Study Programs, to ensure proper implementation of Independent Study programs. Trainings will be provided via Community of Schools and separated between Elementary and Secondary schools by July 2025.
2. District will provide clinics and drop-in sessions in both the Fall and Spring semesters for teachers and school staff on the General Procedures for all Independent Study Programs to ensure that Independent Study is implemented correctly.

Name: Andrew Jenkins
Title: Administrator of Instruction, Region West
Telephone: (310) 914-2106

S-2024-005 – Classroom Teacher Salaries

State Audit Guide Finding Codes: 61000

Criteria

California Education Code, Section 41372 -

(a) “Salaries of classroom teachers” and “teacher” shall have the same meanings as prescribed by Section 41011 provided, however, that the cost of all health and welfare benefits provided to the teachers by the school district shall be included within the meaning of salaries of classroom teachers.

(b) “Current expense of education” means the gross total expended (not reduced by estimated income or estimated federal and state apportionments) for the purposes classified in the final budget of a school district (except one which, during the preceding fiscal year, had less than 101 units of average daily attendance) submitted to and approved by the county superintendent of schools pursuant to Section 42127 for certificated salaries other than certificated salaries for pupil transportation, food services, and community services; classified salaries other than classified salaries for pupil transportation, food services, and community services; employee benefits other than employee benefits for pupil transportation personnel, food services personnel, and community services personnel; books, supplies, and equipment replacement other than for pupil transportation and food services; and community services, contracted services, and other operating expenses other than for pupil transportation, food services, and community services. “Current expense of education,” for purposes of this section shall not include those expenditures classified as sites, buildings, books, and media and new equipment (object of expenditure 6000 of the California School Accounting Manual), the amount expended from categorical aid received from the federal or state government which funds were granted for expenditures in a program not incurring any teacher salary expenditures or requiring disbursement of the funds without regard to the requirements of this section, or expenditures for facility acquisition and construction; and shall not include the amount expended pursuant to any lease agreement for plant and equipment or the amount expended from funds received from the federal government pursuant to the “Economic Opportunity Act of 1964” or any extension of this act of Congress.

There shall be expended during each fiscal year for payment of salaries of classroom teachers:

(1) By an elementary school district, 60 percent of the district’s current expense of education.
(2) By a high school district, 50 percent of the district’s current expense of education.
(3) By a unified school district, 55 percent of the district’s current expense of education.

Condition, Cause and Effect

We obtained the District’s general ledger (ledger) of expenditures and reconciled the ledger to the District’s Audited Financial Statements as of June 30, 2024, which accounts for all applicable audit adjustments.

We utilized the ledger to calculate the elements of the current expense formula, which amounted to $9,645,023,186.94.

We then utilized the ledger to calculate the elements of the minimum classroom compensation, which amounted to $4,540,426,711.51.

Based on the information derived above, we determined that the District's percent of current cost of education expended for classroom compensation to be 47.08%, which falls short of the 55.00% minimum percent required for unified school districts.

This leads to a deficiency percentage of 7.92% and a deficiency amount of $763,885,836.41. These calculations are illustrated below:

Total teacher salaries and benefits	$ 4,540,426,711.51	*(a)*
Current expense	$ 9,645,023,186.94	*(b)*
Percentage spent by the District	47.08%	*(c) = (a) / (b)*
Minimum percentage required	55.00%	*(d)*
Percentage below the minimum	7.92%	*(e) = (d) - (c)*
Deficiency Amount	$ 763,885,836.41	*(f) = (e) * (b)*

This is a repeat finding, having been reported previously at June 30, 2023 (S-2023-006).

Questioned Costs

Deficiency amount - $763,885,836.41.

Recommendation

We recommend that the District put mechanisms in place to track their percentage of teacher salaries and benefits to total expenses throughout the year in order to monitor compliance with the classroom teacher salary requirements.

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

The District continuously spent significant amount of dollars on classroom teacher salaries, benefits, and other expenditures necessary to address learning gaps using one-time COVID funding dollars. Given how the formula works, if the District can exclude all covid related spending in the calculation of the Current Expense but take credit in the numerator for classroom teacher salaries and benefits funded by COVID funding resource, the District would be able to meet the requirement because in substance, the District did spend a substantial amount on classroom teacher salaries and benefits.

The District shall engage with the Los Angeles County office of Education (LACOE) to seek a waiver request again for this year as per Education Code Section 41372. The District will initiate this process upon receiving a letter from LACOE requiring corrective action, which is expected to be released in May 2025. The District anticipate to submit the waiver in September 2025.

Name: Bryant Gonzalez
Title: Deputy Controller
Contact Information: bryant.gonzalez1@lausd.net

S-2024-006 – Proposition 28 Arts And Music in Schools

State Audit Guide Finding Codes: 40000

Criteria

California Education Code, Section 8821(a) - "Arts education program" includes, but is not limited to, instruction and training, supplies, materials, and arts educational partnership programs, for instruction in: dance, media arts, music, theatre, and visual arts, including folk art, painting, sculpture, photography, and craft arts, creative expressions, including graphic arts and design, computer coding, animation, music composition and ensembles, and script writing, costume design, film, and video.

Condition, Cause and Effect

In our sample of fifty-seven (57) Proposition 28 payroll expenditures (Resource 6770), we verified whether the employees' time pertained to services was allowable under Education Code section 8821(a).

We noted the following findings:

- Five (5) employees had a total of 3,738.71 hours charged in excess to the Proposition 28 Arts and Music in School fund in which the District could not provide supporting documentation reflecting the employees' work was related to the Proposition 28 Arts and Music program. This was due to misunderstandings by select site administrators on the Proposition 28 program goals and allowable expenditures.

- Two (2) employees had a total of 24 hours charged in excess to the Proposition 28 Arts and Music in School fund in which the employee did not perform work related to Proposition 28 Arts and Music program. Although the District properly reviewed the employees' timecard for the pay period and posted the necessary adjustments to account for time worked on other tasks, they erroneously did not adjust 24 hours out of Prop 28 fund. Upon our identification of the sampled employees, the District identified the above errors and corrected the Proposition 28 fund by transferring out the costs associated with the 24 hours. As the District corrected the error before closing its June 30, 2024, financial statements, no questioned costs are to be assessed. As such, the above finding has been resolved.

Questioned Costs

Unallowable amount - $213,458.84.

Recommendation

We recommend that the District strengthen its monitoring and review controls over expenditure charges to the Proposition 28 Arts and Music in School fund to ensure that all costs are associated with allowable services and that all necessary adjustments are made timely.

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

The District acknowledges the recommendation to enhance its monitoring and review processes for expenditure charges to the Proposition 28 Arts and Music in Schools Fund.

In response, the District will implement the following steps:

- Moving forward, we will provide clear guidance of Proposition 28 via the Arts Funding communication toolkit to all district administrators.
- We will compose and distribute an Inter-office Correspondence memo to all District principals, Regional Directors, and Central office administrators about Proposition 28 funding. IOC will contain a program overview, links to CDE resources, and Prop 28 plan requirements.
- We will share FY 2023-24 audit findings with District leaders.

The target date for implementation of the corrective action plan is by Spring 2025.

By taking these actions, the District is committed to improving oversight and ensuring the appropriate use of Proposition 28 funds.

Name: Jantré Christian
Title: Administrator, Arts Education
Telephone: (213) 241-8222

S-2024-007 – After School Education and Safety Program

State Program: After School Education and Safety Program

State Audit Guide Finding Codes: 40000

Schools Affected

- 4th Street Primary Center
- 59th Street Elementary
- Beethoven Street Elementary
- Benjamin Franklin High School
- Breed Street Elementary
- Brentwood Elementary Science Magnet
- Broadway Elementary
- Carmen Lomas Garza Primary Center
- Carthay Elementary of Environmental Studies Magnet
- Charnock Road Elementary
- Dr James Edward Jones Primary Center
- El Sereno Middle School
- Emelita Street Elementary
- Eshelman Avenue Elementary
- Gardner Street Elementary
- Humphreys Avenue Elementary
- John W Mack Elementary
- Kester Avenue Elementary
- Knollwood Preparatory Academy
- Leland Street Elementary
- Loyola Village Elementary Fine/Performing Arts Magnet
- MacArthur Park Elementary Visual and Performing Arts
- Melrose Avenue Elementary Math/Science/Technology Magnet
- Nora Sterry Elementary
- Northridge Middle School
- Parthenia Academy of Arts and Technology
- RFK Comm Schls - UCLA Community School K-12
- Richard E Byrd Middle School
- Richland Avenue Elementary
- Robert F Kennedy Elementary
- Soto Street Elementary
- Virgil Middle School
- Walgrove Avenue Elementary
- Woodland Hills Academy

Criteria

California Education Code 8483(a) – (1) Every after school component of a program established pursuant to this article shall commence immediately upon the conclusion of the regular school day and operate a minimum of 15 hours per week at least until 6:00 p.m. on every regular school day. Every after school component of the program shall establish a policy regarding reasonable early daily release of pupils from the program. For those programs or school sites operating in a community where early release policy does not meet the unique needs of that community or school, or both, documented evidence may be submitted to the department for an exception and a request for approval of an alternative plan.

(2) It is the intent of the Legislature that elementary school and middle school or junior high school pupils participate in the full day of the program every day during which pupils participate, except as allowed by the early release policy pursuant to subparagraph (B) of paragraph (1) of this section or paragraph (2) of subdivision (f) of Section 8483.76.

California Education Code 8483.1 (a) – (1) Every before school program component established pursuant to this article shall in no instance operate for less than one and one-half hours per regular school day. Every program shall establish a policy regarding reasonable late daily arrival of pupils to the program.

(2) (A) It is the intent of the Legislature that elementary school and middle school or junior high school pupils participate in the full day of the program every day during which pupils participate, except when arriving late in accordance with the late arrival policy described in paragraph (1) or as reasonably necessary.

(2) (B) A pupil who attends less than one-half of the daily program hours shall not be accounted for the purposes of the attendance.

California Education Code 8482 – The purpose of this program is to create incentives for establishing locally driven before and after school enrichment programs both during schooldays and summer, intersession, or vacation days that partner public schools and communities to provide academic and literacy support and safe, constructive alternatives for youth. The term public school includes charter schools.

Condition, Cause and Effect

On a sample basis, we tested attendance documentation of 62 schools and 2,548 days of attendance for students who participated in the After/Before School Education and Safety Program. We examined the attendance records for the selected students and verified whether the attendance reporting was complete and accurate. We also verified whether the selected students complied with the attendance requirements established by the District, as required by the California Education Code. We noted the following exceptions due to these programs experiencing a high turnover rate of approximately 35-40% per year, creating a challenge to maintain fully trained staff.

After School Component of the Program

On a sample basis, we tested the attendance documentation of 37 schools and 2,054 days of attendance in the after school component of the After School Education and Safety Program.

There were 327 students in 34 schools that did not comply with the established early release policy due to school oversight. As a result, the following schools had students that did not participate in the full day of the after school program on every day during which pupils participated.

- **4th Street Primary Center** – 2 students did not participate in the full period of the after school program for a total of 10 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **59th Street Elementary** – 2 students did not participate in the full period of the after school program for a total of 7 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Beethoven Street Elementary** – 2 students did not participate in the full period of the after school program for a total of 3 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Benjamin Franklin High School** – 31 students did not participate in the full period of the after school program for a total of 56 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Breed Street Elementary** – 4 students did not participate in the full period of the after school program for a total of 4 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Brentwood Elementary Science Magnet** – 5 students did not participate in the full period of the after school program for a total of 17 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Broadway Elementary** – 12 students did not participate in the full period of the after school program for a total of 43 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Carmen Lomas Garza Primary Center -** 2 students did not participate in the full period of the after school program for a total of 6 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Carthay Elementary of Environmental Studies Magnet –** 8 students did not participate in the full period of the after school program for a total of 27 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Charnock Road Elementary -** 3 students did not participate in the full period of the after school program for a total of 14 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Dr James Edward Jones Primary Center -** 1 student did not participate in the full period of the after school program for a total of 2 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **El Sereno Middle School** – 1 student did not participate in the full period of the after school program for a total of 2 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.

- **Emelita Street Elementary** – 3 students did not participate in the full period of the after school program for a total of 6 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Eshelman Avenue Elementary –** 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Gardner Street Elementary** – 10 students did not participate in the full period of the after school program for a total of 41 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Humphreys Avenue Elementary** – 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **John W Mack Elementary** – 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with
- **Kester Avenue Elementary** – 10 students did not participate in the full period of the after school program for a total of 27 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Knollwood Preparatory Academy** – 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Leland Street Elementary** – 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Loyola Village Elementary Fine/Performing Arts Magnet** – 5 students did not participate in the full period of the after school program for a total of 17 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **MacArthur Park Elementary Visual and Performing Arts –** 2 students did not participate in the full period of the after school program for a total of 2 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Melrose Avenue Elementary Math/Science/Technology Magnet** – 9 students did not participate in the full period of the after school program for a total of 39 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Nora Sterry Elementary** – 3 students did not participate in the full period of the after school program for a total of 13 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Northridge Middle School** – 2 students did not participate in the full period of the after school program for a total of 2 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Parthenia Academy of Arts and Technology** – 6 students did not participate in the full period of the after school program for a total of 18 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **RFK Comm Schls - UCLA Community School K-12** – 65 students did not participate in the full period of the after school program for a total of 137 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.

- **Richard E Byrd Middle School** – 3 students did not participate in the full period of the after school program for a total of 3 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Richland Avenue Elementary** – 4 students did not participate in the full period of the after school program for a total of 15 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Robert F Kennedy Elementary** – 1 student did not participate in the full period of the after school program for a total of 2 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Soto Street Elementary** – 2 students did not participate in the full period of the after school program for a total of 6 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Virgil Middle School** – 25 students did not participate in the full period of the after school program for a total of 30 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Woodland Hills Academy** – 1 student did not participate in the full period of the after school program for a total of 3 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.We obtained the ASES Attendance Reports, which the District uses to report attendance, and compared the total attendance reported in the Monthly Attendance Report (MAR) to the Beyond the Bell Report (BTB) and to the Period 1 Assist Summary reported to CDE on a sampled basis for the schools for a sampled month during the school year 2023-2024. Additionally, we tested the completeness and accuracy of the reports by selecting a sample of students and tracing the same students to attendance records and vice versa. We noted the following exceptions, resulting from school oversight.
- **El Sereno Middle School -** Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 1 day but marked present on the MAR.
- **Humphreys Avenue Elementary -** Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 1 day but marked present on the MAR.
- **Northridge Middle School -** Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 1 day but marked present on the MAR.
- **RFK Comm Schls - UCLA Community School K-12 -** Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 4 days but marked present on the MAR.
- **Richland Avenue Elementary -** Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 1 day but marked present on the MAR.
- **Walgrove Avenue Elementary –** Lack of supporting information (i.e., sign-in time, sign-out time) of 95 students to produce the attendance records for a total of 995 days but marked present on the MAR.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-007) but for different schools.

