

LOS ANGELES UNIFIED SCHOOL DISTRICT

Measure K, Measure R, Measure Y,
Measure Q, and Measure RR
School Bond Construction Programs
Audited Financial Statements Year
Ended June 30, 2024



LOS ANGELES UNIFIED SCHOOL DISTRICT
DISTRICT BOND FUNDS
Year Ended June 30, 2024

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Independent Auditor's Report

The Honorable Board of Education and
School Construction Bond Citizens' Oversight Committee
Los Angeles Unified School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Los Angeles Unified School District (the District) **District Bond Funds (Measure K, Measure R, Measure Y, Measure Q, and Measure RR General Obligation Bonds)** as of and for the year ended June 30, 2024, and the related notes to the 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 Los Angeles Unified School District's (the District), District Bond Funds (Measure K, Measure R, Measure Y, Measure Q, and Measure RR General Obligation Bonds) as of June 30, 2024, and the respective changes in financial position 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. 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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the financial activity and balances of the District Bond Funds (Measure K, Measure R, Measure Y, Measure Q, and Measure RR General Obligation Bonds), and do not purport to, and do not, present fairly the financial position of the Los Angeles Unified School District, as of June 30, 2024, or the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

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

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

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.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's District Bond Funds (Measure K, Measure R, Measure Y, Measure Q, and Measure RR General Obligation Bonds) financial statements. The statement of bond expenditures and the related notes on pages 18 to 19 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of sources and uses of funds and fund balance and related notes on pages 20 to 22, and the schedule of bond expenditures and related notes on pages 23 to 28 but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 March 24, 2025, 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 other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'Simpson & Simpson', written in a cursive style.

Los Angeles, California
March 24, 2025

LOS ANGELES UNIFIED SCHOOL DISTRICT
DISTRICT BOND FUNDS
Balance Sheet
Year Ended June 30, 2024
(in thousands)

	<u>Measure K</u>	<u>Measure R</u>	<u>Measure Y</u>	<u>Measure Q</u>	<u>Measure RR</u>	<u>Total District Bond Funds</u>
Assets						
Cash in county treasury, in banks, and on hand	\$ 64,261	\$ 64,329	\$ 73,143	\$ 503,795	\$ 683,272	\$ 1,388,800
Accrued interest receivable	725	741	821	6,534	8,225	17,046
Prepays	101	-	-	-	-	101
Total Assets	<u>65,087</u>	<u>65,070</u>	<u>73,964</u>	<u>510,329</u>	<u>691,497</u>	<u>1,405,947</u>
Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflow of Resources	<u>\$ 65,087</u>	<u>\$ 65,070</u>	<u>\$ 73,964</u>	<u>\$ 510,329</u>	<u>\$ 691,497</u>	<u>\$ 1,405,947</u>
Liabilities and Fund Balances						
Vouchers and accounts payable	\$ 11,518	\$ 549	\$ 3,473	\$ 28,432	\$ 21,084	\$ 65,056
Contracts payable	2,337	469	199	71,783	54,915	129,703
Accrued payroll	6	64	107	6,502	528	7,207
Other payables	924	699	1,206	7,687	238	10,754
Total Liabilities	<u>14,785</u>	<u>1,781</u>	<u>4,985</u>	<u>114,404</u>	<u>76,765</u>	<u>212,720</u>
Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balances						
Nonspendable	101	-	500	-	-	601
Restricted	50,201	63,289	68,479	395,925	614,732	1,192,626
Total Fund Balances	<u>50,302</u>	<u>63,289</u>	<u>68,979</u>	<u>395,925</u>	<u>614,732</u>	<u>1,193,227</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 65,087</u>	<u>\$ 65,070</u>	<u>\$ 73,964</u>	<u>\$ 510,329</u>	<u>\$ 691,497</u>	<u>\$ 1,405,947</u>

See accompanying notes to financial statements.

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

	<u>Measure K</u>	<u>Measure R</u>	<u>Measure Y</u>	<u>Measure Q</u>	<u>Measure RR</u>	<u>Total District Bond Funds</u>
Revenues						
Other local revenues	\$ 4,697	\$ 4,274	\$ 5,443	\$ 38,947	\$ 29,944	\$ 83,305
Total Revenues	<u>4,697</u>	<u>4,274</u>	<u>5,443</u>	<u>38,947</u>	<u>29,944</u>	<u>83,305</u>
Expenditures						
Current						
Classified salaries	(160)	534	842	50,598	(175)	51,639
Employee benefits	(34)	283	443	28,832	281	29,805
Books and supplies	750	192	470	1,931	52	3,395
Services and other operating expenditures	1,928	1,926	305	29,034	15,668	48,861
Capital outlay	29,421	6,562	12,887	648,175	253,673	950,718
Debt Service Principal	3	-	-	-	-	3
Total Expenditures	<u>31,908</u>	<u>9,497</u>	<u>14,947</u>	<u>758,570</u>	<u>269,499</u>	<u>1,084,421</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(27,211)</u>	<u>(5,223)</u>	<u>(9,504)</u>	<u>(719,623)</u>	<u>(239,555)</u>	<u>(1,001,116)</u>
Other Financing Sources (Uses)						
Transfers in	2,499	581	1,995	105,807	43	110,925
Transfers out	(6)	(134)	(339)	(1,313)	(364)	(2,156)
Proceeds from issuance of bonds	-	-	-	525,000	325,000	850,000
Total Other Financing Sources (Uses)	<u>2,493</u>	<u>447</u>	<u>1,656</u>	<u>629,494</u>	<u>324,679</u>	<u>958,769</u>
Net Changes in Fund Balances	<u>(24,718)</u>	<u>(4,776)</u>	<u>(7,848)</u>	<u>(90,129)</u>	<u>85,124</u>	<u>(42,347)</u>
Fund Balances, July 1, 2023	<u>75,020</u>	<u>68,065</u>	<u>76,827</u>	<u>486,054</u>	<u>529,608</u>	<u>1,235,574</u>
Fund Balances, June 30, 2024	<u>\$ 50,302</u>	<u>\$ 63,289</u>	<u>\$ 68,979</u>	<u>\$ 395,925</u>	<u>\$ 614,732</u>	<u>\$ 1,193,227</u>

