



**LAUSD**  
UNIFIED



Audited Annual

# FINANCIAL REPORT

For Fiscal Year Ended June 30, 2022

**2021-22**  
Los Angeles, California



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

**AUDITED ANNUAL  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2022**

**MR. ALBERTO M. CARVALHO**  
SUPERINTENDENT OF SCHOOLS  
(EFFECTIVE FEBRUARY 14, 2022)

**MR. PEDRO SALCIDO**  
DEPUTY SUPERINTENDENT OF SCHOOLS  
(EFFECTIVE NOVEMBER 16, 2022)

**MS. MEGAN K. REILLY**  
INTERIM SUPERINTENDENT OF SCHOOLS  
(JULY 1, 2021- FEBRUARY 13, 2022)  
DEPUTY SUPERINTENDENT OF SCHOOLS  
(EFFECTIVE FEBRUARY 14, 2022- OCTOBER 21, 2022)

**MR. DAVID D. HART**  
CHIEF BUSINESS OFFICER

**MR. V. LUIS BUENDIA**  
DEPUTY CHIEF BUSINESS OFFICER

**MS. JOY MAYOR**  
CONTROLLER



**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, 2022

**Table of Contents**

<b>INTRODUCTORY SECTION</b>	<b>Page</b>
Letter of Transmittal .....	i
Board of Education and Principal School District Officials .....	vii
Organizational Structure .....	viii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	5
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position .....	16
Statement of Activities .....	17
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds .....	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities .....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund .....	22
Statement of Net Position – Proprietary Funds – Governmental Activities – Internal Service Funds .....	23
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds – Governmental Activities – Internal Service Funds .....	24
Statement of Cash Flows – Proprietary Funds – Governmental Activities – Internal Service Funds .....	25
<b>Notes to Basic Financial Statements</b> .....	26
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Changes in the Net OPEB Liability and Related Ratios .....	77
Schedule of Changes in the Net Pension Liability and Related Ratios – Agent Multiple-Employer Defined Benefit Pension Plan – California Public Employees' Retirement System (Safety Plan) .....	78
Schedule of Contributions – Agent Multiple-Employer Defined Benefit Pension Plan – California Public Employees' Retirement System (Safety Plan) .....	80
Schedule of District Proportionate Share of the Net Pension Liability and Related Ratios and District Contributions – California Public Employees' Retirement System (Miscellaneous Plan) .....	82
Schedule of District Proportionate Share of the Net Pension Liability and Related Ratios and District Contributions – California State Teachers' Retirement System.....	84

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Audited Annual Financial Report

Year Ended June 30, 2022

**Table of Contents**

<b>Combining and Individual Fund Schedules and Statements :</b>	<b>Page</b>
District Bonds Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	86
Bond Interest and Redemption Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	87
<b>Nonmajor Governmental Funds :</b>	
<b>Special Revenue Funds/Debt Service Funds/Capital Projects Funds:</b>	
Nonmajor Governmental Funds – Combining Balance Sheet .....	90
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	94
Special Revenue Funds – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	98
Debt Service Funds – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	102
Capital Projects Funds – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	104
<b>Internal Service Funds:</b>	
Internal Service Funds – Combining Statement of Net Position .....	111
Internal Service Funds – Combining Statement of Revenues, Expenses, and Changes in Fund Net Position .....	112
Internal Service Funds – Combining Statement of Cash Flows .....	113
<b>SUPPLEMENTARY INFORMATION</b>	
Assessed Value of Taxable Property – Last Ten Fiscal Years .....	115
Largest Local Secured Taxpayers – Current Year and Nine Years Ago.....	116
Property Tax Levies and Collections – Last Ten Fiscal Years .....	117
Organization Structure .....	118
Schedule of Average Daily Attendance .....	119
Average Daily Attendance – Annual Report – Last Ten Fiscal Years .....	120
Schedule of Average Daily Attendance – Affiliated Charter Schools .....	122
Schedule of Instructional Time Offered .....	126
Schedule of Financial Trends and Analysis .....	127
Schedule to Reconcile the Annual Financial Budget Report (SACS) with Audited Financial Statements .....	128
Schedule of Charter Schools (Affiliated and Fiscally Independent).....	129
Notes to Supplementary Information .....	137
Schedule of Expenditures of Federal Awards .....	138
Notes to Schedule of Expenditures of Federal Awards .....	141

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Audited Annual Financial Report

Year Ended June 30, 2022

**Table of Contents**

**OTHER INDEPENDENT AUDITOR REPORTS**

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 <i>Government Auditing Standards</i> .....	143
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance .....	145
Independent Auditor's Report on State Compliance .....	148
Schedule of Findings and Questioned Costs .....	152
Status of Prior Year Findings and Recommendations .....	233
Independent Auditor's Management Letter .....	246



**LAUSD**  
**UNIFIED**



# INTRODUCTORY SECTION



KELLY GONEZ, PRESIDENT  
JACKIE GOLDBERG  
DR. GEORGE J. MCKENNA III  
NICK MELVOIN  
TANYA ORTIZ FRANKLIN  
DR. ROCIO RIVAS  
SCOTT M. SCHMERELSON



ALBERTO M. CARVALHO  
*Superintendent of Schools*

PEDRO SALCIDO  
*Deputy Superintendent of Schools*

DAVID D. HART  
*Chief Business Officer*

V. LUIS BUENDIA  
*Deputy Chief Business Officer*

December 14, 2022

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 of the Los Angeles Unified School District (District), for the fiscal year ended June 30, 2022, 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 2021-22 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, 2022, the District operated 436 elementary schools, 78 middle/junior high schools, 87 senior high schools, 53 options schools, 28 multi-level schools, 13 special education schools, 66 magnet schools and 255 magnet centers, 18 primary school centers, 1 community adult school, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, and 89 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, 2022, the District employed 36,385 certificated, 30,333 classified, and 11,806 unclassified employees. Enrollment as of September 2021 was 430,322 students in K-12 schools, 25,208 students in adult schools and centers, and 5,510 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 UCLA Anderson December 2022 Forecast provides a recession and a non-recession scenario. Whether the U.S. economy continues to grow or enters a mild and brief recession will depend on the Federal Reserve’s monetary policy in the months to come. In a non-recession scenario, the national economy in 2023 is projected to have slow growth in the first quarter, almost non-existent growth in the second quarter, and with recovery happening in the last two quarters. On the other hand, a recession scenario will bring the economy in 2023 to shrink at an annual rate of 2% to 3% in both the second and third quarters, and flat in the fourth quarter. Under both scenarios, there is an economic recovery anticipated in 2024. For California, monetary actions taken by the Federal Reserve is seen to have a milder impact on the state’s economy. Strength in high-income sectors which include logistics, technology, and health care partly explains the state’s continued economic growth.

Also, in both economic scenarios presented by the UCLA Anderson Forecast, inflation is likely to ease up at about the same rate through mid-2023 as supply chain issues are anticipated to improve swiftly. The table below shows the US monthly inflation rates for 2019 through 2022.

Month	2019	2020	2021	2022
January	1.6%	2.5%	1.4%	7.5%
February	1.5%	2.3%	1.7%	7.9%
March	1.9%	1.5%	2.6%	8.5%
April	2.0%	0.3%	4.2%	8.3%
May	1.8%	0.1%	5.0%	8.6%
June	1.6%	0.6%	5.4%	9.1%
July	1.8%	1.0%	5.4%	8.5%
August	1.7%	1.3%	5.3%	8.3%
September	1.7%	1.4%	5.4%	8.2%
October	1.8%	1.2%	6.2%	7.7%
November	2.1%	1.2%	6.8%	N/A
December	2.3%	1.4%	7.0%	N/A

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

A November 2022 report from the Legislative Analyst’s Office (LAO) projects a state budget shortfall of \$25 billion in 2023-24 due to lower revenue estimates than projected at the 2022-23 Enacted State Budget. The lower revenue projections are due to an increased risk of an economic downturn brought about by rising inflation. However, LAO does not yet assume a recession in its fiscal analysis; a recession may result in further reductions to revenues.

Proposition 98, which establishes the minimum funding guarantee for schools and community colleges, is estimated at \$108.2 billion for 2023-24, which is \$2.2 billion below the \$110.4 billion established for the 2022-23 Enacted State Budget. Despite the decline in Proposition 98, LAO anticipates that key adjustments would allow \$7.6 billion to be available for increases to existing programs in the new year. These key adjustments include backing out one-time costs, withdrawal from the Proposition 98 Reserve (Public School System Stabilization Account), and expenditure reductions to align with student attendance. The available funding in Proposition 98 is expected to cover COLA of up to 8.38% in 2023-24.

The UCLA Anderson's Forecast in its September 2022 report also examines the impact of California's recent declines in population on its economy. The report notes that migration out of the state, coupled with a lack of international immigration and lower birth rates, have resulted in a historic reversal of California's annual population gains. This is also evident in the District, the state's largest school district, where enrollment continues to decline due to lower birth rates in Los Angeles County, rising housing and other living costs in Southern California, the lingering impacts of the pandemic, and school-age children attending independent charter schools rather than District schools or moving outside of District's boundaries. To address the trend in enrollment decline, the District created a new unit called Strategic Enrollment and Program Planning Office. Also, the 2022-23 Enacted State Budget included measures intended to mitigate the fiscal impact of lower enrollment and attendance decline. However, substantial funding increases from the state do not permanently resolve the financial impact to the District due to declining enrollment.

### **Superintendent's Strategic Plan**

In June 2021, the Board of Education approved a set of four powerful goals outlining expected student outcomes by 2026. These goals establish a philosophy on 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. The 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 2021-22, the Statement of Activities shows that the District’s Total Net Position improved by \$1.6 billion during the year. The Unrestricted Net Position, improved by \$1.0 billion from a negative \$16.36 billion to a negative \$15.36 billion. The negative Unrestricted Net Position is largely the result of our other postemployment (OPEB) liability and pension liabilities for various retirement plans. The noted improvement is primarily attributable to the receipt of COVID-19 funding and various cost savings.

In fiscal year 2021-22, the District continued to receive one-time monies for COVID-19 that funded certain District's operations, including programs targeted towards learning recovery. For fiscal year ended June 30, 2022, the District spent over \$2.0 billion on COVID-19 related expenses.

Another highlight in this year's AAFR is the adoption of Government Accounting Standard Board (GASB) Statement No. 87, Leases, which is the new lease accounting standard that better meet the information needs of financial statement users by improving accounting and financial reporting for leases by government entities.

### **Audit Results**

There were 10 federal programs and 29 state compliance requirements that were audited. The examination resulted in 17 audit findings with a total *questioned costs* of \$693 million. The audit findings and questioned costs are dominated by one particular matter. The District did not meet the minimum threshold of spending General Fund resources on classroom teacher salaries and benefits per EC Section 41372. The District's percentage spent is 46.85%; the minimum threshold is 55%. The discrepancy is due to the significant amount of dollars spent on expenditures other than classroom teacher salaries and benefits deemed necessary to allow for a return to campus and a safe in-person learning environment. Accordingly, due to the significant increase in COVID-19 expenditures (which are part of the denominator in the formula), our ratio of teacher compensation to total spend is lower than would have otherwise been true. Examples of these expenditures include purchases of devices, internet connectivity, instruction software licenses, and other necessary expenses to support the return of campus for in-person learning and expenses resulting from testing, tracing and vaccination efforts. The District shall engage with the Los Angeles County of Education (LACOE) to seek a waiver, which is allowed under Education Code Section 41372. In 2020-21, the District had the same finding; LACOE approved the waiver which exempted the District from any corrective action.

Other findings include Independent Study Program, Immunization and Unduplicated Pupil Count. The common finding is the lack of supporting documents for some of the samples tested. As an effect, the District is disallowed to claim for a particular revenue resulting from average daily attendance generated by the sampled students.

The District is fully committed to be compliant with all pertinent Federal and State guidelines. There is a continued focus to resolve remaining audit findings, improve our internal controls and recordkeeping process, and ensure that compliance with State and Federal program requirements are fully met. In addition, the District is advocating some changes in the legislature to be able to adapt in this ever-changing environment.

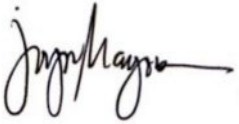
## Acknowledgments

Our efforts cannot be deemed complete nor successful without the active involvement of our schools and program staffs whose meaningful contribution we now acknowledge and express our sincere gratitude.

Respectfully submitted,

Alberto M. Carvalho  
Superintendent of Schools

Prepared by:



Joy Mayor  
Controller



V. Luis Buendia  
Deputy Chief Business Officer, Finance



David D. Hart  
Chief Business Officer



## BOARD OF EDUCATION

Kelly Gonez, President  
Board District 6

Dr. George J. McKenna III  
Board District 1

Dr. Rocio Rivas  
Board District 2

Scott Schmerelson  
Board District 3

Nick Melvoin  
Board District 4

Jackie Goldberg  
Board District 5

Tanya Ortiz Franklin  
Board District 7

## PRINCIPAL SCHOOL DISTRICT OFFICIALS

Alberto M. Carvalho  
Superintendent of Schools  
*(Effective February 14, 2022)*

Pedro Salcido  
Deputy Superintendent of Business Services and Operations  
*(Effective November 16, 2022)*

Megan K. Reilly  
Interim Superintendent of Schools  
*(July 1, 2021 - February 13, 2022)*  
Deputy Superintendent  
*(Effective February 14, 2022 - October 21, 2022)*

David D. Hart  
Chief Business Officer

V. Luis Buendia  
Deputy Chief Business Officer

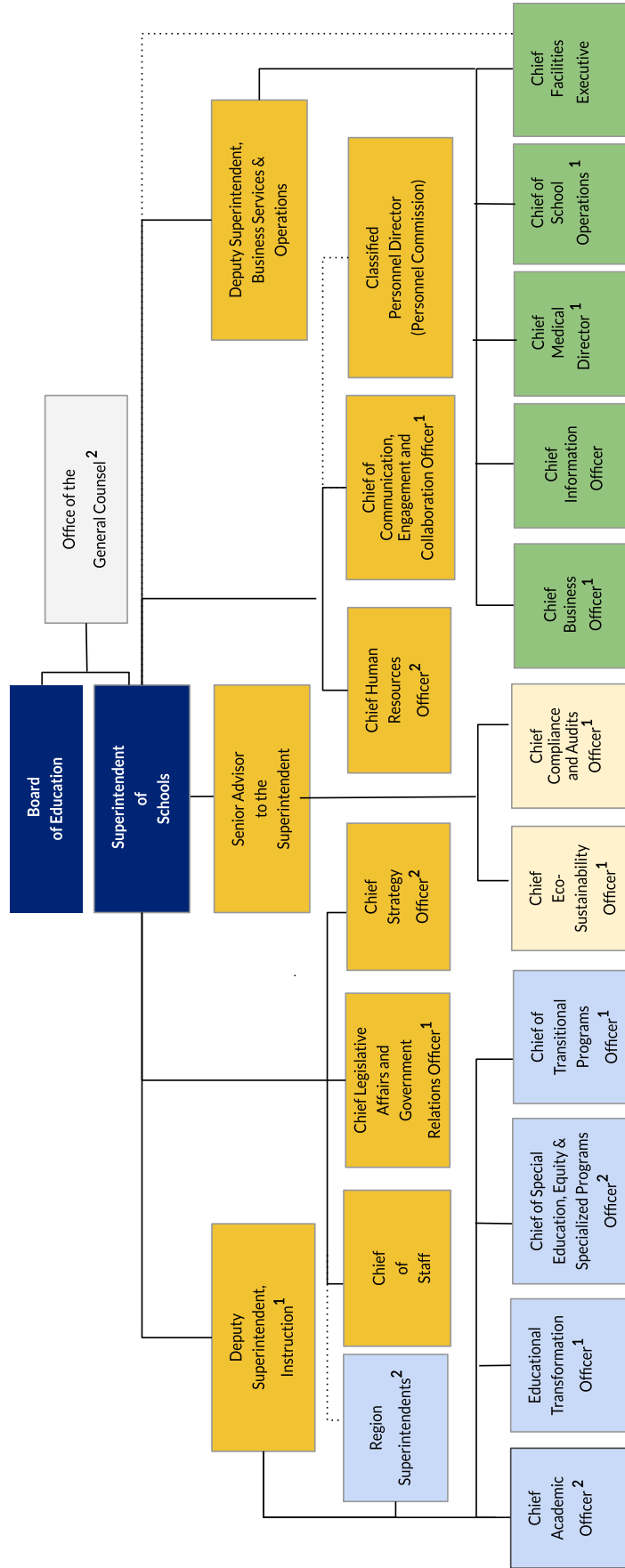
Joy Mayor  
Controller

## LOCAL DISTRICT OFFICIALS

as of December 14, 2022

	<b>Regional Superintendent</b>	<b>Administrator of Instruction</b>	<b>Administrator of Operations</b>	<b>Administrator of Parent &amp; Community Engagement</b>
<b>North:</b>	Dr. David Baca	Alma Flores Sandra Gephart Fontana Dr. Margaret Kim	Debra Bryant Jose Razo	Patrizia Puccio
<b>South:</b>	Michael Romero	Alma Kimura John K. Vladovic	Peter Hastings	Leticia Estrada de Carreon
<b>East:</b>	Jose Huerta	Susana Gutierrez Cristina Munoz Dr. Lourdes Ramirez-Ortiz Andre Spicer	Titus Campos Gilberto Martinez	Elsa Tinoco-Enciso Megan Guerrero
<b>West:</b>	Dr. Adaina Brown	Dr. Karen Mercado L. Remon Corley	Dr. Douglas Meza	Robin Willis

# LAUSD UNIFIED 2022-2023 Organizational Chart



<sup>1</sup> New Position

<sup>2</sup> Reorganized Position

# FINANCIAL SECTION





SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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

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633 WEST 5TH STREET, SUITE 3320  
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## Independent Auditor's Report

To The Honorable Board of Education  
Los Angeles Unified School District

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Los Angeles Unified School District** (the District) as of and for the year ended June 30, 2022, 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, 2022, 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.

#### *Change in Accounting Principle*

As discussed in Note 1(q) and 1(r) to the basic financial statements, on July 1, 2021, the District adopted the new accounting and disclosure requirements of Governmental Accounting Standards Board Statement No. 87, *Leases*. The beginning net position as of July 1, 2021, has been restated. 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.



### ***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 15 and the required supplementary information on pages 77 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, 119, 122 to 128, and 137, and the schedule of expenditures of federal awards and related notes on pages 138 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 118, 120 to 121, and 129 to 136 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 14, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Los Angeles, California  
December 14, 2022



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Management's Discussion and Analysis

June 30, 2022

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, 2022.

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-viii of this report.

### ***Financial Highlights***

- The liabilities plus deferred inflows of resources of the District exceeded its assets plus deferred outflows of resources at the close of the most recent fiscal year by \$8.2 billion (deficit net position). The negative net position is primarily comprised of an unrestricted \$15.4 billion deficit, which includes net pension liabilities for various retirement plans totaling \$4.3 billion and net other postemployment benefits (OPEB) liability totaling \$10.2 billion.
- The District's total net position increased by \$1.6 billion from the prior year.
- Long term liabilities decreased by \$0.02 billion primarily due to the principal repayments of General Obligation (GO) Bonds and Certificates of Participation (COPs) during fiscal year 2021-22.
- As of the close of the 2022 fiscal year, the District's governmental funds reported combined ending fund balances of \$6.5 billion, an increase of \$0.3 billion from the fiscal year ended June 30, 2021.
- At the end of the current fiscal year, assigned and unassigned fund balances for the General Fund, including reserve for economic uncertainties, was \$2.7 billion, or 29.4% 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 16-18 of this report.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Management's Discussion and Analysis

June 30, 2022

**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 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 22 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 18 and 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 23-25 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 26-75 of this report.

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

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Management's Discussion and Analysis

June 30, 2022

### **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 \$8.2 billion at the close of the most recent year.

The District's net position reflects its investments in capital assets (\$3.6 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 (\$3.6 billion) represents resources that are subject to external restrictions on how they may be used. The majority of this pertains to capital projects funds, primarily the County School Facilities Bonds Fund and Bond Interest and Redemption Fund. The remaining negative balance in unrestricted net position (-\$15.4 billion) resulted primarily from the net pension liability for various retirement plans totaling \$4.3 billion and the net OPEB liability totaling \$10.2 billion.

At the end of the 2022 fiscal year, the District is able to report positive balances in all categories of net position except for unrestricted net position.

The \$0.3 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 decreased by \$0.02 billion primarily due to principal repayment of General Obligation Bonds and the refunding of Certificates of Participation.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Management's Discussion and Analysis

June 30, 2022

**Summary Statements of Net Position (in thousands)**

As of June 30, 2022 and 2021:

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>Restated 2021</b>
Current Assets	\$ 8,993,699	\$ 8,557,740
Capital Assets, net	15,380,283	15,037,507
Total Assets	<u>24,373,982</u>	<u>23,595,247</u>
Deferred Outflows of Resources	<u>3,723,083</u>	<u>4,203,087</u>
Current Liabilities	1,547,470	1,483,315
Long-term Liabilities	12,638,389	12,660,236
Net Pension Liability	4,311,675	7,935,187
Net Other Postemployment Benefits Liability	10,186,225	11,062,961
Total Liabilities	<u>28,683,759</u>	<u>33,141,699</u>
Deferred Inflows of Resources	<u>7,572,724</u>	<u>4,416,829</u>
Net Position:		
Net investment in capital assets	3,614,823	4,791,391
Restricted for:		
Debt service	1,073,923	1,094,376
Program activities	2,528,420	711,574
Unrestricted	(15,376,584)	(16,357,535)
Total Net Position	<u>\$ (8,159,418)</u>	<u>\$ (9,760,194)</u>

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Management's Discussion and Analysis

June 30, 2022

**Summary Statements of Activities (in thousands)**

Year ended June 30, 2022 and 2021:

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>Restated 2021</b>
Revenues:		
Program Revenues:		
Charges for services	\$ 157,424	\$ 134,532
Operating grants and contributions	4,917,729	3,163,258
Capital grants and contributions	261,523	160,183
Total Program Revenues	<u>5,336,676</u>	<u>3,457,973</u>
General Revenues:		
Property taxes levied for general purposes	1,854,404	1,840,504
Property taxes levied for debt service	967,767	1,149,309
Property taxes levied for community redevelopment	48,947	49,455
State aid not restricted to specific purpose	4,183,846	3,815,566
Grants, entitlements, and contributions not restricted to specific programs	134,647	188,864
Unrestricted investment earnings	(144,178)	9,253
Miscellaneous	43,249	37,775
Total General Revenues	<u>7,088,682</u>	<u>7,090,726</u>
Total Revenues	<u>12,425,358</u>	<u>10,548,699</u>
Expenses:		
Instruction	\$ 4,714,575	4,692,148
Support Services:		
Support services – students	1,134,663	605,902
Support services – instructional staff	844,210	745,931
Support services – general administration	151,426	122,422
Support services – school administration	614,633	543,716
Support services – business	443,287	401,658
Operation and maintenance of plant services	898,224	866,231
Student transportation services	169,703	149,066
Data processing services	108,031	77,363
Operation of non-instructional services	612,394	475,967
Facilities acquisition and construction services	140,579	144,969
Other uses	5,553	5,541
Interest expense	396,253	411,255
Depreciation – unallocated	591,051	585,644
Total Expenses	<u>10,824,582</u>	<u>9,827,813</u>
Changes in Net Position	1,600,776	720,886
Net Position – Beginning of Year	(9,760,194)	(10,481,080)
Net Position – End of Year	<u>\$ (8,159,418)</u>	<u>\$ (9,760,194)</u>

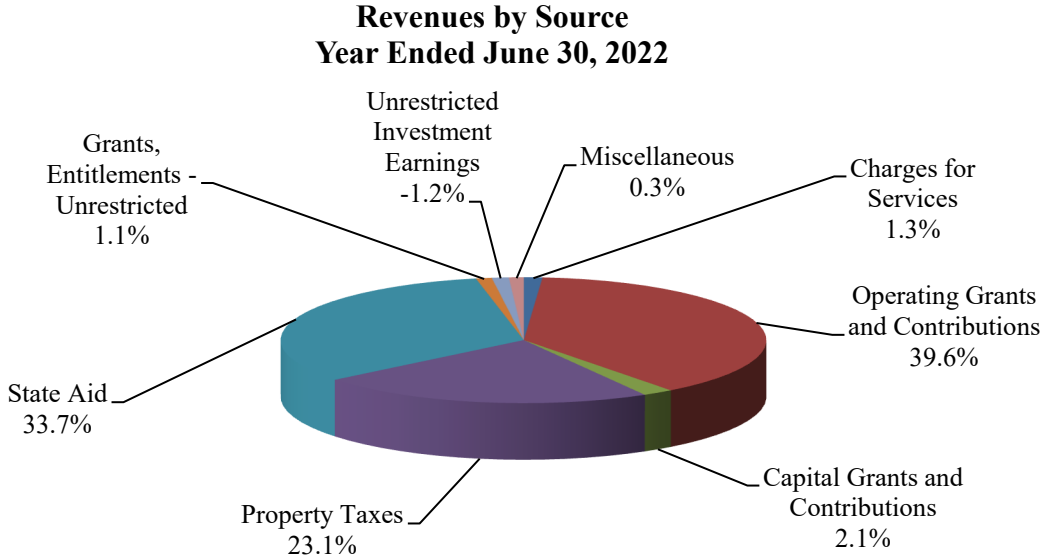
**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Management's Discussion and Analysis

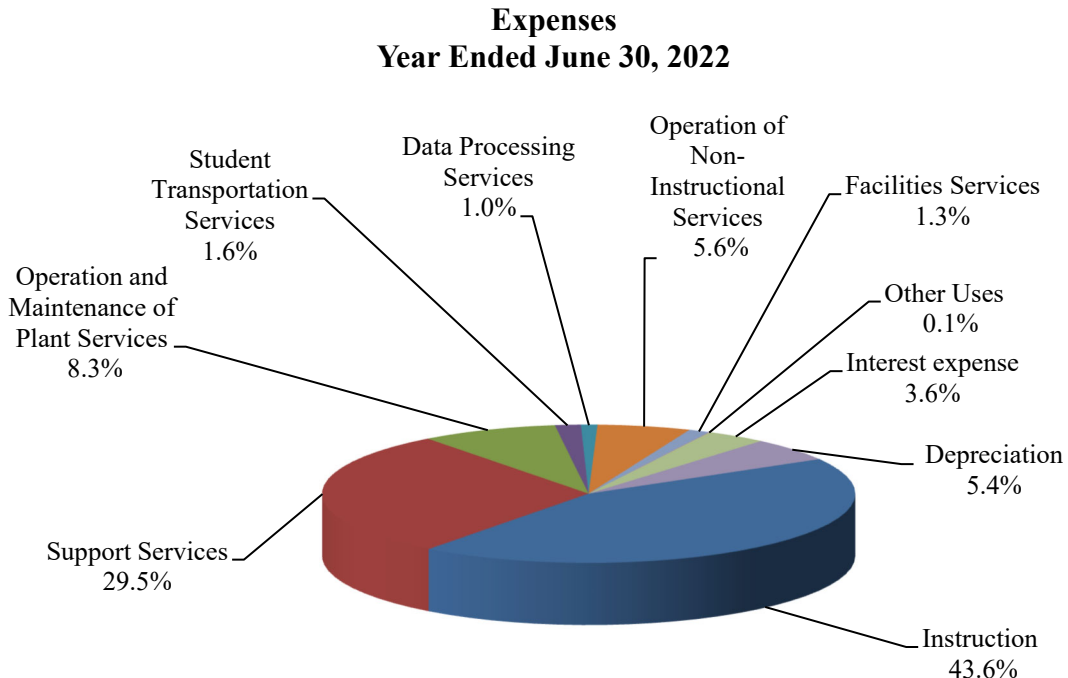
June 30, 2022

At the end of the current fiscal year, the District's net position increased by \$1.6 billion from the prior year primarily due to the receipt of COVID-19 funding and cost savings on operating expenses due to a delayed school reopening for safety reasons.

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



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



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Management's Discussion and Analysis

June 30, 2022

### 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 combined ending fund balances of \$6.5 billion, an increase of \$0.3 billion in comparison with the prior year. Approximately 82.7% of this total combined ending fund balance consists of the assigned fund balance totaling \$1.6 billion (24.9%) and nonspendable and restricted fund balances totaling \$3.8 billion (57.8%), which can only be spent for specific purposes because of laws and regulations or grantor restrictions. The remaining \$1.1 billion (17.3%) of this total combined ending fund balance constitutes reserved for economic uncertainties fund balance totaling \$0.2 billion (3.1%), and unassigned fund balance totaling \$0.9 billion (14.2%), which includes spendable amounts not contained in the other classifications.

The General Fund is the primary operating fund of the District. At the end of the 2022 fiscal year, the unassigned fund balance of the General Fund was \$0.9 billion, while the total fund balance is \$3.3 billion. The fund balance of the District's General Fund increased by \$0.5 billion during the current fiscal year. This is primarily attributable to the transfer of COVID-19 testing and vaccination costs to the unassigned/unrestricted General Fund program pending reimbursement from the Federal Emergency Management Agency.