Questioned Costs

As a result of our testing, the over and under reporting of attendance were summarized in the Condition, Cause and Effect section above. The California Department of Education will determine the impact of the above exceptions on the After School Education and Safety Program funding, if there is any.

Recommendation

We recommend that the District strengthen its procedures on attendance documentation for the After School Education and Safety program. The District should ensure that the agencies performing the services for these programs are aware of the District's policies, specifically on maintaining accurate attendance records and retain supporting documentation for instances in which students arrive to the programs late or leave early.

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

Beyond The Bell Branch will implement the following to ensure we are providing training on attendance and daily late arrival/early release reporting to ensure accurate documentation of reported attendance figures and late arrival/early release. Additionally, Beyond the Bell will implement mandatory quarterly trainings for agency contractors and program personnel to address attendance documentation and reporting of late arrival/early release of pupils. Furthermore, Beyond the Bell Branch will continue performing agency site visits to ensure compliance with the established attendance reporting policies.

The following is a schedule of trainings to ensure we strengthen our policies and procedures on attendance reporting and the documentation of early release/late arrival policies:

1. Agency contractors and program personnel at schools identified in Audit Finding S-2024-007 will attend a training scheduled in January 2025. The training will address the District's policy on documenting and maintaining accurate attendance and early release/late arrival records.
2. Agency contractors and program personnel providing services at all District sites will attend a training scheduled in February 2025. The training will address the District's policy on documenting and maintaining accurate attendance and early release/late arrival records.
3. New and returning agency contractors and program personnel providing services at all District sites will attend mandatory quarterly trainings scheduled throughout the 2024 – 2025 school year. The training will address the District's policy on documenting and maintaining accurate attendance and early release/late arrival records.
4. Beyond the Bell Branch administrators and Traveling Program Supervisors (TPS) monitoring agency contractors and program personnel will attend a training scheduled in March 2025. The training will address the TPS's responsibility when monitoring agencies to ensure they follow the District's established policies and procedures on attendance reporting and the documentation of early release/late arrival policies.
5. Beyond the Bell Branch administrators and Traveling Program Supervisors will conduct random reviews/audits of monthly attendance reports throughout the year to examine agency procedures related to attendance and documentation of early release/late arrival policies.
6. Beyond the Bell Branch leadership will monitor the implementation and outcomes of the random reviews/audits of monthly attendance reports. The findings will be shared with each agency during their respective "Annual Performance Reviews."

The expected outcome of these trainings and monitoring of program implementation is to ensure we reduce or eliminate these types of findings in the future.

Name: Jose Carrillo
Title: Field Coordinator, Beyond the Bell
Telephone: (213) 241-7900

S-2024-008 – Unduplicated Local Control Funding Formula Pupil Counts

State Program: Unduplicated Local Control Funding Formula Pupil Counts

State Audit Guide Finding Code: 40000

Schools Affected

- Grape Street Elementary
- Halldale Elementary
- Joseph Pomeroy Widney Career Preparatory & Transition Center
- King-Drew Senior High Medicine and Science Magnet
- Los Feliz Science/Tech/Engineer/Math/Medicine Magnet
- Mar Vista Elementary
- Ramon C Cortines School of Visual & Performing Arts
- Palisades Charter Elementary (Dependent Charter)

Criteria

California Education Code, Section 2574(b)(3)(A): In determining the enrollment percentage of unduplicated pupils, under procedures and timeframes established by the Superintendent, commencing with the 2013-14 fiscal year, a county superintendent of schools annually shall report the enrollment of unduplicated pupils, pupils classified as English learners, pupils eligible for free and reduced-price meals, and foster youth in schools operated by the county superintendent of schools to the Superintendent using the California Longitudinal Pupil Achievement Data System (CALPADS).

(B): The Superintendent shall make the calculations pursuant to this section using the data submitted through the CALPADS.

Condition, Cause, and Effect

On a sample basis, we tested the Free or Reduced Price Meal (FRPM) and English Learner (EL) eligibility of 2,741 students from 147 schools from the "1.18 – FRPM / English Learner / Foster Youth – Student List" reported in the CALPADS. We examined supporting documentation for the selected students and verified their respective eligibility.

Of the 2,741 students tested, 1,471 students were selected for verification of their Free and Reduced Price Meal (FRPM) eligibility as "181 - Free" or "182 - Reduced", 484 students were selected for verification of their English Learner "EL", and 786 students were selected for verification of either FRPM or EL eligibility in accordance with the audit guide.

- Based on our testing, we noted that seven (7) students from the District's schools, and one (1) student from the District's Dependent Charter Schools were reported as Free or Reduced or English Learner eligible but were unsupported. This was due to the District's interpretation of California Department of Education's (CDE) business rules related to the collection of household income forms for new students whose forms are collected after November 30th for FRPM students. Some EL students were not administered the Summative English Language Proficiency Assessments for California (ELPAC) and/or their grade level skills assessment due to chronic absenteeism/illness during the year under review.
- Some EL students were not administered the Summative English Language Proficiency Assessments for California (ELPAC) and/or their grade level skills assessment due to chronic absenteeism/illness during the year under review.
- The process to identify and match siblings might have incorrectly matched some students. Some "Decline to Complete" responses to were reported as $0 income.

The exceptions noted were extrapolated to the FRPM and EL population of the District Schools and Dependent Charter Schools in question based on the error rate of the samples selected. The following is the extrapolated impact on the District Schools' and Dependent Charter Schools' UPC and UPP:

School	* Total Enrollment Applied	* UPC Applied	UPP	UPC adjusted based on eligibility of FRPM	UPC adjusted based on eligibility for EL funding	UPC adjusted based on eligibility for both FRPM and EL		Adjusted total UPC	Adjusted UPP
Los Angeles Unified School District	1,155,484	989,623	85.65%	-	-	(56)	**	989,567	85.64%
Grape Street Elementary	1,089	1,079	99.08%	(1)	-	-		1,078	98.99%
Halldale Elementary	1,295	1,121	86.56%	(1)	-	-		1,120	86.49%
Joseph Pomeroy Widney Career Preparatory & Transition Cen	803	716	89.17%	-	(1)	-		715	89.04%
King-Drew Senior High Medicine and Science Magnet	4,082	3,672	89.96%	(1)	-	-		3,671	89.93%
Los Feliz Science/Tech/Engineer/Math/Medicine Magnet	1,174	1,001	85.26%	(1)	-	-		1,000	85.18%
Mar Vista Elementary	1,636	208	12.71%	(1)	-	-		207	12.65%
Ramon C Cortines School of Visual & Perfoming Arts	3,455	2,281	66.02%	(1)	-	-		2,280	65.99%
Palisades Charter Elementary (Dependent Charter)	1,232	162	13.15%	(2)	-	-	**	160	12.99%
Palisades Charter Elementary (Dependent Charter)	1,232	162	13.15%	(1)	-	-		161	13.07%

* Total is the sum of the last two prior years and current year results.

** The adjustment represents the extrapolated impact of the error on the District's UPC. Refer to the Questioned Costs section for additional details.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-008) but for different schools.

Questioned Costs

We determined the total impact of the seven (7) findings on the District, and one (1) finding on the Dependent Charter Schools by extrapolating the noted errors to the total UPC. We determined that the total extrapolated impact on the District's UPC is 56, and for the Dependent Charter School, University High School Charter, is 2.

We decreased the District's UPC by the extrapolated impact of 56 students and calculated an Adjusted UPC of 85.64%.

We applied the Adjusted UPC to the District's LCFF State Aid, Adjusted for the Minimum State Aid Guarantee for fiscal year 2023-24, and computed the total questioned costs to be $352,570.

We also decreased the Dependent Charter Schools' UPC by the extrapolated impact of 2 students and calculated an Adjusted UPC for University High School Charter of 12.99%.

We applied the Adjusted UPC to the Dependent Charter Schools LCFF State Aid, Adjusted for Minimum State Aid Guarantee for fiscal year 2023-24, and we computed total questioned costs for University High School Charter to be $1,255.

Recommendation

We recommend that the District continue monitoring English learners and free and reduced meal eligibility statuses to ensure students designated as English learners or free and reduced meal eligible have proper supporting documentation. We also recommend that the District continue to train staff on enrollment procedures so that students' correct designations will be reflected in the student information system.

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

English Learner Program:

To ensure English learners are timely assessed for English fluency, the following action steps will be implemented:

1. Continue to send emails and provide updates to regions on students who have not been assessed with the Initial/Summative ELPAC.
2. Have regions communicate to schools about students who have not been assessed with the Summative ELPAC during the Summative ELPAC assessment window, Spring 2025.
3. Train English Learner Designees on proper enrollment procedures during the Master Plan Instructional Institute in June 2025 to ensure students have the proper language classification in the District's student information system (MiSiS).

Evidence will be collected and available June 2025.

Name: Rafael Escamilla
Title: Administrative Coordinator, English Learner Programs
Contact Information: (213) 241-5582 or rafael.escamilla@lausd.net

Free or Reduced Price Meal:

To address the free and reduced meal eligibility status, the following actions will be undertaken:

1. The Office of Data and Accountability will review the sibling match process with Information Technology Services (ITS) to determine whether the process needs to be updated by Spring 2025.
2. As a Community Eligibility Provision (CEP) school district, staff in the Student Records and Data Management Branch, in the Office of Data and Accountability, will be required to take part in Household Income Form (HIF) training during the Spring of 2025.
3. Annual refresher training will be provided for staff in January 2025 to ensure that the required steps for HIF processing are fulfilled.

Name: David Heredia
Title: Director, Office of Data and Accountability
Contact Information: (213) 241-2460

Name: Rudy Ramirez
Title: Director, Office of Data and Accountability
Contact Information: (213) 241-2460

S-2024-009 Immunizations

State Audit Guide Finding Codes: 40000

Schools Affected

- 107th Street Elementary
- 109th Street Elementary
- 153rd Street Elementary
- 15th Street Elementary
- 42nd Street Elementary
- 52nd Street Elementary
- 61st Street Elementary
- 96th Street Elementary
- 96th Street Elementary DL Two-Way Im Spanish
- 9th Street Elementary
- Angeles Mesa Elementary
- Baldwin Hills Elementary
- Budlong Avenue Elementary
- Carthay Elementary of Environmental Studies Magnet
- Columbus Avenue Elementary
- Esperanza Elementary
- Fairburn Avenue Elementary
- Figueroa Street Elementary
- Hubert Howe Bancroft Middle School
- Hubert Howe Bancroft Middle School Performing Arts Magnet
- La Salle Avenue Elementary
- MacArthur Park Elementary Visual and Performing Arts
- Manhattan Place Elementary
- Mariposa-Nabi Primary Center
- Marquez Charter
- Mountain View Elementary DL Two-Way Im Armenian
- Rancho Dominguez Preparatory School
- Rio Vista Elementary
- Saticoy Elementary DL Two-Way Im Armenian
- South Park Elementary DL Two-Way Im Spanish
- West Athens Elementary
- Wisdom Elementary

Criteria

California Code of Regulations, Title 17, Section 6025: *(a)* A school or pre-kindergarten facility shall unconditionally admit or allow continued attendance to any pupil age 18 months or older whose parent or guardian has provided documentation of any of the following for each immunization required for the pupil's age or grade, as defined in Table A or B of this section:

Table B: California Immunization Requirements For Grades K-12

Grade	Number of Doses Required of Each Immunization				
K-12 Admission	4 Polio	5 DTap	3 Hep B	2 MMR	2 Varicella
(7th - 12th)	1 Tdap				
7th Grade Advancement	2 Varicella	1 Tdap			

California Code of Regulations, Title 17, Section 6040:

(a) If a pupil attending a school or pre-kindergarten facility who was previously believed to be in compliance is subsequently discovered to not be in compliance with either the unconditional admission requirements specified in section 6025 or the conditional admission requirements specified in section 6035:

(1) The governing authority shall notify the parent or guardian of the time period within which the doses must be received. This time period may be no more than 10 school days after notification.
(2) The pupil shall continue in attendance only if the parent or guardian provides documentation that the immunization requirements have been met within the time period designated by the governing authority.

(b) The parent or guardian shall submit documentation that seventh grade immunization requirements have been met to the governing authority prior to first 7th grade attendance.

California Code of Regulations, Title 17, Section 6051(b) - The fact of the permanent medical exemption for specific immunization(s) shall be recorded in the pupil's record in accordance with section 6070.

California Code of Regulations, Title 17, Section 6055 - The governing authority shall exclude any pupil who does not meet the requirements for admission or continued attendance as specified in Article 2 of this subchapter and Health and Safety Code section 120335.

California Code of Regulations, Title 17, Section 6070

(a) Pre-kindergarten facility and school personnel must record information for each pupil regarding all doses of required immunizations and the status of all requirements, as defined in Article 2 of this subchapter, using an immunization record that is provided by the parent or guardian that complies with the documentary proof requirements of section 6065, from a prior school, or in an immunization registry or information system governed by Health and Safety Code section 120440. The governing authority of each school and pre-kindergarten facility shall maintain this information for each pupil in the pupil's record.