See accompanying notes to financial statements.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

(1) Summary of Significant Accounting Policies

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

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

On November 5, 2002, Los Angeles voters authorized \$3.350 billion in general obligation bonds (Measure K) for various purposes including new construction, acquisition, rehabilitation and upgrading of specifically identified school facilities. The measure was approved by 68% of the voters.

On March 2, 2004, Los Angeles voters authorized \$3.870 billion in general obligation bonds (Measure R) for various purposes including new construction, acquisition, rehabilitation and upgrading of specifically identified school facilities and installation and upgrading of information-technology infrastructure. The measure was approved by 63% of the voters.

On November 8, 2005, Los Angeles voters authorized \$3.985 billion in general obligation bonds (Measure Y) for various purposes including new construction, acquisition, rehabilitation and upgrading of specifically identified school facilities and installation and upgrading of information-technology infrastructure. The measure was approved by 66% of the voters.

On November 4, 2008, Los Angeles voters authorized \$7.000 billion in general obligation bonds (Measure Q) for various purposes including new construction, acquisition, rehabilitation and upgrading of specifically identified school facilities and installation and upgrading of information-technology infrastructure. The measure was approved by 69% of the voters.

On November 3, 2020, Los Angeles voters authorized \$7.000 billion in general obligation bonds (Measure RR) for various purposes including new construction, acquisition, rehabilitation and upgrading of specifically identified school facilities and implementing COVID-19 facility safety standards. The measure was approved by 71% of the voters.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

The Statements are presented for the individual Measures K, R, Y, Q, and RR, General Obligation Bonds of the District, consisting of Election of 2002, Series A and B, Election of 2004, Series A, B, and C, Election of 2005, Series A, B, D, H, J-1, J-2, and M-1, Election of 2008, Series A, B-1, C, and multi-measure issuances Series RYQ (2020), RYRR (2021), QRR (2022), and QRR (2023).

(b) *Measurement Focus and Basis of Accounting*

The 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 require consideration of the materiality of the item in question and due regard for the practicality of accrual, as well as consistency in application.

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.

(c) *Financial Statement Presentation*

The financial statements include the activity and balances of Measures K, R, Y, Q and RR General Obligation Bonds, only. These financial statements are not intended to present the financial position and results of operations of the District as a whole.

(d) *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.

(e) *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.

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.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

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.

(f) *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.

(g) *Contracts Payable*

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

(h) *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.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

(i) *New Pronouncements*

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) **Cash and Investments**

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

Balance Sheet	Measure K	Measure R	Measure Y	Measure Q	Measure RR
Cash	\$ 64,261	\$ 64,329	\$ 73,143	\$ 503,795	\$ 683,272
Cash held by trustee	-	-	-	-	-
Total cash and investments	\$ 64,261	\$ 64,329	\$ 73,143	\$ 503,795	\$ 683,272

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

	Measure K	Measure R	Measure Y	Measure Q	Measure RR
Cash on hand	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits with financial institutions and Los Angeles County Pool	64,261	64,329	73,143	503,795	683,272
Total cash and investments	\$ 64,261	\$ 64,329	\$ 73,143	\$ 503,795	\$ 683,272

Deposits (all funds) with financial institutions include cash in the Los Angeles County Pooled Surplus Investment Fund (\$1,388.8 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.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

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 <http://ttax.co.la.ca.us/>. The table below identifies some of the investment types permitted in the 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 bonds and limited to highest credit rating categories	None	None	None
N.	Securities Lending Agreement	180 days	20% of base portfolio value (combined total value of reverse repurchase agreements and securities lending)	None
O.	Supranationals in accordance with Gov. Code 53601(q)	5 years	30% of PSI portfolio	with credit rating limits

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

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

Credit risk means the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment, as measured by assignment of a rating by a nationally recognized statistical rating organization.