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

	Other Governmental Funds					Total
	District Bonds	Bond Interest and Redemption	Special Revenue	Debt Service	Other Capital Projects	
Fund Balance, June 30, 2022:						
Nonspendable						
Revolving cash and imprest funds	\$ 516	\$ —	\$ 17	\$ —	\$ —	\$ 17
Inventories	—	—	18,632	—	—	18,632
Prepays	—	—	44	—	6	50
Restricted	1,314,621	1,174,108	208,561	13,382	435,508	657,451
Assigned	—	—	6,354	—	12,403	18,757
Unassigned	—	—	(15,374)	—	—	(15,374)
Total	1,315,137	1,174,108	218,234	13,382	447,917	679,533
Fund Balance, July 1, 2021	1,556,954	1,224,323	172,080	16,448	420,274	608,802
Increase (decrease) in fund balance	\$ (241,817)	\$ (50,215)	\$ 46,154	\$ (3,066)	\$ 27,643	\$ 70,731

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 decrease of \$0.05 billion in Bond Interest and Redemption was attributable to an adjustment of \$42.0 million to the fair

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Management's Discussion and Analysis

June 30, 2022

market cash value pooled with the County of Los Angeles. Special Revenue increased primarily due to the Cafeteria Fund in which overall revenues is higher due to schools being back in session for the year.

The increase of \$0.03 billion for the Other Capital Projects is primarily due to spending on projects in the Capital Facilities Fund combined with project cost transfers out to other funds. Debt Service decreased primarily due to release of debt service funds of \$3.1 million to pay for COPs 2012A.

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

At the end of the year, the District's proprietary funds have an unrestricted net position of \$0.3 billion. The net decrease of \$0.03 billion in the current year is primarily attributed to an adjustment totaling \$0.04 billion to the fair market cash value pooled with the County of Los Angeles.

### **General Fund Budgetary Highlights**

The District closely monitors and reviews its revenue and expenditure data to ensure that a sufficient ending balance is maintained. 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 the 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 2021-22 General Fund Original Final Budget and the Modified Final Budget resulted in a lower budgeted ending balance of \$2.4 billion from \$4.8 billion. Adjustments to the Original Final Budget included an increase in beginning balance of \$0.1 billion, a decrease in budgeted revenues and financing sources of \$1.3 billion, and an increase in budgeted expenditures and other financing uses of \$1.2 billion.

The increase in beginning balance of \$0.1 billion was to reflect the actual ending balance as of June 30, 2021, as opposed to the estimated June 30, 2021 ending balance. The net decrease in budgeted revenues and other financing sources of \$1.3 billion was mostly due to a lower recognition of ESSER III of \$2.0 billion, an increase in LCFF revenue of \$0.2 billion, and a receipt of \$0.2 billion for Expanded Learning Opportunities Program.

The increase in estimated expenditures and other financing uses of \$1.2 billion was mostly attributable to the program implementation of COVID-related federal and state funds and of Expanded Learning Opportunities Program.

#### *Actual vs. Modified Final Budget*

The beginning balance almost remained the same on both the Actual and the Modified Final Budget. The unfavorable variance of \$0.7 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 \$1.7 billion in expenditures and other financing uses between the Actual and the Modified Final Budget was mostly from COVID-related and school carryover accounts. The unspent portion of



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Management's Discussion and Analysis

June 30, 2022

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 mainly in Certificated Salaries (\$0.9 billion), Books and Supplies (\$0.4 billion), and Employee Benefits (\$0.2 billion).

Differences between the Actual and Modified Final Budget resulted in a higher ending balance by \$0.9 billion, to \$3.3 billion from \$2.4 billion.

### Capital Assets and Debt Administration

**Capital assets.** The District's investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$15.4 billion (net of accumulated depreciation), 2.28% increase from the prior year. The investment in capital assets includes sites, improvement of sites, buildings and improvements, equipment, construction in progress, and lease 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, various Americans with Disabilities Act (ADA) improvement at school sites, school-based clinic and wellness center projects, and the recognition of lease assets under GASB 87.

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

	Governmental Activities	
	2022	Restated 2021
Sites	\$ 3,100,671	\$ 3,100,360
Improvement of sites	334,963	313,870
Buildings and improvements	9,306,858	9,432,012
Equipment	395,607	430,531
Construction in progress	2,185,368	1,760,659
Lease Assets	56,816	75
Total	<u>\$ 15,380,283</u>	<u>\$ 15,037,507</u>

Additional information on the District's capital assets can be found in Note 7 on pages 40-41 of this report.

### Debt Administration

**Long-term obligations.** At the end of the current fiscal year, the District had total long-term obligations of \$27.1 billion. Of this amount, \$11.6 billion is comprised of debt to be repaid by voter approved property taxes and not by the General Fund of the District.

The District's total long-term obligations decreased by \$4.5 billion (14.3%) during the current fiscal year. The decrease was primarily due to the ending balances of Net Pension Liability and Other Postemployment Benefits dropped significantly as a result of strong investment market in 2020-21.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Management's Discussion and Analysis

June 30, 2022

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

	Governmental Activities	
	2022	Restated 2021
General Obligation (GO) Bonds	\$ 11,612,001	\$ 11,768,846
Certificates of Participation (COPs)	127,611	139,517
Lease Obligations	57,374	75
Liability for Compensated Absences	86,722	108,286
Liability for Other Employee Benefits	29,594	33,671
Self-insurance Claims	725,087	609,841
Net Pension Liability	4,311,675	7,935,187
Other Postemployment Benefits (OPEB)	10,186,225	11,062,961
Total	\$ 27,136,289	\$ 31,658,384

### Long-Term Credit Ratings

Below are the District's long-term credit ratings as of June 30, 2022 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 "Aa3" and "A2", respectively, with a Stable Outlook. In addition, Moody's assigned a "A1" issuer credit rating to the District. (See Footnote 17 Subsequent Events for an update to this rating.)
2. Fitch Ratings (Fitch) rated the District's GO bonds as "AA+" with a Stable Outlook and provided an Issuer Default Rating of "A-" with a Stable Outlook. (See Footnote 17 Subsequent Events for an update to this rating.)
3. Standard & Poor's (S&P) rated the District's GO bonds and COPs as "A+" and "A", respectively, with a Stable Outlook.
4. Kroll Bond Rating Agency (KBRA) rated the District's GO bonds as "AAA" with a Stable Outlook.

Prior to 2008, the District purchased municipal bond insurance and/or reserve surety bond policies at the time of issuance for some of its COPs and bonds. Moody's, S&P and Fitch assigned insured ratings of "Aaa", "AAA" and "AAA", respectively, on said COPs and bonds at the time of issuance. Subsequent to February 1, 2008, the rating agencies downgraded the ratings of certain bond insurers, including all of those who had issued bond insurance policies and/or surety bonds on these District issues.

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, 2022 is \$20.5 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 65-68 of this report.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Management's Discussion and Analysis

June 30, 2022

### **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://achieve.lausd.net/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 Business 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, 2022

(in thousands)

	<b>Governmental Activities</b>
Assets:	
Cash in county treasury, in banks, and on hand	\$ 7,638,945
Cash held by trustee	238,189
Investments	14,079
Property taxes receivable	124,465
Accounts receivable, net	816,458
Accrued interest receivable	17,870
Lease Receivable	13,719
Prepays	68,871
Inventories	51,613
Accounts receivable, non current	4,598
Other assets	4,892
Capital assets:	
Sites	3,100,671
Improvement of sites	877,373
Buildings and improvements	17,399,352
Equipment	2,574,996
Construction in progress	2,185,368
Lease Assets	62,006
Less accumulated depreciation	<u>(10,819,483)</u>
Total Capital Assets, Net of Depreciation	<u>15,380,283</u>
Total Assets	<u>24,373,982</u>
Deferred Outflows of Resources	<u>3,723,083</u>
Liabilities:	
Vouchers and accounts payable	416,316
Contracts payable	116,821
Accrued payroll	434,673
Accrued interest	266,295
Other payables	218,030
Unearned revenue	95,335
Long-term liabilities:	
Portion due within one year	1,047,205
Portion due after one year	11,591,184
Net pension liability	4,311,675
Net other post-employment liability	<u>10,186,225</u>
Total Liabilities	<u>28,683,759</u>
Deferred Inflows of Resources	<u>7,572,724</u>
Net Position:	
Net investment in capital assets	3,614,823
Restricted for:	
Debt service	1,073,923
Program activities	2,528,420
Unrestricted	<u>(15,376,584)</u>
Total Net Position	<u>\$ (8,159,418)</u>

See accompanying notes to basic financial statements.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Statement of Activities  
Year Ended June 30, 2022  
(in thousands)

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 4,714,575	\$ 17,171	\$ 2,536,982	\$ —	\$ (2,160,422)
Support services – students	1,134,663	1,363	491,303	—	(641,997)
Support services – instructional staff	844,210	368	517,042	—	(326,800)
Support services – general administration	151,426	—	2,141	—	(149,285)
Support services – school administration	614,633	—	234,947	—	(379,686)
Support services – business	443,287	12,790	331,883	—	(98,614)
Operation and maintenance of plant services	898,224	31,657	146,370	—	(720,197)
Student transportation services	169,703	—	4,985	—	(164,718)
Data processing services	108,031	—	2,914	—	(105,117)
Operation of non-instructional services	612,394	1,524	681,556	—	70,686
Facilities acquisition and construction services*	140,579	92,551	(32,158)	211,206	131,020
Other Uses	5,553	—	82	—	(5,471)
Interest expense	396,253	—	(318)	50,317	(346,254)
Depreciation – unallocated**	591,051	—	—	—	(591,051)
<b>Total Governmental Activities</b>	<b>\$ 10,824,582</b>	<b>\$ 157,424</b>	<b>\$ 4,917,729</b>	<b>\$ 261,523</b>	<b>\$ (5,487,906)</b>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					1,854,404
Property taxes, levied for debt service					967,767
Property taxes, levied for community redevelopment					48,947
State aid not restricted to specific purpose					4,183,846
Grants, entitlements, and contributions not restricted to specific programs					134,647
Unrestricted investment earnings					(144,178)
Miscellaneous					43,249
<b>Total General Revenues</b>					<b>7,088,682</b>
<b>Change in Net Position</b>					<b>1,600,776</b>
<b>Net Position – Beginning of Year, Restated</b>					<b>(9,760,194)</b>
<b>Net Position – End of Year</b>					<b>\$ (8,159,418)</b>

\* 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, 2022  
(in thousands)

	<u>General</u>	<u>District Bonds</u>	<u>Bond Interest and Redemption</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
<b>Assets:</b>					
Cash in county treasury, in banks, and on hand	\$ 3,611,655	\$ 1,471,226	\$ 977,126	\$ 589,266	\$ 6,649,273
Cash held by trustee	—	—	225,245	12,944	238,189
Investments	—	—	—	14,079	14,079
Taxes receivable	—	—	124,465	—	124,465
Accounts receivable – net	668,244	—	—	106,923	775,167
Accrued interest receivable	9,181	4,492	—	1,637	15,310
Lease receivable	13,543	—	—	177	13,720
Prepays	12,159	101	—	50	12,310
Inventories	32,981	—	—	18,632	51,613
Other assets	—	—	—	118	118
<b>Total Assets</b>	<u>4,347,763</u>	<u>1,475,819</u>	<u>1,326,836</u>	<u>743,826</u>	<u>7,894,244</u>
Deferred Outflows of Resources	—	—	—	—	—
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 4,347,763</u>	<u>\$ 1,475,819</u>	<u>\$ 1,326,836</u>	<u>\$ 743,826</u>	<u>\$ 7,894,244</u>
<b>Liabilities and Fund Balances:</b>					
Vouchers and accounts payable	\$ 355,185	\$ 38,057	\$ —	\$ 17,614	\$ 410,856
Contracts payable	5,267	106,367	—	5,183	116,817
Accrued payroll	401,967	10,956	—	25,338	438,261
Other payables	149,468	5,302	—	14,657	169,427
Unearned revenue	94,010	—	—	1,325	95,335
<b>Total Liabilities</b>	<u>1,005,897</u>	<u>160,682</u>	<u>—</u>	<u>64,117</u>	<u>1,230,696</u>
<b>Deferred Inflows of Resources:</b>					
Property taxes	—	—	124,465	—	124,465
Lease	13,543	—	—	176	13,719
Build America Bond Subsidy	—	—	28,263	—	28,263
<b>Total Deferred Inflows of Resources</b>	<u>13,543</u>	<u>—</u>	<u>152,728</u>	<u>176</u>	<u>166,447</u>
<b>Fund Balances:</b>					
Nonspendable	48,022	516	—	18,699	67,237
Restricted	544,332	1,314,621	1,174,108	—	3,033,061
Restricted, reported in:					
Special revenue funds	—	—	—	208,561	208,561
Debt service funds	—	—	—	13,382	13,382
Capital projects funds	—	—	—	435,508	435,508
Assigned	1,595,952	—	—	—	1,595,952
Assigned, reported in:					
Special revenue funds	—	—	—	6,354	6,354
Capital projects funds	—	—	—	12,403	12,403
Unassigned:					
Reserved for economic uncertainties	199,860	—	—	—	199,860
Special revenue funds	—	—	—	(15,374)	(15,374)
Unassigned	940,157	—	—	—	940,157
<b>Total Fund Balances</b>	<u>3,328,323</u>	<u>1,315,137</u>	<u>1,174,108</u>	<u>679,533</u>	<u>6,497,101</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 4,347,763</u>	<u>\$ 1,475,819</u>	<u>\$ 1,326,836</u>	<u>\$ 743,826</u>	<u>\$ 7,894,244</u>

See accompanying notes to basic financial statements.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position

June 30, 2022

(in thousands)

Total Fund Balances – Governmental Funds	\$ 6,497,101
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 \$26,199,766 and the accumulated depreciation is \$10,819,483.	15,380,283
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.	124,465
Federal subsidies for debt service expenditures are recognized in the governmental funds only when the corresponding interest expenditure is recognized.	28,263
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.	4,599
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.	292,077
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.	(12,175,730)
Deferred outflow/inflow of resources – refunding charges are not reported in the governmental funds.	31,526
Proportionate share of net pension liability and related deferred inflow/outflow of resources are not reported in the governmental funds.	(5,990,818)
Net other postemployment benefits liability and related deferred inflow/outflow of resources are not reported in the governmental funds.	<u>(12,351,184)</u>
Total Net Position – Governmental Activities	<u><u>\$ (8,159,418)</u></u>

See accompanying notes to basic financial statements.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2022  
(in thousands)

	<b>General</b>	<b>District Bonds</b>	<b>Bond Interest and Redemption</b>	<b>Other Governmental</b>	<b>Total Governmental</b>
<b>Revenues:</b>					
Local Control Funding Formula sources	\$ 6,038,208	\$ —	\$ —	\$ —	\$ 6,038,208
Federal revenues	1,850,505	—	69,549	495,665	2,415,719
Other state revenues	1,748,758	—	3,000	526,144	2,277,902
Other local revenues	35,453	(49,525)	914,131	187,408	1,087,467
<b>Total Revenues</b>	<b>9,672,924</b>	<b>(49,525)</b>	<b>986,680</b>	<b>1,209,217</b>	<b>11,819,296</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Certificated salaries	3,379,760	—	—	103,505	3,483,265
Classified salaries	1,257,171	37,818	—	199,211	1,494,200
Employee benefits	2,370,118	24,594	—	192,856	2,587,568
Books and supplies	479,423	676	—	259,753	739,852
Services and other operating expenditures	1,726,403	28,501	—	21,100	1,776,004
Capital outlay	94,855	739,926	—	143,503	978,284
Debt service – principal	4,629	3	591,120	10,260	606,012
Debt service – bond issuance cost	—	—	992	—	992
Debt service – bond, COPs, and capital leases interest	1,074	—	528,804	6,122	536,000
Other outgo	5,479	—	—	75	5,554
Transfers of indirect costs – interfund	(24,855)	—	—	24,854	(1)
<b>Total Expenditures</b>	<b>9,294,057</b>	<b>831,518</b>	<b>1,120,916</b>	<b>961,239</b>	<b>12,207,730</b>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	<b>378,867</b>	<b>(881,043)</b>	<b>(134,236)</b>	<b>247,978</b>	<b>(388,434)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	46,574	245,539	—	16,641	308,754
Transfers out	(14,404)	(100,462)	—	(193,888)	(308,754)
Payment to refunded bond escrow agent	—	—	(48,675)	—	(48,675)
Premium on bonds issued	—	—	83,841	—	83,841
Leases	61,997	9	—	—	62,006
Proceeds from refunding bonds	—	—	48,855	—	48,855
Proceeds from sale of bonds	—	494,140	—	—	494,140
<b>Total Other Financing Sources (Uses)</b>	<b>94,167</b>	<b>639,226</b>	<b>84,021</b>	<b>(177,247)</b>	<b>640,167</b>
<b>Net Changes in Fund Balances</b>	<b>473,034</b>	<b>(241,817)</b>	<b>(50,215)</b>	<b>70,731</b>	<b>251,733</b>
Fund Balances, July 1, 2021	2,855,289	1,556,954	1,224,323	608,802	6,245,368
Fund Balances, June 30, 2022	<b>\$ 3,328,323</b>	<b>\$ 1,315,137</b>	<b>\$ 1,174,108</b>	<b>\$ 679,533</b>	<b>\$ 6,497,101</b>

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, 2022

(in thousands)

Net Changes in Fund Balances – Governmental Funds	\$	251,733
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.		342,776
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.		49,760
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.		56,228
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.		12,191
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).		25,358
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.		1,396
An internal service fund is used by the District's management to charge the costs of health and welfare, workers' compensation and liability self-insurance premiums and claims to the individual funds. The net revenue of the internal service fund is reported with governmental activities		(26,632)
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.		(13,306)
Federal subsidies for debt interest payments are recognized in the government wide statement as soon as it is earned. In the governmental funds, it is recorded when the corresponding interest expenditure is recognized.		19,241
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.		662,598
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.		219,433
Change in Net Position of Governmental Activities	\$	1,600,776

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, 2022  
(in thousands)

	<u>Budget</u>		<u>Actual</u>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local Control Funding Formula sources	\$ 5,823,672	\$ 6,024,709	\$ 6,038,208	\$ 13,499
Federal revenues	4,445,969	2,621,169	1,850,505	(770,664)
Other state revenues	1,374,318	1,570,817	1,748,758	177,941
Other local revenues	132,517	162,045	35,453	(126,592)
Total Revenues	<u>11,776,476</u>	<u>10,378,740</u>	<u>9,672,924</u>	<u>(705,816)</u>
Expenditures:				
Current:				
Certificated salaries	3,411,409	4,289,990	3,379,760	910,230
Classified salaries	1,107,195	1,294,586	1,257,171	37,415
Employee benefits	2,437,603	2,594,290	2,370,118	224,172
Books and supplies	1,638,002	890,277	479,423	410,854
Services and other operating expenditures	1,076,550	1,788,492	1,726,403	62,089
Capital outlay	54,322	102,202	94,855	7,347
Debt service – principal	313	5,091	4,629	462
Debt service – bond, COPs, and capital leases interest	12	3,462	1,074	2,388
Other outgo	7,653	7,653	5,479	2,174
Transfers of indirect costs – interfund	(31,567)	(24,462)	(24,855)	393
Total Expenditures	<u>9,701,492</u>	<u>10,951,581</u>	<u>9,294,057</u>	<u>1,657,524</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,074,984</u>	<u>(572,841)</u>	<u>378,867</u>	<u>951,708</u>
Other Financing Sources (Uses):				
Transfers in	30,025	56,924	46,574	(10,350)
Transfers out	(55,101)	(32,954)	(14,404)	18,550
Leases	—	61,997	61,997	—
Total Other Financing (Uses)	<u>(25,076)</u>	<u>85,967</u>	<u>94,167</u>	<u>8,200</u>
Net Changes in Fund Balances	<u>2,049,908</u>	<u>(486,874)</u>	<u>473,034</u>	<u>959,908</u>
Fund Balances, July 1, 2021	2,714,365	2,855,289	2,855,289	—
Fund Balances, June 30, 2022	<u>\$ 4,764,273</u>	<u>\$ 2,368,415</u>	<u>\$ 3,328,323</u>	<u>\$ 959,908</u>

See accompanying notes to basic financial statements.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Statement of Net Position

### Proprietary Funds

### Governmental Activities – Internal Service Funds

June 30, 2022

(in thousands)

#### Assets:

Cash in county treasury, in banks, and on hand	\$ 989,671
Accounts receivable – net	41,291
Accrued interest and dividends receivable	2,559
Prepays	56,561
Other assets	4,774
Total Assets	<u>1,094,856</u>

#### Deferred Outflows of Resources

4,037

#### Liabilities:

##### Current:

Vouchers and accounts payable	5,459
Accrued payroll	1,194
Other payables	47,691
Estimated liability for self-insurance claims	358,021
Total Current Liabilities	<u>412,365</u>

##### Noncurrent:

Estimated liability for self-insurance claims	367,066
Net other postemployment benefits liability	12,011
Net pension liability	7,231
Total Noncurrent Liabilities	<u>386,308</u>

#### Total Liabilities

798,673

#### Deferred Inflows of Resources

8,143

#### Total Net Position – Unrestricted

\$ 292,077

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, 2022  
(In thousands)

Operating Revenues:	
In-District premiums	\$ 1,381,310
Others	3,095
Total Operating Revenues	1,384,405
Operating Expenses:	
Certificated salaries	86
Classified salaries	5,606
Employee benefits	1,760
Supplies	315
Premiums and claims expenses	1,352,007
Claims administration	16,416
Other contracted services	1,296
Total Operating Expenses	1,377,486
Operating Income	6,919
Nonoperating Revenues (Expenses):	
Investment income	(33,506)
Miscellaneous expense	(46)
Total Nonoperating Revenues	(33,552)
Income before Transfers	(26,633)
Changes in Net Position	(26,633)
Total Net Position, July 1, 2021	318,710
Total Net Position, June 30, 2022	\$ 292,077

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, 2022

(in thousands)

Cash Flows from Operating Activities:	
Cash payments to employees for services	\$ (9,645)
Cash payments for goods and services	(1,262,984)
Receipts from assessment to other funds	1,381,310
Receipts from other operating revenue	3,095
Net Cash Provided by Operating Activities	<u>111,776</u>
Cash Flows from Investing Activities:	
Earnings on investments	(34,046)
Cash Used by Investing Activities	<u>(34,046)</u>
Net Increase in Cash and Cash Equivalents	77,730
Cash and Cash Equivalents, July 1	<u>911,941</u>
Cash and Cash Equivalents, June 30	<u>\$ 989,671</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	<u>\$ 6,919</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Net decrease in pension and other postemployment benefits expense from actuarial valuation	(1,501)
Change in Assets: Decrease (Increase)	
Accounts receivable	(8,611)
Prepays	(2,494)
Other assets	456
Change in Liabilities: Increase (Decrease)	
Vouchers and accounts payable	(4,722)
Accrued payroll	(693)
Other payables	7,177
Estimated liability for self-insurance claims – current	131,088
Estimated liability for self-insurance claims – noncurrent	(15,843)
Total Adjustments	<u>104,857</u>
Net Cash Provided by Operating Activities	<u>\$ 111,776</u>

See accompanying notes to basic financial statements.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2022

## (1) Summary of Significant Accounting Policies

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

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

### (a) Reporting Entity

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

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

### Blended Component Units

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

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

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

### **(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 18 and 20. 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 funds. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

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

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

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

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

### (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 2021-22:

*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 Bonds Fund* – This category represents the total of the following building accounts: Building Account – Bond Proceeds (Proposition BB), established to account for bond proceeds received as a result of the passage of such proposition in Election of 1997; Building Account – Measure K, established to account for bond proceeds received by the passage of such measure in Election of 2002; Building Account – Measure R, established to account for bond proceeds received by the passage of such measure in Election of 2004; Building Account – Measure Y, established to account for bond proceeds received by the passage of such measure in Election of 2005; and Building Account – Measure Q, established to account for bond proceeds received by the passage of such measure in Election of 2008; Measure RR, established to account for bond proceeds received by the passage of such measure in 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 (Proposition BB, Measure K, Measure R, Measure Y, Measure Q, and Measure RR). Revenues are derived from ad valorem taxes levied upon all taxable property in the District.



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

### **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 2021-22.

*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, State School Building Lease Purchase, County School Facilities Bonds, Special Reserve – Community Redevelopment Agency, Special Reserve, Special Reserve – FEMA – Earthquake, and Special Reserve – FEMA – Hazard Mitigation. The District Bonds Fund (BB Bonds, Measure K, Measure R, Measure Y, Measure Q, and Measure RR) is reported separately as a major fund in fiscal year 2021-22.

### **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

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

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.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

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, 2022, there were no balances on due to/from other funds.

### **(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. Inventories of the Student Body are managed at the school level. 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, and construction in progress, are reported in the government-wide financial statements. Such assets are valued at historical cost or estimated historical cost unless obtained by annexation or donation, in which case they are recorded at estimated market value at the date of receipt. The District utilizes a capitalization threshold of \$5,000.

Projects under construction are recorded at cost as construction in progress and transferred to the appropriate asset account when substantially complete. Costs of major improvements and rehabilitation of buildings are capitalized. Repair and maintenance costs are charged to expense when incurred. Equipment disposed of, or no longer required for its existing use, is removed from the records at actual or estimated historical cost, net of accumulated depreciation.

All capital assets, except land and construction in progress, are depreciated using the Straight-line method over the following estimated useful lives. A full month's depreciation is applied on the date the asset is placed in service.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

<u>Assets</u>	<u>Years</u>
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, 2022.

***(l) Compensated Absences***

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

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

***(m) Pensions***

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

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

### ***(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. Lease liability is reported as long-term obligations in the government-wide financial statements, see note 13 “Leases” for details.

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 2021-22, the District received \$1.6 billion of local property taxes, \$1.1 billion of EPA, and \$3.3 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 2021-22, 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.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

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 Pronouncements**

The District adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The adoption of this standard requires the restatement of the June 30, 2021, net position in the governmental activities, see note 1 (r).

GASB Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period" has been evaluated and has no impact on the District's financial reporting or notes.

GASB Statement No. 91 "Conduit Debt Obligation" has been evaluated and has no impact on the District's financial reporting or notes.

GASB Statement No. 93, "Replacement of Interbank Offered Rates" has been evaluated and has no impact on the District's financial reporting and notes.

GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" has been evaluated and has no impact on the District's financial reporting or notes.

### **(r) Restatements**

The following table illustrates the cumulative effect of the change in accounting principles as shown on the face of the District's Statement of Activities (in thousands):

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

Net position at beginning of year, as previously reported		\$ (9,760,121)
Restatement –		
Recognition of GASB 87		(73)
Net position at beginning of year, as restated		\$ (9,760,194)

**(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 2021-22.

**(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 \$12,175,730 difference are as follows (in thousands):

Bonds payable		\$ (11,612,001)
Certificates of Participation (COPs)		(127,611)
Lease obligations		(57,374)
Liability for compensated absences		(83,859)
Liability for other employee benefits		(27,679)
Accrued interest		(266,295)
Other		(911)
Adjustment to reduce <i>total fund balances – governmental funds</i> to arrive at <i>net position – governmental activities</i>		\$ (12,175,730)

***(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

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

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 \$342,776 difference are as follows (in thousands):

Capital related expenditures	\$ 978,211
Cost of the capital assets sold	(53)
Depreciation expense	<u>(635,382)</u>
Net adjustment to decrease net changes in <i>total</i> fund balances – governmental funds to arrive at changes in net position – governmental activities	  <u>\$ 342,776</u>

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 \$49,760 difference are as follows (in thousands):

Debt issued or incurred:	
General Obligation (GO) Bonds	\$ (542,995)
Lease Obligations	(61,932)
Principal repayments:	
GO Bonds	591,120
COPs	10,260
Lease Obligations	4,632
Payments to escrow agent for refunding:	
Refunding GO Bonds	<u>48,675</u>
Net adjustment to increase net changes in <i>total</i> fund balances – governmental funds to arrive at changes in net position – governmental activities	  <u>\$ 49,760</u>

**(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 \$1,228.0 million.



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

### (5) Cash and Investments

Cash and investments as of June 30, 2022, are classified in the accompanying basic financial statements as follows (in thousands):

Statement of net position:	
Cash	\$ 7,638,945
Investments	14,079
Cash held by trustee	238,189
	<hr/>
Total cash and investments	\$ 7,891,213
	<hr/> <hr/>

Cash and investments as of June 30, 2022, consist of the following (in thousands):

Cash on hand (cafeteria change funds)	\$ 26
Deposits with financial institutions and Los Angeles County Pool	7,877,108
Investments	14,079
	<hr/>
Total cash and investments	\$ 7,891,213
	<hr/> <hr/>

Deposits with financial institutions include: (1) cash in the Los Angeles County Pooled Surplus Investment Fund (\$7,597.6 million); (2) cash held by fiscal agents or trustees (\$238.2 million); (3) cash deposited with various other financial institutions for imprest funds of schools and offices (\$10.1 million); and cash in the Student Activity Special Revenue Fund (\$31.2 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. As of June 30, 2022, the District recorded a total of \$328 million of unrealized loss to reflect investments at its fair value.