(b) The immunization information shall include the following elements:

(1) Pupil Name (Last, First, Middle).
(2) Statewide Student Identifier (SSID) (if assigned).
(3) Name of Parent/Guardian (Last, First).
(4) Birthdate (month, day, and year).
(5) Sex.
(6) Ethnicity (Hispanic/Latino, Non-Hispanic/Non-Latino).
(7) Race (African-American/Black, American Indian/Alaska Native, Asian, Native Hawaiian/Other Pacific Islander, White, Other).
(8) As specified in Table A or B of section 6025 for age or grade, the date (month, day, and year) each of the following required vaccine doses were given:
    (A) IPV/OPV (Polio).
    (B) DTaP/DTP (Diphtheria, Tetanus and [acellular] Pertussis).
    (C) MMR (Measles, Mumps, and Rubella).
    (D) Hib (Haemophilus influenzae type b; required for pre-kindergarten only).
    (E) Hep B (Hepatitis B).
    (F) VAR/VZV (Varicella or Chickenpox).
    (G) Tdap (Tetanus, reduced Diphtheria and [acellular] Pertussis; required for 7th grade advancement and 7th-12th grade admission).
(9) Permanent medical exemption (indicate for each vaccine as applicable).
(10) Status of requirements at admission to pre-kindergarten:
    (A) Name of staff who reviewed the pupil's immunization record.
    (B) (If applicable) Pupil is currently up-to-date but more doses are due as specified in Tables A and C of sections 6025 and 6035, respectively.
        i. Follow-up date (month, day and year).
    (C) (If applicable) Pupil has Temporary Medical Exemption as specified in section 6050.
        i. Follow-up date (month, day and year).
    (D) The date (month, day and year) pupil met requirements for admission as specified in section 6025.
(11) Status of requirements at admission to K-12:
    (A) Name of staff who reviewed the pupil's immunization record.
    (B) (If applicable) Pupil is currently up-to-date but more doses are due as specified in Tables B and D of sections 6025 and 6035, respectively.
        i. Follow-up date (month, day and year).
    (C) (If applicable) Pupil has Temporary Medical Exemption as specified in section 6050.
        i. Follow-up date (month, day and year).
    (D) The date (month, day and year) pupil met requirements for admission as specified in section 6025.
(12) Status of requirements at admission or advancement to 7th grade:
    (A) Name of staff who reviewed the pupil's immunization record.
    (B) (If applicable) Pupil is currently up-to-date but more doses are due as specified in Tables B and D of sections 6025 and 6035, respectively.
        i. Follow-up date (month, day and year).
    (C) (If applicable) Pupil has Temporary Medical Exemption as specified in section 6050.
        i. Follow-up date (month, day and year).
    (D) The date (month, day and year) pupil meets requirements for admission as specified in section 6025.

(c) Pursuant to subdivision (c) of section 120375 of the Health and Safety Code, the local health department shall have access to the health information as it relates to immunization of each pupil.

Condition, Cause and Effect

For the 73 schools identified as reporting a conditional admission rate greater than 10 percent in Kindergarten pupils to the California Department of Public Health (CDPH), we selected a sample of 353 Kindergarten pupils, excluding students in independent study and students with an individualized education program that includes special education and related services, and verified that each pupil has a California School Immunization Record, CDPH 286 (01/19) on file (prior version of form or equivalent electronic or hard copy record are acceptable), and verified that the pupils had 2 doses of varicella vaccine and 2 doses of a measles vaccine prior to admission, or had a current medical exemption on file. For pupils who only had 1 dose of either vaccine prior to admission, we verified that the 2^{nd} dose was received within 4 calendar months and 10 school days after the 1^{st} dose.

We noted the following findings, which occurred because the schools were not familiar with immunization requirements. As a result, the schools enrolled students who may not have been fully compliant with the requirements.

- **107th Street Elementary –** Out of the 14 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2^{nd} dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1^{st} dose.
  - One (1) pupil did not receive the required 2^{nd} dose of the varicella vaccine within four calendar months and ten school days after receiving the 1^{st} dose.
  - The pupils were marked present in the school’s monthly attendance summary for a total of 221 days during the time in which the pupil was not compliant with immunization requirements.

- **109th Street Elementary –** Out of the 7 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 1^{st} dose of the varicella vaccine before the first day of school and did not receive the required 2^{nd} dose of the varicella vaccine within four calendar months and ten school days after receiving the 1^{st} dose.
  - Two (2) pupils did not receive the required 2^{nd} dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1^{st} dose.
  - The pupils were marked present in the school’s monthly attendance summary for a total of 168 days during the time in which the pupil was not compliant with immunization requirements.

- **153rd Street Elementary –** Out of the 4 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 210 days during the time in which the pupil was not compliant with immunization requirements.

- **15th Street Elementary –** Out of the 7 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 34 days during the time in which the pupil was not compliant with immunization requirements.

- **42nd Street Elementary –** Out of the 3 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 69 days during the time in which the pupil was not compliant with immunization requirements.

- **52nd Street Elementary** – Out of the 10 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 50 days during the time in which the pupil was not compliant with immunization requirements.

- **61st Street Elementary** – Out of the 8 pupils sampled, we noted the following exception:
  - Two (2) pupils did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 179 days during the time in which the pupil was not compliant with immunization requirements.

- **96th Street Elementary** – Out of the 6 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 58 days during the time in which the pupil was not compliant with immunization requirements.

- **96th Street Elementary DL Two-Way Im Spanish** – Out of the 1 pupil sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 73 days during the time in which the pupil was not compliant with immunization requirements.

- **9th Street Elementary** – Out of the 6 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 1st dose of the measles and varicella vaccines before the first day of school.
  - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school.
  - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the measles vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 85 days during the time in which the pupil was not compliant with immunization requirements.

- **Angeles Mesa Elementary –** Out of the 7 pupils sampled, we noted the following exception:
  - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 65 days during the time in which the pupil was not compliant with immunization requirements.

- **Baldwin Hills Elementary –** Out of the 8 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 141 days during the time in which the pupils were not compliant with immunization requirements.

- **Budlong Avenue Elementary –** Out of the 10 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 98 days during the time in which the pupils were not compliant with immunization requirements.

- **Carthay Elementary of Environmental Studies Magnet –** Out of the 8 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 53 days during the time in which the pupil was not compliant with immunization requirements.

- **Columbus Avenue Elementary –** Out of the 7 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 84 days during the time in which the pupil was not compliant with immunization requirements.

- **Esperanza Elementary –** Out of the 9 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 44 days during the time in which the pupil was not compliant with immunization requirements.

- **Fairburn Avenue Elementary –** Out of the 12 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 22 days during the time in which the pupil was not compliant with immunization requirements.

- **Figueroa Street Elementary –** Out of the 7 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 36 days during the time in which the pupil was not compliant with immunization requirements.

- **La Salle Avenue Elementary –** Out of the 5 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - One (1) pupil did not receive the required 1st dose of the measles and varicella vaccines before the first day of school.
  - The pupil was marked present in the school's monthly attendance summary for a total of 56 days during the time in which the pupil was not compliant with immunization requirements.

- **MacArthur Park Elementary Visual and Performing Arts –** Out of the 4 pupils sampled, we noted the following exception:
    - One (1) pupil did not receive the required 2nd doses of the measles vaccine within four calendar months and ten school days after receiving the 1st dose and did not receive the required 1st dose of the varicella vaccine before the first day of school.
    - The pupil was marked present in the school's monthly attendance summary for a total of 59 days during the time in which the pupil was not compliant with immunization requirements.
- **Manhattan Place Elementary –** Out of the 4 pupils sampled, we noted the following exception:
    - One (1) pupil did not receive the required 2nd doses of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
    - The pupil was marked present in the school's monthly attendance summary for a total of 4 days during the time in which the pupil was not compliant with immunization requirements.

- **Mariposa-Nabi Primary Center –** Out of the 3 pupils sampled, we noted the following exception:
    - One (1) pupil did not receive the required 2nd doses of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
    - The pupil was marked present in the school's monthly attendance summary for a total of 8 days during the time in which the pupil was not compliant with immunization requirements.

- **Marquez Charter –** Out of the 7 pupils sampled, we noted the following exception:
    - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
    - The pupil was marked present in the school's monthly attendance summary for a total of 129 days during the time in which the pupil was not compliant with immunization requirements.

- **Mountain View Elementary DL Two-Way Im Armenian –** Out of the 7 pupils sampled, we noted the following exception:
    - Three (3) pupils did not receive the required 2nd doses of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
    - The pupil was marked present in the school's monthly attendance summary for a total of 164 days during the time in which the pupil was not compliant with immunization requirements.

- **Rio Vista Elementary –** Out of the 8 pupils sampled, we noted the following exception:
    - One (1) pupil did not receive the required 2nd doses of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
    - One (1) pupil did not receive the required 1st dose of the measles and varicella vaccines before the first day of school.
    - The pupil was marked present in the school's monthly attendance summary for a total of 242 days during the time in which the pupil was not compliant with immunization requirements.

- **Saticoy Elementary DL Two-Way Im Armenian –** Out of the 5 pupils sampled, we noted the following exception:
  - Three (3) pupils did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school.
  - The pupil was marked present in the school's monthly attendance summary for a total of 104 days during the time in which the pupil was not compliant with immunization requirements.

- **South Park Elementary DL Two-Way Im Spanish –** Out of the 2 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 34 days during the time in which the pupil was not compliant with immunization requirements.

- **West Athens Elementary –** Out of the 12 pupils sampled, we noted the following exception:
  - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - One (1) pupil did not receive the required 1st dose of the measles vaccine before the first day of school.
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 339 days during the time in which the pupil was not compliant with immunization requirements.

- **Wisdom Elementary –** Out of the 10 pupils sampled, we noted the following exception:
  - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 96 days during the time in which the pupil was not compliant with immunization requirements.

For the 7 schools identified as reporting a conditional admission rate greater than 10 percent in 7th Grade pupils to the California Department of Public Health (CDPH), we selected a sample of 37 7th Grade pupils, excluding students in independent study and students with an individualized education program that includes special education and related services, and verified each pupil has a California School Immunization Record, PM 286 (01/02) or CDPH 286 (01/14) on file (a later version or equivalent electronic or hard copy record is acceptable), and verified that each pupil obtained 2 doses of varicella vaccine prior to admission into 7th Grade. For pupils who only had 1 dose of varicella vaccine prior to admission, we verified that the 2nd dose was received within 4 calendar months and 10 school days after the 1st dose.

We noted the following findings, which occurred because the schools were not familiar with immunization requirements. As a result, the schools enrolled students who may not have been fully compliant with the requirements.

- **Hubert Howe Bancroft Middle School -** Out of the 7 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 12 days during the time in which the pupils were not compliant with immunization requirements.

- **Hubert Howe Bancroft Middle School Performing Arts Magnet -** Out of the 8 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 72 days during the time in which the pupils were not compliant with immunization requirements.

- **Rancho Dominguez Preparatory School -** Out of the pupils 6 sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school.
  - The pupils were marked present in the school's monthly attendance summary for a total of 178 days during the time in which the pupils were not compliant with immunization requirements.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-009).

Questioned Costs

- Grades TK-K – 2,796 days / 182 days = 15.36 ADA overstated * $15,008.62 = $230,532.40
- Marquez Charter – 129 days / 182 days = 0.71 ADA overstated * $11,311.51 = $8,031.17

Kindergarteners:

- 107th Street Elementary – 221 days overstated/182 days in single track school year
- 109th Street Elementary – 168 days overstated/182 days in single track school year
- 153rd Street Elementary – 210 days overstated/182 days in single track school year
- 15th Street Elementary – 34 days overstated/182 days in single track school year
- 42nd Street Elementary – 69 days overstated/182 days in single track school year
- 52nd Street Elementary – 50 days overstated/182 days in single track school year
- 61st Street Elementary – 179 days overstated/182 days in single track school year
- 96th Street Elementary – 58 days overstated/182 days in single track school year
- 96th Street Elementary DL Two-Way Im Spanish – 73 days overstated/182 days in single track school year
- 9th Street Elementary – 85 days overstated/182 days in single track school year
- Angeles Mesa Elementary – 65 days overstated/182 days in single track school year
- Baldwin Hills Elementary – 141 days overstated/182 days in single track school year
- Budlong Avenue Elementary – 98 days overstated/182 days in single track school year
- Carthay Elementary of Environmental Studies Magnet – 53 days overstated/182 days in single track school year
- Columbus Avenue Elementary – 84 days overstated/182 days in single track school year
- Esperanza Elementary – 44 days overstated/182 days in single track school year
- Fairburn Avenue Elementary – 22 days overstated/182 days in single track school year
- Figueroa Street Elementary – 36 days overstated/182 days in single track school year
- La Salle Avenue Elementary - 56 days overstated/182 days in single track school year
- MacArthur Park Elementary Visual and Performing Arts– 59 days overstated/182 days in single track school year
- Manhattan Place Elementary – 4 days overstated/182 days in single track school year
- Mariposa-Nabi Primary Center Elementary – 8 days overstated/182 days in single track school year
- Marquez Charter – 129 days overstated/182 days in single track school year
- Mountain View Elementary DL Two-Way Im Armenian – 164 days overstated/182 days in single track school year
- Rio Vista Elementary – 242 days overstated/182 days in single track school year
- Saticoy Elementary DL Two-Way Im Armenian – 104 days overstated/182 days in single track school year
- South Park Elementary DL Two-Way Im Spanish – 34 days overstated/182 days in single track school year
- West Athens Elementary – 339 days overstated/182 days in single track school year
- Wisdom Elementary – 96 days overstated/182 days in single track school year

- Grades 7 – 262 days / 182 days = 1.44 ADA overstated * $14,208.23 = $20,459.85

7th Graders:
- Hubert Howe Bancroft Middle School – 12 days overstated/182 days in single track school year
- Hubert Howe Bancroft Middle School Performing Arts Magnet – 72 days overstated/182 days in single track school year
- Rancho Dominguez Preparatory School – 178 days overstated/182 days in single track school year

Recommendation

We recommend that the District strengthen its controls over implementing District policies regarding pupil immunization record tracking. Furthermore, we recommend that the District continue providing adequate training to the schools to properly monitor pupil immunization.

Views of Responsible Officials and Planned Corrective Actions

The District has established the following action steps to address the audit findings.