This County's investment guidelines establish minimum acceptable credit ratings issued by any three nationally recognized statistical rating organizations. The investment limit varies by credit rating, but the rating must be no less than A1 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.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

(3) Long Term Obligations

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, 2024		Interest Rates to Maturity		Final Maturity
					Min	Max	
Election of 2005, H (2009)	10/15/2009	\$ 318,800	\$ 318,800	(a)	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
			<u>\$ 10,723,385</u>	*			

* 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.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

The breakdown of the outstanding General Obligation Bonds by Proposition and Measure are:

Bond Issue	BB	K	R	Y	Q	RR	Total
Election of 2005, H (2009)	\$ -	\$ -	\$ -	\$ 318,800	\$ -	\$ -	\$ 318,800
Election of 2005, J-1 (2010)	-	-	-	190,195	-	-	190,195
Election of 2005, J-2 (2010)	-	-	-	100,000	-	-	100,000
2014B Refunding	-	30,165	-	-	-	-	30,165
2014C Refunding	-	-	86,100	-	-	-	86,100
2014D Refunding	-	-	-	15,600	-	-	15,600
2015A Refunding	51,055	-	-	-	-	-	51,055
Election of 2008, A(2016)	-	-	-	-	320,505	-	320,505
2016A Refunding	88,535	-	29,265	50,385	-	-	168,185
2016B Refunding	-	224,920	176,455	96,865	-	-	498,240
2017A Refunding	69,015	629,645	-	-	-	-	698,660
Election of 2005, Series M-1 (2018)	-	-	-	101,735	-	-	101,735
Election of 2008, Series B-1 (2018)	-	-	-	-	949,510	-	949,510
2019A Refunding	-	118,625	263,255	71,220	-	-	453,100
Series RYQ (2020)	-	-	28,070	141,905	565,240	-	735,215
2020A Refunding	-	107,445	102,125	74,215	-	-	283,785
Measure Q, Series C (2020)	-	-	-	-	855,585	-	855,585
2021A Refunding	25,290	-	-	-	160,360	-	185,650
Series RYRR (2021)	-	-	103,830	58,745	-	251,220	413,795
2021B Refunding	-	47,015	-	-	-	-	47,015
Series QRR (2022)	-	-	-	-	95,060	348,955	444,015
Series QRR (2023)	-	-	-	-	494,890	306,640	801,530
2024A Refunding	-	193,740	1,243,800	1,537,405	-	-	2,974,945
							-
Totals	\$ 233,895	\$ 1,351,555	\$ 2,032,900	\$ 2,757,070	\$ 3,441,150	\$ 906,815	\$ 10,723,385

(4) Debt Liquidation

Payments on the General Obligation Bonds are made through the District's debt service funds.

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

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.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

(6) Interfund Transfers

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	Transfer In	Transfer (Out)
General Fund	Building Fund – Measure K	Reimbursement of capital expenditures	\$ 14	\$ -
General Fund	Building Fund – Measure Q	Reimbursement of capital expenditures	10	-
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 R	General Fund	Reimbursement of capital expenditures	-	(12)
Building Fund – Measure R	Building Fund – Measure K	Reimbursement of capital expenditures	120	(120)
Building Fund – Measure R	Building Fund – Measure Q	Reimbursement of capital expenditures	1	(1)
Building Fund – Measure R	Building Fund – Measure RR	Reimbursement of capital expenditures	1	(1)
Building Fund – Measure K	Building Fund – Measure R	Reimbursement of capital expenditures	1	(1)
Building Fund – Measure K	Building Fund – Measure Q	Reimbursement of capital expenditures	3	(3)
Building Fund – Measure K	Building Fund – Measure RR	Reimbursement of capital expenditures	2	(2)
Building Fund – Measure RR	General Fund	Reimbursement of capital expenditures	-	(99)
Building Fund – Measure RR	Building Fund – Measure R	Reimbursement of capital expenditures	245	(245)
Building Fund – Measure RR	Building Fund – Measure Q	Reimbursement of capital expenditures	20	(20)
Building Fund – Measure Y	Adult Fund	Reimbursement of capital expenditures	-	(1)
Building Fund – Measure Y	Building Fund – Measure R	Reimbursement of capital expenditures	133	(133)
Building Fund – Measure Y	Building Fund – Measure K	Reimbursement of capital expenditures	158	(158)
Building Fund – Measure Y	Building Fund – Measure Q	Reimbursement of capital expenditures	9	(9)
Building Fund – Measure Y	Building Fund – Measure RR	Reimbursement of capital expenditures	38	(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	(17)
Building Fund – Measure Q	Building Fund – Measure K	Reimbursement of capital expenditures	1,035	(1,035)
Building Fund – Measure Q	Building Fund – Measure Y	Reimbursement of capital expenditures	14	(14)
Building Fund – Measure Q	Building Fund – Measure RR	Reimbursement of capital expenditures	2	(2)
Building Fund – Measure Q	County School Facilities - Prop 47	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	-
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			\$ 110,925	\$ (2,156)

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

(7) Fund Equity

The following is a summary of fund balances at June 30, 2024 (in thousands):

	Measure K	Measure R	Measure Y	Measure Q	Measure RR
Nonspendable					
Revolving cash and imprest funds	\$ -	\$ -	\$ 500	\$ -	\$ -
Prepays	101	-	-	-	-
Total Nonspendable Balances	\$ 101	\$ -	\$ 500	\$ -	\$ -
Restricted for					
District Bonds	\$ 50,201	\$ 63,289	\$ 68,479	\$ 395,925	\$ 614,732
Total Fund Balances	\$ 50,302	\$ 63,289	\$ 68,979	\$ 395,925	\$ 614,732

Nonspendable fund balances represent amounts that cannot be spent either because they are in Non spendable 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.