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 investment policy:

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

	<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Total Par Value</u>	<u>Maximum Par Value per Issuer</u>
A.	Obligations of the U.S. government, its agencies and instrumentalities	None	None	None
B.	Approved Municipal Obligations	5 to 30 years	10% of PSI portfolio	None
C.	Asset-Backed Securities with highest ratings	5 years	20% of PSI portfolio	with credit rating limits
D.	Bankers' Acceptances Domestic and Foreign	180 days	40% of PSI portfolio	with credit rating limits
E.	Negotiable Certificates of Deposits – Domestic	3 years	30% of PSI portfolio	with credit rating limits
	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	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 Basic Financial Statements

Year Ended June 30, 2022

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, 2022, 60.12% of district funds in the County PSI Fund does not exceed one year. The weighted Average Days to Maturity of its portfolio was 933 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. For short term and long-term debt issuers, the rating must be no less than A1 from Standard & Poor's (S&P), P-1 from Moody's Investors Service (Moody's), or F1 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, 2022, the County did not exceed these limitations.

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

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

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

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**(6) Accounts Receivable, net**

Receivables by Fund at June 30, 2022, consist of the following (in thousands):

	<u>General</u>	<u>Other Governmental</u>	<u>Internal Service Funds</u>	<u>Total</u>
Accrued grants and entitlements	\$ 606,340	\$ 77,545	\$ —	\$ 683,885
Other	61,904	29,378	41,291	132,573
Total Accounts Receivable, Net	<u>\$ 668,244</u>	<u>\$ 106,923</u>	<u>\$ 41,291</u>	<u>\$ 816,458</u>

**(7) Capital Assets**

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

	<u>Restated Balance, June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2022</u>
Governmental activities:				
Capital assets, not being depreciated:				
Sites	\$ 3,100,360	\$ 311	\$ —	\$ 3,100,671
Construction in progress	1,760,659	901,177	(476,468)	2,185,368
Total capital assets, not being depreciated	<u>4,861,019</u>	<u>901,488</u>	<u>(476,468)</u>	<u>5,286,039</u>
Capital assets, being depreciated:				
Improvement of sites	826,805	50,568	—	877,373
Buildings and improvements	17,016,892	382,460	—	17,399,352
Equipment	2,528,635	58,232	(11,871)	2,574,996
Lease Assets *	75	61,931	—	62,006
Total capital assets, being depreciated	<u>20,372,407</u>	<u>553,191</u>	<u>(11,871)</u>	<u>20,913,727</u>
Less accumulated depreciation for:				
Improvement of sites	(512,935)	(29,475)	—	(542,410)
Buildings and improvements	(7,584,880)	(507,614)	—	(8,092,494)
Equipment	(2,098,104)	(93,103)	11,818	(2,179,389)
Lease Assets*	—	(5,190)	—	(5,190)
Total accumulated depreciation	<u>(10,195,919)</u>	<u>(635,382)</u>	<u>11,818</u>	<u>(10,819,483)</u>
Total capital assets, being depreciated, net	<u>10,176,488</u>	<u>(82,191)</u>	<u>(53)</u>	<u>10,094,244</u>
Governmental activities capital assets, net	<u>\$ 15,037,507</u>	<u>\$ 819,297</u>	<u>\$ (476,521)</u>	<u>\$ 15,380,283</u>

\*New category for the District's lease assets, and related accumulated amortization, have been added due to the implementation of GASB 87.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

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

Governmental activities:

Facilities Acquisition and construction	\$ 591,051
Instruction	17,943
Operation and maintenance of plant services	11,663
Student transportation services	6,066
Data processing services	2,728
Support services - business	2,756
Operation of noninstructional services	1,445
Support services - instructional staff	1,034
Support services - school administration	444
Support services - students	127
Support services - general administration	125
Total depreciation expense – governmental activities	<u><u>\$ 635,382</u></u>

**(8) Deferred Outflows and Inflows of Resources**

District's deferred outflows and inflows of resources as of June 30, 2022, are comprised of the following (in thousands):

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Debt refunding charges	\$ 63,031	\$ 31,504
Lease - GASB 87	–	13,719
Pension contributions subsequent to measurement date	862,326	–
OPEB contributions subsequent to measurement date	231,063	–
Difference in contribution	20,479	113,700
Unamortized differences between projected and actual earnings on plan investments	336,002	3,053,266
Unamortized differences between expected and actual experience	54,953	1,953,998
Unamortized differences arising from changes of assumptions	1,855,185	2,186,180
Unamortized differences arising from change in proportion of net pension liability	236,622	171,984
Unamortized differences arising from change in proportion of deferred outflow	63,422	–
Unamortized differences arising from change in proportion of deferred inflow	–	48,373
Total	<u><u>\$ 3,723,083</u></u>	<u><u>\$ 7,572,724</u></u>

**(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.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

***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 benefit 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 (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, 2022, is summarized in the following table (in thousands):

CalPERS – Safety Plan	\$ 63,446
CalPERS – Miscellaneous Plan	1,596,877
CalSTRS	<u>2,651,352</u>
Total	<u>\$ 4,311,675</u>

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

**Safety Plan**

**Plan Description and Benefits Provided**

The District contributes to an agent multiple-employer plan for Safety, 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, 2022, are summarized as follows:

	<b>Safety</b>	
	<u>Prior to</u>	<u>On or after</u>
	<u>January 1, 2013</u>	<u>January 1, 2013</u>
Hiring date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age: minimum	50	57
Monthly benefit, as a % of eligible compensation	3.0%	2.70%
Required employee contribution rates	9.00%	13.75%
Required employer contribution rates	48.900%	48.900%

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**Employees Covered**

At June 30, 2022, the following employees were covered by the benefit terms for the Safety Plan:

	<u>Safety</u>
Inactive employees or beneficiaries currently receiving the benefits	401
Inactive employees entitled to, but not yet receiving benefits	278
Active employees	<u>233</u>
Total	<u>912</u>

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended.

For the year ended June 30, 2022, the contributions to the Safety Plan amounted to \$12.2 million.

**Net Pension Liability**

The District's net pension liability for the Safety Plan of \$63.4 million at June 30, 2022, 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, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability of the Safety Plan is shown below.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2020, actuarial valuations were determined using the following actuarial assumptions:

	<u>Safety</u>
Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry-Age Normal in accordance with the requirements of GASB 68
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Investment rate of return	7.15%
Mortality rate table <sup>(1)</sup>	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

<sup>(1)</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increases, mortality and retirement dates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

**Change of Assumptions**

There was no change of assumptions.

**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. There was no change in Benefit Terms.



**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**Discount Rate**

The discount rate used to measure the total pension liability of the Safety Plan was 7.15%. 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 as well as the expected pension fund (PERF) cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class	Safety		
	Assumed Asset Allocation	Real Return Years 1 - 10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Public equity	50.00%	4.80%	5.98%
Fixed income	28.00	1.00	2.62
Inflation assets	—	0.77	1.81
Private equity	8.00	6.30	7.23
Real estate	13.00	3.75	4.93
Liquidity	1.00	—	(0.92)
Total	<u>100.00%</u>		

<sup>(a)</sup> An expected inflation of 2.00% used for this period.

<sup>(b)</sup> An expected inflation of 2.92% used for this period.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**Changes in the Net Pension Liability**

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

	<b>Safety</b>		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021	\$ 454,721	\$ 336,896	\$ 117,825
Changes recognized for the measurement period:			
Service cost	10,479	-	10,479
Interest on the total pension liability	32,058	-	32,058
Differences between expected and actual experience	(2,306)	-	(2,306)
Contributions from the employer	-	14,984	(14,984)
Contributions from employees	-	2,936	(2,936)
Net investment income	-	77,027	(77,027)
Benefit payments, including refunds of employee contributions	(18,587)	(18,587)	-
Administrative expense	-	(337)	337
Net changes	<u>21,644</u>	<u>76,023</u>	<u>(54,379)</u>
Balance at June 30, 2022	<u>\$ 476,365</u>	<u>\$ 412,919</u>	<u>\$ 63,446</u>

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, 2021. 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 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 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate (in thousands):

	<b>Safety</b>		
	1.00% Decrease (6.15%)	Current Discount Rate (7.15%)	1.00% Increase (8.15%)
	District's net pension liability	\$ 131,030	\$ 63,446

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**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, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the District recognized pension expense \$3.5 million for the Safety Plan. As of June 30, 2022, the District reported deferred outflows and deferred inflows of resources related to pensions (Safety Plan) as follows (in thousands):

	<u>Safety</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ —	\$ 1,731
Differences between expected and actual experience	274	2,520
Net difference between projected and actual earnings on pension plan investments	—	38,481
District contributions subsequent to the measurement date	12,215	—
<b>Total</b>	<u>\$ 12,489</u>	<u>\$ 42,732</u>

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense.

The \$12.2 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows (in thousands):

	<u>Safety</u>
<u>Year ended June 30</u>	Deferred Outflows (Inflows) of Resources
2023	\$ (12,574)
2024	(9,509)
2025	(9,771)
2026	(10,604)

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

### **Payable to the Pension Plan**

The District's contribution for all members to the Safety Plan for the fiscal year ended June 30, 2022, 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, 2022.

### **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, 2022, are summarized as follows:

	<b>Miscellaneous</b>	
	<b>Prior to January 1, 2013</b>	<b>On or after January 1, 2013</b>
Hiring date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age: Minimum	50	52
Monthly benefit, as a % of eligible compensation	1.10%	1.00%
Required employee contribution rates	7.00%	7.00%
Required employer contribution rates	22.910%	22.910%

### **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, 2022, the contributions to the Miscellaneous Plan amounted to \$286.2 million.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

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

At June 30, 2022, the District reported a net pension liability of \$1.6 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, 2021, 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, 2020, rolled forward to June 30, 2021, using standard update procedures. The District's proportion of the net pension liability was based on the 2020-21 fiscal year employer contributions calculated by CalPERS. At June 30, 2021, the District's proportion rate was 7.853070%.

For the year ended June 30, 2022, the District recognized pension expense of \$133.1 million for the Miscellaneous Plan. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions (Miscellaneous Plan) from the following sources (in thousands):

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 48,631	\$ 3,764
Difference between projected and actual earnings on pension plan investments	81,976	694,304
Change in NPL proportion	6,499	33,279
Change in proportion of deferred outflow	3,511	—
Change in proportion of deferred inflow	—	5,942
Difference in contribution	7,767	36,469
District contributions subsequent to the measurement date	286,190	—
Total	<u>\$ 434,574</u>	<u>\$ 773,758</u>

The \$286.2 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows (in thousands):

	<u>Miscellaneous</u>
<u>Year ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ (143,274)
2023	(163,666)
2024	(147,993)
2025	(170,441)

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry-Age Normal in accordance with the requirements of GASB 68
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Investment rate of return	7.15%
Mortality rate table <sup>(1)</sup>	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	The lesser of contract COLA or 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

<sup>(1)</sup>The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement dates. The Experience Study report can be obtained at CalPERS website under Forms and Publications.

**Change of Assumptions**

There was no change of assumptions.

**Discount Rate**

The discount rate used to measure the total pension liability of the Miscellaneous Plan was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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 and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

Asset Class	Miscellaneous		
	Assumed Target Allocation	Real Return Years 1 - 10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Public equity	50.00%	4.80%	5.98%
Fixed income	28.00	1.00	2.62
Inflation assets	—	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	—	(0.92)
<b>Total</b>	<b>100.00%</b>		

<sup>(a)</sup> An expected inflation of 2.00% used for this period.

<sup>(b)</sup> An expected inflation of 2.92% used for this period.

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, 2021. 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 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate (in thousands):

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

	<b>Miscellaneous</b>		
	1.00%	Current	1.00%
	Decrease	Discount Rate	Increase
	(6.15%)	(7.15%)	(8.15%)
District's proportionate share of the net pension liability	\$ 2,692,559	\$ 1,596,877	\$ 687,226

**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, 2022, 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, 2022.

**(b) California State Teachers' Retirement System (CalSTRS)**

**Plan Description and Benefits Provided**

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

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



**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

The Plan’s provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<b>CalSTRS</b>	
	On or before <u>December 31, 2012</u>	On or after <u>January 1, 2013</u>
Hiring date		
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age: Minimum	50-55 (30 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	16.92%	16.92%

**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.

Assembly Bill (AB 1469) enacted in Chapter 47, Statutes of 2014 is projected to fully fund the CalSTRS Defined Benefit (DB) Program in 32 years through 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. Member contribution increases will be phased in over the next three years and increase by an additional 2.25% of payroll for CalSTRS 2% at 60 members and an additional 1.205% for CalSTRS 2% at 62 members. 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. The Board cannot increase the rate by more than 0.50% in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0%.

The total employer contribution rate will remain at 19.100% of creditable compensation for the 2021-22 fiscal year. However, the California Legislature and the Governor, through the adoption of the 2020 Budget Act, repurposed previous supplemental contributions intended to reduce the employers’ unfunded actuarial obligation to provide additional short-term rate relief. The employers’ contribution rate has been reduced by 2.95% for fiscal year 2020–21 and by 2.18% for fiscal year 2021–22. As a result, the effective total employer contribution rate was equal to 16.15% of creditable compensation for the 2020–21 fiscal year and 16.92% of creditable compensation for the 2021-22 fiscal year. Effective with the 2021–22 fiscal year, the board will have limited authority to adjust the contribution rate to amortize the remaining unfunded actuarial obligation by the 2046 deadline.

For the year ended June 30, 2022, the contributions to the CalSTRS’ TRF amounted to \$563.9 million.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

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

At June 30, 2022, the District reported a net pension liability of \$2.7 billion for its proportionate share of the CalSTRS net pension liability. The net pension liability was measured as of June 30, 2021, 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 2020-21 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 nonemployer contributing entities. At June 30, 2021, the District's proportion rate was 5.568%.

For the year ended June 30, 2022, the District recognized pension expense of \$517.9 million. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>CalSTRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 6,048	\$ 266,498
Difference between projected and actual earnings	242,324	2,251,329
Change of assumption	342,673	—
Change in NPL proportion	230,123	138,705
Change in proportion of deferred outflow	59,911	—
Change in proportion of deferred inflow	—	42,431
Difference in contribution	12,712	77,231
District contributions subsequent to the measurement date	563,921	—
Total	<u>\$ 1,457,712</u>	<u>\$ 2,776,194</u>

The \$563.9 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows:

	<u>CalSTRS</u>
<u>Year ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ (444,100)
2024	(361,527)
2025	(495,117)
2026	(553,189)

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

### 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, 2020, and rolling forward the total pension liability to June 30, 2021. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation date	June 30, 2020
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

\*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%. 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, 2021, are summarized in the following table:

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

Asset Class	CalSTRS	
	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Public equity	42.00 %	4.80 %
Real estate	15.00	3.60
Private equity	13.00	6.30
Fixed income	12.00	1.30
Risk mitigating strategies	10.00	1.80
Inflation sensitive	6.00	3.30
Cash/liquidity	2.00	(0.40)
	<u>100.00 %</u>	

\* 20-year average

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, 2021. 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		
	1.00% Decrease (6.10%)	Current Discount Rate (7.10%)	1.00% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 5,158,084	\$ 2,651,352	\$ 355,851

**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, 2022, 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, 2022.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

Notes to Basic Financial Statements

Year Ended June 30, 2022

## (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, 2022, there are 51,707 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, 2022, the District recognized pension expense of \$6.9 million. The District does not have any forfeited amounts.

The District's contributions for all members for the fiscal years ended June 30, 2022, 2021, and 2020 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 72 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.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Notes to Basic Financial Statements

Year Ended June 30, 2022

- 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) Certificated employees, Service Employees International Union (SEIU) 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:

- 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.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

### Employees Covered

As of June 30, 2022, actuarial valuation, the following current and former employees were covered by the benefit terms under the District's OPEB Plan:

Active employees	58,886
Inactive employees or beneficiaries currently receiving benefits	39,111
Inactive employees entitled to, but not yet receiving benefits	<u>221</u>
Total	<u><u>98,218</u></u>

### Contributions

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

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 2021-22, the District contributed a total of \$231.1 million to the OPEB Plan.

### Net OPEB Liability

The District's net OPEB liability of \$10.2 billion at June 30, 2022, 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, 2021, actuarial valuation report (dated March 2022). The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions:

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

Valuation date	July 1, 2021
Measurement date	June 30, 2021
Actuarial cost method	Entry Age Normal Cost
Discount rate	2.20%
Payroll growth	2.75% per annum
Salary increases	2000-2019 CalPERS Experience Study
Investment rate of return	7.00%
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 <sup>1</sup>	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 [6.66% - 4.50%]; Post 65 [9.43% - 4.50%] Medicare Advantage Plans Post 65 Kaiser [7.66% - 4.50%]; Anthem PPO [10.88% - 4.50%]; Health Net/Anthem EPO [7.66% - 4.50%] Dental & Vision - 5.00%

<sup>(1)</sup>The Experience Study reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

### Changes of Assumptions

During the measurement period ended June 30, 2021, the following assumptions were changed from the prior valuation:

1. Discount rate was changed from 2.30% as of 7/1/2020 to 2.20% as of 7/1/2021.
2. Healthcare Cost Trends – details of the rates are shown above.
3. Mortality improvement was updated from scale MP-2019 to scale MP-2021.
4. Turnover rates, retirement rates, disability and salary scale were updated per the most recent CalPERS experience study and CalSTRS valuation.
5. Expected claims were updated to reflect actual 2021 and 2022 premium rates.
6. Participation assumption was updated from 100% to 95% to better reflect anticipated experience.



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

### 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, 2030. This results in a single equivalent rate of 2.2% (rounded down to 10 basis points) as of July 1, 2021, 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 2.16% as of July 1, 2021.

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 and asset allocation.

Asset class	Assumed asset allocation	Long-Term Geometric Expected Real Rate of Return <sup>(a)</sup>	Real return years 11+ <sup>(b)</sup>
Global equity	59.00%	4.80%	5.98%
Global debt securities	25.00	1.10	2.62
Inflation assets	5.00	0.25	1.46
REITs	8.00	3.20	5.00
Commodities	3.00	1.50	2.87
Total	<u>100.00%</u>		

<sup>(a)</sup> An expected inflation of 2.00% used for this period.

<sup>(b)</sup> An expected inflation of 2.92% used for this period.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**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)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Beginning Balance, June 30, 2021 (Based on 06/30/2020 Measurement Date)	\$ 11,488,950	\$ 425,989	\$ 11,062,961
Changes recognized for the fiscal year			
Service cost	437,026	—	437,026
Interest on the total OPEB liability	271,654	—	271,654
Changes of assumptions	(93,876)	—	(93,876)
Differences between expected and actual experience	(1,143,508)	—	(1,143,508)
Benefit payments	(231,192)	(231,192)	—
Contributions – employer	—	231,192	(231,192)
Net investment income	—	117,080	(117,080)
Other expenses – administrative expense	—	(240)	240
Net changes	<u>(759,896)</u>	<u>116,840</u>	<u>(876,736)</u>
Ending Balance, June 30, 2022 (Based on 06/30/2021 Measurement Date)	<u>\$ 10,729,054</u>	<u>\$ 542,829</u>	<u>\$ 10,186,225</u>

**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, 2022 (in thousands):

	1.00% Decrease (1.20%)	Current Discount Rate (2.20%)	1.00% Increase (3.20%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net OPEB liability	\$ 12,065,352	\$ 10,186,225	\$ 8,674,930

**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, 2022 (in thousands):

	1.00% Decrease	Trend Rate	1.00% Increase
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net OPEB liability	\$ 8,358,936	\$ 10,186,225	\$ 12,589,684

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

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

For the fiscal year ended June 30, 2022, the District recognized a decrease in OPEB expense of \$220.2 million. At June 30, 2022, 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
	<u>                    </u>	<u>                    </u>
Difference between expected and actual earnings on OPEB plan investments	\$ 11,702	\$ 69,152
Changes of assumptions	1,512,512	2,184,449
Difference between expected and actual experience	—	1,681,216
District contributions subsequent to the measurement date	231,063	—
Total	<u>\$ 1,755,277</u>	<u>\$ 3,934,817</u>

The table below lists the amortization bases included in the deferred outflows/inflows as of June 30, 2022 (in thousands):

Date Established	Type of Base	Period		Balance		Annual Amortization
		Original	Remaining	Original	Remaining	
6/30/2021	Liability (gain)/loss	7.78	6.78	\$ (1,143,508)	\$ (996,527)	\$ (146,981)
6/30/2021	Asset (gain)/loss	5.00	4.00	(86,000)	(68,800)	(17,200)
6/30/2021	Assumptions	7.78	6.78	(93,876)	(81,809)	(12,066)
6/30/2020	Asset (gain)/loss	5.00	3.00	16,664	9,998	3,333
6/30/2020	Assumptions	7.16	5.16	2,098,757	1,512,512	293,122
6/30/2019	Liability (gain)/loss	7.25	4.25	(1,167,998)	(684,689)	(161,103)
6/30/2019	Asset (gain)/loss	5.00	2.00	4,258	1,703	852
6/30/2019	Assumptions	7.25	4.25	(1,965,158)	(1,151,989)	(271,056)
6/30/2018	Asset (gain)/loss	5.00	1.00	(1,759)	(352)	(352)
6/30/2018	Assumptions	7.33	3.33	(580,167)	(263,568)	(79,150)
6/30/2017	Asset (gain)/loss	5.00	—	(7,587)	—	(1,517)
6/30/2017	Assumptions	7.50	2.50	(2,061,247)	(687,082)	(274,833)
	Total charges				<u>\$ (2,410,603)</u>	<u>\$ (666,951)</u>

The \$231.1 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 OPEB liability in the year ending June 30, 2023.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

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

<u>Year ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ (665,433)
2024	(665,082)
2025	(528,517)
2026	(341,403)
2027	26,036
Thereafter	(236,204)

### (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 several self-insurance funds (Internal Service Funds) as follows: the Workers' Compensation Self-Insurance Fund, the Liability Self-Insurance Fund, and the Health and Welfare Benefits Fund. These funds account for the uninsured risk of loss and pay for insurance premiums, management fees, and related expenses. The District is self-insured for its Workers' Compensation Insurance Program and partially self-insured for the Health and Welfare and Liability Insurance Programs. Premium payments to Health Maintenance Organizations for medical benefits and to outside carriers for vision services, dental services, and optional life insurance are paid out of the Health and Welfare Benefits Fund.

Excess insurance has been purchased for physical property loss damages, which provides \$500.0 million limit above a \$1.0 million self-insured retention. Excess insurance has been purchased for general liability, which currently provides \$35.0 million limit above a \$5.0 million self-insurance retention. No settlements exceeded insurance coverage in the last five fiscal years that ended June 30, 2022.

The District has implemented an Owner Controlled Insurance Program (OCIP) covering new construction and renovation projects funded by school bonds. Under an OCIP, the District provides general liability and workers' compensation insurance coverage for construction contractors. Because contractors remove insurance costs from their bids, potential savings accrue to the District. Under the District's OCIP program, workers' compensation coverage with statutory limits and primary general liability and excess liability coverage with limits of \$102.0 million have been underwritten by six major insurance carriers.

The District has also purchased contractors' pollution liability insurance coverage 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. The total limit available on the other policies is \$50.0 million.

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.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

As of June 30, 2022, the discount rate increased to 2.5% from 1.0% as of June 30, 2021. The amount of the total claims liabilities recorded for health and welfare, workers' compensation, and liability self-insurance was \$725.1 million. Changes in the reported liabilities since July 1, 2020, are summarized as follows (in thousands):

	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>End of Fiscal Year Liability</b>
<b>2021-2022</b>				
Health and welfare benefits	\$ 21,044	\$ 254,299	\$ (252,036)	\$ 23,307
Workers' compensation self-insurance	403,645	52,406	(72,601)	383,450
Liability self-insurance	185,152	170,413	(37,235)	318,330
Total	<u>\$ 609,841</u>	<u>\$ 477,118</u>	<u>\$ (361,872)</u>	<u>\$ 725,087</u>
<b>2020-2021</b>				
Health and welfare benefits	\$ 19,924	\$ 238,175	\$ (237,055)	\$ 21,044
Workers' compensation self-insurance	479,992	3,069	(79,416)	403,645
Liability self-insurance	170,680	26,231	(11,759)	185,152
Total	<u>\$ 670,596</u>	<u>\$ 267,475</u>	<u>\$ (328,230)</u>	<u>\$ 609,841</u>

**(11) Certificates of Participation**

The District has entered into Certificates of Participation (COPs) for the acquisition of the new administration building, warehouse, school sites, relocatable classroom buildings, furniture and equipment; modernization, rehabilitation and repair of certain facilities; replacement of the legacy financial and procurement systems; and automation of certain business processes. The COPs outstanding as of June 30, 2022, are as follows (in thousands):

<b>COP Issue</b>	<b>Sale Date</b>	<b>Original Principal Amount</b>	<b>Outstanding June 30, 2022</b>	<b>Interest Rates to Maturity</b>		<b>Final Maturity</b>
				<b>Min</b>	<b>Max</b>	
2012A Refunding Headquarters Building Projects	6/12/2012	\$ 87,845	\$ 25,555	3.750	5.000	2031
2012B Refunding Headquarters Building Projects	6/12/2012	72,345	68,830	3.000	5.000	2031
2020A Refunding	10/27/2020	28,390	26,325	2.250	5.000	2034
			<u>\$ 120,710</u> *			

\* The total amount shown above excludes net unamortized premium of \$6.9 million.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**(12) Long-Term Obligations**

The following is a summary of changes in long-term obligations for the year ended June 30, 2022 (in thousands):

	Restated Balance			Other Changes**	Balance, June 30, 2022	Due Within One Year	Interest Expense
	July 1, 2021	Additions	Deductions				
General Obligation Bonds*	\$ 11,768,846	\$ 542,995	\$ 637,490	\$ (62,350)	\$ 11,612,001	\$ 664,627	\$ 388,987
Certificates of Participation (Note 11)*	139,517	—	10,260	(1,646)	127,611	12,134	4,423
Lease obligations ***	75	61,931	4,632	—	57,374	3,915	1,074
Liability for compensated absences	108,286	90,670	112,234	—	86,722	5,184	—
Liability for other employee benefits	33,671	—	4,077	—	29,594	3,324	—
Self-Insurance claims (Note 10)	609,841	477,118	361,872	—	725,087	358,021	—
Total	<u>\$ 12,660,236</u>	<u>\$ 1,172,714</u>	<u>\$ 1,130,565</u>	<u>\$ (63,996)</u>	<u>\$ 12,638,389</u>	<u>\$ 1,047,205</u>	<u>\$ 394,484</u>

\* The amounts shown above include unamortized premiums and discounts.

\*\* Premium on bonds and premium and discount amortization.

\*\*\* Due to adoption of GASB No. 87, the beginning balance is restated. Refer to Note 1 (q) for further details.

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
2023	\$ 532,750	\$ 521,326	\$ 10,700	\$ 5,598	\$ 543,450	\$ 526,924
2024	566,060	494,549	10,485	5,075	576,545	499,624
2025	574,705	466,330	10,410	4,561	585,115	470,891
2026	878,845	434,765	11,140	4,031	889,985	438,796
2027	915,075	410,062	11,680	3,472	926,755	413,534
2028-2032	2,987,660	1,491,898	61,750	8,382	3,049,410	1,500,280
2033-2037	2,628,935	620,296	4,545	208	2,633,480	620,504
2038-2042	1,060,290	240,258	—	—	1,060,290	240,258
2043-2047	625,740	43,587	—	—	625,740	43,587
	<u>\$ 10,770,060</u>	<u>\$ 4,723,071</u>	<u>\$ 120,710</u>	<u>\$ 31,327</u>	<u>\$ 10,890,770</u>	<u>\$ 4,754,398</u>

The General Obligation (GO) Bonds outstanding balance as of June 30, 2022, consists of the following (in thousands):

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Notes to Basic Financial Statements

Year Ended June 30, 2022

Bond Issue	Sale Date	Original Principal Amount	Outstanding June 30, 2022	Interest Rates to Maturity		Final Maturity
				Min	Max	
KRY (2009-BAB) <sup>(a)</sup>	10/15/2009	\$ 1,369,800	\$ 1,369,800	5.750%	5.750%	2034
Election of 2005, H (2009)	10/15/2009	318,800	318,800	1.540	1.540	2025
RY (2010-BAB) <sup>(a)</sup>	3/4/2010	1,250,585	1,250,585	6.758	6.758	2034
Election of 2005, J-1 (2010) <sup>(c)</sup>	5/6/2010	190,195	190,195 <sup>(b)</sup>	5.981	5.981	2027
Election of 2005, J-2 (2010) <sup>(c)</sup>	5/6/2010	100,000	100,000 <sup>(b)</sup>	5.720	5.720	2027
2011A-1 Refunding	11/1/2011	206,735	27,435	5.000	5.000	2023
2012A Refunding	5/8/2012	156,000	17,090	2.000	5.000	2022
2014A Refunding	6/26/2014	196,850	20,480	5.000	5.000	2022
2014B Refunding	6/26/2014	323,170	100,155	5.000	5.000	2026
2014C Refunding	6/26/2014	948,795	713,850	3.000	5.000	2031
2014D Refunding	6/26/2014	153,385	95,430	5.000	5.000	2030
2015A Refunding	5/28/2015	326,045	164,550	5.000	5.000	2025
Election of 2008, A (2016)	4/5/2016	648,955	359,570	3.500	5.000	2040
2016A Refunding	4/5/2016	577,400	238,230	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	1,031,175	2.000	5.000	2027
Election of 2005, Series M-1 (2018)	3/8/2018	117,005	108,220	3.000	5.250	2042
Election of 2008, Series B-1 (2018)	3/8/2018	1,085,440	1,007,820	4.000	5.250	2042
2019A Refunding	5/29/2019	594,605	516,045	3.000	5.000	2034
Series RYQ (2020)	4/30/2020	942,940	784,650	4.000	5.000	2044
2020A Refunding	10/6/2020	302,000	291,455	3.000	5.000	2033
Measure Q, Series C (2020)	11/10/2020	1,057,060	893,005	3.000	5.000	2045
2021A Refunding	4/29/2021	196,310	192,000	4.000	5.000	2032
Series RYRR (2021)	11/10/2021	494,140	432,425	2.625	5.000	2046
2021B Refunding	11/10/2021	48,855	48,855	0.408	1.888	2028
			<u>\$ 10,770,060</u> *			

\* The total amount shown above excludes unamortized premium and discount of \$841.9 million.