1. Meeting with the Chief Medical Director, Dr. Malhotra – December 2024
    a. Review results of audit and discuss strategies to address the results
2. Met with Nursing Coordinators – January 2025
    a. Review results of audit and discuss strategies to address the results
    b. Discuss plan of action moving forward
3. Meeting with Administrator of Operations – January 2025
    a. Review results of audit and discuss strategies to address the results
4. School Nurses training Office Personnel – Ongoing
    a. To provide refresher to office personnel regarding state immunization requirements
    b. To provide initial training to office personnel who are new to the job on state immunization requirements
5. Immunization reports forwarded to Region Leadership – Weekly
    a. To provide data to leadership to review their Region compliance rate and rates individually at school
    b. To work with Schools Nurses at sites to improve compliance rates
    c. Inter-Office Correspondence (IOC) included which discusses California immunization requirements and the need for students to be immunized
6. Immunization Work Group – Every two weeks
7. Robust communication plan – Monthly
    a. LAUSD account social media posts
    b. District Nursing Services social media posts
    c. Provide list of LAUSD clinics where families can go to get immunizations

Name: Sosse Bedrossian
Title: Director
Contact Information: (213) 202-7580 or sosse.bedrossian@lausd.net

S-2024-010 – Expanded Learning Opportunities Grant

State Audit Guide Finding Codes: 40000

Criteria

California Education Code, Section 43522(b) - specifically, funds received under subdivision (b) of Section 43521 shall be expended only for any of the following purposes:

(1) Notwithstanding Section 37202, instructional learning time in addition to what is required pursuant to Part 24.5 (commencing with Section 43500) of Division 3 for the 2020–21 school year and Chapter 2 (commencing with Section 46100) of Part 26 of, or Chapter 3 (commencing with Section 47610) of Part 26.8 of, Division 4, and Section 300.106 of Title 34 of the Code of Federal Regulations for the 2021–22 and the 2022–23 school years by increasing the number of instructional days or minutes provided during the school year, providing summer school or intersessional instructional programs, or taking any other action that increases the amount of instructional time or services provided to pupils based on their learning needs.

Condition, Cause and Effect

In our sample of ten (10) ELO-G payroll expenditures (Resource 7425), we verified whether the employees' time pertained to in-person services was allowable under Education Code section 43522(b).

We noted the following finding:

- One (1) employee had a total of 15 hours charged in excess to the ELO-G fund in which the employee did not perform work related to the summer school extended instructional learning program. Although the District properly reviewed the employees' timecard for the pay period and posted the necessary adjustments to account for time worked on other tasks, they erroneously did not adjust 15 hours out of the ELO-G fund.

Questioned Costs

Not applicable. Upon our identification of the sampled employee, the District identified the above error and corrected the ELO-G fund by transferring out the costs associated with the 15 hours. As the District corrected the error before closing its June 30, 2024, financial statements, no questioned costs are to be assessed. As such, the above finding has been resolved.

Recommendation

We recommend that the District strengthen its monitoring and review controls over expenditure charges to the ELO-G fund to ensure that all costs are associated with allowable services and that all necessary adjustments are made timely.

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

The Division of Instruction will continue to provide guidance in the payroll handbook for timely and accurate payroll entry when using ELO-G funds.

The District does not anticipate additional ELO-G funding in future fiscal years.

Name: John Vladovic
Title: Executive Director, Secondary Education
Telephone: (310) 991-9771

S-2024-011 – Expanded Learning Opportunities Program

State Audit Guide Finding Codes: 40000

Schools Affected

- 232nd Place Elementary
- Broadway Elementary
- Carlos Santana Arts Academy
- Vista del Valle Dual Language Academy

Criteria

California Education Code, Section 46120(g)(6) – "Provide access," with respect to an "expanded learning opportunity program," means to enroll in the expanded learning opportunity program. If a parent or guardian has a signed expanded learning opportunity program registration form and that form is on file, the pupil shall be considered enrolled in the expanded learning opportunity program. For a local educational agency receiving an expanded learning opportunity program apportionment, transportation shall be provided for any pupil who attends a school that is not operating an expanded learning opportunity program to attend a location that is providing an expanded learning opportunity program and to return to their original location or another location that is established by the local educational agency.

Condition, Cause and Effect

In our sample of 23 District schools and 2 Charter schools, we selected 319 expanded learning opportunity program registration forms. We verified whether students who had filled out a registration form were found in the master enrollment list.

We identified the following:

- Five (5) students submitted completed registration forms but were not listed on the master enrollment list.

Questioned Costs

Not applicable.

Recommendation

We recommend that the District strengthen its controls over the master enrollment list to ensure it includes all students who submit a registration form.

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

Beyond the Bell Branch will implement the following Corrective Action Plan related to maintaining a current master enrollment list at each expanded learning program site:

1. Provide explicit written guidelines to agency contractors and district-operated program personnel by February 28, 2025, outlining the policies and procedures for ensuring that all students who submit an expanded learning program registration form are added to the master enrollment list.
2. Conduct mandatory training for agency contractors and district-operated program personnel in February 2025 on the policies and procedures for maintaining a current master enrollment list. This training session will be recorded and shared with agency contractors and district-operated program personnel as a resource to support program implementation.
3. Perform ongoing site visits by Beyond the Bell administrators and Traveling Program Supervisors to review enrollment information and ensure all expanded learning programs adhere to the established policies and procedures for maintaining a current master enrollment list.

The expected outcome of these corrective actions is to strengthen the District's controls over ensuring equitable access to expanded learning programs and to reduce or eliminate similar findings in the future.

Name: Jose Carrillo
Title: Field Coordinator, Beyond the Bell
Telephone: (213) 241-7900

S-2024-012 – Transitional Kindergarten

State Audit Guide Finding Codes: 40000

Criteria

California Education Code, Section 48000 (g) – As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to Section 46300, a school district or charter school shall do all of the following:

(1) Maintain an average transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite.

(2) Commencing with the 2022–23 school year, maintain an average of at least one adult for every 12 pupils for transitional kindergarten classrooms at each schoolsite.

California Education Code, Section 48000.1(b) – (1) Commencing with the 2022–23 school year, if a school district or charter school fails to comply with the requirements of paragraphs (1) to (4), inclusive, of subdivision (g) of Section 48000, the Superintendent shall withhold from the school district's or charter school's entitlement computed pursuant to Section 42238.02 the sum of the following:

(A) For school districts and charter schools that fail to meet the adult-to-pupil ratio requirements of paragraph (2) of subdivision (g) of Section 48000, the amount determined by multiplying:

(i) The number of additional adults needed to meet the requirements of paragraph (2) of subdivision (g) of Section 48000, as calculated by dividing the total transitional kindergarten enrollment at the schoolsite, as determined pursuant to subparagraph (A) of paragraph (2) of subdivision (g) of Section 48000, by 12, rounded to the nearest half or whole integer, minus the total number of adults at the schoolsite, as determined pursuant to subparagraph (B) of paragraph (2) of subdivision (g) of Section 48000.

(ii) Twenty-four, reduced by the statewide average rate of absence for elementary school districts for kindergarten and grades 1 to 8, inclusive, as calculated by the department for the prior fiscal year, with the resultant figures and rates rounded to the nearest tenth.

(iii) The per average daily attendance rate determined pursuant to paragraph (2) of subdivision (g) of Section 42238.02.

(C) For school districts and charter schools that fail to maintain an average transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite, as required pursuant to paragraph (1) of subdivision (g) of Section 48000, the amount determined by multiplying the then-current fiscal year's average daily attendance reported for the second principal apportionment period in transitional kindergarten by the amount specified in subparagraph (A) of paragraph (3) of subdivision (d) of Section 42238.02, unless the school district fails to meet the requirements for average class size for kindergarten and grades 1 to 3, inclusive, pursuant to clause (i) of subparagraph (D) of paragraph (3) of subdivision (d) of Section 42238.02.

California Education Code, Section 48000.15 (d) – (1) Any classroom that includes an early enrollment child shall maintain an adult-to-pupil ratio of at least one adult to every 10 pupils.

(3) Any transitional kindergarten classroom that includes an early enrollment child shall maintain a classroom enrollment that does not exceed 20 pupils.

California Education Code, Section 48000.15 (e) – (1) If a school district or charter school fails to comply with the requirements of paragraph (1) or (3) of subdivision (d), the Superintendent shall withhold from the school district's or charter school's entitlement computed pursuant to Section 42238.02 an amount pursuant to the following:

(A) For school districts and charter schools that fail to meet the adult-to-pupil ratio requirements of paragraph (1) of subdivision (d) for classrooms that include an early enrollment child, the amount shall be determined by multiplying:

(i) The number of additional adults needed to meet the requirements of paragraph (1) of subdivision (d), as calculated by dividing the total enrollment pupils in each transitional kindergarten classroom with early enrollment children, by 10, rounded to the nearest half or whole integer, minus the total number of adults assigned to the classroom, as determined pursuant to subparagraph (B) of paragraph (3) of subdivision (b).

(ii) Twenty, reduced by the statewide average rate of absence for elementary school districts for kindergarten and grades 1 to 8, inclusive, as calculated by the department for the prior fiscal year, with the resultant figures and rates rounded to the nearest tenth.

(iii) The per average daily attendance rate determined pursuant to paragraph (2) of subdivision (g) of Section 42238.02.

(B) For school districts and charter schools that fail to maintain a class enrollment of not more than 20 pupils, as required pursuant to paragraph (3) of subdivision (d), the amount determined by multiplying the then-current fiscal year's average daily attendance reported for the second principal apportionment period in transitional kindergarten classrooms with early enrollment children by the amount specified in subparagraph (A) of paragraph (3) of subdivision (d) of Section 42238.02, unless the school district or charter school fails to meet the requirements for average class size for kindergarten and grades 1 to 3, inclusive, pursuant to clause (i) of subparagraph (D) of paragraph (3) of subdivision (d) of Section 42238.02.

Condition, Cause and Effect

We had a total sample of 91 District schools and 9 Charter schools.

Of our total 91 sampled District schools, 4 offered transitional kindergarten which did not include early enrollment pupils. We verified whether each school site's average class enrollment exceeded 24 pupils and whether each school site had an average of at least one adult for every 12 pupils for transitional kindergarten classrooms.

Our remaining samples of 87 District schools and 9 Charter schools offered transitional kindergarten which included early enrollment pupils. We verified whether each school site's average class enrollment exceeded 20 pupils and whether each school site had an average of at least one adult for every 10 pupils for early enrollment classrooms.

We identified the following findings arising from challenges schools faced in filling vacant positions for the additional adult role to achieve the required adult-to-student ratio.

- Thirteen (13) District school sites that offered early enrollment exceeded an average class enrollment of 20 pupils. As such, the penalty for average class enrollment is calculated as follows:

P-2 TK ADA with Early Enrollment	4,420.93	*(a)*
K-3 GSA Rate	$ 1,032.00	*(b)*
TK Average Class Size Penalty	**$ 4,562,399.76**	*(c) = (a) * (b)*

- One (1) Charter school site, Colfax Charter Elementary that offered early enrollment, exceeded an average class enrollment of 20 pupils. As such, the penalty for average class enrollment is calculated as follows:

P-2 TK ADA with Early Enrollment	31.27	*(a)*
K-3 GSA Rate	$ 1,032.00	*(b)*
TK Average Class Size Penalty	**$ 32,270.64**	*(c) = (a) * (b)*

- Five (5) District school sites did not have the minimum of one (1) adult for every twelve (12) pupils of transitional kindergarten resulting in an additional need of four and one half (4.5) adults to meet the minimum requirement. As such, the penalty for adult-to-pupil ratio is calculated as follows:

Additional Adults Needed	4.50	*(a)*
24 Reduced by the 7.5% Absent Rate	22.20	*(b)*
Transitional Kindergarten add-on Rate	$ 3,044.00	*(c)*
Adult-to-Student Ratio Penalty	**$ 304,095.60**	*(d) = (a) * (b) * (c)*

- Beckford Charter for Enriched Studies school site did not have the minimum of one (1) adult for every twelve (12) pupils of transitional kindergarten resulting in an additional need of one half (0.5) an adult to meet the minimum requirement. As such, the penalty for adult-to-pupil ratio is calculated as follows:

Additional Adults Needed	0.50	*(a)*
24 Reduced by the 7.5% Absent Rate	22.20	*(b)*
Transitional Kindergarten add-on Rate	$ 3,044.00	*(c)*
Adult-to-Student Ratio Penalty	**$ 33,788.40**	*(d) = (a) * (b) * (c)*

- Topanga Elementary Charter School school site did not have the minimum of one (1) adult for every twelve (12) pupils of transitional kindergarten resulting in an additional need of one half (0.5) adult to meet the minimum requirement. As such, the penalty for adult-to-pupil ratio is calculated as follows:

Additional Adults Needed	0.50	*(a)*
24 Reduced by the 7.5% Absent Rate	22.20	*(b)*
Transitional Kindergarten add-on Rate	$ 3,044.00	*(c)*
Adult-to-Student Ratio Penalty	**$ 33,788.40**	*(d) = (a) * (b) * (c)*

- Seven (7) District school sites, which offered early enrollment, did not have the minimum of one (1) adult for every ten (10) pupils of early enrollment resulting in an additional need of four (4) adults to meet the minimum requirement. As such, the penalty for adult-to-pupil ratio is calculated as follows:

Additional Adults Needed	4.00	*(a)*
20 Reduced by the 7.5% Absent Rate	18.50	*(b)*
Transitional Kindergarten add-on Rate	$ 3,044.00	*(c)*
Adult-to-Student Ratio Penalty	**$ 225,256.00**	*(d) = (a) * (b) * (c)*

- Colfax Charter Elementary school site that offered early enrollment, did not have the minimum of one (1) adult for every ten (10) pupils of early enrollment resulting in an additional need of one half (0.5) adult to meet the minimum requirement. As such, the penalty for adult-to-pupil ratio is calculated as follows:

Additional Adults Needed	0.50	*(a)*
20 Reduced by the 7.5% Absent Rate	18.50	*(b)*
Transitional Kindergarten add-on Rate	$ 3,044.00	*(c)*
Adult-to-Student Ratio Penalty	**$ 28,157.00**	*(d) = (a) * (b) * (c)*

Questioned Costs

District Schools

Average Class Enrollment Penalty	$ 4,562,399.76
Adult-to-Pupil Ratio Penalty	529,351.60
Total Penalty	**$ 5,091,751.36**

Beckford Charter for Enriched Studies

Adult-to-Pupil Ratio Penalty	33,788.40
Total Penalty	**$ 33,788.40**

Topanga Elementary Charter School

Adult-to-Pupil Ratio Penalty	33,788.40
Total Penalty	**$ 33,788.40**

Colfax Charter Elementary

Average Class Enrollment Penalty	$ 32,270.64
Adult-to-Pupil Ratio Penalty	28,157.00
Total Penalty	**$ 60,427.64**

Recommendation

We recommend that the District implement mechanisms to track their compliance with transitional kindergarten and early enrollment average class enrollment and adult-to-pupil ratio throughout the year to monitor compliance with transitional kindergarten average class enrollment and adult-to-pupil ratio requirements.