(8) 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, demoted, suspended, and laid-off 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) 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.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

Year Ended June 30, 2024

(9) Subsequent Events

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.

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LOS ANGELES UNIFIED SCHOOL DISTRICT
DISTRICT BOND FUNDS
Statement of Bond Expenditures
Year Ended June 30, 2024
(in thousands)

Cost Category	Measure K	Measure R	Measure Y	Measure Q	Measure RR	Total District Bond Funds
Facilities Services Division Capital Programs						
New Construction	\$ 610	\$ 149	\$ -	\$ -	\$ -	\$ 759
School Modernization	27,302	3,410	2,844	578,970	185,676	798,202
Information Technology Network Upgrade	-	-	-	-	-	-
Adult and Career Education	-	(30)	303	487	113	873
Early Childhood Education	541	3,925	2,091	17,196	2,074	25,827
Charter Schools	79	13	-	37,954	2,224	40,270
Indirect Costs	3,299	44	311	97,579	11,901	113,134
Total FSD Capital Programs	<u>31,831</u>	<u>7,511</u>	<u>5,549</u>	<u>732,186</u>	<u>201,988</u>	<u>979,065</u>
Information Technology Division Capital Programs						
Classroom Technology Modernization	-	(6)	-	(753)	1	(758)
School Network Modernization	(18)	(43)	-	1,217	-	1,156
Safety, Communications and Security Modernization	101	1,994	8,427	7,759	65,761	84,042
My Integrated Student Information System	-	-	-	-	-	-
Disaster Recovery & Business Continuity	-	200	-	11,750	-	11,950
Enterprise Software Systems	-	(25)	1,310	166	-	1,451
Total ITD Capital Programs	<u>83</u>	<u>2,120</u>	<u>9,737</u>	<u>20,139</u>	<u>65,762</u>	<u>97,841</u>
Transportation (Buses)	-	-	-	-	-	-
Library Services	-	-	-	-	-	-
Other Costs						
Cost of Issuance	-	-	-	1,411	2,113	3,524
Office of Bond Compliance	-	-	-	1,440	-	1,440
Office of Inspector General	-	-	-	4,707	-	4,707
Total Other Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,558</u>	<u>2,113</u>	<u>9,671</u>
Other Financing Uses						
Transportation (Buses): Transfers Out to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 31,914</u>	<u>\$ 9,631</u>	<u>\$ 15,286</u>	<u>\$ 759,883</u>	<u>\$ 269,863</u>	<u>\$ 1,086,577</u>

See accompanying unaudited report and notes to statement of bond expenditures.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Statement of Bond Expenditures

Year Ended June 30, 2024

(1) **Basis of Presentation**

The accompanying statement of bond expenditures has been prepared in conformity with U.S. generally accepted accounting principles. The accompanying statement of bond expenditures reflects the flow of current financial resources measurement focus and is presented on the modified accrual basis of accounting.

The Proposition 39, Smaller Classes, Safer Schools and Financial Accountability Act, requires an annual, independent financial audit of the expenditures of proceeds from the sale of the school facilities bonds until all the proceeds have been expended. Accordingly, the statement of bond expenditures includes all amounts expended using bond proceeds regardless of expenditure types.

a) Actual Expenditures Incurred

The amounts included within the accompanying statement of bond expenditures represent expenditures paid or accrued by the District for the year ended June 30, 2024, adjusted by discounts received from the vendors. The expenditure amounts include expenditures of bond proceeds, reimbursements of bond proceeds, and interest earned.

b) Cost Category

The major cost categories represent bond programs funded by the bond. The cost category “Indirect costs” refers to all expenditures that cannot be reasonably attributed to individual projects.

An example of “Indirect Costs” is program management. Program management includes program-level support costs for staff members of the Facilities Executive Office and Facilities Services Division (FSD) branches as well as costs of other support staff such as the Office of the General Counsel, Inspector General, Accounts Payable, and Risk Management.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
DISTRICT BOND FUNDS**

Supplementary Schedule of Sources and Uses of Funds and Fund Balance
Period from Inception through June 30, 2024
(in thousands)
(unaudited)

	Measure K
Voter Approved Bond Authorization	\$ 3,350,000
Date of Election	11/5/2002
Sources of funds	
Bonds issued	\$ 3,350,000
Adjustments - bond premium and cost of issuance/ underwriter's discount	4,370
Interest income	164,406
Federal income	-
Local income	(1,056)
Other financing sources - PY Proceeds from Cap Leases	9
Other financing sources - transfers in	807,117
Total sources of funds	<u>4,324,846</u>
Uses of funds	
Facilities Services Division Capital Programs	4,087,153
Information Technology Division Capital Programs	128,754
Library Services	37,949
Transportation (Buses)	-
Other costs	20,688
Other financing uses - transfers out	-
Total uses of funds	<u>4,274,544</u>
Fund balance, June 30, 2024	<u><u>\$ 50,302</u></u>

See accompanying notes to statement of bond expenditures.