(a) Issued under Build America Bonds (BABs), a taxable bond program for which the federal government initially subsidized 35% of the interest cost.

(b) Includes accumulated set-aside deposits for Qualified School Construction Bonds totaling \$225.2 million representing \$111.2 million for Election of 2005, H (2009) (Tax Credit Bonds) and \$114.0 million for Election of 2005, J-1 and J-2 (2010) (Federally Taxable Direct Subsidy Bonds).

(c) 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.

On October 27, 2021, the District issued \$494.1 million of new money General Obligation Bonds, Series RYRR (Dedicated Unlimited Ad Valorem Property Tax Bonds), and \$48.9 million of 2021 General Obligation Refunding Bonds, Series B (Federally Taxable, Dedicated Unlimited *Ad Valorem* Property Tax Bonds) to refund the outstanding General Obligation Refunding Bonds, Series A (2012) that had an outstanding par amount of \$46.37 million. The new money and refunding bonds received ratings of “AA+” from Fitch with a Stable Outlook, “AAA” from KBRA with a Stable Outlook, and “Aa3” from Moody’s with a Stable Outlook. In conjunction with this bond sale, Fitch revised its Rating Outlook to Stable from Negative. The new money bonds were issued to finance school modernization and IT projects. The refunding generated net present value savings of \$5.66 million or 12.21% of the refunded bonds.

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

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

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, 2022, there was no positive arbitrage rebate or yield restriction liability accrued.

### ***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 2022, approximately 93% of compensated absences has been paid by the General Fund and 7% by the District Bonds Fund.

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 89% of the cost, the Cafeteria Fund carries 6%; and the Child Development Fund carries 3%; no other individual fund is charged more than 3% of the total amount.



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

### (13) Leases

*Lessee:* The District is a lessee for noncancellable leases of building, air monitoring space, 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 indirect 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. 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 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 debt on the statement of net position.

*Lessor:* The District is a lessor for noncancellable leases of building. 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.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Notes to Basic Financial Statements

Year Ended June 30, 2022

#### The District as Lessee

The District, as a lessee, has entered into lease agreements involving building spaces, parking lots, antenna spaces, and computer equipment. A total initial lease liability was recorded in the amount of \$62.0 million. As of June 30, 2022, the total value of the lease liability was \$57.4 million. As of June 30, 2022, the total value of the right-to-use asset was recorded at a cost of \$62.0 million with accumulated amortization of \$5.2 million.

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 3,915	\$ 1,043	\$ 4,958
2024	3,197	1,012	4,209
2025	3,177	980	4,157
2026	947	957	1,904
2027	394	949	1,343
2028 - 2032	2,233	4,612	6,845
2033 - 2037	2,503	4,366	6,869
2038 - 2042	2,776	4,094	6,870
2043 - 2047	3,078	3,791	6,869
2048 - 2052	3,414	3,456	6,870
2053 - 2057	3,786	3,084	6,870
2058 - 2062	4,198	2,671	6,869
2063 - 2067	4,655	2,214	6,869
2068 - 2072	5,163	1,707	6,870
2073 - 2077	5,725	1,144	6,869
2077 - 2082	6,349	521	6,870
2083 - 2084	1,864	25	1,889
	<u>\$ 57,374</u>	<u>\$ 36,626</u>	<u>\$ 94,000</u>

#### The District as Lessor

The District, as a lessor, has entered into lease agreements involving building spaces, office spaces, and parking lots. A total initial lease receivable was recorded in the amount of \$15.0 million. The District recognized the total of \$1.2 million in lease revenue and \$0.3 million in interest revenue during the fiscal year 2021-2022. Also, the District has a deferred inflow of resources associated with leases that will be recognized over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$13.7 million.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**(14) 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, 2022, were as follows (in thousands):

From	To	Purpose	Amount
General Fund	Adult Education Fund	Transfer of balance	\$ 36
General Fund	Child Development Fund	Transfer of balance	877
General Fund	Building Fund – Measure R	Reimbursement of capital expenditures	175
General Fund	Building Fund – Measure Q	Reimbursement of capital expenditures	51
General Fund	Capital Services Fund	Debt Service	13,265
Adult Education Fund	General Fund	Reimbursement of expenditures	22
Building Fund	Building Fund – Measure Q	Reimbursement of capital expenditures	7
Building Fund – Measure R	General Fund	Reimbursement of capital expenditures	1,380
Building Fund – Measure R	Building Fund – Measure K	Reimbursement of capital expenditures	4,891
Building Fund – Measure R	Building Fund – Measure Y	Reimbursement of capital expenditures	222
Building Fund – Measure R	Building Fund – Measure Q	Reimbursement of capital expenditures	56,962
Building Fund – Measure R	County School Facilities - Prop 47	Reimbursement of capital expenditures	64
Building Fund – Measure R	Special Reserve Fund	Reimbursement of capital expenditures	82
Building Fund – Bond Proceeds	Building Fund – Measure R	Reimbursement of capital expenditures	61
Building Fund – Bond Proceeds	Building Fund – Measure Q	Reimbursement of capital expenditures	1,925
Building Fund – Bond Proceeds	County School Facilities - Prop 47	Reimbursement of capital expenditures	2
Building Fund – Measure K	Building Fund – Measure R	Reimbursement of capital expenditures	446
Building Fund – Measure K	Building Fund – Measure Y	Reimbursement of capital expenditures	10
Building Fund – Measure K	Building Fund – Measure Q	Reimbursement of capital expenditures	52
Building Fund – Measure K	County School Facilities - Prop 47	Reimbursement of capital expenditures	76
Building Fund – Measure RR	Building Fund – Measure R	Reimbursement of capital expenditures	125
Building Fund – Measure RR	Building Fund – Measure Q	Reimbursement of capital expenditures	3,061
Building Fund – Measure Y	General Fund	Reimbursement of capital expenditures	99
Building Fund – Measure Y	Building Fund – Measure R	Reimbursement of capital expenditures	235
Building Fund – Measure Y	Building Fund – Measure K	Reimbursement of capital expenditures	90
Building Fund – Measure Y	Building Fund – Measure Q	Reimbursement of capital expenditures	27,992
Building Fund – Measure Y	County School Facilities - Prop 47	Reimbursement of capital expenditures	370
Building Fund – Measure Q	General Fund	Reimbursement of capital expenditures	72
Building Fund – Measure Q	Building Fund – Measure R	Reimbursement of capital expenditures	575
Building Fund – Measure Q	Building Fund – Measure K	Reimbursement of capital expenditures	24
Building Fund – Measure Q	Building Fund – Measure Y	Reimbursement of capital expenditures	24
Building Fund – Measure Q	Special Reserve Fund	Reimbursement of capital expenditures	1,622
Capital Facilities Fund	Building Fund – Measure R	Reimbursement of capital expenditures	150
Capital Facilities Fund	Building Fund – Measure K	Reimbursement of capital expenditures	81
Capital Facilities Fund	Building Fund – Measure Y	Reimbursement of capital expenditures	6
Capital Facilities Fund	Building Fund – Measure Q	Reimbursement of capital expenditures	54,064
Capital Facilities Fund	Special Reserve Fund	Reimbursement of capital expenditures	4
County School Facilities - Prop 47	Building Fund – Measure R	Reimbursement of capital expenditures	4,354
County School Facilities - Prop 47	Building Fund – Measure K	Reimbursement of capital expenditures	18,034
County School Facilities - Prop 47	Building Fund – Measure Y	Reimbursement of capital expenditures	1,593
County School Facilities - Prop 47	Building Fund – Measure Q	Reimbursement of capital expenditures	56,607
County School Facilities - Prop 47	Capital Facilities Fund	Reimbursement of capital expenditures	244
Special Reserve Fund – CRA	General Fund	Reimbursement of capital expenditures	45,000
Special Reserve Fund	Building Fund – Measure R	Reimbursement of capital expenditures	452
Special Reserve Fund	Building Bond Proceeds	Reimbursement of capital expenditures	5
Special Reserve Fund	Building Fund – Measure Y	Reimbursement of capital expenditures	786
Special Reserve Fund	Building Fund – Measure Q	Reimbursement of capital expenditures	12,479
Total			<u>\$ 308,754</u>

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Basic Financial Statements

Year Ended June 30, 2022

**(15) Fund Equity**

The following is a summary of non-spendable, restricted, assigned, and unassigned fund balances at June 30, 2022 (in thousands):

	<u>General</u>	<u>District Bonds</u>	<u>Bond Interest and Redemption</u>	<u>Other Governmental</u>
Nonspendable:				
Revolving cash and imprest funds	\$ 2,882	\$ 415	\$ —	\$ 17
Inventories	32,981	—	—	18,632
Prepays	12,159	101	—	50
Total Nonspendable Balances	<u>48,022</u>	<u>516</u>	<u>—</u>	<u>18,699</u>
Restricted for:				
Child Nutrition: School Programs	—	—	—	118,195
Child Development: Corona Virus Response	—	—	—	5,874
FEMA Public Assistance Funds	3	—	—	2,252
A-G Completion Improvement Grant	34,450	—	—	—
Educator Effectiveness	110,889	—	—	—
Special Education	52,696	—	—	—
Classified Employee Professional Development Block Grant	3,049	—	—	—
State School Facilities Projects	—	—	—	183,548
State School Building Lease	—	—	—	5,734
Capital Facilities	—	—	—	67,414
Child Nutrition: Kitchen Infrastructure	15,310	—	—	—
Debt Service Reserve	—	—	1,174,108	—
District Bonds	—	1,314,621	—	—
Expanded Learning Opportunities Program	232,414	—	—	—
Expanded Learning Opportunities Grant	21,904	—	—	—
Other Federal	6,177	—	—	—
Other Local	17,909	—	—	—
Other State	49,531	—	—	—
Adult Education	—	—	—	39,904
Special Reserve - Others	—	—	—	69,896
Student Activity Funds	—	—	—	44,588
Tax Override	—	—	—	404
Special Reserve - Community Redelopment Agency	—	—	—	106,664
Capital Services	—	—	—	12,978
Total Restricted Balances	<u>544,332</u>	<u>1,314,621</u>	<u>1,174,108</u>	<u>657,451</u>
Assigned to:				
Assigned to subsequent year expenditures	1,595,952	—	—	18,757
Unassigned:				
Reserved for economic uncertainties	199,860	—	—	—
Unassigned	940,157	—	—	(15,374)
Total Fund Balances	<u>\$ 3,328,323</u>	<u>\$ 1,315,137</u>	<u>\$ 1,174,108</u>	<u>\$ 679,533</u>

**Non-spendable** 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.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

**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.

## **(16) 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

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Basic Financial Statements

Year Ended June 30, 2022

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 2021-2022 the District entered into approximately 53 contracts with a combined value of \$663.9 million. The durations of the contracts range from 180 days to five years.

### **(17) Subsequent Events**

On August 30, 2022, the District refinanced the Refunding Certificates of Participation, 2012 Series A and 2012 Series B (Headquarters Building Project) (collectively the "2012 COPs") through the issuance of the \$73,730,000 2022 Lease Agreement via a private placement. The District solicited a formal bid request to potential purchasers. The selected bidder provided an interest rate of 3.094% along with favorable redemption terms that will allow the District to refinance the 2022 Lease Agreement in the future if it is financially advantageous to do so. Additionally, the refinancing allowed the District to shorten the final maturity to 2030, which is one year shorter than the final maturity of the 2012 COPs. The refunding will save the District approximately \$11.26 million in debt service payments throughout the life of the 2022 Lease Agreement. Annual debt service savings are approximately \$1.25 million through the final maturity of the 2022 Lease Agreement. Net present value savings are \$10.06 million, 10.66% of the refunded COPs, which is above the District's Board policy of 3.00% for a current refunding.

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 outside cybersecurity teams and in coordination with local and federal law enforcement authorities. The District has identified, contained, and remediated the ransomware, and it has not found evidence of additional malware related to the cyberattack or any other persistent malicious activity on its network or systems. The District has implemented several additional protective measures to reduce the likelihood of a similar incident occurring in the future, and has 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 did not pay a ransom, and threat actor posted approximately 500 gigabytes of data it stole from the District to its "leak site" on the dark web, which the District is in the process of reviewing. As the District's investigation and response is ongoing, the financial impact of the ransomware attack is still undetermined.

In November 2022, Fitch Ratings upgraded the District's GO bonds rating to "AAA" from "AA+", and its issuer default rating to "A" from "A-".

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Notes to Basic Financial Statements

Year Ended June 30, 2022

In November 2022, Moody's revised its outlook from stable to positive and affirmed its "Aa3" rating on the District's outstanding GO bonds. Moody's affirmed the District's issuer default rating of "A1" and "A2" rating on its outstanding certificates of participation (COPs).

On November 8, 2022, the District issued \$500 million of new money General Obligation Bonds, Series QRR (Dedicated Unlimited Ad Valorem Property Tax Bonds) (Sustainability Bonds), to finance additional school modernization and IT projects. The bonds received ratings of "AAA", "AAA", and "Aa3" from Fitch, KBRA, and Moody's, respectively.



**LAUSD**  
**UNIFIED**



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**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, 2022  
 (Dollar amounts in thousands)  
 (unaudited)

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Total OPEB Liability					
Service cost	\$ 634,089	\$ 523,203	\$ 380,844	\$ 291,399	\$ 437,026
Interest on the total OPEB liability	490,582	561,040	460,486	330,177	271,654
Differences between expected and actual experience	—	—	(1,167,998)	—	(1,143,508)
Changes of benefit terms	—	(3,842,546)	(1)	—	—
Changes in assumptions	(2,061,247)	(580,166)	(1,965,158)	2,098,757	(93,876)
Benefit payments	(264,763)	(305,521)	(287,040)	(221,166)	(231,192)
Net change in total OPEB liability	(1,201,339)	(3,643,990)	(2,578,867)	2,499,167	(759,896)
Total OPEB liability – beginning	16,413,979	15,212,640	11,568,650	8,989,783	11,488,950
Total OPEB liability – ending (a)	<u>\$ 15,212,640</u>	<u>\$ 11,568,650</u>	<u>\$ 8,989,783</u>	<u>\$ 11,488,950</u>	<u>\$ 10,729,054</u>
Plan fiduciary net position					
Contributions – employer	\$ 342,763	\$ 425,521	\$ 287,040	\$ 221,166	\$ 231,192
Net investment income	20,995	23,893	23,970	14,563	117,080
Benefit payments	(264,763)	(305,521)	(287,040)	(221,166)	(231,192)
Administrative expense	(103)	(172)	(190)	(205)	(240)
Net change in plan fiduciary net position	98,892	143,721	23,780	14,358	116,840
Plan fiduciary net position – beginning	145,238	244,130	387,851	411,631	425,989
Plan fiduciary net position – ending (b)	<u>244,130</u>	<u>387,851</u>	<u>411,631</u>	<u>425,989</u>	<u>542,829</u>
Net OPEB liability – ending (a) - (b)	<u>\$ 14,968,510</u>	<u>\$ 11,180,799</u>	<u>\$ 8,578,152</u>	<u>\$ 11,062,961</u>	<u>\$ 10,186,225</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.60%	3.35%	4.58%	3.71%	5.06%
Covered – employee payroll	\$ 3,905,000	\$ 3,728,000	\$ 4,062,000	\$ 4,174,000	\$ 4,192,000
Net OPEB liability as percentage of covered – employee payroll	383.32%	299.91%	211.18%	265.04%	242.99%

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

Schedule of Contributions  
 For the Year Ended June 30, 2022

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

See accompanying independent auditor’s report.

**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, 2022  
 (Dollar amounts in thousands)  
 (unaudited)

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

\* Fiscal year 2014-15 was the first year of implementation, therefore only eight years are shown.

See accompanying independent auditor's report.

<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
\$ 8,861	\$ 10,331	\$ 10,073	\$ 10,054	\$ 11,066	\$ 10,479
25,394	26,815	27,428	28,862	30,547	32,058
11,191	(1,831)	(2,039)	(1,660)	536	(2,306)
—	23,771	(11,622)	—	—	—
—	—	—	—	211	—
<u>(13,653)</u>	<u>(14,041)</u>	<u>(15,498)</u>	<u>(16,060)</u>	<u>(17,165)</u>	<u>(18,587)</u>
31,793	45,045	8,342	21,196	25,195	21,644
<u>323,150</u>	<u>354,943</u>	<u>399,988</u>	<u>408,330</u>	<u>429,526</u>	<u>454,721</u>
<u>\$ 354,943</u>	<u>\$ 399,988</u>	<u>\$ 408,330</u>	<u>\$ 429,526</u>	<u>\$ 454,721</u>	<u>\$ 476,365</u>
\$ 8,701	\$ 9,711	\$ 10,746	\$ 12,751	\$ 14,619	\$ 14,984
3,064	3,352	3,291	3,505	3,348	2,936
1,196	28,500	22,418	19,647	15,665	76,690
(13,653)	(14,041)	(15,498)	(16,060)	(17,165)	(18,587)
<u>(3)</u>	<u>(15)</u>	<u>(176)</u>	<u>(307)</u>	<u>(164)</u>	<u>—</u>
(695)	27,507	20,781	19,536	16,303	76,023
<u>253,464</u>	<u>252,769</u>	<u>280,276</u>	<u>301,057</u>	<u>320,593</u>	<u>336,896</u>
<u>252,769</u>	<u>280,276</u>	<u>301,057</u>	<u>320,593</u>	<u>336,896</u>	<u>412,919</u>
<u>\$ 102,174</u>	<u>\$ 119,712</u>	<u>\$ 107,273</u>	<u>\$ 108,933</u>	<u>\$ 117,825</u>	<u>\$ 63,446</u>
71.21%	70.07%	73.73%	74.64%	74.09%	86.68%
\$ 31,786	\$ 33,239	\$ 33,381	\$ 33,097	\$ 34,582	\$ 29,289
321.45%	360.16%	321.36%	329.14%	340.72%	216.62%

**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, 2022  
(Dollar amounts in thousands)  
(unaudited)

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
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)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
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.

\* Fiscal year 2014-15 was the first year of implementation, therefore only eight years are shown.

See accompanying independent auditor's report.

<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>
\$ 12,992	\$ 14,611	\$ 13,900	\$ 12,215
(12,992)	(14,611)	(13,900)	(12,215)
\$ —	\$ —	\$ —	\$ —
\$ 46,849	\$ 45,139	\$ 34,583	\$ 29,289
27.73%	32.37%	40.19%	41.71%

6/30/2016	6/30/2017	6/30/2018	6/30/2019
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
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
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%
7.5%	7.25%	7.00%	7.00%

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.
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.

## 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, 2022

(Dollar amounts in thousands)

(unaudited)

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

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

#### 2. Schedule of District Contributions

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

#### 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
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	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.
Asset valuation method	Actuarial value of Assets	Market value of Assets	Market value of Assets
Inflation	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
Investment rate of return	7.50%	7.50%	7.50%
Retirement age	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.

\* Fiscal year 2014-15 was the first year of implementation, therefore only eight years are shown.

See accompanying independent auditor's report.



	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>
	8.1507%	7.9678%	8.0858%	7.8905%	7.8531%
\$	1,945,775	\$ 2,124,474	\$ 2,356,549	\$ 2,421,053	\$ 1,596,877
\$	1,108,784	\$ 1,116,870	\$ 1,228,585	\$ 1,221,081	\$ 1,256,381
	175.49%	190.22%	191.81%	198.27%	127.10%
	71.87%	70.85%	70.05%	70.00%	80.97%

	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>
\$	166,342	\$ 205,346	\$ 224,546	\$ 243,447	\$ 286,190
	166,342	205,346	224,546	243,447	286,190
\$	—	\$ —	\$ —	\$ —	\$ —
	1,116,870	1,228,585	1,221,081	1,256,381	1,449,675
	14.89%	16.71%	18.39%	19.38%	19.74%

6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
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 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.
Market value of Assets	Market value of Assets	Market value of Assets	Market value of Assets	Market value of Assets
2.75%	2.75%	2.63%	2.50%	2.50%
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
7.50%	7.15%	7.15%	7.15%	7.15%
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.	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.

# 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, 2022

(Dollar amounts in thousands)

(unaudited)

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

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

#### 2. Schedule of District Contributions

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

#### 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
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	30 years	32 years	31 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
Inflation	3.00%	3.00%	3.00%
Salary increases	3.75%	3.75%	3.75%
Investment rate of return	7.50%	7.50%	7.50%
Retirement age	Experience Tables	Experience Tables	Experience Tables
Mortality	RP-2000 Series Table	RP-2000 Series Table	RP-2000 Series Table

\* Fiscal year 2014-15 was the first year of implementation, therefore only eight years are shown.

See accompanying independent auditor's report.

	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>
	5.3050%	5.1840%	5.3820%	5.4030%	5.5680%
\$	4,906,064	\$ 4,764,511	\$ 4,980,791	\$ 5,396,309	\$ 2,651,352
\$	2,865,305	\$ 2,833,461	\$ 3,052,549	\$ 2,825,924	\$ 3,093,726
	171.22%	168.15%	163.17%	190.96%	85.70%
	69.46%	70.99%	72.56%	71.82%	87.21%

	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>
\$	407,198	\$ 483,163	\$ 508,985	\$ 497,701	\$ 563,921
	407,198	483,163	508,985	497,701	563,921
\$	—	\$ —	\$ —	\$ —	\$ —
	2,833,461	3,052,549	2,825,924	3,093,726	3,385,125
	14.37%	15.83%	18.01%	16.09%	16.66%

6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
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
30 years	29 years	28 years	27 years	26 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
2.75%	2.75%	2.75%	2.75%	2.75%
3.50%	3.50%	3.50%	3.50%	3.50%
7.25%	7.10%	7.10%	7.10%	7.10%
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-2016) 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, 2022

(in thousands)

	Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
	Original	Final		
Revenues:				
Other local revenues	\$ 6,517	\$ 6,517	\$ (49,525)	\$ (56,042)
Total Revenues	6,517	6,517	(49,525)	(56,042)
Expenditures:				
Current:				
Classified salaries	120,374	144,267	37,818	106,449
Employee benefits	59,941	70,400	24,594	45,806
Books and supplies	1,332	17,163	676	16,487
Services and other operating expenditures	282	131,661	28,501	103,160
Capital outlay	1,009,778	967,266	739,926	227,340
Debt service – principal	—	3	3	—
Total Expenditures	1,191,707	1,330,760	831,518	499,242
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,185,190)	(1,324,243)	(881,043)	443,200
Other Financing Sources (Uses):				
Transfers in	—	245,539	245,539	—
Transfers out	—	(110,799)	(100,462)	10,337
Leases	—	—	9	9
Proceeds from sale of bonds	494,140	494,140	494,140	—
Total Other Financing Sources (Uses)	494,140	628,880	639,226	10,346
Net Changes in Fund Balances	(691,050)	(695,363)	(241,817)	453,546
Fund Balances, July 1, 2021	1,597,313	1,556,954	1,556,954	—
Fund Balances, June 30, 2022	\$ 906,263	\$ 861,591	\$ 1,315,137	\$ 453,546

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, 2022

(in thousands)

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Federal revenues	\$ —	\$ 69,549	\$ 69,549	\$ —
Other state revenues	—	—	3,000	3,000
Other local revenues	1,073,264	1,073,264	914,131	(159,133)
Total Revenues	<u>1,073,264</u>	<u>1,142,813</u>	<u>986,680</u>	<u>(156,133)</u>
Expenditures:				
Debt service – principal	962,804	591,120	591,120	—
Debt service – bond issuance cost	—	992	992	—
Debt service – bond, COPs, and capital leases interest	1,115,783	528,804	528,804	—
Total Expenditures	<u>2,078,587</u>	<u>1,120,916</u>	<u>1,120,916</u>	<u>—</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,005,323)</u>	<u>21,897</u>	<u>(134,236)</u>	<u>(156,133)</u>
Other Financing Sources (Uses):				
Payment to refunded bond escrow agent	—	(48,675)	(48,675)	—
Premium on bonds issued	—	—	83,841	83,841
Proceed from Refunding Bonds	—	—	48,855	48,855
Total Other Financing Sources	<u>—</u>	<u>(48,675)</u>	<u>84,021</u>	<u>132,696</u>
Net Changes in Fund Balances	<u>(1,005,323)</u>	<u>(26,778)</u>	<u>(50,215)</u>	<u>(23,437)</u>
Fund Balances, July 1, 2021	978,853	1,224,323	1,224,323	—
Fund Balances, June 30, 2022	<u>\$ (26,470)</u>	<u>\$ 1,197,545</u>	<u>\$ 1,174,108</u>	<u>\$ (23,437)</u>

See accompanying independent auditor's report.



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## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Nonmajor Governmental Funds

#### **Special Revenue Funds**

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

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

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

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

#### **Debt Service Funds**

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

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

#### **Capital Projects Funds**

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

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

The State School Building Lease – Purchase Fund is used to account for State apportionments received in accordance with State Education Code Sections 17700-17780. Projects are funded by the State subject to appropriation of funds in the State Budget and by grant apportionments received from the State School Building Lease-Purchase Bond Law of 1982. The District may be required to transfer to this fund any available monies from other funds as the District's contribution to a particular project.

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 School Bonds Funding for K-12 School and Community College Facilities Initiative Statute (2016 Proposition 51).

## **LOS ANGELES UNIFIED SCHOOL DISTRICT**

### **Nonmajor Governmental Funds**

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

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

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

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





**LAUSD**  
**UNIFIED**

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Nonmajor Governmental Funds

### Combining Balance Sheet

June 30, 2022

(in thousands)

		<b>Special Revenue</b>			
		<b>Student</b>	<b>Adult</b>	<b>Child</b>	
		<b>Activity</b>	<b>Education</b>	<b>Development</b>	<b>Cafeteria</b>
<b>Assets:</b>					
Cash in county treasury, in banks, and on hand		\$ 31,198	\$ 26,746	\$ 17,968	\$ 74,814
Cash held by trustee		—	—	—	—
Investments		14,079	—	—	—
Accounts receivable – net		432	11,941	119	66,981
Accrued interest receivable		—	105	68	114
Lease receivable		—	17	—	—
Prepays		—	—	—	44
Inventories		3,521	—	—	15,111
Other Assets		118	—	—	—
Total Assets		49,348	38,809	18,155	157,064
Deferred Outflows of Resources		—	—	—	—
Total Assets and Deferred Outflows of Resources		\$ 49,348	\$ 38,809	\$ 18,155	\$ 157,064
<b>Liabilities and Fund Balances:</b>					
Vouchers and accounts payable		\$ —	\$ 1,967	\$ 2,606	\$ 7,997
Contracts payable		—	3	75	—
Accrued payroll		—	4,330	7,447	13,413
Other payables		1,239	885	2,488	1,350
Unearned revenue		—	—	371	954
Total Liabilities		1,239	7,185	12,987	23,714
Deferred Inflows of Resources		—	17	—	—
<b>Fund Balances:</b>					
Nonspendable		3,521	17	—	15,155
Restricted		44,588	39,904	5,874	118,195
Assigned		—	6,354	—	—
Unassigned		—	(14,668)	(706)	—
Total Fund Balances		48,109	31,607	5,168	133,350
Total Liabilities, Deferred Inflows of Resources and Fund Balances		\$ 49,348	\$ 38,809	\$ 18,155	\$ 157,064

See accompanying independent auditors' report.