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

The District has implemented mechanisms to track compliance with class size and adult-to-student ratio requirements in the SY 24-25.

- By May 2024, a Transitional Kindergarten Resources and Communication Toolkit was shared with school sites and district administrators to ensure class capacity and ratio requirements are adhered to.
- On April 2024, District policy documents such as the Universal Transitional Kindergarten reference guide (REF-123501.3) was updated and shared to communicate adherence to state requirements.
- Principal meetings were held on May 2024 in each region to review the state requirements for class capacity and adult-to-student ratio.
- Regional Principal meetings were held again on July 2024 and August 2024 to review the ratio and capacity requirements for UTK classes for the SY24-25.
- By November 2024, job aids, Frequently Asked Questions (FAQs) documents, and UTK Toolkits were created and posted in the LAUSD Principal's Portal. These included the updated reference guide, presentations and information about ratio and class capacity requirements.

To ensure that schools are adhering to the class capacity and ratio requirements, Budget Services Division, Attendance and Student Enrollment Office, and the Early Childhood Education Division will collaborate to identify schools that are non-compliant and address issues promptly by Spring 2025.

If you have any questions, please feel free to contact any of the parties below:

Name	Title	Office	Email
Pia Sadaqatmal	Chief of Transitional Programs	Office of Transitional Programs	pcs9151@lausd.net
Dean Tagawa	Executive Director	Early Childhood Education Division	dtagawa@lausd.net
Nirupama Jayaraman	Deputy Budget Director	Budget Services and Financial Planning	nirupama.jayaraman@lausd.net

S-2024-013 – Attendance Accounting – Dependent Charters – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- El Oro Way Charter for Enriched Studies
- Paul Revere Charter Middle School
- Plainview Academic Charter Academy
- Sylmar Charter High School

Criteria

California Education Code, Section 47612(b) – The average daily attendance in a charter school may not, in any event, be generated by a pupil who is not a California resident. To remain eligible for generating charter school apportionments, a pupil over 19 years of age shall be continuously enrolled in public school and make satisfactory progress towards award of a high school diploma. The state board shall, on or before January 1, 2000, adopt regulations defining "satisfactory progress."

Condition, Cause and Effect

For our sample of twelve (12) schools, we obtained the Student Monthly Attendance Summary Reports (SMASRs) for a sample of teachers for school month two (2). SMASRs are system-generated reports from the District's My Integrated Student Information System (MiSiS), a system utilized by the teachers to electronically input, submit and certify student attendance daily. We verified whether these SMASRs were reported accurately in the *Second Principal Report (P2)* and the *Annual Principal Report (P3)*. We obtained the monthly statistical reports where all the SMASRs are summarized, for our sampled schools and we verified whether the SMASRs were completely and accurately summarized. We then traced these monthly statistical reports to the Attendance Ledgers, which in turn were traced to the *Second Principal Report (P2)* and the *Annual Principal Report (P3).*

To test the integrity of the data reported in the sampled SMASRs, we selected a sample of absences from notes, phone logs and other absence records and compared them to the SMASRs to verify that they were not included in the calculation of Average Daily Attendance reported in the P2. In addition, since the SMASRs are generated through MiSiS, we also tested the system's general internal controls which included but were not limited to appropriate access controls. We selected a sample of 14,545 days of attendance and 740 days of absences for testing and noted the following findings, resulting from staff's untimely updating of student's attendance records:

- **El Oro Way Charter for Enriched Studies -** Out of the 1,379 days of attendance and 46 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Paul Revere Charter Middle School -** Out of the 1,511 days of attendance and 120 days of absences sampled, we noted the following exceptions:
  - One(1) student was absent for a total of one(1) day, as evidenced by an absence note, but were recorded as present in the SMASR.
  - One (1) student was absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR. The school updated MiSiS to reflect the student as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the student prior to P2 reporting, this does not lead to questioned costs.

- **Plainview Academic Charter Academy -** Out of the 1,200 days of attendance and 90 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Sylmar Charter High School -** Out of the 686 days of attendance and 55 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR. The school updated MiSiS to reflect the students as absent prior to P2 reporting but subsequent to providing the SMASR. As MiSiS has been updated to reflect the correct attendance of the students prior to P2 reporting, this does not lead to questioned costs.

These findings are repeat findings, having been reported previously at June 30, 2023 (S-2023-012), but for different schools.

Questioned Costs

- El Oro Way Charter for Enriched Studies
- Grades TK/K-3: 2 days/142 days in single track school year
  - Grades TK/K-3: 2 days/142 = 0.01 ADA overstated * $11,810.43 = $118.10

- Paul Revere Charter Middle School
- Grades 4 to 6: 1 day/142 days in single track school year
  - Grades 4 to 6: 1 day/142 days = 0.01 ADA overstated * $10,600.84 = $106.01

- Plainview Academic Charter Academy
- Grades 4 to 6: 1 day/142 days in single track school year
  - Grades 4 to 6: 1 day/142 days = 0.01 ADA overstated * $13,962.53 = $139.63

Recommendation

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

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

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

1. **Automated Reminders in MiSiS or Other LAUSD System**: Pupil Services will consult with the MiSiS team to explore the possibility of setting up automated reminders in MiSiS. These reminders will prompt designated school staff to review and correct attendance data in the SMASR before the end of each month. Pupil Services will define the specific user roles that will receive the reminders, the frequency of the notifications, and the duration by January 2025.

2. **Self-Audit Tool for Schools**: Pupil Services will develop a self-audit tool to assist schools in reviewing their attendance data monthly. This tool will focus on common errors identified in past audit findings. This tool will be available to all LAUSD staff via the Pupil Services SharePoint by January 2025.

3. **Virtual Drop-In Sessions with Office of Organizational Excellence**: Pupil Services in collaboration with Office of Organizational Excellence participate in virtual drop-in sessions twice a year, where school staff can ask questions about common audit findings and review SMASR-related issues beginning in October 2024.

4. **Guidance on Attendance Data Review**: Pupil Services will develop training material including SMASR and additional MiSiS reports to support accurate attendance taking procedures. Pupil Services will continue to support the schools by providing adequate training in attendance reporting so that proper attendance reporting procedures are adhered to. The training titled "Tools to Support Accurate Attendance & Withdrawal Procedures" will include SMASR and additional MiSiS reports to support accurate attendance taking procedures and will be available to all school staff by March 2025. Pupil Services will be trained during the second semester of 2024-25 school year. Pupil Services will maintain documentation reflecting that each of the schools identified above has been successfully trained.

5. **SMASR Timeline Reminders**: Pupil Services will develop a school year timeline with monthly dates for school staff to review attendance data reflected on the SMASR and assist with correcting attendance discrepancies. PSA will include the SMASR MiSiS job aide to support this process. Reminders will be posted on Schoology to remind staff about the timeline and tools by January 2025.

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

Name: Elsy Rosado
Title: Director, Pupil Services and Attendance
Telephone: (213) 241-3844

Section V - Findings Relating to the Prior Year Basic Financial Statements which are Required to be Reported in Accordance with Government Auditing Standards

Finding – FS-2023-001 Reimbursement Grant Revenue Recognition (Material Weakness)
Finding – FS-2022-001 Reimbursement Grant Revenue Recognition (Material Weakness)

State Audit Guide Finding Code: 30000

Recommendation

We recommend that the District strengthen its controls over reimbursement or expenditure-driven grant revenue recognition as follows:

- Ensure that the Revenue Recognition Policies and Procedures are updated annually to include all grants in which the District continues to participate in and any new cost reimbursement grants received in the current fiscal year.
- Ensure that the Facilities' staff continue to be adequately trained and knowledgeable of reimbursement grant accounting and financial reporting requirements.
- The ADCP is to continue verifying revenues recorded during the current fiscal year to ensure recording in the proper accounting period.
- The ADCP is to continue reviewing subsequent cash receipts pertaining to reimbursement grants to ensure recording in the proper accounting period.

Current Status

Implemented.

Finding – FS-2023-002 Vulnerability Management (Significant Deficiency)
Finding – FS-2022-002 Vulnerability Management (Significant Deficiency)

State Audit Guide Finding Code: 30000

SAP Vulnerability

Recommendation

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

Current Status

Partially implemented; see item FS-2024-001 within the accompanying schedule of findings and questioned costs.

MiSiS Vulnerability

Recommendation

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

Current Status

Partially implemented; see item FS-2024-001 within the accompanying schedule of findings and questioned costs.

CMS Vulnerability

Recommendation

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

Current Status

Partially implemented; see item FS-2024-001 within the accompanying schedule of findings and questioned costs.

Welligent Vulnerability

Recommendation

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

Current Status

Partially implemented; see item FS-2024-001 within the accompanying schedule of findings and questioned costs.

Section VI - Findings and Questioned Costs Related to Federal Awards

1. **Finding F-2023-001 – Activities Allowed or Unallowed/Allowable Costs and Cost Principles**

   Program Identification

   Title I Grants to Local Educational Agencies, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.010, PCA Nos. 14329 and 15438

   Special Education-Grants to States (IDEA, Part B), U.S. Department of Education, Passed through the California Department of Education, AL No. 84.027A, 22-13379-64733-01

   English Language Acquisition State Grants, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.365Z, PCA No. 14365, T365Z210143/C#21079A

   Improving Teacher Quality State Grants, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.367, PCA 14341

   COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER), U.S. Department of Education, Passed through the California Department of Education, AL No. 84.425U, PCA No. 15559

   State Audit Guide Finding Codes: 30000 and 50000

   Recommendation

   We recommend that the District enhance its internal controls over payroll expenditures and related compliance requirements by providing adequate and continuous training to school administrators, timekeepers, and supervisors on the necessary procedures to ensure ongoing compliance is effectively monitored. We also recommend that management responsible for each grant develop and reinforce controls for reviewing and approving Multi-Funded Time Reports or timesheets prior to submission to the funding agency, ensuring that the review and approval process is well-documented. In addition, the District should also conduct internal audits to assess the accuracy of timesheets or Multi-Funded Time Reports and the timeliness of signed Periodic Certification submissions to ensure compliance with the established requirements.

   Current Status

   Implemented.

2. **Finding F-2023-002 – Special Tests and Provisions – Annual Report Card, High School Graduation Rate**

Program Identification

Title I Grants to Local Educational Agencies, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.010, PCA Nos. 14329.

State Audit Guide Finding Codes: 30000 and 50000

Recommendation

Given the recurring nature of this finding, we strongly recommend that the District take more robust measures to strengthen and improve its existing controls over enrollment/withdrawal status to ensure that student records on MiSiS are accurate and that necessary documents are maintained. Additionally, we recommend that the District continue to provide training on accurate enrollment/withdrawal codes and on the appropriate levels of written documentation required for various withdrawal situations under both ESSA and CDE guidance.

Current Status

Implemented.

3. **Finding F-2023-003 - Reporting**

Program Identification

Improving Teacher Quality State Grants, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.367, PCA No. 14341.

State Audit Guide Finding Codes: 30000 and 50000

Recommendation

We recommend that the District strengthen and improve its existing controls over the ConApp reporting process to ensure that all reported information is reconciled between the accounting records and the ConApp submissions.

Current Status

Implemented.

Section VII – Findings and Questioned Costs Relating to State Awards

S-2023-001 – Regular and Special Day Classes – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- Alexandria Avenue Elementary
- Arlington Heights Elementary
- Arlington Heights Elementary DL Two-Way Im Spanish
- Atwater Avenue Elementary
- Avalon Gardens Elementary
- Belmont Senior High
- Brentwood Elementary Science Magnet
- Broadacres Avenue Elementary
- Cabrillo Avenue Elementary
- Carmen Lomas Garza Primary Center
- Coeur D Alene Avenue Elementary
- Corona Avenue Elementary
- Crescent Heights Boulevard Elementary Lang Arts/Soc Jstc Mag
- CTC - West
- Del Amo Elementary
- Delevan Drive Elementary
- Denker Avenue Elementary
- Dolores Huerta Elementary School
- Dolores Street Elementary
- Dr Sammy Lee Elementary Medical and Health Science Magnet
- Florence Nightingale Middle School
- Florence Nightingale Middle School Bus Entrprshp Tech Magnet
- Francisco Bravo Senior High Medical Magnet
- George De la Torre Jr Elementary STEAM Magnet
- Hollywood Elementarys
- Ivanhoe Elementary
- Lafayette Park Primary Center
- Manhattan Place Elementary
- Menlo Avenue Elementary
- Menlo Avenue Elementary DL Two-Way Im Spanish
- Menlo Avenue Elementary STEAM Magnet
- Mount Washington Elementary
- Nevin Avenue Elementary
- Noble Avenue Elementary
- Park Western Place Elementary
- Point Fermin Elementary Marine Science Magnet
- Raymond Avenue Elementary
- RFK Comm Schls - UCLA Community School K-12
- Ricardo Lizarraga Elementary
- Rio Vista Elementary
- San Fernando Elementary
- Saticoy Elementary
- Saticoy Elementary DL Two-Way Im Armenian
- Sierra Vista Elementary
- Walgrove Avenue Elementary
- Walnut Park Elementary
- West Athens Elementary
- Wilshire Park Elementary School

Recommendation

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

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-001) but for different schools

S-2023-002 – Teacher Certification and Misassignments

State Audit Guide Finding Codes: 40000 and 71000

Schools Affected

- 9th Street Elementary
- Boyle Heights HS STEM Magnet
- Brooklyn Avenue Elementary
- Canfield Avenue Elementary
- Carthay Elementary of Environmental Studies Magnet
- Charles Drew MS University Pathways Public Service Academy
- Foshay Learning Center
- George de la Torre Jr Elementary
- Linda Esperanza Marquez Senior High Social Justice
- Marlton School
- Nathaniel Narbonne Senior High
- RFK Community of Schools - UCLA Community School K-12
- Roosevelt Senior High Science/Tech/Math Magnet
- Sun Valley Magnet: Engineering Technology
- The Science Academy STEM Magnet
- Walnut Park Middle School - Social Justice and Service Learning
- Western Avenue Tech/Eng/Comm/Hum Magnet
- Wilton Place Elementary

Recommendation

We recommend that the District continue to train schools on the MiSiS Assignment Monitoring Report. The District should continue to monitor and strengthen internal controls to ensure teachers are being assigned properly to teach in a position authorized by their certifications as well as having a consent form on file when necessary, and to ensure substitute teachers are being assigned properly to teach in a position authorized by their certifications and within the time period permitted by their credential. We also recommend that the schools and the District remediate the misassignments identified above.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-002) but for different schools and teachers.