LOS ANGELES UNIFIED SCHOOL DISTRICT
DISTRICT BOND FUNDS

Supplementary Schedule of Sources and Uses of Funds and Fund Balance

Period from Inception through June 30, 2024

(in thousands)

(unaudited)

(continued)

Measure R	Measure Y	Measure Q	Measure RR	Total District Bond Funds
\$ 3,870,000 3/2/2004	\$ 3,985,000 11/8/2005	\$ 7,000,000 11/4/2008	\$ 7,000,000 11/3/2020	\$ 25,205,000
\$ 3,870,000	\$ 3,985,000	\$ 4,275,955	\$ 1,025,000	\$ 16,505,955
8,635	5,948	-	-	18,953
159,154	109,798	100,841	45,025	579,224
1,752	-	-	-	1,752
42,822	35,210	(13,041)	(27,211)	36,724
-	-	-	-	9
1,018,131	539,085	1,134,975	47	3,499,355
5,100,494	4,675,041	5,498,730	1,042,861	20,641,972
4,296,627	3,945,140	4,688,597	320,607	17,338,124
497,709	195,142	304,317	85,986	1,211,908
51,402	3,934	-	-	93,285
-	24,319	-	-	24,319
35,108	54,038	46,122	11,250	167,206
156,359	383,489	63,769	10,286	613,903
5,037,205	4,606,062	5,102,805	428,129	19,448,745
\$ 63,289	\$ 68,979	\$ 395,925	\$ 614,732	\$ 1,193,227

LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Supplementary Schedule of Sources and Uses of Funds and Fund Balance

Period from Inception through June 30, 2024

(Unaudited)

(1) Basis of Presentation

The accompanying unaudited supplementary schedule of sources and uses of funds and fund balance has been prepared in conformity with U.S. generally accepted accounting principles. The accompanying unaudited supplementary schedule of sources and uses of funds and fund balance reflects the flow of current financial resources measurement focus and is presented on the modified accrual basis of accounting. Prop 39 requires an annual, independent audit of the expenditures of proceeds from the sale of school facilities bonds until all the proceeds have been expended. Accordingly, the unaudited supplementary schedule of sources and uses of funds and fund balance includes all amounts received and expended using bond proceeds, regardless of expenditure types, from voter approval.

a) Sources of Funds

The amounts included under sources of funds include all funds received from various sources, including bonds issued, interest income, local sources, and transfers from other funds since voter approval.

b) Uses of Funds

The amounts included under uses of funds represent actual expenditures paid or accrued by the District for the period from voter approval through June 30, 2024, adjusted by discounts received from the vendors. The major cost categories represent bond programs funded by the bond.

Other financing uses – transfers out represent financial accounting transfers of bond proceeds (inter-fund transactions of revenue) from the bond fund to other funds for approved financing uses of bond funds. One example is reimbursement of prior year bond eligible capital expenditures in the general fund. For cost accounting purposes, when project tracking is required, transfers are represented as project expenditures in the bond fund.

c) Fund Balance

The amounts included as Fund Balance represent the difference between the sources and uses of funds from inception through June 30, 2024.

LOS ANGELES UNIFIED SCHOOL DISTRICT
MEASURE K SCHOOL BOND CONSTRUCTION PROGRAM
Supplementary Schedule of Bond Expenditures
Period from November 5, 2002 (Inception) through June 30, 2024
(in thousands)
(unaudited)

Cost Category	Adjusted Budget	Actual Expenditures Incurred			Unexpended Balance
		November 5, 2002 (Inception) through June 30, 2023	Expenditures Year Ended June 30, 2024	Total Expenditures through June 30, 2024	
Facilities Services Division					
Capital Programs					
New Construction	\$ 2,928,666	\$ 2,880,749	\$ 610	\$ 2,881,359	\$ 47,307
School Modernization	904,767	876,837	27,302	904,139	628
Adult and Career Education	-	-	-	-	-
Early Childhood Education	80,000	77,347	541	77,888	2,112
Charter Schools	53,500	53,255	79	53,334	166
Indirect Costs	170,434	167,134	3,299	170,433	1
Total FSD Capital Programs	4,137,367	4,055,322	31,831	4,087,153	50,214
Information Technology Division					
Capital Programs					
Virtual Learning Complex Planning	1,910	1,891	-	1,891	19
School Network Modernization	120,853	120,853	(18)	120,835	18
Safety, Communications and Security Modernization	6,028	5,927	101	6,028	-
Total ITD Capital Programs	128,791	128,671	83	128,754	37
Library Services	38,000	37,949	-	37,949	51
Other Costs					
Employee Benefits	3,780	3,780	-	3,780	-
Cost of Issuance	5,658	5,658	-	5,658	-
Office of Inspector General	11,250	11,250	-	11,250	-
Total Other Costs	20,688	20,688	-	20,688	-
Total Bond Expenditures and Other Financing Uses	\$ 4,324,846	\$ 4,242,630	\$ 31,914	\$ 4,274,544	\$ 50,302

See accompanying notes to unaudited supplementary schedule of bond expenditures.