**Debt Service**

<b>Total</b>	<b>Tax Override</b>	<b>Capital Services</b>	<b>Total</b>
\$ 150,726	\$ 403	\$ 34	\$ 437
—	—	12,944	12,944
14,079	—	—	—
79,473	—	—	—
287	1	—	1
17	—	—	—
44	—	—	—
18,632	—	—	—
118	—	—	—
263,376	404	12,978	13,382
—	—	—	—
\$ 263,376	\$ 404	\$ 12,978	\$ 13,382
\$ 12,570	\$ —	\$ —	\$ —
78	—	—	—
25,190	—	—	—
5,962	—	—	—
1,325	—	—	—
45,125	—	—	—
17	—	—	—
18,693	—	—	—
208,561	404	12,978	13,382
6,354	—	—	—
(15,374)	—	—	—
218,234	404	12,978	13,382
\$ 263,376	\$ 404	\$ 12,978	\$ 13,382

(Continued)

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Nonmajor Governmental Funds  
 Combining Balance Sheet (Continued)  
 June 30, 2022  
 (in thousands)

	<b>Capital</b>			
			<b>State</b>	
		<b>Capital</b>	<b>School</b>	<b>County</b>
	<b>Building</b>	<b>Facilities</b>	<b>Building</b>	<b>School</b>
	<b>Account</b>	<b>Lease –</b>	<b>Purchase</b>	<b>Bonds</b>
<b>Assets:</b>				
Cash in county treasury, in banks, and on hand	\$ 10,419	\$ 66,171	\$ 11,777	\$ 183,809
Cash held by trustee	—	—	—	—
Investments	—	—	—	—
Accounts receivable – net	—	11,950	—	—
Accrued interest receivable	29	139	34	542
Lease receivable	160	—	—	—
Prepays	6	—	—	—
Inventories	—	—	—	—
Other Assets	—	—	—	—
Total Assets	<u>10,614</u>	<u>78,260</u>	<u>11,811</u>	<u>184,351</u>
Deferred Outflows of Resources	—	—	—	—
Total Asset and Deferred Outflows of Resources	<u>\$ 10,614</u>	<u>\$ 78,260</u>	<u>\$ 11,811</u>	<u>\$ 184,351</u>
<b>Liabilities and Fund Balances:</b>				
Vouchers and accounts payable	\$ —	\$ 4,652	\$ 133	\$ 106
Contracts payable	11	4,178	174	202
Accrued payroll	15	84	—	5
Other payables	372	1,932	5,770	490
Unearned revenue	—	—	—	—
Total Liabilities	<u>398</u>	<u>10,846</u>	<u>6,077</u>	<u>803</u>
Deferred Inflows of Resources	159	—	—	—
<b>Fund Balances:</b>				
Nonspendable	6	—	—	—
Restricted	—	67,414	5,734	183,548
Assigned	10,051	—	—	—
Unassigned	—	—	—	—
Total Fund Balances	<u>10,057</u>	<u>67,414</u>	<u>5,734</u>	<u>183,548</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,614</u>	<u>\$ 78,260</u>	<u>\$ 11,811</u>	<u>\$ 184,351</u>

See accompanying independent auditors' report.

**Projects**

<b>Special Reserve – Community Redevelopment Agency</b>	<b>Special Reserve</b>	<b>Special Reserve – FEMA – Earthquake</b>	<b>Special Reserve – FEMA – Hazard Mitigation</b>	<b>Total</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 92,597	\$ 68,739	\$ 2,453	\$ 2,138	\$ 438,103	\$ 589,266
—	—	—	—	—	12,944
—	—	—	—	—	14,079
13,774	1,726	—	—	27,450	106,923
370	222	7	6	1,349	1,637
—	—	—	—	160	177
—	—	—	—	6	50
—	—	—	—	—	18,632
—	—	—	—	—	118
<u>106,741</u>	<u>70,687</u>	<u>2,460</u>	<u>2,144</u>	<u>467,068</u>	<u>743,826</u>
—	—	—	—	—	—
<u>\$ 106,741</u>	<u>\$ 70,687</u>	<u>\$ 2,460</u>	<u>\$ 2,144</u>	<u>\$ 467,068</u>	<u>\$ 743,826</u>
\$ 1	\$ 152	\$ —	\$ —	\$ 5,044	\$ 17,614
40	500	—	—	5,105	5,183
32	12	—	—	148	25,338
4	127	—	—	8,695	14,657
—	—	—	—	—	1,325
<u>77</u>	<u>791</u>	<u>—</u>	<u>—</u>	<u>18,992</u>	<u>64,117</u>
—	—	—	—	159	176
—	—	—	—	6	18,699
106,664	69,896	2,252	—	435,508	657,451
—	—	208	2,144	12,403	18,757
—	—	—	—	—	(15,374)
<u>106,664</u>	<u>69,896</u>	<u>2,460</u>	<u>2,144</u>	<u>447,917</u>	<u>679,533</u>
<u>\$ 106,741</u>	<u>\$ 70,687</u>	<u>\$ 2,460</u>	<u>\$ 2,144</u>	<u>\$ 467,068</u>	<u>\$ 743,826</u>

(Continued)

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2022

(in thousands)

	<b>Special Revenue</b>				
	<b>Student Activity</b>	<b>Adult Education</b>	<b>Child Development</b>	<b>Cafeteria</b>	<b>Total</b>
Revenues:					
Federal revenues	\$ —	\$ 21,808	\$ 9,362	\$ 460,801	\$ 491,971
Other state revenues	—	119,342	168,468	19,272	307,082
Other local revenues	33,270	204	476	(1,095)	32,855
Total Revenues	<u>33,270</u>	<u>141,354</u>	<u>178,306</u>	<u>478,978</u>	<u>831,908</u>
Expenditures:					
Current:					
Certificated salaries	—	55,033	48,454	18	103,505
Classified salaries	—	17,790	52,617	117,363	187,770
Employee benefits	—	33,107	57,927	101,157	192,191
Books and supplies	23,939	22,487	6,014	207,118	259,558
Services and other operating expenditures	5,796	12,941	4,115	(5,397)	17,455
Capital outlay	202	374	661	—	1,237
Debt service – principal	—	—	—	—	—
Debt service – bond, COPs, and capital leases interest	—	—	—	—	—
Debt service – refunding bond issuance cost	—	—	—	—	—
Other outgo	—	75	—	—	75
Transfers of indirect costs – interfund	—	5,723	8,339	10,792	24,854
Total Expenditures	<u>29,937</u>	<u>147,530</u>	<u>178,127</u>	<u>431,051</u>	<u>786,645</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>3,333</u>	<u>(6,176)</u>	<u>179</u>	<u>47,927</u>	<u>45,263</u>
Other Financing Sources (Uses):					
Transfers in	—	36	877	—	913
Transfers out	—	(22)	—	—	(22)
Total Other Financing Sources (Uses)	<u>—</u>	<u>14</u>	<u>877</u>	<u>—</u>	<u>891</u>
Net Changes in Fund Balances	3,333	(6,162)	1,056	47,927	46,154
Fund Balances, July 1, 2021	44,776	37,769	4,112	85,423	172,080
Fund Balances, June 30, 2022	<u>\$ 48,109</u>	<u>\$ 31,607</u>	<u>\$ 5,168</u>	<u>\$ 133,350</u>	<u>\$ 218,234</u>

See accompanying independent auditor's report.

**Debt Service**

<b>Tax Override</b>	<b>Capital Services</b>	<b>Total</b>
\$ —	\$ —	\$ —
—	—	—
(14)	65	51
(14)	65	51
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	10,260	10,260
—	6,122	6,122
—	—	—
—	—	—
—	—	—
—	16,382	16,382
(14)	(16,317)	(16,331)
—	13,265	13,265
—	—	—
—	13,265	13,265
(14)	(3,052)	(3,066)
418	16,030	16,448
\$ 404	\$ 12,978	\$ 13,382

(Continued)

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Year Ended June 30, 2022

(in thousands)

	<b>Capital</b>			
	<b>Building</b>	<b>Capital Facilities Account</b>	<b>State School Building Lease – Purchase</b>	<b>County School Facilities Bonds</b>
Revenues:				
Federal revenues	\$ —	\$ —	\$ —	\$ —
Other state revenues	—	—	—	218,630
Other local revenues	193	90,208	(433)	(6,990)
Total Revenues	<u>193</u>	<u>90,208</u>	<u>(433)</u>	<u>211,640</u>
Expenditures:				
Current:				
Certificated salaries	—	—	—	—
Classified salaries	273	637	2	1
Employee benefits	153	320	2	1
Books and supplies	—	3	1	—
Services and other operating expenditures	442	799	—	—
Capital outlay	18	69,168	—	36,991
Debt service – principal	—	—	—	—
Debt service – bond, COPs, and capital leases interest	—	—	—	—
Debt service – refunding bond issuance cost	—	—	—	—
Other outgo	—	—	—	—
Transfers of indirect costs – interfund	—	—	—	—
Total Expenditures	<u>886</u>	<u>70,927</u>	<u>5</u>	<u>36,993</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(693)</u>	<u>19,281</u>	<u>(438)</u>	<u>174,647</u>
Other Financing Sources (Uses):				
Transfers in	—	243	—	512
Transfers out	(7)	(54,305)	—	(80,832)
Total Other Financing Sources (Uses)	<u>(7)</u>	<u>(54,062)</u>	<u>—</u>	<u>(80,320)</u>
Net Changes in Fund Balances	<u>(700)</u>	<u>(34,781)</u>	<u>(438)</u>	<u>94,327</u>
Fund Balances, July 1, 2021	10,757	102,195	6,172	89,221
Fund Balances, June 30, 2022	<u>\$ 10,057</u>	<u>\$ 67,414</u>	<u>\$ 5,734</u>	<u>\$ 183,548</u>

See accompanying independent auditor's report.



**Projects**

<b>Special Reserve – Community Redevelopment Agency</b>	<b>Special Reserve</b>	<b>Special Reserve – FEMA – Earthquake</b>	<b>Special Reserve – FEMA – Hazard Mitigation</b>	<b>Total</b>	<b>Total Nonmajor Governmental Funds</b>
\$ —	\$ 3,694	\$ —	\$ —	\$ 3,694	\$ 495,665
—	432	—	—	219,062	526,144
45,720	25,973	(90)	(79)	154,502	187,408
<u>45,720</u>	<u>30,099</u>	<u>(90)</u>	<u>(79)</u>	<u>377,258</u>	<u>1,209,217</u>
—	—	—	—	—	103,505
234	10,294	—	—	11,441	199,211
114	75	—	—	665	192,856
—	191	—	—	195	259,753
17	2,387	—	—	3,645	21,100
14,487	21,570	32	—	142,266	143,503
—	—	—	—	—	10,260
—	—	—	—	—	6,122
—	—	—	—	—	—
—	—	—	—	—	75
—	—	—	—	—	24,854
<u>14,852</u>	<u>34,517</u>	<u>32</u>	<u>—</u>	<u>158,212</u>	<u>961,239</u>
<u>30,868</u>	<u>(4,418)</u>	<u>(122)</u>	<u>(79)</u>	<u>219,046</u>	<u>247,978</u>
—	1,708	—	—	2,463	16,641
(45,000)	(13,722)	—	—	(193,866)	(193,888)
<u>(45,000)</u>	<u>(12,014)</u>	<u>—</u>	<u>—</u>	<u>(191,403)</u>	<u>(177,247)</u>
(14,132)	(16,432)	(122)	(79)	27,643	70,731
120,796	86,328	2,582	2,223	420,274	608,802
<u>\$ 106,664</u>	<u>\$ 69,896</u>	<u>\$ 2,460</u>	<u>\$ 2,144</u>	<u>\$ 447,917</u>	<u>\$ 679,533</u>

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Special Revenue Funds

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

Year Ended June 30, 2022

(in thousands)

	<b>Student Activity Special Revenue</b>			<b>Variance with Final Budget – Favorable (Unfavorable)</b>
	<b>Budget</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
Revenues:				
Federal revenues	\$ —	\$ —	\$ —	\$ —
Other state revenues	—	—	—	—
Other local revenues	27,768	27,768	33,270	5,502
Total Revenues	<u>27,768</u>	<u>27,768</u>	<u>33,270</u>	<u>5,502</u>
Expenditures:				
Current:				
Certificated salaries	—	—	—	—
Classified salaries	—	—	—	—
Employee benefits	—	—	—	—
Books and supplies	19,325	24,008	23,939	69
Services and other operating expenditures	5,230	5,830	5,796	34
Capital outlay	383	383	202	181
Other outgo	—	—	—	—
Transfers of indirect costs – interfund	—	—	—	—
Total Expenditures	<u>24,938</u>	<u>30,221</u>	<u>29,937</u>	<u>284</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,830</u>	<u>(2,453)</u>	<u>3,333</u>	<u>5,786</u>
Other Financing Sources (Uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Total Other Financing Sources (Uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Changes in Fund Balances	2,830	(2,453)	3,333	5,786
Fund Balances, July 1, 2021,	45,369	44,776	44,776	—
Fund Balances, June 30, 2022	<u>\$ 48,199</u>	<u>\$ 42,323</u>	<u>\$ 48,109</u>	<u>\$ 5,786</u>

See accompanying independent auditor's report.

Adult Education				Child Development			
Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)	Budget		Actual	Variance with Final Budget – Favorable (Unfavorable)
Original	Final			Original	Final		
\$ 18,255	\$ 37,520	\$ 21,808	\$ (15,712)	\$ 4,729	\$ 5,133	\$ 9,362	\$ 4,229
116,995	119,179	119,342	163	137,467	153,724	168,468	14,744
1,211	1,234	204	(1,030)	2,658	1,523	476	(1,047)
<u>136,461</u>	<u>157,933</u>	<u>141,354</u>	<u>(16,579)</u>	<u>144,854</u>	<u>160,380</u>	<u>178,306</u>	<u>17,926</u>
56,725	62,255	55,033	7,222	49,654	49,604	48,454	1,150
16,387	18,436	17,790	646	56,096	56,458	52,617	3,841
35,784	38,674	33,107	5,567	60,370	58,371	57,927	444
47,063	53,865	22,487	31,378	11,259	6,057	6,014	43
11,824	15,472	12,941	2,531	4,045	4,116	4,115	1
—	1,106	374	732	—	670	661	9
—	75	75	—	—	—	—	—
4,652	5,806	5,723	83	8,987	8,609	8,339	270
<u>172,435</u>	<u>195,689</u>	<u>147,530</u>	<u>48,159</u>	<u>190,411</u>	<u>183,885</u>	<u>178,127</u>	<u>5,758</u>
<u>(35,974)</u>	<u>(37,756)</u>	<u>(6,176)</u>	<u>31,580</u>	<u>(45,557)</u>	<u>(23,505)</u>	<u>179</u>	<u>23,684</u>
—	39	36	(3)	41,768	19,392	877	(18,515)
(25)	(36)	(22)	14	—	—	—	—
<u>(25)</u>	<u>3</u>	<u>14</u>	<u>11</u>	<u>41,768</u>	<u>19,392</u>	<u>877</u>	<u>(18,515)</u>
<u>(35,999)</u>	<u>(37,753)</u>	<u>(6,162)</u>	<u>31,591</u>	<u>(3,789)</u>	<u>(4,113)</u>	<u>1,056</u>	<u>5,169</u>
36,016	37,769	37,769	—	3,789	4,112	4,112	—
<u>\$ 17</u>	<u>\$ 16</u>	<u>\$ 31,607</u>	<u>\$ 31,591</u>	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ 5,168</u>	<u>\$ 5,169</u>

(Continued)

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Special Revenue Funds

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

Year Ended June 30, 2022

(in thousands)

	Cafeteria			Variance with Final Budget – Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Revenues:				
Federal revenues	\$ 372,132	\$ 489,483	\$ 460,801	\$ (28,682)
Other state revenues	31,484	19,857	19,272	(585)
Other local revenues	1,723	1,406	(1,095)	(2,501)
Total Revenues	405,339	510,746	478,978	(31,768)
Expenditures:				
Current:				
Certificated salaries	—	25	18	7
Classified salaries	112,161	118,550	117,363	1,187
Employee benefits	105,579	102,716	101,157	1,559
Books and supplies	160,951	254,106	207,118	46,988
Services and other operating expenditures	2,701	3,247	(5,397)	8,644
Capital outlay	—	236	—	236
Other outgo	—	—	—	—
Transfers of indirect costs – interfund	17,928	21,661	10,792	10,869
Total Expenditures	399,320	500,541	431,051	69,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,019	10,205	47,927	37,722
Other Financing Sources (Uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—
Net Changes in Fund Balances	6,019	10,205	47,927	37,722
Fund Balances, July 1, 2021,	87,069	85,423	85,423	—
Fund Balances, June 30, 2022	\$ 93,088	\$ 95,628	\$ 133,350	\$ 37,722

See accompanying independent auditor's report.

<b>Total</b>			
<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>
<b>Original</b>	<b>Final</b>		
\$ 395,116	\$ 532,136	\$ 491,971	\$ (40,165)
285,946	292,760	307,082	14,322
33,360	31,931	32,855	924
<u>714,422</u>	<u>856,827</u>	<u>831,908</u>	<u>(24,919)</u>
106,379	111,884	103,505	8,379
184,644	193,444	187,770	5,674
201,733	199,761	192,191	7,570
238,598	338,036	259,558	78,478
23,800	28,665	17,455	11,210
383	2,395	1,237	1,158
—	75	75	—
31,567	36,076	24,854	11,222
<u>787,104</u>	<u>910,336</u>	<u>786,645</u>	<u>123,691</u>
<u>(72,682)</u>	<u>(53,509)</u>	<u>45,263</u>	<u>98,772</u>
41,768	19,431	913	(18,518)
(25)	(36)	(22)	14
<u>41,743</u>	<u>19,395</u>	<u>891</u>	<u>(18,504)</u>
(30,939)	(34,114)	46,154	80,268
172,243	172,080	172,080	—
<u>\$ 141,304</u>	<u>\$ 137,966</u>	<u>\$ 218,234</u>	<u>\$ 80,268</u>

(Continued)

# 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, 2022

(in thousands)

	Tax Override			Variance with Final Budget – Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
Revenues:				
Federal revenues	\$ —	\$ —	\$ —	\$ —
Other local revenues	—	—	(14)	(14)
Total Revenues	—	—	(14)	(14)
Expenditures:				
Debt service – principal	—	—	—	—
Debt service – bond, COPs, and capital leases interest	—	—	—	—
Total Expenditures	—	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	—	—	(14)	(14)
Other Financing Sources (Uses):				
Transfers in	—	—	—	—
Total Other Financing Sources	—	—	—	—
Net Changes in Fund Balances	—	—	(14)	(14)
Fund Balances, July 1, 2021	418	418	418	—
Fund Balances, June 30, 2022	\$ 418	\$ 418	\$ 404	\$ (14)

See accompanying independent auditor's report.

<b>Capital Services</b>				<b>Total</b>			
<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>
<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
93	93	65	(28)	93	93	51	(42)
<u>93</u>	<u>93</u>	<u>65</u>	<u>(28)</u>	<u>93</u>	<u>93</u>	<u>51</u>	<u>(42)</u>
7,210	10,260	10,260	—	7,210	10,260	10,260	—
6,215	6,122	6,122	—	6,215	6,122	6,122	—
<u>13,425</u>	<u>16,382</u>	<u>16,382</u>	<u>—</u>	<u>13,425</u>	<u>16,382</u>	<u>16,382</u>	<u>—</u>
<u>(13,332)</u>	<u>(16,289)</u>	<u>(16,317)</u>	<u>(28)</u>	<u>(13,332)</u>	<u>(16,289)</u>	<u>(16,331)</u>	<u>(42)</u>
13,332	13,298	13,265	(33)	13,332	13,298	13,265	(33)
<u>13,332</u>	<u>13,298</u>	<u>13,265</u>	<u>(33)</u>	<u>13,332</u>	<u>13,298</u>	<u>13,265</u>	<u>(33)</u>
—	(2,991)	(3,052)	(61)	—	(2,991)	(3,066)	(75)
16,265	16,029	16,030	1	16,683	16,447	16,448	1
<u>\$ 16,265</u>	<u>\$ 13,038</u>	<u>\$ 12,978</u>	<u>\$ (60)</u>	<u>\$ 16,683</u>	<u>\$ 13,456</u>	<u>\$ 13,382</u>	<u>\$ (74)</u>

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Capital Projects Funds

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

Year Ended June 30, 2022

(in thousands)

	<b>Building</b>			<b>Variance with Final Budget – Favorable (Unfavorable)</b>
	<b>Budget</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
Revenues:				
Federal revenues	\$ —	\$ —	\$ —	\$ —
Other state revenues	—	—	—	—
Other local revenues	605	605	193	(412)
Total Revenues	605	605	193	(412)
Expenditures:				
Current:				
Classified salaries	345	412	273	139
Employee benefits	195	222	153	69
Books and supplies	—	—	—	—
Services and other operating expenditures	—	478	442	36
Capital outlay	144	31	18	13
Total Expenditures	684	1,143	886	257
Excess (Deficiency) of Revenues Over (Under) Expenditures	(79)	(538)	(693)	(155)
Other Financing Sources (Uses):				
Transfers in	—	—	—	—
Transfers out	—	(7)	(7)	—
Total Other Financing Sources (Uses)	—	(7)	(7)	—
Net Changes in Fund Balances	(79)	(545)	(700)	(155)
Fund Balances, July 1, 2021	10,642	10,757	10,757	—
Fund Balances, June 30, 2022	\$ 10,563	\$ 10,212	\$ 10,057	\$ (155)

See accompanying independent auditor's report.



<b>Capital Facilities Account</b>				<b>State School Building Lease – Purchase</b>			
<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>
<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
70,300	70,300	90,208	19,908	—	—	(433)	(433)
70,300	70,300	90,208	19,908	—	—	(433)	(433)
584	757	637	120	—	2	2	—
285	384	320	64	—	2	2	—
78	80	3	77	—	5	1	4
31,478	875	799	76	—	1	—	1
109,023	70,047	69,168	879	195	170	—	170
141,448	72,143	70,927	1,216	195	180	5	175
(71,148)	(1,843)	19,281	21,124	(195)	(180)	(438)	(258)
—	243	243	—	—	—	—	—
—	(54,305)	(54,305)	—	—	—	—	—
—	(54,062)	(54,062)	—	—	—	—	—
(71,148)	(55,905)	(34,781)	21,124	(195)	(180)	(438)	(258)
124,738	102,195	102,195	—	6,188	6,172	6,172	—
\$ 53,590	\$ 46,290	\$ 67,414	\$ 21,124	\$ 5,993	\$ 5,992	\$ 5,734	\$ (258)

(Continued)

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Capital Projects Funds

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

Year Ended June 30, 2022

(in thousands)

	<b>County School Facilities Bonds</b>			
	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Federal revenues	\$ —	\$ —	\$ —	\$ —
Other state revenues	140,868	170,554	218,630	48,076
Other local revenues	1,034	1,034	(6,990)	(8,024)
Total Revenues	141,902	171,588	211,640	40,052
Expenditures:				
Current:				
Classified salaries	—	795	1	794
Employee benefits	—	267	1	266
Books and supplies	—	—	—	—
Services and other operating expenditures	—	—	—	—
Capital outlay	110,293	37,069	36,991	78
Total Expenditures	110,293	38,131	36,993	1,138
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,609	133,457	174,647	41,190
Other Financing Sources (Uses):				
Transfers in	—	512	512	—
Transfers out	—	(80,832)	(80,832)	—
Total Other Financing Sources (Uses)	—	(80,320)	(80,320)	—
Net Changes in Fund Balances	31,609	53,137	94,327	41,190
Fund Balances, July 1, 2021	121,749	89,221	89,221	—
Fund Balances, June 30, 2022	\$ 153,358	\$ 142,358	\$ 183,548	\$ 41,190

See accompanying independent auditors' report.

<b>Special Reserve – Community Redevelopment Agency</b>				<b>Special Reserve</b>			
<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>
<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
\$ —	\$ —	\$ —	\$ —	\$ 2,938	\$ 6,595	\$ 3,694	\$ (2,901)
—	—	—	—	1,571	2,032	432	(1,600)
49,370	49,370	45,720	(3,650)	14,713	18,147	25,973	7,826
49,370	49,370	45,720	(3,650)	19,222	26,774	30,099	3,325
230	266	234	32	—	10,385	10,294	91
97	132	114	18	—	183	75	108
195	196	—	196	—	648	191	457
123	52	17	35	—	15,025	2,387	12,638
2,108	14,502	14,487	15	20,397	21,968	21,570	398
2,753	15,148	14,852	296	20,397	48,209	34,517	13,692
46,617	34,222	30,868	(3,354)	(1,175)	(21,435)	(4,418)	17,017
—	—	—	—	—	1,708	1,708	—
(30,000)	(45,000)	(45,000)	—	—	(13,722)	(13,722)	—
(30,000)	(45,000)	(45,000)	—	—	(12,014)	(12,014)	—
16,617	(10,778)	(14,132)	(3,354)	(1,175)	(33,449)	(16,432)	17,017
113,801	120,796	120,796	—	78,056	86,328	86,328	—
\$ 130,418	\$ 110,018	\$ 106,664	\$ (3,354)	\$ 76,881	\$ 52,879	\$ 69,896	\$ 17,017

(Continued)

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Capital Projects Funds

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

Year Ended June 30, 2022

(in thousands)

	<b>Special Reserve – FEMA – Earthquake</b>			<b>Variance with Final Budget – Favorable (Unfavorable)</b>
	<b>Budget</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
Revenues:				
Federal revenues	\$ 398	\$ 398	\$ —	\$ (398)
Other state revenues	—	—	—	—
Other local revenues	—	—	(90)	(90)
Total Revenues	398	398	(90)	(488)
Expenditures:				
Current:				
Classified salaries	—	10	—	10
Employee benefits	—	5	—	5
Books and supplies	—	1	—	1
Services and other operating expenditures	—	22	—	22
Capital outlay	2,999	2,374	32	2,342
Total Expenditures	2,999	2,412	32	2,380
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,601)	(2,014)	(122)	1,892
Other Financing Sources (Uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—
Net Changes in Fund Balances	(2,601)	(2,014)	(122)	1,892
Fund Balances, July 1, 2021	3,172	2,582	2,582	—
Fund Balances, June 30, 2022	\$ 571	\$ 568	\$ 2,460	\$ 1,892

See accompanying independent auditors' report.

<b>Special Reserve – FEMA – Hazard Mitigation</b>				<b>Total</b>			
<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>
<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
\$ —	\$ —	\$ —	\$ —	\$ 3,336	\$ 6,993	\$ 3,694	\$ (3,299)
—	—	—	—	142,439	172,586	219,062	46,476
—	—	(79)	(79)	136,022	139,456	154,502	15,046
—	—	(79)	(79)	281,797	319,035	377,258	58,223
—	—	—	—	1,159	12,627	11,441	1,186
—	—	—	—	577	1,195	665	530
—	—	—	—	273	930	195	735
—	—	—	—	31,601	16,453	3,645	12,808
—	—	—	—	245,159	146,161	142,266	3,895
—	—	—	—	278,769	177,366	158,212	19,154
—	—	(79)	(79)	3,028	141,669	219,046	77,377
—	—	—	—	—	2,463	2,463	—
—	—	—	—	(30,000)	(193,866)	(193,866)	—
—	—	—	—	(30,000)	(191,403)	(191,403)	—
—	—	(79)	(79)	(26,972)	(49,734)	27,643	77,377
2,222	2,223	2,223	—	460,568	420,274	420,274	—
<b>\$ 2,222</b>	<b>\$ 2,223</b>	<b>\$ 2,144</b>	<b>\$ (79)</b>	<b>\$ 433,596</b>	<b>\$ 370,540</b>	<b>\$ 447,917</b>	<b>\$ 77,377</b>



**LAUSD**  
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## **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, 2022

(in thousands)

	<b>Health and Welfare Benefits</b>	<b>Workers' Compensation Self-Insurance</b>	<b>Liability Self-Insurance</b>	<b>Total</b>
<b>Assets:</b>				
Cash in county treasury, in banks, and on hand	\$ 85,883	\$ 588,522	\$ 315,266	\$ 989,671
Accounts receivable – net	41,291	—	—	41,291
Accrued interest and dividends receivable	488	1,642	429	2,559
Prepays	56,561	—	—	56,561
Other assets	4,774	—	—	4,774
Total Assets	<u>188,997</u>	<u>590,164</u>	<u>315,695</u>	<u>1,094,856</u>
Deferred Outflows of Resources	<u>1,348</u>	<u>1,818</u>	<u>871</u>	<u>4,037</u>
<b>Liabilities:</b>				
<b>Current:</b>				
Vouchers and accounts payable	137	4,164	1,158	5,459
Accrued payroll	492	300	402	1,194
Other payables	47,616	23	52	47,691
Estimated liability for self-insurance claims	23,307	99,720	234,994	358,021
Total Current Liabilities	<u>71,552</u>	<u>104,207</u>	<u>236,606</u>	<u>412,365</u>
<b>Noncurrent:</b>				
Estimated liability for self-insurance claims	—	283,730	83,336	367,066
Net other postemployment benefits liability	2,804	7,007	2,200	12,011
Net pension liability	1,593	4,518	1,120	7,231
Total Noncurrent Liabilities	<u>4,397</u>	<u>295,255</u>	<u>86,656</u>	<u>386,308</u>
Total Liabilities	<u>75,949</u>	<u>399,462</u>	<u>323,262</u>	<u>798,673</u>
Deferred Inflows of Resources	<u>3,065</u>	<u>2,998</u>	<u>2,080</u>	<u>8,143</u>
Total Net Position – Unrestricted	<u>\$ 111,331</u>	<u>\$ 189,522</u>	<u>\$ (8,776)</u>	<u>\$ 292,077</u>

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, 2022

(in thousands)

	<b>Health and Welfare Benefits</b>	<b>Workers' Compensation Self-Insurance</b>	<b>Liability Self-Insurance</b>	<b>Total</b>
Operating Revenues:				
In-District premiums	\$ 1,071,612	\$ 124,713	\$ 184,985	\$ 1,381,310
Others	3,095	—	—	3,095
Total Operating Revenues	<u>1,074,707</u>	<u>124,713</u>	<u>184,985</u>	<u>1,384,405</u>
Operating Expenses:				
Certificated salaries	—	—	86	86
Classified salaries	2,444	1,393	1,769	5,606
Employee benefits	754	460	546	1,760
Supplies	272	15	28	315
Premiums and claims expenses	1,117,121	52,406	182,480	1,352,007
Claims administration	3,181	12,901	334	16,416
Other contracted services	853	416	27	1,296
Total Operating Expenses	<u>1,124,625</u>	<u>67,591</u>	<u>185,270</u>	<u>1,377,486</u>
Operating Income (Loss)	<u>(49,918)</u>	<u>57,122</u>	<u>(285)</u>	<u>6,919</u>
Nonoperating Revenues (Expenses):				
Investment income	(2,616)	(21,671)	(9,219)	(33,506)
Miscellaneous expense	—	(46)	—	(46)
Total Nonoperating Revenues	<u>(2,616)</u>	<u>(21,717)</u>	<u>(9,219)</u>	<u>(33,552)</u>
Income (Loss) before Transfers	<u>(52,534)</u>	<u>35,405</u>	<u>(9,504)</u>	<u>(26,633)</u>
Changes in Net Position	<u>(52,534)</u>	<u>35,405</u>	<u>(9,504)</u>	<u>(26,633)</u>
Total Net Position, July 1, 2021	<u>163,865</u>	<u>154,117</u>	<u>728</u>	<u>318,710</u>
Total Net Position, June 30, 2022	<u>\$ 111,331</u>	<u>\$ 189,522</u>	<u>\$ (8,776)</u>	<u>\$ 292,077</u>

See accompanying independent auditor's report.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

Internal Service Funds  
Combining Statement of Cash Flows  
Year Ended June 30, 2022  
(in thousands)

	<b>Health and Welfare Benefits</b>	<b>Workers' Compensation Self-Insurance</b>	<b>Liability Self-Insurance</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>				
Cash payments to employees for services	\$ (4,604)	\$ (2,162)	\$ (2,879)	\$ (9,645)
Cash payments for goods and services	(1,123,342)	(86,778)	(52,864)	(1,262,984)
Receipts from assessment to other funds	1,071,612	124,713	184,985	1,381,310
Other operating revenue	3,095	—	—	3,095
Cash Provided (Used) by Operating Activities	(53,239)	35,773	129,242	111,776
<b>Cash Flows from Investing Activities:</b>				
Earnings on investments	(2,558)	(22,133)	(9,355)	(34,046)
Net Cash Provided by Investing Activities	(2,558)	(22,133)	(9,355)	(34,046)
Net Increase (Decrease) in Cash and Cash Equivalents	(55,797)	13,640	119,887	77,730
Cash and Cash Equivalents, July 1	141,680	574,882	195,379	911,941
Cash and Cash Equivalents, June 30	\$ 85,883	\$ 588,522	\$ 315,266	\$ 989,671
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	\$ (49,918)	\$ 57,122	\$ (285)	\$ 6,919
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	(669)	(379)	(453)	(1,501)
Change in Assets: Decrease (Increase)				
Accounts receivable	(8,611)	—	—	(8,611)
Prepays	(2,494)	—	—	(2,494)
Other assets	456	—	—	456
Change in Liabilities: Increase (Decrease)				
Vouchers and accounts payable	(4,491)	(852)	621	(4,722)
Accrued payroll	(737)	71	(27)	(693)
Other payables	10,962	7	(3,792)	7,177
Estimated liability for self-insurance claims – current	2,263	(5,088)	133,913	131,088
Estimated liability for self-insurance claims – noncurrent	—	(15,108)	(735)	(15,843)
Total Adjustments	(3,321)	(21,349)	129,527	104,857
Net Cash Provided (Used) by Operating Activities	\$ (53,239)	\$ 35,773	\$ 129,242	\$ 111,776

See accompanying independent auditor's report.