S-2023-003 – Kindergarten Continuance

State Audit Guide Finding Codes: 40000

Schools Affected

- Hoover Street Elementary
- Mayall Street Academy of Arts/Technology Magnet
- Mount Washington Elementary
- Park Western Place Elementary
- Wilshire Park Elementary School

Recommendation

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

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

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-003) but for different schools.

S-2023-004 Independent Study – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- City of Angels
- Virtual Academy Computer Science

Recommendation

We recommend that the District strengthen its review process over independent study to ensure that all elements of the master agreements are complete, and all records of attendance contain readily available corresponding pupil work products. We also recommend that the district provide proper training to ensure attendance is reported accurately and policies are adhered to.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-004) but for different schools.

S-2023-005 – Instructional Time

State Audit Guide Finding Codes: 40000

Recommendation

We recommend the District put mechanisms in place to track their compliance with instructional days and instructional minutes offered throughout the year to monitor compliance with the instructional days and instructional minutes requirements.

Current Status

Partially implemented. The District intends to file an instructional time penalty waiver to the California Department of Education in Fiscal Year 2025.

S-2023-006 – Classroom Teacher Salaries

State Audit Guide Finding Codes: 61000

Recommendation

We recommend that the District put mechanisms in place to track their percentage of teacher salaries and benefits to total expenses throughout the year in order to monitor compliance with the classroom teacher salary requirements.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-005).

S-2023-007 – After School Education and Safety Program

State Program: After School Education and Safety Program

State Audit Guide Finding Codes: 40000

Schools Affected

- 232nd Place Elementary
- Alta Loma Elementary
- Ambler Ave Elementary School
- Aragon Avenue Elementary
- Breed Street Elementary
- Catskill Ave Elementary School
- Daniel Webster Middle School
- Emerson Community Charter
- Pinewood Avenue Elementary
- Marina Del Rey Middle School
- San Fernando Elementary School
- Sonia Sotomayor Art/Sci Magnet
- Valley Oaks Center for Enriched Studies (VOCES) Magnet
- Walnut Park Elementary
- Westminster Avenue Elementary Math/Tech/Env Studies Magnet
- Westport Heights Elementary
- Westside Global Awareness Magnet

Recommendation

We recommend that the District strengthen its procedures on attendance documentation for the After School Education and Safety program. The District should ensure that the agencies performing the services for these programs are aware of the District's policies, specifically on maintaining accurate attendance records and retain supporting documentation for instances in which students arrive to the programs late or leave early.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-007) but for different schools.

S-2023-008 – Unduplicated Local Control Funding Formula Pupil Counts

State Program: Unduplicated Local Control Funding Formula Pupil Counts

State Audit Guide Finding Code: 40000

Schools Affected

- Alexandria Avenue Elementary
- Bridge Street Elementary
- Brockton Avenue Elementary
- Budlong Avenue Elementary
- Carson Street Elementary
- Corona Avenue Elementary
- Dr Maya Angelou Community Senior High
- El Sereno Elementary
- Foshay Learning Center
- Francisco Bravo Senior High Medical Magnet
- Fries Avenue Elementary
- Hollywood Elementary
- James J McBride Special Education Center
- Johnnie L Cochran Jr Middle School
- Mariposa-Nabi Primary Center
- Marlton School
- Morris K Hamasaki Medical/Science Magnet
- Nathaniel Narbonne Senior High
- Noble Avenue Elementary
- Point Fermin Elementary Marine Science Magnet
- Quincy Jones Elementary
- Raymond Avenue Elementary
- Roosevelt Senior High Science/Tech/Math Magnet
- San Fernando Elementary
- Saticoy Elementary
- Susan Miller Dorsey Senior High
- Walgrove Avenue Elementary
- Walnut Park Elementary
- Wilton Place Elementary
- University High School Charter (Dependent Charter)

Recommendation

We recommend that the District continue to monitor English learner and free and reduced meal eligibility status' to ensure students who are designated as English learner or free and reduced meal eligible have proper supporting documentation. We also recommend that the District continue to train staff on enrollment procedures so that students' correct designations will be reflected in the student information system.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-007) but for different schools.

S-2023-009 Immunizations

State Audit Guide Finding Codes: 40000

Schools Affected

- 107th Street Elementary
- 42nd Street Elementary
- Angeles Mesa Elementary
- Bellingham Elementary
- Coliseum Street Elementary
- Erwin Elementary
- Grant Elementary
- Hubert Howe Bancroft Middle School
- John B Monlux Elementary
- Kenter Canyon Elementary Charter
- Kittridge Street Elementary
- Manhattan Place Elementary
- Mountain View Elementary
- Orchard Academies 2C
- Purche Avenue Elementary
- Rancho Dominguez Preparatory School
- Raymond Avenue Elementary
- Vinedale College Preparatory Academy

Recommendation

We recommend that the District strengthen its controls over implementing District policies regarding pupil immunization record tracking. Furthermore, we recommend that the District continue providing adequate training to the schools to properly monitor pupil immunization.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-009) but for different schools.

S-2023-010 – Expanded Learning Opportunities Grant

State Audit Guide Finding Codes: 40000

Recommendation

We recommend that the District strengthen its monitoring and review controls over expenditure charges to the ELO-G fund to ensure that all costs are associated with allowable services and that all necessary adjustments are made timely.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-010).

S-2023-011 – Transitional Kindergarten

State Audit Guide Finding Codes: 40000

Recommendation

We recommend the District put mechanisms in place to track their compliance with transitional kindergarten average class enrollment and adult-to-pupil ratio throughout the year to monitor compliance with transitional kindergarten average class enrollment and adult-to-pupil ratio requirements.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-012).

S-2023-012 – Attendance Accounting – Dependent Charters – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- Canyon Charter Elementary
- Hesby Oaks Leadership Charter
- Serrania Avenue Charter for Enriched Studies
- Sherman Oaks Elementary Charter School
- University Charter HS Math/Art/Sci/Tech Magnet
- University High School Charter

Recommendation

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

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2024-013) but for different schools.

S-2023-013 – Annual Instructional Minutes – Classroom Based - Dependent Charters

State Audit Guide Finding Codes: 40000

Schools Affected

- Grover Cleveland Charter High School
- Reseda Charter High School
- Sylmar Charter High School
- William Howard Taft Charter High School

Recommendation

We recommend the District put mechanisms in place to track their compliance with instructional minutes offered throughout the year to monitor compliance with the instructional minutes requirements.

Current Status

Implemented.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 2600
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

December 16, 2024

The Honorable Board of Education
Los Angeles Unified School District
Los Angeles, California

Members of the Board:

In planning and performing our audit of the financial statements of the **Los Angeles Unified School District** (District) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2024-001 that we consider to be a significant deficiency.

Although not considered to be significant deficiencies or material weaknesses, we also noted certain items during our audit, which we would like to bring to your attention. These comments are summarized in the following report to management on pages 252 to 260. Our observations and recommendations have been discussed with appropriate members of management and are intended to strengthen internal controls and operating efficiency.

The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

This communication is intended solely for the information and use of the Board of Education, District management, the State Controller's office, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Simpson & Simpson

Current Year Management Letter Comments

ML-2024-001 – Colin User Access

Condition

Our review of Colins users revealed 76 user accounts assigned to retired employees, 61 accounts assigned to withdrawn employees and three (3) accounts assigned to inactive District personnel.

Recommendation

Application user accounts of retired and withdrawn employees be deactivated and subsequently deleted in a timely manner.

Management Response

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Minimal Risk - Access is not possible without an active SSO, and there is no fallback authentication for local accounts.

Compensating Controls

System access requires users to have an active SSO account in addition to provisioning the account in the system. Accounts are deactivated periodically upon request by system owners.

Corrective action

ITS will develop a process to review and remove inactive accounts on a periodic basis.

Target completion: 6/30/2025

Name: Eddard Romero
Title/Division: Senior Administrator, IT Infrastructure/Information Technology Services (ITS)
Telephone: 213.241.1086

Current Year Management Letter Comments

ML-2024-002 – Maximo User Access

Condition

Our review of Maximo users revealed 9 (nine) accounts assigned to retired employees, 3 (three) accounts assigned to withdrawn employees and 2 (two) accounts assigned to inactive District personnel.

Recommendation

Application user accounts of retired, withdrawn and inactive employees should be deactivated and subsequently deleted in a timely manner.

Management Response

Information Technology Services (ITS) agrees with this finding.

Risk Assessment Results

Minimal Risk - Access is not possible without an active SSO, and there is no fallback authentication for local accounts.

Compensating Controls

System access requires users to have an active SSO account in addition to provisioning the account in the system. Accounts are deactivated periodically upon request by system owners.

Corrective Action

ITS will develop a process to review and remove inactive accounts on a periodic basis.

Target completion: 6/30/2025

Name: Eddard Romero
Title/Division: Senior Administrator, IT Infrastructure/Information Technology Services (ITS)
Telephone: 213.241.1086

Current Year Management Letter Comments

ML-2024-003 – Annual Form 700

Condition

We sampled and tested a total of 40 of 3,960 District employees who were required to disclose their personal financial interests on Form 700 – Statement of Economic Interests (Form 700) as a result of being identified as being in a position designated in the District's Conflict of Interest Code that makes or influences financial or governmental decisions. Employees were to submit their 2024 annual Form 700 to the District's Ethics Office (Ethics Office) no later than April 2, 2024, in accordance with the Fair Political Practices Commission (FPPC) guidelines.

We identified a total of 16 employees who did not meet the Ethics Office and FPPC Form 700 submission guidelines as follows:

- 11 employees submitted their Form 700 after the April 2, 2024, deadline.
- Four (4) employees submitted their Form 700 after the April 2, 2024 deadline due to not being added to the filing system in a timely manner.
- One (1) employee has yet to submit their Form 700 as they are on leave.

In accordance with FPPC guidelines, the following two remediation activities may be exercised for late statements:

- The filing officer who retains originally signed or electronically filed statements of economic interests may impose on an individual a fine for any statement that is filed late. The fine is $10 per day up to a maximum of $100. Late filing penalties may be reduced or waived under certain circumstances.
- Persons who fail to file their Form 700 timely may be referred to the FPPC's Enforcement Division (and, in some cases, to the Attorney General or District Attorney) for investigation and possible prosecution. In addition to the late filing penalties from the filing officer, a fine of up to $5,000 per violation may be imposed.

Neither of the above was imposed on the 16 identified employees above.

Recommendation

We recommend that the Ethics Office strengthen its controls over collecting Form 700s by adopting remediation guidelines stipulated by the FPPC to ensure timely submission. Additionally, we recommend the Ethics Office identify and notify required filers timely.

Current Year Management Letter Comments

Management Response

The Ethics Office agrees with the auditor's recommendations and will work to fully implement FPPC guidelines regarding filer notifications, assessment of penalties for late filers and the referral of non-compliant filers to the FPPC's Enforcement Division for action for the 2024/2025 Annual Form 700 filing period. The Ethics Office will issue a Bulletin within the 1st first quarter of the 2025 calendar year outlining filing responsibilities for LAUSD Form 700 filers, including procedures for requesting full and partial waivers of penalties assessed to late filers.

Name: Darlene L. Vargas
Title: Ethics Officer
Contact Information: darlene.vargas@lausd.net

Current Year Management Letter Comments

ML-2024-004 – Procurement of Professional Service Contracts

Condition

We sampled and tested the District's Procurement Services Division (PSD) procurement of 27 professional service agreements entered into during Fiscal Year 2024.

For one sampled consulting agreement, we noted the following:

- The Memorandum of Agreement (agreement) miscalculated the total not-to-exceed value. The agreement stipulates the amount to be $200,000, but based on the consultant's compensation terms, it totals $120,000. The purchase order established in SAP stipulates a not-to-exceed total of $200,000. No corrections have since been made to the agreement or the purchase order.

- The consultant was compensated for work conducted prior to the execution of the agreement. The agreement was executed on February 28, 2024; however, the term covers December 1, 2023, to November 30, 2024. On July 28, 2024, the consultant submitted to the District invoices amounting to $25,000 for work conducted from December 11, 2023, through February 29, 2024.

Per the District's Procurement Manual, Chapter 8, Section F (Accounts Payable Payment of Invoices), item 2.a, (Payment for Services Rendered – After the Fact and Unauthorized Commitments):

> "If the vendor provides services or delivers goods in advance of a valid executed contract or Purchase Order, the vendor does so at its own risk and invoices received will not be processed for payment. Therefore, you must ensure that prior to receipt of services or goods delivered by a vendor, that the appropriate procedures are followed to ensure payment to the vendor. Anyone who willfully and intentionally violates the procedures set forth in this Procurement Manual may be personally liable for the costs of services or goods incurred by the District."

Further, Chapter 9 (Doing Business Ethically and Responsibly with LAUSD), stipulates the following:

> "An executed contract must be entered into between the vendor and the District prior to the vendor providing supplies, equipment and general or professional services rendered. Payment for supplies, equipment and general or professional services may be delayed or denied if a contract is not entered into between the vendor and District prior to performance. Therefore, a vendor should not provide supplies, equipment and general or professional services prior to entering into a contract with the District. Schools/offices should not allow or encourage vendors to provide supplies, equipment and general or professional services without the vendor entering into a contract via PSD."

Recommendation

We recommend that the District strengthen controls over the procurement of professional service agreements to ensure adherence to its Procurement Manual, particularly regarding payments for services performed prior to the execution of an agreement. Additionally, we recommend implementing procedures to promptly correct and resolve any errors identified after an agreement has been executed by amending the agreement and ensuring the purchase order is corrected.

Current Year Management Letter Comments

Management Response

Procurement agrees with the recommendation and will ensure that appropriate policies and procedures are followed when processing professional services agreements. Procurement has a procedure for the timely correction of errors and amending agreements, which Procurement will ensure staff adheres to by conducting refresher training sessions with staff beginning March 2025.

Name: Ericka Y. King
Title: Senior Contract Administration Manager
Telephone: (213) 241-1164

Status of Prior Year Management Letter Comments

ML-2023-001 – SAP Asset Master Record Access

Recommendation

We recommend that SAP accounts associated with retired or terminated personnel be deleted or disabled in a timely manner upon their departure from the District.