LOS ANGELES UNIFIED SCHOOL DISTRICT
MEASURE R SCHOOL BOND CONSTRUCTION PROGRAM

Supplementary Schedule of Bond Expenditures
Period from March 2, 2004 (Inception) through June 30, 2024
(in thousands)
(unaudited)

Cost Category	Adjusted Budget	Actual Expenditures Incurred			Unexpended Balance
		March 2, 2004 (Inception) through June 30, 2023	Expenditures Year Ended June 30, 2024	Total Expenditures through June 30, 2024	
Facilities Services Division Capital Programs					
New Construction	\$ 1,818,855	\$ 1,808,904	\$ 149	\$ 1,809,053	\$ 9,802
School Modernization	2,111,345	2,067,977	3,410	2,071,387	39,958
Information Technology					
Network Upgrade	303	302	-	302	1
Adult and Career Education	25,000	24,699	(30)	24,669	331
Early Childhood Education	94,196	85,249	3,925	89,174	5,022
Charter Schools	71,885	69,830	13	69,843	2,042
Indirect Costs	232,205	232,155	44	232,199	6
Total FSD Capital Programs	<u>4,353,789</u>	<u>4,289,116</u>	<u>7,511</u>	<u>4,296,627</u>	<u>57,162</u>
Information Technology Division Capital Programs					
Classroom Technology Modernization	154,180	152,058	(6)	152,052	2,128
School Network Modernization	256,609	254,625	(43)	254,582	2,027
Safety, Communications and Security	-	-	-	-	-
Modernization	13,586	11,532	1,994	13,526	60
My Integrated Student Information System	53,966	53,966	-	53,966	-
Disaster Recovery & Business Continuity	21,535	21,335	200	21,535	-
Enterprise Software Systems	2,078	2,073	(25)	2,048	30
Total ITD Capital Programs	<u>501,954</u>	<u>495,589</u>	<u>2,120</u>	<u>497,709</u>	<u>4,245</u>
Library Services	53,000	51,402	-	51,402	1,598
Other Costs					
Employee Benefits and Other					
Post-Employment Benefits	11,065	11,065	-	11,065	-
Cost of Issuance	13,886	13,886	-	13,886	-
Office of Bond Compliance	436	157	-	157	279
Office of Inspector General	10,000	10,000	-	10,000	-
Total Other Costs	<u>35,387</u>	<u>35,108</u>	<u>-</u>	<u>35,108</u>	<u>279</u>
Other Financing Uses					
COPs Defeasance: Transfers Out					
to Debt Service Fund	150,000	149,995	-	149,995	5
Reimbursements: Transfers Out					
to Special Reserve Fund	1,752	1,752	-	1,752	-
Information Technology Initiative Reimbursements:					
Transfers Out to Special Reserve Fund	4,612	4,612	-	4,612	-
Total Other Financing Uses	<u>156,364</u>	<u>156,359</u>	<u>-</u>	<u>156,359</u>	<u>5</u>
Total Bond Expenditures and Other Financing Uses	<u>\$ 5,100,494</u>	<u>\$ 5,027,574</u>	<u>\$ 9,631</u>	<u>\$ 5,037,205</u>	<u>\$ 63,289</u>

See accompanying notes to unaudited supplementary schedule of bond expenditures.

LOS ANGELES UNIFIED SCHOOL DISTRICT
MEASURE Y SCHOOL BOND CONSTRUCTION PROGRAM

Supplementary Schedule of Bond Expenditures
Period from November 8, 2005 (Inception) through June 30, 2024
(in thousands)
(unaudited)