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**SUPPLEMENTARY  
INFORMATION**



**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Assessed Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands)  
(Unaudited)

Fiscal Year	Secured*	Unsecured*	Total Assessed Value	Total District Tax Rates	Increase (Decrease) Over Preceding Year		Total ADA**	Assessed Value per Unit of ADA
					Amount	Rate		
2012-2013	458,767,053	21,308,439	480,075,492	1.175606	10,980,267	2.34	534,345	898
2013-2014	482,043,584	21,634,336	503,677,920	1.146439	23,602,428	4.92	527,995	954
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 <sup>acd</sup>	1,625 <sup>a</sup>
2020-2021	759,004,740	28,679,271	787,684,011	1.139929	48,286,919	6.53	454,905 <sup>bd</sup>	1,732 <sup>b</sup>
2021-2022	790,822,215	27,581,052	818,403,267	1.113228	30,719,256	3.90	380,709	2,150

\* 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: ADA – Average Daily Attendance, Annual Report

<sup>a</sup> 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.

<sup>b</sup> 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 the prior year.

<sup>c</sup> Adjusted for fiscal year 2019-20 audit finding.

<sup>d</sup> 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 schools, 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 Local Secured Taxpayers (1)

Current Year and Nine Years Ago

(in thousands)

(Unaudited)

2022				2013			
Rank	Property Owner	Assessed Valuation	% of Total (2)	Rank	Property Owner	Assessed Valuation	% of Total (3)
1	Douglas Emmett LLC	\$ 2,672,575	0.34%	1	Douglas Emmett Realty Funds	\$ 2,324,436	0.51%
2	Universal Studios LLC	2,594,545	0.33%	2	Universal Studios LLC	1,404,383	0.31%
3	Essex Portfolio LP	2,329,789	0.29%	3	Anheuser Busch Inc.	864,022	0.19%
4	Rexford Industrial Realty LP	1,180,838	0.15%	4	One Hundred Towers LLC	594,498	0.13%
5	Century City Mall LLC	1,091,139	0.14%	5	Donald T. Sterling	587,974	0.13%
6	Greenland LA Metropolis	966,599	0.12%	6	LA Live Properties LLC	533,895	0.12%
7	FSP South Flower Street	964,739	0.12%	7	Paramount Pictures Corp.	513,058	0.11%
8	Rochelle H. Sterling	872,933	0.11%	8	Tishman Speyer Archstone Smith	504,859	0.11%
9	Hanjin International Corp.	867,475	0.11%	9	Duesenberg Investment Company	497,714	0.11%
10	Onni Wilshire Courtyard LLC	794,670	0.10%	10	BRE Properties Inc.	470,360	0.10%
11	Anheuser Busch Commercial	762,511	0.10%	11	Century City Mall LLC	468,777	0.10%
12	One Hundred Towers LLC	687,016	0.09%	12	Taubman Beverly Center	467,939	0.10%
13	Trizec 333 LA LLC	673,797	0.09%	13	Westfield Topanga Owner LP	452,160	0.10%
14	Maguire Partners 355 S. Grand LLC	630,139	0.08%	14	Casden Park La Brea LLC	447,005	0.10%
15	BRE HH Property Owner LLC	625,299	0.08%	15	Twentieth Century Fox Film Corp.	386,444	0.08%
16	Olympic and Georgia Partners LLC	601,431	0.08%	16	Trizec 333 LA LLC	383,700	0.08%
17	Tishman Speyer Archstone Smith	600,723	0.08%	17	Next Century Associates LLC	372,922	0.08%
18	LA Live Properties LLC	561,741	0.07%	18	1999 Stars LLC	357,311	0.08%
19	Maguire Properties 555 W. Fifth	552,469	0.07%	19	BP West Coast Products LLC	351,348	0.08%
20	CJDB LLC	542,997	0.07%	20	AP Properties Ltd	340,166	0.07%
		<b><u>\$ 20,573,426</u></b>	<b><u>2.62%</u></b>			<b><u>\$ 12,322,971</u></b>	<b><u>2.69%</u></b>

(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) 2021-22 Local Secured Assessed Valuation: \$790,659,524,715.

(3) 2012-13 Local Secured Assessed Valuation: \$458,585,111.

Source: California Municipal Statistics, Inc.

See accompanying independent auditor's report.



**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(in thousands)  
(Unaudited)

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>ERAF Funds <sup>(1)</sup></b>	<b>Current Tax Collections</b>	<b>Percent of Current Taxes Collected</b>	<b>Delinquent Tax Collections <sup>(2)</sup></b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Total Tax Levy</b>
2012-2013	\$ 1,731,129	\$ 114,465	\$ 1,798,032	97.42%	\$ 132,847	\$ 1,930,879	104.62%
2013-2014	1,652,164	26,846	1,684,486	100.33	29,409	1,713,895	102.08
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	2,822,561	100.05
2021-2022	2,440,344	246,520	2,588,512	96.34	78,480	2,666,992	99.26

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

<sup>(2)</sup> 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**

Organization Structure  
Year Ended June 30, 2022  
(Unaudited)

Geographical Location: The Los Angeles Unified School District is a political subdivision of the State of California. It is located in the western section of Los Angeles County and includes most of the City of Los Angeles, all the Cities of Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon, and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Carson, Commerce, Cudahy, Culver City, Hawthorne, Inglewood, Long Beach, Los Angeles, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Santa Clarita, South Gate, and Torrance, in addition to considerable unincorporated territories devoted to homes and industry. The District did not have any changes in its school boundaries in FY2022.

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.

<u>Name</u>	<u>Board District</u>	<u>Expiration of Term</u>
Kelly Gonez, President	6	December 11, 2027
Dr. George McKenna	1	December 16, 2024
Dr. Rocio Rivas	2	December 11, 2027
Scott Schmerelson	3	December 16, 2024
Nick Melvoin	4	December 11, 2027
Jackie Goldberg	5	December 16, 2024
Tanya Ortiz Franklin	7	December 16, 2024

<u>Name</u>	<u>Title</u>
Albert M. Carvalho	Superintendent of Schools
Pedro Salcido	Deputy Superintendent, Business Services and Operations
Kristen Murphy	Chief of Staff
Andres E. Chait	Chief of School Operations
Roberto Martinez	Associate Superintendent, School Climate, Culture and Safety
Frances Baez	Chief Academic Officer
Veronica Arreguin	Chief Strategy Officer
Anthony Aguilar	Chief of Special Education, Equity and Access
Mark Hovatter	Chief Facilities Executive
David Hart	Chief Business Officer
V. Luis Buendia	Deputy Chief Business Officer
Soheil Katal	Chief Information Officer
Devora Navera Reed	General Counsel
Karla Gould	Personnel Director

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:	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
(As of October)				
Elementary Schools	445	440	438	436
Middle/Junior High Schools	81	79	78	78
Senior High Schools	94	92	89	87
Options Schools	54	54	54	53
Special Education Schools	14	14	13	13
Magnet Schools	54	61	65	66
Magnet Centers	203	231	245	255
Community Adult Schools	2	1	1	1
Regional Occupational Centers	6	6	7	7
Skills Centers	3	4	2	2
Early Education Centers	86	86	87	87
Infant Centers	4	4	4	4
California State Preschools	90	88	89	89
Primary School Centers	19	19	18	18
Multi-level Schools	24	25	28	28
Total Schools and Centers	<u>1,179</u>	<u>1,204</u>	<u>1,218</u>	<u>1,224</u>
Independent Charter Schools	<u>225</u>	<u>226</u>	<u>229</u>	<u>227</u>

See accompanying independent auditor's report.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
Schedule of Average Daily Attendance  
Year Ended June 30, 2022

	<u>Second Period Report</u>	<u>Annual Report</u>	<u>Audited Second Period Report*</u>	<u>Audited Annual Report*</u>
District				
Kindergarten-Grade 3	109,663.75	111,088.41	109,640.89	111,066.43
Grades 4-6	82,572.64	82,946.00	82,562.11	82,937.75
Grades 7-8	49,685.94	49,777.71	49,663.51	49,758.44
Grades 9-12	102,121.19	101,511.04	102,119.55	101,509.76
Total District	<u>344,043.52</u>	<u>345,323.16</u>	<u>343,986.06</u>	<u>345,272.38</u>
County				
Kindergarten-Grade 3	0.00	0.00	0.00	0.00
Grades 4-6	0.00	0.00	0.00	0.00
Grades 7-8	1.39	1.79	1.39	1.79
Grades 9-12	348.14	335.28	348.14	335.28
Total County	<u>349.53</u>	<u>337.07</u>	<u>349.53</u>	<u>337.07</u>
Affiliated Charter Schools				
Kindergarten-Grade 3	11,201.15	11,202.63	11,200.34	11,201.80
Grades 4-6	8,277.11	8,255.65	8,277.11	8,255.65
Grades 7-8	5,940.58	5,887.65	5,940.58	5,887.65
Grades 9-12	9,822.75	9,702.86	9,822.75	9,702.86
Total Affiliated Charter Schools	<u>35,241.59</u>	<u>35,048.79</u>	<u>35,240.78</u>	<u>35,047.96</u>
Total Average Daily Attendance	<u><u>379,634.64</u></u>	<u><u>380,709.02</u></u>	<u><u>379,576.37</u></u>	<u><u>380,657.41</u></u>

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

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Average Daily Attendance Annual Report Last Ten Fiscal Years (Unaudited)

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>
District:				
Kindergarten-Grade 3	168,489	168,252.87	163,499.69	158,998.06
Grades 4-6	118,173	114,524.59	112,259.91	111,544.08
Grades 7-8	74,049	71,438.68	68,537.63	65,595.68
Grades 9-12	144,618	133,466.36	131,352.82	127,103.24
Total District	<u>505,329</u>	<u>487,682.50</u>	<u>475,650.05</u>	<u>463,241.06</u>
County:				
Kindergarten-Grade 3		0.00	0.00	0.00
Grades 4-6	1	1.23	1.38	1.23
Grades 7-8	8	7.85	5.12	3.18
Grades 9-12	175	670.05	628.23	489.84
Total County	<u>184</u>	<u>679.13</u>	<u>634.73</u>	<u>494.25</u>
Affiliated Charter Schools:				
Kindergarten-Grade 3	13,827	16,012.86	15,913.38	15,866.33
Grades 4-6	9,369	10,393.49	10,505.83	10,545.58
Grades 7-8	5,636	5,758.33	6,070.36	6,000.47
Grades 9-12	—	7,468.47	7,454.27	7,219.75
Total Affiliated Charter Schools	<u>28,832</u>	<u>39,633.15</u>	<u>39,943.84</u>	<u>39,632.13</u>
Total Average Daily Attendance	<u><u>534,345.00</u></u>	<u><u>527,994.78</u></u>	<u><u>516,228.62</u></u>	<u><u>503,367.44</u></u>

Note: Starting 2013-14, Local Control Funding Formula (LCFF) replaced the previous K-12 finance system with a new funding formula which is composed of uniform base grants by grade span (K-3, 4-6, 7-8, 9-12).

<sup>(a)</sup> Adjustment was due to an FY2019-20 audit finding.

\* The ADA presented in the schedule is the audited 2019-20 ADA, and the ADA for fiscal year 2020-21 was not collected per California Education Code section EC Section 2575(g)(2) based on the "hold harmless" provision stated in the Senate Bill 98 passed. As this schedule is not required by the Audit Guide and there is no clear guidance on the presentation, the District prepared the schedule according to our understand from historical guidance. During fiscal year 2020-21, CDE credited additional ADA to the District from 2 closed independent charter schools. The ADA for the 2 closed schools totaling 86.54 and 343.72 for K-3 and 9-12, respectively, are not included in the above table. In addition, audit findings from fiscal year 2020-21 of negative 3.44 ADA are not included in the above table.

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

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Average Daily Attendance Annual Report Last Ten Fiscal Years (Unaudited)

<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021 *</u>	<u>2021-2022</u>
155,262.38	149,197.07	141,934.03	139,028.46 <sup>(a)</sup>	139,028.46	111,088.41
109,051.67	107,018.53	100,538.16	99,037.56	99,037.56	82,946.00
64,118.24	62,336.66	60,529.29	60,142.80	60,142.80	49,777.71
121,861.09	119,450.52	111,755.74	115,393.98	115,393.98	101,511.04
<u>450,293.38</u>	<u>438,002.78</u>	<u>414,757.22</u>	<u>413,602.80</u>	<u>413,602.80</u>	<u>345,323.16</u>
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
2.71	2.42	3.70	2.14	2.14	1.79
417.13	354.29	339.53	359.98	359.98	335.28
<u>419.84</u>	<u>356.71</u>	<u>343.23</u>	<u>362.12</u>	<u>362.12</u>	<u>337.07</u>
15,792.20	15,305.84	13,313.03	13,473.52	13,473.52	11,202.63
10,552.33	10,481.51	9,222.72	9,714.50	9,714.50	8,255.65
6,037.96	5,923.43	5,770.32	6,925.51	6,925.51	5,887.65
8,760.14	8,521.18	10,603.83	10,826.92	10,826.92	9,702.86
<u>41,142.63</u>	<u>40,231.96</u>	<u>38,909.90</u>	<u>40,940.45</u>	<u>40,940.45</u>	<u>35,048.79</u>
<u>491,855.85</u>	<u>478,591.45</u>	<u>454,010.35</u>	<u>454,905.37</u>	<u>454,905.37</u>	<u>380,709.02</u>

Note: Starting 2013-14, Local Control Funding Formula (LCFF) replaced the previous K-12 finance system with a new funding formula which is composed of uniform base grants by grade span (K-3, 4-6, 7-8, 9-12).

(a) Adjustment was due to an FY2019-20 audit finding.

\* The ADA presented in the schedule is the audited 2019-20 ADA, and the ADA for fiscal year 2020-21 was not collected per California Education Code section EC Section 2575(g)(2) based on the "hold harmless" provision stated in the Senate Bill 98 passed. As this schedule is not required by the Audit Guide and there is no clear guidance on the presentation, the District prepared the schedule according to our understand from historical guidance. During fiscal year 2020-21, CDE credited additional ADA to the District from 2 closed independent charter schools. The ADA for the 2 closed schools totaling 86.54 and 343.72 for K-3 and 9-12, respectively, are not included in the above table. In addition, audit findings from fiscal year 2020-21 of negative 3.44 ADA are not included in the above table.

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, 2022

### TK/K to Grade 3 ADA

Name of Affiliated Charter School	CDS Code	TK/K to Grade 3 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	377.49	376.63	377.49	376.63
3 Calabash Charter Academy	19 64733 6016240	269.88	270.19	269.88	270.19
4 Calvert Charter for Enriched Studies	19 64733 6016265	178.14	176.62	178.14	176.62
5 Canyon Charter Elementary School	19 64733 6016323	211.69	210.87	211.69	210.87
6 Carpenter Community Charter School	19 64733 6016356	543.80	541.04	543.40	540.62
7 Castlebay Lane Charter School	19 64733 6017435	366.21	366.04	366.21	366.04
8 Chatsworth Charter High School	19 64733 1931708	0.00	0.00	0.00	0.00
9 Colfax Charter Elementary School	19 64733 6016562	415.01	416.62	415.01	416.62
10 Community Magnet Charter Elementary School	19 64733 6094726	251.29	249.24	251.29	249.17
11 Dearborn Elementary Charter Academy	19 64733 6016729	302.54	301.95	302.54	301.95
12 Dixie Canyon Community Charter School	19 64733 6016778	428.43	426.86	428.43	426.86
13 Dr. Theodore T. Alexander Jr. Science Center	19 64733 0102491	345.95	346.62	345.95	346.62
14 El Oro Way Charter For Enriched Studies	19 64733 6016869	245.84	247.41	245.84	247.41
15 Emerson Community Charter School	19 64733 6057988	0.00	0.00	0.00	0.00
16 Enadia Way Technology Charter	19 64733 0117036	115.96	117.84	115.96	117.84
17 Encino Charter Elementary School	19 64733 6016935	347.48	345.62	347.48	345.62
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	171.38	173.26	171.38	173.26
22 Haynes Charter For Enriched Studies	19 64733 6017529	219.45	218.61	219.45	218.61
23 Hesby Oaks Leadership Charter	19 64733 0112060	178.94	177.88	178.94	177.88
24 Justice Street Academy Charter School	19 64733 6017693	222.18	223.26	222.18	223.26
25 Kenter Canyon Elementary Charter	19 64733 6017701	291.76	294.27	291.26	292.19
26 Knollwood Preparatory Academy	19 64733 6017743	222.51	223.03	222.51	223.03
27 Lockhurst Drive Charter Elementary	19 64733 6017891	281.86	280.87	281.86	280.87
28 Marquez Charter School	19 64733 6018063	184.03	183.84	184.03	183.84
29 Nestle Avenue Charter School	19 64733 6018287	242.53	242.81	242.53	242.81
30 Open Charter Magnet School	19 64733 6097927	241.78	240.41	241.78	240.41
31 Palisades Charter Elementary	19 64733 6018634	250.15	249.44	250.15	249.38
32 Paul Revere Charter Middle	19 64733 6058267	0.00	0.00	0.00	0.00
33 Plainview Academic Charter Academy	19 64733 6018725	165.80	168.02	165.80	168.02
34 Pomelo Community Charter School	19 64733 6018774	339.97	340.39	339.97	340.39
35 Reseda Charter High School	19 64733 1937226	0.00	0.00	0.00	0.00
36 Riverside Drive Charter School	19 64733 6018923	253.76	253.73	253.76	253.73
37 Robert A. Millikan Affiliated Charter & Performing Arts Magnet Middle School	19 64733 6058150	0.00	0.00	0.00	0.00
38 Serrania Avenue Charter School for Enriched Studies	19 64733 6019111	345.17	345.98	345.17	345.98
39 Sherman Oaks Elementary Charter School	19 64733 6019186	318.96	317.54	318.96	317.54
40 Superior Street Elementary	19 64733 6019392	256.31	257.36	256.31	257.36
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	129.42	130.86	128.42	129.35
44 Topeka Charter School For Advanced Studies	19 64733 6019533	324.66	325.06	324.66	325.06
45 University High School Charter	19 64733 1938885	0.00	0.00	0.00	0.00
46 Van Gogh Charter School	19 64733 6019673	249.88	250.08	249.88	250.08
47 Welby Way Charter and Gifted/High-Ability Magnet Center Elementary School	19 64733 6019855	439.59	438.67	439.54	438.59
48 Westwood Charter Elementary School	19 64733 6019939	409.40	410.02	407.75	408.51
49 Wilbur Charter For Enriched Academics	19 64733 6019954	336.07	336.55	336.07	336.55
50 Woodlake Elementary Community Charter	19 64733 6020036	321.24	323.34	321.24	323.34
51 Woodland Hills Elementary Charter For Enriched Studies	19 64733 6020044	404.64	403.80	404.64	403.80
Total Affiliated Charter Schools Average Daily Attendance		11,201.15	11,202.63	11,197.55	11,196.90

Note: Due to data entry error that occurred during the creation of the Annual reports, the Annual ADA of two schools are overstated as follows: Kenter Canyon - 3.35 units of ADA; Westwood Charter - 1.85 units of ADA. Revised Annual ADA reports will be submitted when the Annual Corrected period reporting is made available.

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

Grades 4-6 ADA

Grades 7-8 ADA

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
609.22	606.49	609.22	606.49	1,293.57	1,287.09	1,293.57	1,287.09
181.54	181.72	181.54	181.72	0.00	0.00	0.00	0.00
106.69	105.93	106.69	105.93	0.00	0.00	0.00	0.00
91.92	91.52	91.92	91.52	0.00	0.00	0.00	0.00
116.99	116.60	116.99	116.60	0.00	0.00	0.00	0.00
249.04	248.57	249.04	248.57	0.00	0.00	0.00	0.00
199.52	200.49	199.52	200.49	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
162.42	162.11	162.42	162.11	0.00	0.00	0.00	0.00
141.63	140.17	141.63	140.17	0.00	0.00	0.00	0.00
131.72	131.85	131.72	131.85	0.00	0.00	0.00	0.00
164.09	163.38	164.09	163.38	0.00	0.00	0.00	0.00
146.28	146.62	146.28	146.62	0.00	0.00	0.00	0.00
135.53	136.49	135.53	136.49	0.00	0.00	0.00	0.00
157.38	155.31	157.38	155.31	279.26	276.69	279.26	276.69
72.54	73.51	72.48	73.47	0.00	0.00	0.00	0.00
146.57	146.21	146.57	146.21	0.00	0.00	0.00	0.00
478.28	475.19	478.28	475.19	987.38	979.25	987.38	979.25
606.22	599.42	606.22	599.42	1,227.56	1,212.98	1,227.56	1,212.98
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
73.40	73.37	73.40	73.37	0.00	0.00	0.00	0.00
110.40	109.65	110.40	109.65	0.00	0.00	0.00	0.00
159.36	158.61	159.36	158.61	115.78	114.49	115.78	114.49
94.31	95.50	94.31	95.50	0.00	0.00	0.00	0.00
142.18	145.20	142.12	143.93	0.00	0.00	0.00	0.00
96.78	97.52	96.78	97.52	0.00	0.00	0.00	0.00
146.41	147.51	146.41	147.51	0.00	0.00	0.00	0.00
124.56	123.63	124.56	123.63	0.00	0.00	0.00	0.00
103.69	103.03	103.69	103.03	0.00	0.00	0.00	0.00
123.60	122.18	123.60	122.18	0.00	0.00	0.00	0.00
126.66	126.20	126.66	126.20	0.00	0.00	0.00	0.00
517.21	515.48	517.21	515.48	1,111.70	1,103.44	1,111.70	1,103.44
71.91	72.62	71.91	72.62	0.00	0.00	0.00	0.00
176.64	176.66	176.43	176.53	0.00	0.00	0.00	0.00
53.26	52.94	53.26	52.94	48.20	48.11	48.20	48.11
113.84	113.65	113.84	113.65	0.00	0.00	0.00	0.00
415.54	409.88	415.54	409.88	877.13	865.60	877.13	865.60
142.11	142.59	142.11	142.59	0.00	0.00	0.00	0.00
171.55	172.44	171.55	172.44	0.00	0.00	0.00	0.00
138.99	139.37	138.99	139.37	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
49.73	50.06	49.50	49.83	0.00	0.00	0.00	0.00
160.86	159.82	160.86	159.82	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
117.43	118.46	117.43	118.46	0.00	0.00	0.00	0.00
260.18	259.12	260.01	258.82	0.00	0.00	0.00	0.00
204.30	203.69	204.00	203.48	0.00	0.00	0.00	0.00
147.72	148.74	147.72	148.74	0.00	0.00	0.00	0.00
162.26	161.40	162.26	161.40	0.00	0.00	0.00	0.00
174.65	174.75	174.65	174.75	0.00	0.00	0.00	0.00
<u>8,277.11</u>	<u>8,255.65</u>	<u>8,276.08</u>	<u>8,253.47</u>	<u>5,940.58</u>	<u>5,887.65</u>	<u>5,940.58</u>	<u>5,887.65</u>

(Continued)

**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
Schedule of Average Daily Attendance – Affiliated Charter Schools (Continued)  
Year Ended June 30, 2022

		Grades 9-12 ADA			
Name of Affiliated Charter School	CDS Code	Total		Classroom-based	
		Second Period Report	Annual Report	Second Period Report	Annual Report
1 Alfred B. Nobel Charter Middle School	19 64733 6061543	0.00	0.00	0.00	0.00
2 Beckford Charter for Enriched Studies	19 64733 6015986	0.00	0.00	0.00	0.00
3 Calabash Charter Academy	19 64733 6016240	0.00	0.00	0.00	0.00
4 Calvert Charter for Enriched Studies	19 64733 6016265	0.00	0.00	0.00	0.00
5 Canyon Charter Elementary School	19 64733 6016323	0.00	0.00	0.00	0.00
6 Carpenter Community Charter School	19 64733 6016356	0.00	0.00	0.00	0.00
7 Castlebay Lane Charter School	19 64733 6071435	0.00	0.00	0.00	0.00
8 Chatsworth Charter High School	19 64733 1931708	1,482.59	1,455.98	1,482.59	1,455.98
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	2,507.73	2,476.05	2,507.73	2,476.05
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 Marquez Charter School	19 64733 6018063	0.00	0.00	0.00	0.00
29 Nestle Avenue Charter School	19 64733 6018287	0.00	0.00	0.00	0.00
30 Open Charter Magnet School	19 64733 6097927	0.00	0.00	0.00	0.00
31 Palisades Charter Elementary	19 64733 6018634	0.00	0.00	0.00	0.00
32 Paul Revere Charter Middle	19 64733 6058267	0.00	0.00	0.00	0.00
33 Plainview Academic Charter Academy	19 64733 6018725	0.00	0.00	0.00	0.00
34 Pomelo Community Charter School	19 64733 6018774	0.00	0.00	0.00	0.00
35 Reseda Charter High School	19 64733 1937226	1,175.30	1,163.16	1,175.30	1,163.16
36 Riverside Drive Charter School	19 64733 6018923	0.00	0.00	0.00	0.00
37 Robert A. Millikan Affiliated Charter & Performing Arts Magnet Middle School	19 64733 6058150	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	1,385.80	1,371.29	1,385.80	1,371.29
42 Taft Charter High School	19 64733 1938612	1,993.53	1,974.17	1,993.53	1,974.17
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	1,277.80	1,262.21	1,277.80	1,262.21
46 Van Gogh Charter School	19 64733 6019673	0.00	0.00	0.00	0.00
47 Welby Way Charter and Gifted/High-Ability Magnet Center Elementary School	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		9,822.75	9,702.86	9,822.75	9,702.86

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



**Totals**

<b>Total ADA</b>		<b>Classroom-based ADA</b>	
<b>Second Period Report</b>	<b>Annual Report</b>	<b>Second Period Report</b>	<b>Annual Report</b>
1,902.79	1,893.58	1,902.79	1,893.58
559.03	558.35	559.03	558.35
376.57	376.12	376.57	376.12
270.06	268.14	270.06	268.14
328.68	327.47	328.68	327.47
792.84	789.61	792.44	789.19
565.73	566.53	565.73	566.53
1,482.59	1,455.98	1,482.59	1,455.98
577.43	578.73	577.43	578.73
392.92	389.41	392.92	389.34
434.26	433.80	434.26	433.80
592.52	590.24	592.52	590.24
492.23	493.24	492.23	493.24
381.37	383.90	381.37	383.90
436.64	432.00	436.64	432.00
188.50	191.35	188.44	191.31
494.05	491.83	494.05	491.83
1,465.66	1,454.44	1,465.66	1,454.44
1,833.78	1,812.40	1,833.78	1,812.40
2,507.73	2,476.05	2,507.73	2,476.05
244.78	246.63	244.78	246.63
329.85	328.26	329.85	328.26
454.08	450.98	454.08	450.98
316.49	318.76	316.49	318.76
433.94	439.47	433.38	436.12
319.29	320.55	319.29	320.55
428.27	428.38	428.27	428.38
308.59	307.47	308.59	307.47
346.22	345.84	346.22	345.84
365.38	362.59	365.38	362.59
376.81	375.64	376.81	375.58
1,628.91	1,618.92	1,628.91	1,618.92
237.71	240.64	237.71	240.64
516.61	517.05	516.40	516.92
1,276.76	1,264.21	1,276.76	1,264.21
367.60	367.38	367.60	367.38
1,292.67	1,275.48	1,292.67	1,275.48
487.28	488.57	487.28	488.57
490.51	489.98	490.51	489.98
395.30	396.73	395.30	396.73
1,385.80	1,371.29	1,385.80	1,371.29
1,993.53	1,974.17	1,993.53	1,974.17
179.15	180.92	177.92	179.18
485.52	484.88	485.52	484.88
1,277.80	1,262.21	1,277.80	1,262.21
367.31	368.54	367.31	368.54
699.77	697.79	699.55	697.41
613.70	613.71	611.75	611.99
483.79	485.29	483.79	485.29
483.50	484.74	483.50	484.74
579.29	578.55	579.29	578.55
<b>35,241.59</b>	<b>35,048.79</b>	<b>35,236.96</b>	<b>35,040.88</b>

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Instructional Time Offered

Year Ended June 30, 2022

<u>Grade Level</u>	<u>1986-1987 Minutes Requirements</u>	<u>2021-22 Actual Minutes Offered</u>	<u>Number of Instructional Days Offered</u>	<u>Complied with Instructional Minutes and Days Provisions</u>
Kindergarten	36,000	55,100	180	Yes
Grades 1 to 3	50,400	55,100	180	Yes
Grades 4 to 6 <sup>(1)</sup>	54,000	55,100	180	Yes
Grades 7 to 8 <sup>(2)</sup>	54,000	62,160 or 65,300	180	Yes
Grades 9 to 12	64,800	65,300	180	Yes

(1) Elementary schools only.