Current Status

Implemented.

ML-2023-002 – SAP Create Purchase Order Access

Recommendation

We recommend that SAP accounts associated with retired or terminated personnel be deleted or disabled in a timely manner upon their departure from the District.

Current Status

Implemented.

ML-2023-003 – Student Body Investment Funds

Recommendation

We recommend that the District strengthen controls over the timely collection and reconciliation of student body investment funds to ensure that balances reported by the District reflect the balances maintained by the financial institutions as of June 30, 2023.

Current Status

Implemented.

Status of Prior Year Management Letter Comments

ML-2023-004 – Annual Form 700

Recommendation

We recommend that the Ethics Office strengthen its controls over the collection of Form 700s by adopting remediation guidelines stipulated by the FPPC and implementing procedures to be promptly notified of employee retirements.

Current Status

Partially implemented.

The Ethics Office will issue a Bulletin within the 1st first quarter of the 2025 calendar year outlining filing responsibilities for LAUSD Form 700 filers, including procedures for requesting full and partial waivers of penalties assessed to late filers.

ML-2021-001 - SAP Network Vulnerability

Recommendation

We recommend that District management implement a Vulnerability Management program for SAP. The program should be enforced by documented policy and ensure vulnerabilities are identified and remediated in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

Current Status

Partially implemented, see item FS-2024-002 within the accompanying schedule of findings and questioned costs.

ML-2021-002 – MISIS Network Vulnerability

Recommendation

We recommend that District management implement a Vulnerability Management program for MISIS. The program should be enforced by documented policy and ensure vulnerabilities are identified and remediated in a timely manner. At a minimum, “Critical” and “High” severity level vulnerabilities should be remediated within 30 days of identification.

Current Status

Partially implemented; see item FS-2024-002 within the accompanying schedule of findings and questioned costs.

Status of Prior Year Management Letter Comments

ML-2019-003 - Business Continuity Planning
ML-2016-001 - Business Continuity /IT Disaster Recovery Planning
ML-2014-007 - Business Continuity /IT Disaster Recovery Planning

Recommendation

BCPs should be completed and updated on a regular basis to ensure that operations and IT systems can be effectively recovered, shortcomings are addressed, and the plan remains relevant.

Current Status

Implemented (for ITS):

- Development of non-ITS Branches/Offices Business Continuity Plans (BCP) are no longer under the jurisdiction of ITS

- An ITS Business Recover Plan (BCP) was developed and adopted as of May 6, 2024. The ITS BCP is designed to provide guidance for implementing the District's Business Continuity Plan to ensure ITS can conduct its essential missions and functions in the event of a facilities (office building) disruption or disaster.

- The IT Cloud Disaster Recovery Solution is complete.

ML-2015-002 - Security Management Policy and Procedures

Recommendation

We recommend that Information Technology Services (ITS) management coordinate with District business/operations management to complete an information security plan (e.g., update, adopt and implement the November 2013 plan) and compile a comprehensive set of information security policies and procedures.

Current Status

Implemented.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

THE INFORMATION IN THIS APPENDIX C CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT THE DISTRICT AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS THEREOF. THERE CAN BE NO ASSURANCE THAT THE DEPOSITORY TRUST COMPANY WILL ABIDE BY ITS PROCEDURES OR THAT SUCH PROCEDURES WILL NOT BE CHANGED FROM TIME TO TIME.

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

DTC, the world's largest security depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**. Information on these websites is not incorporated herein by reference.

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

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, security certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC and the requirements of the Resolution with respect to certificated Bonds will apply.

THE DISTRICT, THE COUNTY, THE PAYING AGENT, THE MUNICIPAL ADVISOR, AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (III) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NEITHER THE DISTRICT, THE COUNTY, THE PAYING AGENT, THE MUNICIPAL ADVISOR, NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OR COMPLETENESS OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE BONDS, (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE RESOLUTION, OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE BONDS.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

PROPOSED FORMS OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Best Best & Krieger LLP, Los Angeles, California, Bond Counsel to the Los Angeles Unified School District, will render its approving opinion with respect to the Bonds in substantially the following forms:

May 13, 2025

Board of Education
Los Angeles Unified School District
Los Angeles, California

Re: $430,780,000 Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2024 US Series A-1 (2025) Federally Tax-Exempt (Dedicated Unlimited *Ad Valorem* Property Tax Bonds), $29,645,000 Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2024 US Series A-2 (2025) Federally Taxable (Dedicated Unlimited *Ad Valorem* Property Tax Bonds), and $239,575,000 Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2024 US Series B (2025) Federally Taxable (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance of the Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2024, US Series A-1 (2025) Federally Tax-Exempt (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Series A-1 Bonds"), the Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2024, US Series A-2 (2025) Federally Taxable (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Series A-2 Bonds"), and Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Election of 2024 US Series B (2025) Federally Taxable (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) ("Series B Bonds" and together with the Series A-1 Bonds and Series A-2 Bonds, the "Bonds").

The Bonds are being issued by the County of Los Angeles (the "County") on behalf of the Los Angeles Unified School District (the "District") pursuant to the provisions of Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code (the "Act"), a vote of the qualified electors of the District at an election authorizing general obligation bonds to be issued pursuant to Measure US, and a resolution of the Board of Supervisors of the County adopted on April 1, 2025 (the "County Resolution") at the request of the District pursuant to a resolution adopted by the Board of Education of the District (the "District Board") on March 11, 2025 (the "District Resolution").

We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of these documents and such other documents, instruments, proceedings or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

Based on the foregoing, we are of the opinion that under existing law:

(1) The District Resolution has been duly adopted by the District Board and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

(2) The County Resolution has been duly adopted by the Board of Supervisors of the County and constitutes a valid and binding obligation of the County enforceable against the County in accordance with its terms.

(3) The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount (except as to certain personal property which is taxable at limited rates).

(4) Under existing statutes, regulations, rulings and judicial decisions, interest on the Series A-1 Bonds is excluded from gross income for federal income tax purposes; however, interest on the Series A-1 Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. Although the interest on the Series A-1 Bonds is excluded from gross income for purposes of federal income taxation, the accrual or receipt of interest on the Series A-1 Bonds, or any portion thereof, may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend on the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

(5) Interest on the Bonds is exempt from State of California personal income taxes.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The District Resolution permits certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect of such action on the exclusion from gross income of interest for federal income tax purposes with respect to any Series A-1 Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than as expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest on the Series A-1 Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series A-1 Bonds to assure that such interest will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Series A-1 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series A-1 Bonds. The District has covenanted in the District Resolution to comply with all such requirements.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

May 13, 2025

Board of Education
Los Angeles Unified School District
Los Angeles, California

Re: $248,345,000 Los Angeles Unified School District (County of Los Angeles, California) 2025 General Obligation Refunding Bonds, Series A (Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance of the Los Angeles Unified School District (County of Los Angeles, California) 2025 General Obligation Refunding Bonds, Series A (the "Refunding Bonds").

The Refunding Bonds are being issued by the Los Angeles Unified School District (the "District") pursuant to the provisions of the provisions of Articles 9 and 11 (commencing with Sections 53550 and 53580, respectively) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Bond Law") and a resolution adopted by the Board of Education of the District (the "District Board") on March 11, 2025 (the "District Resolution").

We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of these documents and such other documents, instruments, proceedings or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

Based on the foregoing, we are of the opinion that under existing law:

(1) The District Resolution has been duly adopted by the District Board and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

(2) The Refunding Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount (except as to certain personal property which is taxable at limited rates).

(3) Under existing statutes, regulations, rulings and judicial decisions, interest on the Refunding Bonds is excluded from gross income for federal income tax purposes; however, interest on the Refunding Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. Although the interest on the Refunding Bonds is excluded from gross income for purposes of federal income taxation, the accrual or receipt of interest on the Refunding Bonds, or any portion thereof, may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend on the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

(4) Interest on the Refunding Bonds is exempt from State of California personal income taxes.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The District Resolution permits certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect of such action on the exclusion from gross income of interest for federal income tax purposes with respect to any Refunding Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than as expressly stated herein, we express no opinion regarding tax consequences with respect to the Refunding Bonds.

The opinions expressed herein as to the exclusion from gross income of interest on the Refunding Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Refunding Bonds to assure that such interest will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Refunding Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Refunding Bonds. The District has covenanted in the District Resolution to comply with all such requirements.

The rights of the owners of the Refunding Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate"), dated as of May 1, 2025, is executed and delivered by the Los Angeles Unified School District (the "District") in connection with the issuance of its Bonds (defined herein), which are being issued pursuant to the laws of the State of California and the Resolution (defined herein). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bonds" shall mean, collectively, the Los Angeles Unified School District (County of Los Angeles, California) Election of 2024, General Obligation Bonds, US Series A-1 (2025) Federally Tax-Exempt (Dedicated Unlimited *Ad Valorem* Property Tax Bonds); the Los Angeles Unified School District (County of Los Angeles, California) Election of 2024, General Obligation Bonds, US Series A-2 (2025) Federally Taxable (Dedicated Unlimited *Ad Valorem* Property Tax Bonds); and the Los Angeles Unified School District (County of Los Angeles, California) Election of 2024, General Obligation Bonds, US Series B (2025) Federally Taxable (Dedicated Unlimited *Ad Valorem* Property Tax Bonds).

"County" shall mean the County of Los Angeles, California.

"CUSIP Numbers" shall mean the Committee on Uniform Security Identification Procedure's unique identification number for each public issue of a security.

"Dissemination Agent" shall mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Disclosure Counsel" shall mean an attorney-at-law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the disclosure obligations under the Rule, duly admitted to the practice of law before the highest court of any state of the United States of America.

"EMMA System" shall mean the MSRB's Electronic Municipal Market Access system, the current internet address of which is http://emma.msrb.org.

"Financial Obligation" shall mean, for purposes of the Listed Events set out in Section 6(b)(xv) and Section 6(b)(xvi), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Holder" shall mean either the registered owners of the Bonds, or if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

"Listed Events" shall mean any of the events listed in Section 6(b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate.

"Official Statement" shall mean the Official Statement dated April 23, 2025, with respect to the Bonds.

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean collectively, the resolution adopted by the Board of Education of the District on March 11, 2025, and a resolution adopted by the Board of Supervisors of the County on April 1, 2025.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Transmission of Notices, Documents and Information.

(a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the EMMA System.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB.

Section 4. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than 240 days following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2024-25 fiscal year (which is due not later than February 25, 2026), provide to the MSRB through its EMMA System an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 6(c).

(b) Not later than thirty (30) days (not more than sixty (60) days) prior to the date on which the Annual Report is to be provided pursuant to subsection (a), the Dissemination Agent shall give notice to the District that the Annual Report is so required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB through its EMMA System an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a timely notice of such fact to the MSRB through its EMMA System.

(c) The Dissemination Agent shall: (i) determine each year prior to the date for providing the Annual Report to the EMMA System the date on which such Annual Report shall be due and notify the District of such date; and (ii) (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and that it was provided to the MSRB through the EMMA System.

Section 5. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 4 hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) Table 3 – "Historical Gross Assessed Valuation of Taxable Property" if and to the extent provided to the District by the County;

(ii) Table 5 – "Assessed Valuation and Parcels by Land Use;"

(iii) Table 6 – "Assessed Valuations of Single Family Homes per Parcel;"

(iv) Table 7 – "Largest Local Secured Taxpayers;"

(v) Table 9A – "Secured Tax Charges and Delinquencies," if and to the extent provided to the District by the County;

(vi) Table A-1 – "Average Daily Attendance;"

(vii) Table A-4 – "District General Fund Budget" for the current fiscal year;

(viii) Table A-18 – "Proposition BB (Election of 1997) Bonds," if and only to the extent that bonds issued pursuant to Proposition BB or bonds that have refunded such bonds are outstanding;

(ix) Table A-19 – "Measure K (Election of 2002) Bonds," if and only to the extent that bonds issued pursuant to Measure K or bonds that have refunded such bonds are outstanding;

(x) Table A-20 – "Measure R (Election of 2004) Bonds," if and only to the extent that bonds issued pursuant to Measure R or bonds that have refunded such bonds are outstanding;

(xi) Table A-21 – "Measure Y (Election of 2005) Bonds," if and only to the extent that bonds issued pursuant to Measure Y or bonds that have refunded such bonds are outstanding;

(xii) Table A-22 – "Measure Q (Election of 2008) Bonds," if and only to the extent that bonds issued pursuant to Measure Q or bonds that have refunded such bonds are outstanding;

(xiii) Table A-23 – "Measure RR (Election of 2020) Bonds," if and only to the extent that bonds issued pursuant to Measure RR or bonds that have refunded such bonds are outstanding; and

(xiv) A table in the format of Table A-23 describing bonds issued pursuant to Measure US or bonds that have refunded such bonds, if and only to the extent such bonds or refunding bonds are outstanding.

(c) It shall be sufficient for purposes of Section 4 hereof if the District provides annual financial information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org) or (ii) filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference. The provisions of this Section 5(c) shall not apply to notices of Listed Events pursuant to Section 6 hereof.

(d) The descriptions contained in clause (b) above of financial information and operating data constituting to be included in the Annual Report are of general categories or types of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, or due to changes in accounting practices, legislative or organizational changes, a statement to that effect shall be provided in lieu of such information. Comparable information shall be provided if available.

Section 6. Reporting of Listed Events.

(a) If a Listed Event occurs, the District shall provide or cause to be provided, in a timely manner not in excess of ten (10) Business Days of the District having notice of such Listed Event, notice of such Listed Event to (i) the EMMA System of the MSRB and (ii) the Dissemination Agent.

(b) Pursuant to the provisions of this Section 6, the District shall give, or cause to be given, notice of the occurrence of any of the following events (each, a "Listed Event") with respect to the Bonds;

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) modifications to rights of Holders, if material;

(iv) bond calls, if material and tender offers;

(v) defeasances;

(vi) rating changes;

(vii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (Internal Revenue Service Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(viii) unscheduled draws on the debt service reserves reflecting financial difficulties;

(ix) unscheduled draws on the credit enhancements reflecting financial difficulties;

(x) release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) bankruptcy, insolvency, receivership or similar event of the District (such event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);

(xii) substitution of credit or liquidity providers, or their failure to perform;

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

(xiv) appointment of a successor or additional Paying Agent or the change of name of a Paying Agent, if material;

(xv) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material;

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties; and

(xvii) any amendment or waiver of a provision of this Disclosure Certificate.