Cost Category	Adjusted Budget	Actual Expenditures Incurred			Unexpended Balance
		Inception through June 30, 2023	Expenditures Year Ended June 30, 2024	Total Expenditures through June 30, 2024	
Facilities Services Division Capital Programs					
New Construction	\$ 2,390,646	\$ 2,350,052	\$ -	\$ 2,350,052	\$ 40,594
School Modernization	1,215,429	1,193,043	2,844	1,195,887	19,542
Information Technology					
Network Upgrade	165,294	164,029	-	164,029	1,265
Adult and Career Education	70,486	68,174	303	68,477	2,009
Early Childhood Education	37,089	34,589	2,091	36,680	409
Charter Schools	50,000	48,177	-	48,177	1,823
Indirect Costs	81,839	81,527	311	81,838	1
Total FSD Capital Programs	<u>4,010,783</u>	<u>3,939,591</u>	<u>5,549</u>	<u>3,945,140</u>	<u>65,643</u>
Information Technology Division Capital Programs					
Virtual Learning Complex Planning	2,030	1,879	-	1,879	151
Classroom Technology Modernization	20,558	20,489	-	20,489	69
School Network Modernization	128,692	128,408	-	128,408	284
Safety, Communications and Security					
Modernization	36,317	27,684	8,427	36,111	206
Enterprise Software Systems	8,462	6,945	1,310	8,255	207
Total ITD Capital Programs	<u>196,059</u>	<u>185,405</u>	<u>9,737</u>	<u>195,142</u>	<u>917</u>
Transportation	25,000	24,319	-	24,319	681
Library Services	5,000	3,934	-	3,934	1,066
Other Costs					
Employee Benefits and Other					
Post-Employment Benefits	25,281	25,281	-	25,281	-
Cost of Issuance	9,601	9,601	-	9,601	-
Office of Bond Compliance	2,828	2,156	-	2,156	672
Office of Inspector General	17,000	17,000	-	17,000	-
Total Other Costs	<u>54,710</u>	<u>54,038</u>	<u>-</u>	<u>54,038</u>	<u>672</u>
Other Financing Uses					
COPs Defeasance: Transfers Out					
to Debt Service Fund	193,738	193,738	-	193,738	-
COPS Defeasance Cafeteria: Transfers Out					
to Special Reserve Fund Capital Outlay	20,554	20,554	-	20,554	-
COPS Defeasance ISIS: Transfers Out to					
Special Reserve Fund Capital Outlay	12,664	12,664	-	12,664	-
CIPR Cafeteria: Transfers Out					
to Cafeteria Fund	5,000	5,000	-	5,000	-
Transportation (Buses): Transfers Out					
to General Fund Restricted	3,461	3,461	-	3,461	-
CIPR Integrated Student Information Systems:					
Transfers Out to General Fund Restricted	26,400	26,400	-	26,400	-
Deferred Maintenance Match: Transfers Out					
to General Fund Restricted	120,000	120,000	-	120,000	-
Transfers Out to General Fund	1,672	1,672	-	1,672	-
Total Other Financing Uses	<u>383,489</u>	<u>383,489</u>	<u>-</u>	<u>383,489</u>	<u>-</u>
Total Bond Expenditures and Other Financing Uses	<u>\$ 4,675,041</u>	<u>\$ 4,590,776</u>	<u>\$ 15,286</u>	<u>\$ 4,606,062</u>	<u>\$ 68,979</u>

See accompanying notes to unaudited supplementary schedule of bond expenditures.

LOS ANGELES UNIFIED SCHOOL DISTRICT
MEASURE Q SCHOOL BOND CONSTRUCTION PROGRAM

Supplementary Schedule of Bond Expenditures
Period from November 4, 2008 (Inception) to June 30, 2024
(in thousands)
(unaudited)

Cost Category	Adjusted Budget	Actual Expenditures Incurred			Unexpended Balance
		November 4, 2008 (Inception) through June 30, 2023	Expenditures Year Ended June 30, 2024	Total Expenditures through June 30, 2024	
Facilities Services Division Capital Programs					
New Construction	\$ 195,096	\$ 15,178	\$ -	15,178	\$ 179,918
School Modernization	3,898,225	3,245,936	578,970	3,824,906	73,319
Adult and Career Education	22,609	22,109	487	22,596	13
Early Childhood Education	52,097	32,078	17,196	49,274	2,823
Charter Schools	134,921	96,920	37,954	134,874	47
Indirect Costs	644,607	544,190	97,579	641,769	2,838
Total FSD Capital Programs	4,947,555	3,956,411	732,186	4,688,597	258,958
Information Technology Division Capital Programs					
Classroom Technology Modernization	25,356	15,574	(753)	14,821	10,535
School Network Modernization	63,290	17,359	1,217	18,576	44,714
Safety, Communications and Security Modernization	98,945	39,344	7,759	47,103	51,842
My Integrated Student Information System	119,971	119,633	-	119,633	338
Cafeteria Management System				-	
- Point of Sale Technology Upgrade	6,300	5,773	-	5,773	527
Disaster Recovery & Business Continuity	54,235	42,432	11,750	54,182	53
Enterprise Software Systems	64,004	44,063	166	44,229	19,775
Total ITD Capital Programs	432,101	284,178	20,139	304,317	127,784
Other Costs					
Employee Benefits	-	-	-	-	-
Cost of Issuance	4,332	2,921	1,411	4,332	-
Office of Chief Financial Officer	12,740	3,996	-	3,996	8,744
Office of Bond Compliance	4,619	3,119	1,440	4,559	60
Office of Inspector General	33,614	28,528	4,707	33,235	379
Total Other Costs	55,305	38,564	7,558	46,122	9,183
Other Financing Uses					
School Upgrade Program Transfers Out to Cafeteria Fund - Upgrade Food Services Kitchen Equipment	483	483	-	483	-
Transfers Out to General Fund - Transportation	33,286	33,286	-	33,286	-
Transfers Out to General Fund - Routine Restricted General Maintenance	30,000	30,000	-	30,000	-
Total Other Financing Uses	63,769	63,769	-	63,769	-
Total Bond Expenditures and Other Financing Uses	<u>\$ 5,498,730</u>	<u>\$ 4,342,922</u>	<u>\$ 759,883</u>	<u>\$ 5,102,805</u>	<u>\$ 395,925</u>

See accompanying notes to unaudited supplementary schedule of bond expenditures.