(2) Middle schools with 6-8 grade configuration approved for common planning time have at least 62,160 annual instructional minutes. Middle schools with 6-8 grade configuration not approved for common planning time have at least 65,300 annual instructional minutes.

Notes:

1. All District schools, including the charter schools in this report, complied with the statutory instructional days and instructional minutes requirements
2. 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 Financial Trends and Analysis

Year Ended June 30, 2022

(in thousands)

	<u>2022-2023</u> <u>Budgeted</u>	<u>2021-2022</u> <u>Actual</u>	<u>2020-2021</u> <u>Actual</u>	<u>2019-2020</u> <u>Actual</u>	<u>2018-2019</u> <u>Actual</u>
General Fund:					
Revenues	\$ 10,794,654	\$ 9,672,924	\$ 8,744,994	\$ 7,591,570	\$ 7,732,610
Other Financing Sources	40,367	108,571	265,007	22,145	56,100
Total Revenues and Other Financing Sources	<u>10,835,021</u>	<u>9,781,495</u>	<u>9,010,001</u>	<u>7,613,715</u>	<u>7,788,710</u>
Expenditures	11,664,269	9,294,057	8,166,021	7,730,286	7,542,236
Other Financing Uses	35,719	14,404	38,165	50,805	40,397
Total Expenditures and Other Financing Uses	<u>11,699,988</u>	<u>9,308,461</u>	<u>8,204,186</u>	<u>7,781,091</u>	<u>7,582,633</u>
Change in Fund Balance	(864,967)	473,034	805,815	(167,376)	206,077
Beginning Fund Balance	<u>3,567,607</u>	<u>2,855,289</u>	<u>2,049,474</u>	<u>2,216,850</u>	<u>2,010,773</u>
Ending Fund Balance	<u>\$ 2,702,640</u>	<u>\$ 3,328,323</u>	<u>\$ 2,855,289</u>	<u>\$ 2,049,474</u>	<u>\$ 2,216,850</u>
Available Reserves*	<u>\$ 604,530</u>	<u>\$ 1,140,017</u>	<u>\$ 1,533,263</u>	<u>\$ 571,426</u>	<u>\$ 984,235</u>
Unassigned Reserve for Economic Uncertainties	<u>\$ 234,100</u>	<u>\$ 199,860</u>	<u>\$ 91,990</u>	<u>\$ 79,000</u>	<u>\$ 75,618</u>
Unassigned Fund Balance	<u>\$ 370,430</u>	<u>\$ 940,157</u>	<u>\$ 1,441,273</u>	<u>\$ 492,426</u>	<u>\$ 908,617</u>
Available Reserves as a Percentage of Total Expenditures and Other Financing Uses	5.17%	12.25%	18.69%	7.34%	12.98%
Total Long-Term Debt	\$ 26,443,819	\$ 27,136,289	\$ 31,658,402	\$ 28,402,060	\$ 29,982,661
Average Daily Attendance (ADA) at P-2	424,434	449,937	455,356 <sup>a</sup>	454,848	451,551

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 1% 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.

<sup>a</sup> 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)  
with Audited Financial Statements  
Year Ended June 30, 2022  
(in thousands)

	<u>General Fund</u>	<u>District Bonds</u>	<u>Other Governmental *</u>
June 30, 2022 Unaudited Actual Financial Reports			
Fund Balances	\$ 3,400,095	\$ 1,352,452	\$ 683,969
Adjustments:			
To adjust additional Local Control Funding Formula revenue	1,762	—	—
To record additional Medical Billing Option revenue	2,658	—	—
To adjust grant revenues for expenditures accruals	(5,368)		
To adjust expenditure accruals	(70,824)	(37,315)	(4,436)
June 30, 2022 Audited Financial Statement			
Fund Balances	<u>\$ 3,328,323</u>	<u>\$ 1,315,137</u>	<u>\$ 679,533</u>

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

Adult Education Fund (Fund 110)	\$ (3)
Capital Facilities Fund (Fund 250)	(4,169)
County School Facilities Fund (Fund 351)	(105)
Special Reserve - CRA (Fund 400)	(40)
Special Reserve (Fund 401)	(119)
Total Other Governmental Funds	<u>\$ (4,436)</u>

There were no adjustments to fund balances for funds not presented above.

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

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Charter Schools

Year Ended June 30, 2022

(Unaudited)

<b>SCHOOL</b>	<b>STATE CHARTER NO.</b>	<b>CDS CODE</b>	<b>Affiliated</b>	<b>Fiscally Independent</b>	<b>Included in the District Audit</b>
1	Alfred B Nobel Charter Middle School	1480	19 64733 6061543	x	Yes
2	Beckford Charter for Enriched Studies	1344	19 64733 6015986	x	Yes
3	Calabash Charter Academy	1345	19 64733 6016240	x	Yes
4	Calvert Charter for Enriched Studies	1585	19 64733 6016265	x	Yes
5	Canyon Charter Elementary	0226	19 64733 6016323	x	Yes
6	Carpenter Community Charter	1235	19 64733 6016356	x	Yes
7	Castlebay Lane Charter	1477	19 64733 6071435	x	Yes
8	Chatsworth Charter High	1581	19 64733 1931708	x	Yes
9	Colfax Charter Elementary	1041	19 64733 6016562	x	Yes
10	Community Magnet Charter Elementary	0957	19 64733 6094726	x	Yes
11	Dearborn Elementary Charter Academy	1481	19 64733 6016729	x	Yes
12	Dixie Canyon Community Charter	1469	19 64733 6016778	x	Yes
13	Dr. Theodore T. Alexander Jr Science Center	0604	19 64733 0102491	x	Yes
14	El Oro Way Charter For Enriched Studies	1466	19 64733 6016869	x	Yes
15	Emerson Community Charter	1688	19 64733 6057988	x	Yes
16	Enadia Way Technology Charter	1474	19 64733 0117036	x	Yes
17	Encino Charter Elementary	1471	19 64733 6016935	x	Yes
18	Gaspar de Portola Charter Middle	2074	19 64733 6061584	x	Yes
19	George Ellery Hale Charter Academy	1346	19 64733 6061477	x	Yes
20	Grover Cleveland Charter High	1571	19 64733 1931864	x	Yes
21	Hamlin Charter Academy	1472	19 64733 6017438	x	Yes
22	Haynes Charter For Enriched Studies	1470	19 64733 6017529	x	Yes
23	Hesby Oaks Leadership Charter	1468	19 64733 0112060	x	Yes
24	Justice Street Academy Charter	1487	19 64733 6017693	x	Yes
25	Kenter Canyon Elementary Charter	0227	19 64733 6017701	x	Yes
26	Knollwood Preparatory Academy	1486	19 64733 6017743	x	Yes
27	Lockhurst Drive Charter Elementary	1478	19 64733 6017891	x	Yes
28	Marquez Charter	0228	19 64733 6018063	x	Yes
29	Nestle Avenue Charter	1465	19 64733 6018287	x	Yes
30	Open Charter Magnet	0012	19 64733 6097927	x	Yes
31	Palisades Charter Elementary	0229	19 64733 6018634	x	Yes
32	Paul Revere Charter Middle	0225	19 64733 6058267	x	Yes
33	Plainview Academic Charter Academy	1435	19 64733 6018725	x	Yes
34	Pomelo Community Charter	1347	19 64733 6018774	x	Yes
35	Reseda Charter High	2005	19 64733 1937226	x	Yes
36	Riverside Drive Charter	1362	19 64733 6018923	x	Yes
37	Robert A. Millikan Affiliated Charter & Performing Arts Magnet Middle School	1473	19 64733 6058150	x	Yes
38	Serrania Avenue Charter School for Enriched Studies	1484	19 64733 6019111	x	Yes

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

(Continued)

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Charter Schools

Year Ended June 30, 2022

(Unaudited)

<b>SCHOOL</b>	<b>STATE CHARTER NO.</b>	<b>CDS CODE</b>	<b>Affiliated</b>	<b>Fiscally Independent</b>	<b>Included in the District Audit</b>
39 Sherman Oaks Elementary Charter	1348	19 64733 6019186	x		Yes
40 Superior Street Elementary	1476	19 64733 6019392	x		Yes
41 Sylmar Charter High School	1834	19 64733 1938554	x		Yes
42 Taft Charter High	1580	19 64733 1938612	x		Yes
43 Topanga Elementary Charter	0230	19 64733 6019525	x		Yes
44 Topeka Drive Charter for Advanced Studies	1475	19 64733 6019533	x		Yes
45 University High School Charter	2006	19 64733 1938885	x		Yes
46 Van Gogh Charter	1479	19 64733 6019673	x		Yes
47 Welby Way Charter Elementary Gifted Magnet	1349	19 64733 6019855	x		Yes
48 Westwood Charter Elementary	0031	19 64733 6019939	x		Yes
49 Wilbur Charter for Enriched Academics	1482	19 64733 6019954	x		Yes
50 Woodlake Elementary Community Charter	1483	19 64733 6020036	x		Yes
51 Woodland Hills Charter Elementary for Enriched Studies	1485	19 64733 6020044	x		Yes

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

# LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2022

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Affiliated	Fiscally Independent	Included in the District Audit
1	Academia Moderna	1101	19 64733 0120097	x	No
2	Academy of Media Arts	2038	19 64733 0139055	x	No
3	Accelerated	0045	19 64733 6112536	x	No
4	Accelerated Charter Elementary (ACES)	0539	19 64733 0100743	x	No
5	Alain Leroy Locke College Preparatory Academy	1050	19 64733 0118588	x	No
6	Alliance Cindy and Bill Simon Technology Academy High	1161	19 64733 0121285	x	No
7	Alliance College-Ready Middle Academy 12	1533	19 64733 0128058	x	No
8	Alliance College-Ready Middle Academy 4	1096	19 64733 0120030	x	No
9	Alliance College-Ready Middle Academy 8	1531	19 64733 0128033	x	No
10	Alliance Collins Family College-Ready High	0718	19 64733 0108936	x	No
11	Alliance Dr. Olga Mohan High School	0790	19 64733 0111500	x	No
12	Alliance Gertz-Ressler Richard Merkin 6-12 Complex	0645	19 64733 0106864	x	No
13	Alliance Jack H. Skirball Middle	0779	19 64733 0111518	x	No
14	Alliance Judy Ivie Burton Technology Academy High	0714	19 64733 0108894	x	No
15	Alliance Kory Hunter Middle	1532	19 64733 0128041	x	No
16	Alliance Leichtman-Levine Family Foundation Environmental Science High	0929	19 64733 0117606	x	No
17	Alliance Marc & Eva Stern Math and Science (CA State Univ. L.A. Campus)	0788	19 64733 0111658	x	No
18	Alliance Margaret M. Bloomfield Technology Academy High	1356	19 64733 0124941	x	No
19	Alliance Marine - Innovation and Technology 6-12 Complex	1738	19 64733 0132084	x	No
20	Alliance Morgan McKinzie High	0928	19 64733 0116509	x	No
21	Alliance Ouchi-O'Donovan 6-12 Complex	0784	19 64733 0111641	x	No
22	Alliance Patti And Peter Neuwirth Leadership Academy	0789	19 64733 0111492	x	No
23	Alliance Piera Barbaglia Shaheen Health Services Academy	0927	19 64733 0117598	x	No
24	Alliance Renee and Meyer Luskin Academy High	1343	19 64733 0124891	x	No
25	Alliance Susan and Eric Smidt Technology High	1163	19 64733 0123133	x	No
26	Alliance Ted K. Tajima High	1164	19 64733 0123141	x	No
27	Alliance Tennenbaum Family Technology High (PSC)	1162	19 64733 0121293	x	No
28	Alliance Virgil Roberts Leadership Academy	1530	19 64733 0128009	x	No
29	Anahuacalmecac International University Preparatory of North America	1685	19 64733 0132928	x	No
30	Animo Ellen Ochoa Charter Middle	1286	19 64733 0123992	x	No
31	Animo Florence-Firestone Charter Middle	1794	19 64733 0134023	x	No
32	Animo Jackie Robinson High	0793	19 64733 0111583	x	No
33	Animo James B. Taylor Charter Middle	1287	19 64733 0124008	x	No
34	Animo Jefferson Charter Middle	1216	19 64733 0122481	x	No
35	Animo Legacy Charter Middle School (Clay Campus) (PSC)	1288	19 64733 0124016	x	No
36	Animo Mae Jemison Charter Middle	1624	19 64733 0129270	x	No
37	Animo Pat Brown	0649	19 64733 0106849	x	No
38	Animo Ralph Bunche Charter High	0781	19 64733 0111575	x	No

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

(Continued)

# LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2022

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Affiliated	Fiscally Independent	Included in the District Audit
39	Animo South Los Angeles Charter	0602	19 64733 0102434	x	No
40	Animo Venice Charter High	0648	19 64733 0106831	x	No
41	Animo Watts College Preparatory Academy	0783	19 64733 0111625	x	No
42	Animo Westside Charter Middle	1217	19 64733 0122499	x	No
43	APEX Academy	1459	19 64733 0117077	x	No
44	Ararat Charter	1156	19 64733 0121079	x	No
45	Arts In Action Community Charter	1218	19 64733 0123158	x	No
46	Arts in Action Community Middle School	1806	19 64733 0134205	x	No
47	Aspire Centennial College Preparatory Academy	1436	19 64733 0126797	x	No
48	Aspire Firestone Academy (PSC)	1214	19 64733 0122622	x	No
49	Aspire Gateway Academy Charter (PSC)	1213	19 64733 0122614	x	No
50	Aspire Inskeep Academy Charter (PSC)	1332	19 64733 0124800	x	No
51	Aspire Juanita Tate Academy Charter (PSC)	1331	19 64733 0124792	x	No
52	Aspire Junior Collegiate Academy	1551	19 64733 0114884	x	No
53	Aspire Pacific Academy	1230	19 64733 0122721	x	No
54	Aspire Slauson Academy Charter (PSC)	1330	19 64733 0124784	x	No
55	Aspire Titan Academy	1550	19 64733 0120477	x	No
56	Bert Corona Charter	0654	19 64733 0106872	x	No
57	Bert Corona Charter High	1724	19 64733 0132126	x	No
58	Birmingham Community Charter High	1119	19 64733 1931047	x	No
59	Bright Star Secondary Charter Academy	0826	19 64733 0112508	x	No
60	California Creative Learning Academy	0827	19 64733 0112235	x	No
61	California Creative Learning Academy Middle School	1960	19 64733 0137463	x	No
62	Camino Nuevo Charter Academy 2 (Kayne Siart)	1231	19 64733 0122861	x	No
63	Camino Nuevo Charter Academy 4 (Cisneros) (PSC)	1334	19 64733 0124826	x	No
64	Camino Nuevo Charter Academy (Burlington)	0293	19 64733 6117667	x	No
65	Camino Nuevo Elementary School 3 (Eisner) (PSC)	1212	19 64733 0122564	x	No
66	Camino Nuevo High 2 (Dalzell Lance)	1540	19 64733 0127910	x	No
67	CATCH Prep Charter High, Inc.	0570	19 64733 0101659	x	No
68	Center for Advanced Learning	0937	19 64733 0115139	x	No
69	Central City Value	0534	19 64733 0100800	x	No
70	CHAMPS - Charter HS of Arts-Multimedia & Performing	0712	19 64733 0108878	x	No
71	CHIME Institute's Schwarzenegger Community	0417	19 64733 6119531	x	No
72	<i>Citizens of the World Charter School East Valley</i>	2081	19 64733 0140749	x	No
73	Citizens of the World Charter School West Valley	2082	19 64733 0139832	x	No
74	Citizens of the World Charter School Hollywood	1200	19 64733 0122556	x	No
75	Citizens of the World Charter School Mar Vista (Gateway)	1414	19 64733 0126193	x	No
76	Citizens of the World Charter School Silver Lake	1413	19 64733 0126177	x	No
77	City Language Immersion Charter	1538	19 64733 0127886	x	No
78	Collegiate Charter High School of Los Angeles	1722	19 64733 0131821	x	No

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

(Continued)



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Charter Schools

Year Ended June 30, 2022

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Affiliated	Fiscally Independent	Included in the District Audit
79	Crete Academy	1854	19 64733 0135616	x	No
80	Crown Preparatory Academy	1187	19 64733 0121848	x	No
81	Discovery Charter Preparatory School 2	0949	19 64733 0115253	x	No
82	Downtown Value	0448	19 64733 6119903	x	No
83	Ednovate - Brio College Prep	1843	19 64733 0135723	x	No
84	Ednovate - East College Prep	1702	19 64733 0132282	x	No
85	Ednovate - Esperanza College Prep	1842	19 64733 0135715	x	No
86	Ednovate - South LA College Prep	2087	19 64733 0140129	x	No
87	Ednovate - USC Hybrid High College Prep	1401	19 64733 0125864	x	No
88	El Camino Real Charter High	1314	19 64733 1932623	x	No
89	El Rio Community School	2080	19 64733 0140004	x	No
90	Equitas Academy 2	1402	19 64733 0126169	x	No
91	Equitas Academy 3 Charter	1669	19 64733 0129650	x	No
92	Equitas Academy 4	1785	19 64733 0133686	x	No
93	Equitas Academy 5	2040	19 64733 0139121	x	No
94	Equitas Academy 6	2030	19 64733 0138883	x	No
95	Equitas Academy Charter	1093	19 64733 0119982	x	No
96	Everest Value	1638	19 64733 0129858	x	No
97	Extera Public	1300	19 64733 0124198	x	No
98	Extera Public School No. 2	1562	19 64733 0128132	x	No
99	Fenton Avenue Charter	0030	19 64733 6017016	x	No
100	Fenton Charter Leadership Academy	1613	19 64733 0131722	x	No
101	Fenton Primary Center	0911	19 64733 0115048	x	No
102	Fenton STEM Academy: Elementary Center for Science Technology Engineering and Mathematics	1605	19 64733 0131466	x	No
103	Gabriella Charter	0713	19 64733 0108886	x	No
104	Gabriella Charter 2	1853	19 64733 0135509	x	No
105	Girls Athletic Leadership School Los Angeles	1791	19 64733 0133710	x	No
106	Global Education Academy	0934	19 64733 0114967	x	No
107	Global Education Academy 2	1641	19 64733 0129833	x	No
108	Goethe International Charter	1036	19 64733 0117978	x	No
109	Granada Hills Charter	0572	19 64733 1933746	x	No
110	High Tech LA	0537	19 64733 0100677	x	No
111	High Tech LA Middle	1929	19 64733 0137471	x	No
112	ICEF Innovation Los Angeles Charter	1037	19 64733 0117952	x	No
113	ICEF View Park Preparatory Elementary School	0190	19 64733 6117048	x	No
114	ICEF View Park Preparatory High School	0543	19 64733 0101196	x	No
115	ICEF View Park Preparatory Middle School	0506	19 64733 6121081	x	No
116	ICEF Vista Elementary Academy	1039	19 64733 0117937	x	No
117	ICEF Vista Middle Academy	0953	19 64733 0115287	x	No

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

(Continued)

# LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2022

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Affiliated	Fiscally Independent	Included in the District Audit
118	Ingenium Charter	1157	19 64733 0121137	x	No
119	Ingenium Charter Middle	1536	19 64733 0127985	x	No
120	Invictus Leadership Academy	2088	19 64733 0140111	x	No
121	ISANA Cardinal Academy	1285	19 64733 0123984	x	No
122	<i>ISANA Himalia Academy</i>	1858	19 77081 0135954	x	No
123	ISANA Nascent Academy	0716	19 64733 0108910	x	No
124	ISANA Octavia Academy	1232	19 64733 0122655	x	No
125	ISANA Palmati Academy	1246	19 64733 0123166	x	No
126	Ivy Academia	0619	19 64733 0106351	x	No
127	Ivy Bound Academy Math, Science, and Technology Charter Middle 2	1570	19 64733 0128389	x	No
128	Ivy Bound Academy of Math, Science, and Technology Charter Middle	0936	19 64733 0115113	x	No
129	James Jordan Middle	0734	19 64733 0109884	x	No
130	KIPP Academy of Innovation	1586	19 64733 0128512	x	No
131	KIPP Academy of Opportunity	0530	19 64733 0101444	x	No
132	KIPP Comienza Community Prep	1196	19 64733 0121707	x	No
133	KIPP Corazon Academy	1855	19 64733 0135517	x	No
134	KIPP Empower Academy	1195	19 64733 0121699	x	No
135	KIPP Endeavor College Preparatory Charter	1094	19 64733 0120014	x	No
136	KIPP Ignite Academy	1720	19 64733 0131771	x	No
137	KIPP Iluminar Academy	1508	19 64733 0127670	x	No
138	KIPP Los Angeles College Preparatory	0531	19 64733 0100867	x	No
139	KIPP Philosophers Academy	1378	19 64733 0125609	x	No
140	KIPP Promesa Prep	1721	19 64733 0131797	x	No
141	KIPP Pueblo Unido	2041	19 64733 0139071	x	No
142	KIPP Raices Academy	1010	19 64733 0117903	x	No
143	KIPP Scholar Academy	1377	19 64733 0125625	x	No
144	KIPP Sol Academy	1379	19 64733 0125641	x	No
145	KIPP Vida Preparatory Academy	1587	19 64733 0129460	x	No
146	Larchmont Charter	0717	19 64733 0108928	x	No
147	Learning by Design Charter	1959	19 64733 0137513	x	No
148	Libertas College Preparatory Charter	1711	19 64733 0131904	x	No
149	Los Angeles Academy of Arts and Enterprise Charter (LAAAE)	0675	19 64733 0110304	x	No
150	Los Angeles Leadership Academy	0461	19 64733 1996610	x	No
151	Los Angeles Leadership Primary Academy	1333	19 64733 0124818	x	No
152	Magnolia Science Academy 4	0986	19 64733 0117622	x	No
153	Magnolia Science Academy 6	988	19 64733 0117648	x	No
154	Magnolia Science Academy 7	989	19 64733 0117655	x	No
155	Magnolia Science Academy Bell (PSC)	1236	19 64733 0122747	x	No
156	Math and Science College Preparatory	1412	19 64733 0126136	x	No
157	Matrix for Success Academy	1961	19 64733 0137562	x	No

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

(Continued)

# LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2022

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Affiliated	Fiscally Independent	Included in the District Audit
158	Monsenor Oscar Romero Charter Middle	0931	19 64733 0114959	x	No
159	Montague Charter Academy for the Arts and Sciences	0115	19 64733 6018204	x	No
160	Multicultural Learning Center	0388	19 64733 6119044	x	No
161	N.E.W. Academy Canoga Park	0592	19 64733 0102483	x	No
162	N.E.W. Academy of Science and Arts	0521	19 64733 0100289	x	No
163	New Designs Charter	0601	19 64733 0102541	x	No
164	New Designs Charter School-Watts	1120	19 64733 0120071	x	No
165	New Heights Charter	0761	19 64733 0111211	x	No
166	New Horizons Charter Academy	1567	19 64733 0128371	x	No
167	New Los Angeles Charter	0998	19 64733 0117614	x	No
168	New Los Angeles Elementary School	1788	19 64733 0133702	x	No
169	New Millennium Secondary	1020	19 64733 0117911	x	No
170	New Village Girls Academy	0791	19 64733 0111484	x	No
171	Ocean Charter	0569	19 64733 0102335	x	No
172	Oscar De La Hoya Animo Charter High	0581	19 64733 0101675	x	No
173	Our Community Charter	0739	19 64733 0109934	x	No
174	Pacoima Charter Elementary	0583	19 64733 6018642	x	No
175	Palisades Charter High	0037	19 64733 1995836	x	No
176	Para Los Niños - Evelyn Thurman Gratts Primary (PSC)	1215	19 64733 0122630	x	No
177	Para Los Niños Charter	0475	19 64733 6120489	x	No
178	Para Los Niños Middle	1007	19 64733 0117846	x	No
179	Port of Los Angeles High	0542	19 64733 0107755	x	No
180	PREPA TEC - Los Angeles	1542	19 64733 0127936	x	No
181	<del>Public Policy Charter</del>	1703	19 64733 0131847	x	No
182	PUC CALS Charter Middle and Early College High School	0331	19 64733 0133298	x	No
183	PUC Community Charter Elementary	1657	19 64733 0129619	x	No
184	PUC Community Charter Middle and PUC Community Charter Early College High	0213	19 64733 6116750	x	No
185	PUC Early College Academy for Leaders and Scholars (ECALS) (PSC)	1354	19 64733 0124933	x	No
186	PUC Excel Charter Academy	0798	19 64733 0112201	x	No
187	PUC Inspire Charter Academy	1626	19 64733 0129593	x	No
188	PUC Lakeview Charter Academy	0603	19 64733 0102442	x	No
189	PUC Lakeview Charter High	1241	19 64733 0122606	x	No
190	PUC Milagro Charter	0600	19 64733 0102426	x	No
191	PUC Nueva Esperanza Charter Academy	1092	19 64733 0133280	x	No
192	PUC Triumph Charter Academy and PUC Triumph Charter High School	0797	19 64733 0133272	x	No
193	PUENTE Charter (ELA Site)	0473	19 64733 6120471	x	No
194	Renaissance Arts Academy	0579	19 64733 0101683	x	No
195	Resolute Academy Charter	1642	19 64733 0131870	x	No
196	Rise Kohyang Elementary	1927	19 64733 0136994	x	No

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

(Continued)

# LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Charter Schools

Year Ended June 30, 2022

(Unaudited)

SCHOOL	STATE CHARTER NO.	CDS CODE	Affiliated	Fiscally Independent	Included in the District Audit
197	Rise Kohyang High School	1786	19 64733 0133868	x	No
198	Rise Kohyang Middle	1315	19 64733 0124222	x	No
199	Santa Monica Boulevard Community Charter	0446	19 64733 6019079	x	No
200	Scholarship Prep South Bay	2042	19 64733 0139097	x	No
201	Stella Elementary Charter Academy	1866	19 64733 0137604	x	No
202	Stella Middle Charter Academy	0535	19 64733 0100669	x	No
203	STEM Preparatory Elementary	1925	19 64733 0136986	x	No
204	Synergy Charter Academy	0636	19 64733 0106427	x	No
205	Synergy Kinetic Academy (PSC)	1014	19 64733 0117895	x	No
206	Synergy Quantum Academy (PSC)	1299	19 64733 0124560	x	No
207	TEACH Academy of Technologies	1206	19 64733 0122242	x	No
208	TEACH Preparatory Mildred S. Cunningham & Edith H. Morris Elementary School	2004	19 64733 0138305	x	No
209	TEACH Tech Charter High	1658	19 64733 0129627	x	No
210	The City	1710	19 64733 0134148	x	No
211	University Preparatory Value High	1723	19 64733 0132027	x	No
212	Valley Charter Elementary	1237	19 64733 0122754	x	No
213	Valley Charter Middle	1238	19 64733 0122838	x	No
214	Valley International Preparatory High	1926	19 64733 0137612	x	No
215	Valor Academy Elementary	1787	19 64733 0133694	x	No
216	Valor Academy High	1539	19 64733 0127894	x	No
217	Valor Academy Middle	1095	19 64733 0120022	x	No
218	Vaughn Next Century Learning Center (Mainland/MIT)	0016	19 64733 6019715	x	No
219	Village Charter Academy	1639	19 64733 0129866	x	No
220	Vista Charter Middle	1234	19 64733 0122739	x	No
221	Vista Horizon Global Academy	2043	19 64733 0139089	x	No
222	Vox Collegiate of Los Angeles	1917	19 64733 0137521	x	No
223	Wallis Annenberg High	0538	19 64733 0100750	x	No
224	Watts Learning Center	0131	19 64733 6114912	x	No
225	Watts Learning Center Charter Middle	1141	19 64733 0120527	x	No
226	WISH Academy High	1863	19 64733 0135632	x	No
227	WISH Community	1627	19 64733 0135921	x	No

NOTES:

◆ 2021-2022 New school in *Italics*

◆ School Closed on 10/1/2021 in ~~strickethough~~

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

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Notes to Supplementary Information

Year Ended June 30, 2022

### (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. Beginning 2013-14, the schedule no longer reflects different programs, only ADA by grade span. Hence, 2012-2013 reflects corresponding grade span.