The District intends to comply with the Listed Events described in Section 6(b)(xv) and Section 6(b)(xvi), and the definition of "Financial Obligation" in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect the amendments to the Rule effected by the 2018 Release. The District notes that items (viii), (ix), (x) and (xii) are not applicable to the Bonds.

(c) If the District determines that a Listed Event has occurred, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to Section 3 hereof.

(d) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through its EMMA System.

(e) Notwithstanding the foregoing, notice of Listed Events described in subsections (b)(iv) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 7. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Listed Events, the District shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

Section 8. Termination of Reporting Obligation.

(a) The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 6(c).

(b) This Disclosure Certificate, or any provision hereof, shall cease to be effective in the event that the District (1) delivers to the Dissemination Agent an opinion of Disclosure Counsel, addressed to the District and the Dissemination Agent, to the effect that those portions of the Rule which require this Disclosure Certificate, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 9. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the District, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the District shall be the Dissemination Agent and undertake or assume its obligations hereunder. The Dissemination Agent (other than the District) shall not be responsible in any manner for the content of any notice or report required to be delivered by the District pursuant to this Disclosure Certificate.

Section 10. Amendment; Waiver.

(a) This Disclosure Certificate may be amended by the District without the consent of the holders of the Bonds (except to the extent required under clause (a)(iv)(2) below), if all of the following conditions are satisfied:

> (i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the District or the type of business conducted thereby;
>
> (ii) this Disclosure Certificate as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;
>
> (iii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the same effect as set forth in (a)(ii) above;

(iv) either (1) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (2) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders; and

(v) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system within ten (10) Business Days from the execution thereof.

(b) In addition to subsection 10(a) above, this Disclosure Certificate may be amended and any provision of this Disclosure Certificate may be waived, by written certificate of the District, without the consent of the holders of the Bonds, if all of the following conditions are satisfied:

(i) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Disclosure Certificate which is applicable to this Disclosure Certificate;

(ii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that performance by the District under this Disclosure Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and

(iii) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system.

(c) In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 11. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 12. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriters or the Holders or Beneficial Owners of at least 25% of aggregate principal amount of the Bonds then outstanding, shall) or any Holders or Beneficial Owners of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles or in the U.S. District Court in the County of Los Angeles. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 13. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Execution in Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same certificate.

(Signature pages follow)

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: ______________________________________
Christopher D. Mount-Benites
Chief Financial Officer

-Signature Page-
Continuing Disclosure Certificate
(New Money Bonds)

ACKNOWLEDGED AND AGREED TO BY:

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Dissemination Agent

By: ______________________________
Dissemination Agent

-Signature Page-
Continuing Disclosure Certificate
(New Money Bonds)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate"), dated as of May 1, 2025, is executed and delivered by the Los Angeles Unified School District (the "District") in connection with the issuance of its Refunding Bonds (defined herein), which are being issued pursuant to the laws of the State of California and the Refunding Resolution (defined herein). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Refunding Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Refunding Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"County" shall mean the County of Los Angeles, California.

"CUSIP Numbers" shall mean the Committee on Uniform Security Identification Procedure's unique identification number for each public issue of a security.

"Dissemination Agent" shall mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Disclosure Counsel" shall mean an attorney-at-law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the disclosure obligations under the Rule, duly admitted to the practice of law before the highest court of any state of the United States of America.

"EMMA System" shall mean the MSRB's Electronic Municipal Market Access system, the current internet address of which is http://emma.msrb.org.

"Financial Obligation" shall mean, for purposes of the Listed Events set out in Section 6(b)(xv) and Section 6(b)(xvi), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Holder" shall mean either the registered owners of the Refunding Bonds, or if the Refunding Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

"Listed Events" shall mean any of the events listed in Section 6(b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate.

"Official Statement" shall mean the Official Statement dated April 23, 2025, with respect to the Refunding Bonds.

"Participating Underwriters" shall mean the original underwriters of the Refunding Bonds required to comply with the Rule in connection with offering of the Refunding Bonds.

"Refunding Bonds" shall mean the 2025 General Obligation Refunding Bonds, Series A (Dedicated Unlimited *Ad Valorem* Property Tax Bonds).

"Refunding Resolution" shall mean the resolution adopted by the Board of Education of the District on March 11, 2025.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Transmission of Notices, Documents and Information.

(a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the EMMA System.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB.

Section 4. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than 240 days following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2024-25 fiscal year (which is due not later than February 25, 2026), provide to the MSRB through its EMMA System an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 6(c).

(b) Not later than thirty (30) days (not more than sixty (60) days) prior to the date on which the Annual Report is to be provided pursuant to subsection (a), the Dissemination Agent shall give notice to the District that the Annual Report is so required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB through its EMMA System an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a timely notice of such fact to the MSRB through its EMMA System.

(c) The Dissemination Agent shall: (i) determine each year prior to the date for providing the Annual Report to the EMMA System the date on which such Annual Report shall be due and notify the District of such date; and (ii) (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and that it was provided to the MSRB through the EMMA System.

Section 5. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 4 hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) Table 3 **–** "Historical Gross Assessed Valuation of Taxable Property" if and to the extent provided to the District by the County;

(ii) Table 5 **–** "Assessed Valuation and Parcels by Land Use;"

(iii) Table 6 **–** "Assessed Valuations of Single Family Homes per Parcel;"

(iv) Table 7 **–** "Largest Local Secured Taxpayers;"

(v) Table 9A – "Secured Tax Charges and Delinquencies," if and to the extent provided to the District by the County;

(vi) Table A-1 **–** "Average Daily Attendance;"

(vii) Table A-4 **–** "District General Fund Budget" for the current fiscal year;

(viii) Table A-18 – "Proposition BB (Election of 1997) Bonds," if and only to the extent that bonds issued pursuant to Proposition BB or bonds that have refunded such bonds are outstanding;

(ix) Table A-19 – "Measure K (Election of 2002) Bonds," if and only to the extent that bonds issued pursuant to Measure K or bonds that have refunded such bonds are outstanding;

(x) Table A-20 – "Measure R (Election of 2004) Bonds," if and only to the extent that bonds issued pursuant to Measure R or bonds that have refunded such bonds are outstanding;

(xi) Table A-21 – "Measure Y (Election of 2005) Bonds," if and only to the extent that bonds issued pursuant to Measure Y or bonds that have refunded such bonds are outstanding;

(xii) Table A-22 – "Measure Q (Election of 2008) Bonds," if and only to the extent that bonds issued pursuant to Measure Q or bonds that have refunded such bonds are outstanding;

(xiii) Table A-23 – "Measure RR (Election of 2020) Bonds," if and only to the extent that bonds issued pursuant to Measure RR or bonds that have refunded such bonds are outstanding; and

(xiv) A table in the format of Table A-23 describing bonds issued pursuant to Measure US or bonds that have refunded such bonds, if and only to the extent such bonds or refunding bonds are outstanding.

(c) It shall be sufficient for purposes of Section 4 hereof if the District provides annual financial information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org) or (ii) filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference. The provisions of this Section 5(c) shall not apply to notices of Listed Events pursuant to Section 6 hereof.

(d) The descriptions contained in clause (b) above of financial information and operating data constituting to be included in the Annual Report are of general categories or types of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, or due to changes in accounting practices, legislative or organizational changes, a statement to that effect shall be provided in lieu of such information. Comparable information shall be provided if available.

Section 6. Reporting of Listed Events.

(a) If a Listed Event occurs, the District shall provide or cause to be provided, in a timely manner not in excess of ten (10) Business Days of the District having notice of such Listed Event, notice of such Listed Event to (i) the EMMA System of the MSRB and (ii) the Dissemination Agent.

(b) Pursuant to the provisions of this Section 6, the District shall give, or cause to be given, notice of the occurrence of any of the following events (each, a “Listed Event”) with respect to the Refunding Bonds;

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) modifications to rights of Holders, if material;

(iv) bond calls, if material and tender offers;

(v) defeasances;

(vi) rating changes;

(vii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (Internal Revenue Service Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Refunding Bonds, or other material events affecting the tax status of the Refunding Bonds;

(viii) unscheduled draws on the debt service reserves reflecting financial difficulties;

(ix) unscheduled draws on the credit enhancements reflecting financial difficulties;

(x) release, substitution or sale of property securing repayment of the Refunding Bonds, if material;

(xi) bankruptcy, insolvency, receivership or similar event of the District (such event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);

(xii) substitution of credit or liquidity providers, or their failure to perform;

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

(xiv) appointment of a successor or additional Paying Agent or the change of name of a Paying Agent, if material;

(xv) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material;

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties; and

(xvii) any amendment or waiver of a provision of this Disclosure Certificate.

The District intends to comply with the Listed Events described in Section 6(b)(xv) and Section 6(b)(xvi), and the definition of "Financial Obligation" in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect the amendments to the Rule effected by the 2018 Release. The District notes that items (viii), (ix), (x) and (xii) are not applicable to the Refunding Bonds.

(c) If the District determines that a Listed Event has occurred, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to Section 3 hereof.

(d) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through its EMMA System.

(e) Notwithstanding the foregoing, notice of Listed Events described in subsections (b)(iv) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 7. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Listed Events, the District shall indicate the full name of the Refunding Bonds and the 9-digit CUSIP numbers for the Refunding Bonds as to which the provided information relates.

Section 8. Termination of Reporting Obligation.

(a) The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Refunding Bonds. If such termination occurs prior to the final maturity of the Refunding Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 6(c).

(b) This Disclosure Certificate, or any provision hereof, shall cease to be effective in the event that the District (1) delivers to the Dissemination Agent an opinion of Disclosure Counsel, addressed to the District and the Dissemination Agent, to the effect that those portions of the Rule which require this Disclosure Certificate, or such provision, as the case may be, do not or no longer apply to the Refunding Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 9. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the District, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the District shall be the Dissemination Agent and undertake or assume its obligations hereunder. The Dissemination Agent (other than the District) shall not be responsible in any manner for the content of any notice or report required to be delivered by the District pursuant to this Disclosure Certificate.

Section 10. Amendment; Waiver.

(a) This Disclosure Certificate may be amended by the District without the consent of the holders of the Refunding Bonds (except to the extent required under clause (a)(iv)(2) below), if all of the following conditions are satisfied:

(i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the District or the type of business conducted thereby;

(ii) this Disclosure Certificate as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(iii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the same effect as set forth in (a)(ii) above;

(iv) either (1) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that the amendment does not materially impair the interests of the holders of the Refunding Bonds or (2) is approved by the Holders of the Refunding Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders; and

(v) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system within ten (10) Business Days from the execution thereof.

(b) In addition to subsection 10(a) above, this Disclosure Certificate may be amended and any provision of this Disclosure Certificate may be waived, by written certificate of the District, without the consent of the holders of the Refunding Bonds, if all of the following conditions are satisfied:

(i) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Disclosure Certificate which is applicable to this Disclosure Certificate;

(ii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that performance by the District under this Disclosure Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and

(iii) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system.

(c) In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 11. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 12. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriters or the Holders or Beneficial Owners of at least 25% of aggregate principal amount of the Refunding Bonds then outstanding, shall) or any Holders or Beneficial

Owners of the Refunding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles or in the U.S. District Court in the County of Los Angeles. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 13. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Refunding Bonds.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Refunding Bonds, and shall create no rights in any other person or entity.

Section 15. Execution in Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same certificate.

(Signature pages follow)

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: ____________________________________
Christopher D. Mount-Benites
Chief Financial Officer

-*Signature Page*-
Continuing Disclosure Certificate
(Refunding Bonds)

ACKNOWLEDGED AND AGREED TO BY:

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Dissemination Agent

By: ____________________________________
Dissemination Agent

-Signature Page-
Continuing Disclosure Certificate
(Refunding Bonds)

APPENDIX F

THE LOS ANGELES COUNTY TREASURY POOL

The Treasurer and Tax Collector of the County of Los Angeles (the "Treasurer") manages, in accordance with California Government Code Section 53600 et seq., funds deposited with the Treasurer by County school and community college districts, various special districts, and some cities. State law generally requires that all moneys of the County, school districts, and certain special districts be held in the County's Treasury Pool (the "Treasury Pool") as described below. The composition and value of investments under management in the Treasury Pool vary from time to time, depending on the cash flow needs of the County and the other public agencies invested in the Treasury Pool, the maturity or sale of investments, purchase of new securities and fluctuations in interest rates generally. Additionally, the Treasurer, with the consent of the Board of Supervisors of the County of Los Angeles (the "County"), may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Neither the District, the Municipal Advisor nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained herein is correct as of any time subsequent to its date. The Treasurer maintains a website, the address of which is ***https://ttc.lacounty.gov/monthly-reports/****, on which the Treasurer periodically places information relating to the Treasury Pool. The information presented there, however, is not part of this Official Statement, is not incorporated by reference herein and should not be relied upon in making an investment decision with respect to the Bonds.*

The County of Los Angeles Pooled Surplus Investments

The Treasurer and Tax Collector (the "Treasurer") of the County of Los Angeles (the "County") has the delegated authority to invest funds on deposit in the County Treasury (the "Treasury Pool"). As of February 28, 2025, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

Local Agency	Invested Funds (in billions)
County of Los Angeles and Special Districts	$23.852
Schools and Community Colleges	29.052
Discretionary Participants	3.889
Total	$56.793

The Treasury Pool participation composition is as follows:

Non-discretionary Participants	93.16%
Discretionary Participants:	
Independent Public Agencies	6.72
County Bond Proceeds and Repayment Funds	0.12
Total	100.00%

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 19, 2024, reaffirmed the following criteria and order of priority for selecting investments:

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

The Treasurer prepares a monthly Report of Investments (the "Investment Report") summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated as of March 31, 2025, the February 28, 2025 book value of the Treasury Pool was approximately $56.793 billion, and the corresponding market value was approximately $55.069 billion.

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

The following table identifies the types of securities held by the Treasury Pool as of February 28, 2025:

Type of Investment	**% of Pool**
Certificates of Deposit	3.35%
U.S. Government and Agency Obligations	71.76
Bank Acceptances	0.00
Commercial Paper	24.84
Municipal Obligations	0.05
Corporate Notes & Deposit Notes	0.00
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
	100.00%

The Treasury Pool is highly liquid. As of February 28, 2025, approximately 39.65% of the investments mature within 60 days, with an average of 673 days to maturity for the entire portfolio.