LOS ANGELES UNIFIED SCHOOL DISTRICT
MEASURE RR SCHOOL BOND CONSTRUCTION PROGRAM
Supplementary Schedule of Bond Expenditures
Period from November 3, 2020 (Inception) to June 30, 2024
(in thousands)
(unaudited)

Cost Category	Adjusted Budget	Actual Expenditures Incurred			Unexpended Balance
		November 3, 2020 (Inception) through June 30, 2023	Expenditure Year Ended June 30, 2024	Total Expenditure through June 30, 2024	
Facilities Services Division Capital Programs					
New Construction	\$ 112	\$ 112	\$ -	\$ 112	\$ -
School Modernization	896,819	97,836	185,676	283,512	613,307
Adult and Career Education	115	-	113	113	2
Early Childhood Education	4,401	2,230	2,074	4,304	97
Charter Schools	2,550	48	2,224	2,272	278
Indirect Costs	30,855	18,393	11,901	30,294	561
Total FSD Capital Programs	<u>934,852</u>	<u>118,619</u>	<u>201,988</u>	<u>320,607</u>	<u>614,245</u>
Information Technology Division Capital Programs					
Classroom Technology Modernization	1	-	1	1	-
Safety, Communications and Security Modernization	<u>86,085</u>	<u>20,224</u>	<u>65,761</u>	<u>85,985</u>	<u>100</u>
Total ITD Capital Programs	<u>86,086</u>	<u>20,224</u>	<u>65,762</u>	<u>85,986</u>	<u>100</u>
Other Costs					
Cost of Issuance	<u>11,637</u>	<u>9,137</u>	<u>2,113</u>	<u>11,250</u>	<u>387</u>
Total Other Costs	<u>11,637</u>	<u>9,137</u>	<u>2,113</u>	<u>11,250</u>	<u>387</u>
Other Financing Uses					
Transfers Out to General Fund					
- Transportation	<u>10,286</u>	<u>10,286</u>	<u>-</u>	<u>10,286</u>	<u>-</u>
Total Other Financing Uses	<u>10,286</u>	<u>10,286</u>	<u>-</u>	<u>10,286</u>	<u>-</u>
Total Bond Expenditures and Other Financing Uses	<u>\$ 1,042,861</u>	<u>\$ 158,266</u>	<u>\$ 269,863</u>	<u>\$ 428,129</u>	<u>\$ 614,732</u>

See accompanying notes to unaudited supplementary schedule of bond expenditures.

LOS ANGELES UNIFIED SCHOOL DISTRICT
Notes to Supplementary Schedule of Bond Expenditures
Period from Inception to June 30, 2024
(Unaudited)

(1) Basis of Presentation

The accompanying unaudited supplementary schedule of bond expenditures has been prepared in conformity with U.S. generally accepted accounting principles. The accompanying unaudited supplementary schedule of bond expenditures reflects the flow of current financial resources measurement focus and is presented on the modified accrual basis of accounting. Prop 39 requires an annual, independent audit of the current year expenditures until all the proceeds have been expended. Accordingly, the unaudited supplementary schedule of bond expenditures includes all amounts expended using bond proceeds, regardless of expenditure types, from inception.

a) Adjusted Budget

The amounts included within the adjusted budget column represent the prior year expenditures from inception through June 30, 2023, and fiscal year 2023-24 budget authority requested from the Board of Education for costs that are expected to be expended and/or obligated to complete the various projects.

b) Actual Expenditures Incurred

The amounts included within the actual expenditures incurred columns represent actual expenditures paid or accrued by the District for the period from inception through June 30, 2024, adjusted by discounts received from the vendors. The expenditure amounts included expenditures of bond proceeds, reimbursements of bond proceeds, and interest earned.

c) Unexpended Balance

The amounts included within the fund balance column in the accompanying supplementary schedule of bond expenditures represent the difference between the adjusted budget column and the total expenditures through June 30, 2024, column.

d) Cost Category

The major cost categories represent bond programs funded by the bond. The cost category “Indirect costs” refers to all expenditures that cannot be reasonably attributed to individual projects.

An example of “Indirect costs” is program management. Program management includes program-level support costs for staff members of the Facilities Executive Office and Facilities Services Division (FSD) branches as well as costs of other support staff such as the Office of the General Counsel, Accounts Payable, and Risk Management

(2) Other Financing Uses

Transfers Out and Other Financing Uses (OFU) represent transfers of bond proceeds (inter-fund transactions of revenue) from the bond fund to other funds for approved financing uses of bond funds. One example is reimbursement of prior year bond eligible capital expenditures in the general fund. For cost accounting purposes, when project tracking is required, transfers are represented as project expenditures in the bond fund.

INDEPENDENT AUDITOR'S REPORT



SIMPSON & SIMPSON
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Board of Education and
School Construction Bond Citizens' Oversight Committee
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 Los Angeles Unified School District's (the District), **District Bond Funds (Measure K, Measure R, Measure Y, Measure Q, and Measure RR General Obligation Bonds)** as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements and have issued our report thereon dated March 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

A handwritten signature in black ink that reads "Simpson & Simpson". The signature is written in a cursive, flowing style.

Los Angeles, California
March 24, 2025

**LOS ANGELES UNIFIED SCHOOL DISTRICT
DISTRICT BOND FUNDS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

No matters were reported.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
DISTRICT BOND FUNDS
Schedule of Prior Year Findings and Recommendations
For the Year Ended June 30, 2024**

No matters were reported.