#### (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, 2022

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:					
Child Nutrition School Programs Breakfast	10.553	PCA13525/PCA13526		\$ 68,413,704	
Child Nutrition School Programs Lunch	10.555	PCA13523/PCA13524		176,591,983	
Donated Food Commodities	10.555	Not Applicable		24,699,745	
COVID-19 – Child Nutrition School Nutrition Program (SNP) Emergency Operational Costs Reimbursement (ECR)	10.555	PCA15637		13,296,080	
Child Nutrition Summer Food Services Program Operations	10.559	PCA13004		28,673,846	
Child Nutrition Summer Food Services Program Sponsor Administration	10.559	PCA13006		756,231	
Subtotal Expenditures – Child Nutrition Cluster					\$ 312,431,589
Child Nutrition Child Care Food Program (CCFP) Claims	10.558	PCA13529			142,652,462
Child Nutrition CCFP – Cash in Lieu of Commodities	10.558	PCA13534			9,725,188
COVID-19 – Child Nutrition Child and Adult Care Food Program (CACFP) ECR	10.558	PCA15577			6,866,601
Subtotal Assistance Listing Number 10.558					159,244,251
Child Nutrition Team Nutrition Grants	10.574	PCA15332			3,893
COVID-19 Pandemic Electronic Benefit Transfer (EBT) Administrative Grant	10.649	PCA15644			5,814
Passed through California Department of Health Services:					
Forest Reserve	10.665	PCA10044		42,851	
Subtotal Expenditures – Forest Service Schools and Road Cluster					42,851
Subtotal Pass-Through Programs					471,728,398
Total U.S. Department of Agriculture					471,728,398
U.S. Department of Defense:					
Reserve Officer Training Corps Vitalization Act	12.unknown	Not Available			1,872,856
Startalk: Exploring Arabic Through Technology, Startalk - LAUSD	12.900	H98230-20-1-0282			39,063
Subtotal Direct Programs					1,911,919
Total U.S. Department of Defense					1,911,919
U.S. Department of Justice:					
Stop School Violence	16.839	BJA-2020-17312			421
Subtotal Direct Program					421
Total U.S. Department of Justice					421
U.S. Department of Labor:					
Passed through Employment Development Department:					
Employment Development Department Trade Act: Trade Adjustment Assistance (TAA)	17.245	Various			71,300
Passed through City of Los Angeles:					
Workforce Innovation and Opportunity Act (WIOA) – Worksource Educational Partnership – Adult	17.258	C-139486		90,279	
WIOA – Worksource Educational Partnership – Dislocated Workers	17.278	C-139486		71,974	
WIOA – T-1 Youth Source System	17.259	C-139186		1,065,391	
Passed through Para Los Ninos:					
WIOA – Youth	17.259	C-138577-L21		102,000	
Subtotal Expenditures – WIOA Cluster					1,329,644
Subtotal Pass-Through Programs					1,400,944
Total U.S. Department of Labor					1,400,944
U.S. Department of Transportation:					
Highway Planning and Construction: Active Transportation Program	20.205	ATPLNI-6508(001)		86,843	
Subtotal Expenditures – Highway Planning and Construction Cluster					86,843
Subtotal Direct Program					86,843
Total U.S. Department of Transportation					86,843
Federal Communications Commission:					
Emergency Connectivity Fund Program	32.009	Not Available			25,905,441
Subtotal Direct Program					25,905,441
Total Federal Communications Commission					25,905,441
National Science Foundation:					
USC – Math for America Los Angeles	47.076	Not Available			47,577
Subtotal Direct Program					47,577
Total National Science Foundation					47,577

(Continued)

**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended June 30, 2022

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 Education:					
Indian Education	84.060A	S060A200283			\$ 115,847
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP):					
GEAR-UP 4 LA	84.334A	P334A190002	\$ 296,404		2,835,617
GEAR-UP 4 LA	84.334A	P334A140118			653,253
GEAR-UP 4 LA	84.334A	P334A180080/ P334A180081	1,794,146		9,371,149
Subtotal Assistance Listing Number 84.334A			<u>2,442,257</u>		<u>12,860,019</u>
Subtotal Direct Programs					<u>12,975,866</u>
Passed through California Department of Education:					
WIOA – Adult Basic Ed/ELA	84.002A	PCA14508			8,656,731
WIOA – Ad Ed & Fam Lit/EL – Civics	84.002A	PCA14109			4,881,201
WIOA – Adult Secondary Ed	84.002A	PCA13978			3,718,752
Subtotal Assistance Listing Number 84.002A					<u>17,256,684</u>
Every Student Succeeds Act (ESSA), Title I Part A. Basic	84.010	PCA14329			331,331,656
ESSA, Title I Part A. Neglected	84.010	PCA14329			1,179,897
ESSA, Title I Part D. Delinquent	84.010	PCA14357			30,919
ESSA, Comprehensive Support & Improvement (CSI)	84.010	PCA15438			6,078,589
Subtotal Assistance Listing Number 84.010					<u>338,621,061</u>
Special Ed: Individual with Disabilities Education (IDEA) Local Assistance, Part B, Sec.611 Early Intervening Services	84.027	PCA10119		\$ 13,167,398	
Special Ed: IDEA Basic Local Assistance Entitlement	84.027A	21-13379-64733-01			110,064,861
Special Ed: IDEA Local Assistance, Private School ISPs	84.027	PCA10115			1,681,308
Special Ed: IDEA Mental Health Allocation Plan	84.027A	21-15197-64733-01			6,530,287
Special Ed: IDEA – Supporting Inclusive Practices, Part B – Sec 611	84.027A	20-13693-64733-01			83,799
Special Ed: IDEA – Alternate Dispute Resolution, Part B – Sec 611	84.027A	PCA13007			69,986
PreSchool Expansion – Staff Development	84.173A	PCA13431			26,402
Special Ed: IDEA – Preschool Capacity Building, Part B – Sec 619 2020-21 Embedded Instruction	84.173A	PCA13839			9,504
Special Ed: IDEA – Part B, Sec 619; Preschool Grants Early	84.173	PCA15639			1,225,210
IDEA Preschool Expansion Grant	84.173	PCA13430			5,092,753
Special Ed: IDEA – Part B, Sec 619; Preschool Grants Early Intervening Services	84.173	PCA10131		708,178	
Subtotal Expenditures – Special Education Cluster (IDEA)					<u>138,659,686</u>
Carl D. Perkins – Secondary Program, Sec131	84.048	PCA14894			6,001,808
Carl D. Perkins – Vocational and Technical Education, Sec 132	84.048	PCA14893			1,735,504
Subtotal Assistance Listing Number 84.048					<u>7,737,312</u>
Special Ed-Grants for Infants and Families: Early Intervention Funds – Part C Education for Homeless Children & Youth	84.181	21-23761-64733-01			1,170,581
	84.196A	PCA14332- S196A200005/ S196A210005			301,288
Twenty-first Century Learning Centers	84.287C	PCA14349	792,083		3,216,807
Twenty-first Century Learning Centers	84.287C	PCA14535	11,598,773		13,681,207
Twenty-first Century Learning Centers	84.287C	PCA14603			661,327
Twenty-first Century Learning Centers	84.287C	PCA14765			299,829
Subtotal Assistance Listing Number 84.287C			<u>12,390,856</u>		<u>17,859,170</u>
Title III, English Learner Student	84.365	PCA14346			8,948,874
Title III, Immigrant Student	84.365	PCA15146			507,829
Subtotal Assistance Listing Number 84.365					<u>9,456,703</u>
National Professional Development Grant, Project Royal	84.365Z	T365Z160249-17			65,295
Loyola Marymount University (LMU) Purposeful Engagement in Academic Rigor and Language Learning (PEARLL) Project	84.365Z	T365Z210143/ C#21079A			26,382
Subtotal Assistance Listing Number 84.365Z					<u>91,677</u>
ESSA Title II, Part A, Supporting Effective Instruction	84.367	PCA14341			26,505,402
School Improvement Grants	84.377	PCA15364			1,282,584
ESSA Title IV, Part A, Student Support and Academic Enrichment Grant Program	84.424A	PCA15396			28,219,261
COVID-19 ARP Act - Homeless Children and Youth (ARP-HCY) Program	84.425	PCA15564			310,076
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	PCA15547			693,055,774
COVID-19 Expanded Learning Opportunities (ELO) ESSER II Fund State Reserve	84.425D	PCA15618			54,212,664
COVID-19 ELO Grant GEER II	84.425D	PCA15619			3,177,200
COVID-19 ESSER Fund	84.425D	PCA15536			2,511,612
COVID-19 Coronavirus Aid, Relief, and Economic Security (CARES) Act ESSER Child Nutrition	84.425D	PCA15535			207,015
COVID-19 ESSER Fund California Community Schools Partnership Program	84.425D	PCA15537			4,586,594
COVID-19 Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	84.425C	PCA15517			7,111,109
COVID-19 – Twenty-first Century Learning Centers Rate Increase Elementary and Secondary School Emergency Relief (ESSER III) State Reserve After School Programs	84.425U	PCA15651	163,883		492,444
COVID-19 American Rescue Plan Act (ARP Act) ESSER III Fund	84.425U	PCA15559			392,283,943
Subtotal Assistance Listing Number 84.425C/D/U			<u>163,883</u>		<u>1,157,948,431</u>

(Continued)

**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2022

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 Los Angeles County Office of Education:					
Title I – Migrant Ed – Regular	84.011	PCA14326			\$ 874,537
Title I – Migrant Ed – Summer	84.011	PCA14326			208,189
Title I – Migrant Ed – School Readiness	84.011	PCA14326			32,656
Subtotal Assistance Listing Number 84.011					<u>1,115,382</u>
Passed through California Department of Rehabilitation:					
Rehab – Transition Partnership Program/Trans Part-Greater LA	84.126A	PCA 10006_Agr No 30964,30987,31016,30970,30990			2,044,208
Passed through American Institute for Research:					
Air Credit Recovery	84.305A	R305A170152			209,681
Passed through Fresno County Superintendent of Schools:					
WestEd Federal Investing in Innovation and Improvement program i3 Grant	84.411B	S-00015607			13,058
Subtotal Pass-Through Programs					<u>1,748,492,169</u>
Total U.S. Department of Education					<u>1,761,468,035</u>
U.S. Department of Health and Human Services:					
CDCP-School Based HIV/STD Prevention	93.079	5NU87PS004357-02-00; 6NU87PS004357-03-01;			455,922
Youth Risk Behavior Survey Participation	93.079	5NU87PS004357-03-00 20-01116-64733			500
Subtotal Assistance Listing Number 93.079					<u>456,422</u>
Subtotal Direct Programs					<u>456,422</u>
Passed through Los Angeles County of Education:					
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), School Based COVID-19 Testing	93.323	C-21248-20-23			75,040,882
Passed through County of Los Angeles:					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	PH-003967			1,017,138
Child Health Outreach Initiative – Whole Person Care	93.994	PH-002507-16			177,470
Passed through City of Los Angeles:					
County Youth Jobs Program – CalWorks	93.558	C-138853			13,999
Passed through Department of Social Services:					
California Department of Social Services Refugee Program Bureau	93.566	RSIG18CA			47,687
Passed through California Department of Education:					
General Child Care Center – Block Grant	93.575	PCA15136		\$ 1,406,811	
COVID-19 CARES Act General Child Care and Development (CCTR)	93.575	PCA15549		118	
COVID-19 Child Development: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act - One-time Stipend	93.575	PCA15555		3,537,336	
CCTR Programs administered by California Department of Social Services	93.575	PCA10163		99,736	
General Child Care Center – Mandatory & Matching Fund	93.596	PCA13609		3,059,873	
Subtotal Expenditures – Child Care Development Fund Cluster					<u>8,103,874</u>
Passed through Baldwin Park USD:					
Early Head Start	93.600	Not Applicable		289,157	
Subtotal Expenditures – Head Start Cluster					<u>289,157</u>
Passed through Los Angeles County Office of Education:					
ARRA – State Grants to Promote Health Information Technology	93.719	Not Available			842
Subtotal Pass-Through Programs					<u>84,691,049</u>
Total U.S. Department of Health & Human Services					<u>85,147,471</u>
Corporation for National and Community Service:					
Youth Service America Corporation	94.014	FAIN 19MK218080			3,601
Subtotal Direct Program					<u>3,601</u>
Total Corporation for National and Community Service					<u>3,601</u>
U.S. Department of Homeland Security:					
Passed through California Governors Office of Emergency Services:					
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PCA 10014			4,527
Disaster Grants-Public Assistance (Presidentially Declared Disasters) Tick Fire	97.036	5296FMCAP00000071			49,003
Disaster Grants-Public Assistance (Presidentially Declared Disasters) Getty Fire	97.036	5297FMCAP00000081			34,567
Subtotal Assistance Listing Number 97.036					<u>88,097</u>
Hazard Mitigation Grant Program	97.039	PCA10041			2,087
Hazard Mitigation Grant Program	97.039	DR4344-PJ0455/PJ0151			2,219,854
Subtotal Assistance Listing Number 97.039					<u>2,221,941</u>
Subtotal Pass-Through Programs					<u>2,310,038</u>
Total U.S. Department of Homeland Security					<u>2,310,038</u>
Total Expenditures of Federal Awards			<u>\$ 14,996,996</u>	<u>\$ 460,943,644</u>	<u>\$ 2,350,010,688</u>



## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

**(1) General**

The accompanying schedule of expenditures of federal awards (Schedule) presents the expenditures of all federal financial assistance programs for 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 of expenditures of federal awards 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 of expenditures of federal awards is (Assistance Listing No. 10.555) \$24,699,745 of donated food commodities received from the U.S. Department of Agriculture, passed-through California Department of Education, during the year ended June 30, 2022.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

**(5) Prior Period Expenditure Adjustment – COVID -19 Elementary and Secondary Emergency Relief (ESSER) Fund 84.425D and Governor's Emergency Education Relief (GEER) Fund 84.425C**

On April 5, 2022, a Federal Emergency Management Agency (FEMA) Advisory was released indicating that FEMA assistance is available for measures implemented for schools' safe and continuous in-person operation in response to COVID-19. This includes school-located vaccination clinics, purchases of high-quality masks, personal protective equipment, and COVID-19 diagnostic and screen testing. The District availed of this funding opportunity to maximize available revenue streams. In doing so, the District made a funding swap of previously reported testing and vaccination expenditures in ESSER and GEER funds in fiscal year 2020-21 to the General Fund - Unrestricted. At the same time, allowable expenditures from General Fund - Unrestricted eligible expenditures were transferred to ESSER and GEER funding on a dollar-for-dollar basis. This allowed the District the ability to seek reimbursement from FEMA for the testing and vaccination expenditures that are now charged to General Fund-Unrestricted.

The costs transferred back to the ESSER and GEER funds are disclosed and included in the scope of the Single Audit in fiscal year 2021-22. The breakdown is as follows:

<b>Assistance Listing No.</b>	<b>Grant Name</b>	<b>6/30/2021</b>
84.425C	GEER	\$ 4,453,910
84.425D	ESSER II	38,309,977
84.425D	ESSER I	184,000
		<u>\$ 42,947,887</u>

# OTHER INDEPENDENT AUDITOR REPORTS





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

To The Honorable Board of Education  
Los Angeles Unified School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Los Angeles Unified School District** (the District), as of and for the year ended June 30, 2022, 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 14, 2022.

### 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item FS-2022-001 to be a material weakness.





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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item FS-2022-002 to be a significant deficiency.

### **Report on Compliance and Other Matters**

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

### **District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

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

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

Los Angeles, California  
December 14, 2022



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

To The Honorable Board of Education  
Los Angeles Unified School District

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited **Los Angeles Unified School District's** (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. 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, 2022.

#### ***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.

### ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items F-2022-001 through F-2022-005. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District is also responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The District's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response and corrective action plan.





## Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items F-2022-001, F-2022-002, and F-2022-005 to be material weaknesses.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items F-2022-003 and F-2022-004 to be significant deficiencies.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District is also responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The District's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or corrective action plan.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Los Angeles, California  
December 14, 2022



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## Independent Auditor's Report on State 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 *2021-22 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, 2022.

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, 2022.

#### 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 *2021-22 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 *2021-22 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 *2021-22 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 *2021-22 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:

2021-22 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other than Charter Schools:	
A. Attendance	<u>Yes</u>
B. Teacher Certification and Misassignments	<u>Yes</u>
C. Kindergarten Continuance	<u>Yes</u>
D. Independent Study	<u>Yes</u>
E. Continuation Education	<u>Yes</u>
F. Instructional Time	<u>Yes</u>
G. Instructional Materials	<u>Yes</u>
H. Ratio of Administrative Employees to Teachers	<u>Yes</u>
I. Classroom Teacher Salaries	<u>Yes</u>
J. Early Retirement Incentive	<u>N/A (1)</u>
K. GANN Limit Calculation	<u>Yes</u>



2021-22 K-12 Audit Guide Procedures	Procedures Performed
L. School Accountability Report Card	<u>Yes</u>
M. Juvenile Court Schools	<u>N/A (2)</u>
N. Middle or Early College High Schools	<u>Yes</u>
O. K-3 Grade Span Adjustment	<u>Yes</u>
P. Transportation Maintenance of Effort	<u>Yes</u>
Q. Apprenticeship: Related and Supplemental Instruction	<u>Yes</u>
R. Comprehensive School Safety Plan	<u>Yes</u>
S. District of Choice	<u>N/A (3)</u>
School Districts, County Offices of Education, and Charter Schools:	
T. California Clean Energy Jobs Act	<u>Yes</u>
U. After/Before School Education and Safety Program	<u>Yes</u>
V. Proper Expenditure of Education Protection Account Funds	<u>Yes</u>
W. Unduplicated Local Control Funding Formula Pupil Counts	<u>Yes</u>
X. Local Control and Accountability Plan	<u>Yes</u>
Y. Independent Study-Course Based	<u>N/A (4)</u>
Z. Immunizations	<u>Yes</u>
AZ. Educator Effectiveness	<u>Yes</u>
BZ. Expanded Learning Opportunity Grant (ELO-G)	<u>Yes</u>
CZ. Career Technical Education Incentive Grant	<u>Yes</u>
DZ. In Person Instruction Grant	<u>Yes</u>
Charter Schools:	
AA. Attendance	<u>Yes</u>
BB. Mode of Instruction	<u>Yes</u>
CC. Nonclassroom-Based Instruction/Independent Study	<u>No (5)</u>
DD. Determination of Funding for Nonclassroom-Based Instruction	<u>No (5)</u>
EE. Annual Instructional Minutes – Classroom Based	<u>Yes</u>
FF. Charter School Facility Grant Program	<u>N/A (6)</u>

- (1) We did not perform any procedures related to the Early Retirement Incentive Program because the District did not offer early retirement incentive 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 *2021-22 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-2022-001 through S-2022-012.

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 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 *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

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

Los Angeles, California  
December 14, 2022

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control deficiencies over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? Yes

Noncompliance material to the financial statements? No

**Federal Awards**

Internal control deficiencies over major programs:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? Yes

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

<b>Assistance Listing Number</b>	<b>Name of Federal Program</b>	<b>Opinion</b>
	<b>U.S. Department of Agriculture – Child Nutrition Cluster:</b>	Unmodified
10.553	School Breakfast Program (SBP)	
10.555	National School Lunch Program (NSLP)	
10.559	Summer Food Service Program for Children (SFSP)	
10.558	U.S. Department of Agriculture – Child and Adult Care Food Program	Unmodified
32.009	Federal Communications Commission – Emergency Connectivity Fund Program	Unmodified
84.002A	U.S. Department of Education – Adult Education State Grant Program	Unmodified
84.010	U.S. Department of Education – Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	Unmodified
84.048	U.S. Department of Education – Career and Technical Education – Basic Grants to States (Perkins V)	Unmodified

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

<b>Assistance Listing Number</b>	<b>Name of Federal Program</b>	<b>Opinion</b>
84.367	U.S. Department of Education – Supporting Effective Instruction State Grants (Title II, Part A of the ESEA)	Unmodified
84.424A	U.S. Department of Education – Student Support and Academic Enrichment Program (Title IV, Part A of the ESEA)	Unmodified
<b>84.425</b>	<b>U.S. Department of Education – COVID-19 – Education Stabilization Fund:</b>	Unmodified
84.425C	Governor’s Emergency Education Relief Fund	
84.425D	Elementary and Secondary School Emergency Relief Fund	
84.425U	American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)	
93.323	U.S. Department of Health and Human Services – COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), School Based COVID-19 Testing	Unmodified
•	Any audit findings disclosed which are required to be reported in accordance with 2 CFR 200.516(a):	Yes
•	Dollar threshold used to distinguish between type A and type B programs:	\$7,050,032
•	Auditee qualified as low risk auditee	No

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**State Awards**

Type of auditor's report issued on compliance for state programs:

Unmodified

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**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

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

**Finding – FS-2022-001 Reimbursement Grant Revenue Recognition (Material Weakness)**

**Criteria**

Government Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, paragraph 15, establishes the accounting and financial reporting criteria for reimbursement grants:

“Governments (including the federal government) frequently engage in award programs commonly referred to as “reimbursement-type” or “expenditure-driven” grant programs. These programs may be either government-mandated or voluntary nonexchange transactions, depending on their characteristics. In either case, the provider stipulates that a recipient cannot qualify for resources without first incurring allowable costs under the provider’s program...

...that is, there is no award—the provider has no liability, and the recipient has no asset (receivable)—until the recipient has met the provider’s requirements by incurring costs in accordance with the provider’s program.”

A receivable and revenue should be recognized once the recipient has met the provider’s requirements by incurring costs in accordance with the provider’s program.

**Condition**

During our audit of the District’s Other Governmental Funds Federal and State revenues, we identified a total of (3) three grant programs from (3) three grantors listed below, whereby the District’s Facilities Department recognized revenue in the governmental funds upon receipt of cash as opposed to when the District met the grantor’s requirements by incurring costs in accordance with the grantor’s program:

1. Federal Emergency Management Agency (FEMA) – Hazard Mitigation Grant Program and Public Assistance Program
2. State Water Resources Control Board (SWRCB) – Drinking Water for Schools Grant Program
3. State Allocation Board (SAB) – School Facility Program (SFP)

**Cause and Effect**

The District’s Facilities Department did not adhere to the District’s control policies and procedures requiring departments to communicate to the District’s Accounting Department – Capital Projects (ADCP) all grant related programs they manage. As a result, the ADCP was unable to provide the District’s Facilities Department (Facilities) with the accounting and financial reporting criteria for reimbursement grants.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

Due to Facilities' misconception of reimbursement grant accounting, they incorrectly recognized Federal and State revenues when cash was received instead of when costs were incurred. Based on our audit of the revenue items, it was determined that these grant revenues were earned in Fiscal Year 2021 and should have been recognized and recorded as revenues at that time in accordance with accounting and financial reporting criteria for reimbursement grants. Further, we identified additional State revenues which were earned in Fiscal Year 2022 but was recognized and recorded as revenues in Fiscal Year 2023. The overall financial impact was overstatement of the District's revenues by \$4.2 million for the year ended June 30, 2022.

### **Recommendation**

We recommend that the District strengthen its controls over reimbursement or expenditure-driven grant revenue recognition as follow:

- Create a reporting mechanism by which Facilities timely notify ADCP of all the grants currently managed and/or continue to have accounting and reporting responsibilities. Also, the departments should provide copies of the grant agreements to the ADCP for their review.
- Ensure that the Facilities' staff are properly trained and knowledgeable of the accounting and financial reporting requirements for reimbursement grants.
- Create a mechanism by which the ADCP verifies revenues recorded during the current fiscal year to ensure recording in the proper accounting period.
- Create a mechanism by which the ADCP reviews subsequent cash receipts pertaining to reimbursement grants to ensure recording in the proper accounting period.

### **View of Responsible Officials and Corrective Action Plan**

The Facilities Department concurs with the finding and recommendations regarding grant revenue recognition. The Facilities Department's corrective action plan is to work with the Accounting Department – Capital Projects to develop procedures, guidelines, and training material for the proper recognition of revenue for the grant programs managed by the Facilities Department. An annual training program will be developed for the management of Facilities Department grant programs with specific attention to grant revenue recognition.

Implementation Date: May 2023

Name: Chris Alejo

Title: Facilities Financial Operations Manager

Telephone: (213) 241-1000

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **Finding – FS-2022-002 Vulnerability Management (Significant Deficiency)**

#### **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 800-40 Version 2 Creating a Patch and Vulnerability Management Program; Executive Summary:

- Timely patching of security issues is generally recognized as critical to maintaining the operational availability, confidentiality, and integrity of information technology (IT) systems.
- It is recommended that all organizations have a systematic, accountable, and documented process for managing exposure to vulnerabilities through the timely deployment of patches.

#### **SAP Vulnerability**

#### **Condition**

Our review of SAP vulnerability scan reports for the period of October 2021 through December 2021 revealed that 311 (three hundred and eleven) “Critical” severity level SAP related vulnerabilities that remained outstanding or not remediated throughout this three (3) month period.

#### **Cause and Effect**

ITD represented that the vulnerability management program is relatively newly implement and requires time to fully formalize into a matured process. It was also represented to us that as the SAP team was implementing the annual SAP HR Support Pack upgrade from October to December 2021, the team could not apply fixes to address vulnerabilities while HRSP implementation was in progress.

Information Technology Division (ITD) represented that these vulnerabilities were fully remediated by May 8, 2022.

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” severity level vulnerabilities should be remediated within 30 days of identification.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **View of Responsible Officials and Corrective Action Plan**

Over the past five years, the District's Systems Vulnerability Management program continues to mature as ITD has been proactively implementing tools and processes to strengthen the program. Below are few samples of actions taken in this regard:

1. The first Vulnerability Management Policy was issued and implemented in July 2022 that addresses the process of identifying and mitigating vulnerabilities in the following technology environments:
  - a. Enterprise Infrastructure,
  - b. Building Automation Systems, and
  - c. Critical Information Systems.
2. ITD established a monthly operational process and procedures to monitor critical information systems' vulnerabilities using various tools.
3. A vulnerability tool, Onapsis, was procured and implemented specifically to monitor the SAP systems. In October 2021, the first Onapsis scan was performed in SAP production which revealed vulnerabilities that were not discovered previously.

All Critical vulnerabilities identified through Onapsis vulnerability tool are remediated and closed. The BASE team started addressing critical items from the vulnerability report since October 2021, closing some each month. Items requiring system updates were done in 2 phases. Phase 1 was completed on March 19, 2022, and phase 2 was completed on May 8, 2022. This was also the date when all critical vulnerabilities were remediated.

BASE Team has established a process and procedures to monitor SAP vulnerabilities monthly.

The Onapsis SAP Security Vulnerability monitoring tool was implemented and operational in September 2021. Vulnerability reports were being generated in October 2021. However, during this period, SAP team was implementing the annual SAP HR Support Pack upgrade from October to December 2021 and could not apply fixes to address vulnerabilities while HRSP implementation was in progress.

Name: Douglas Le

Title/Division: Senior ERP Director Business Systems/ITD

Telephone: 213.241.1586

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### MiSiS Vulnerability

#### **Condition**

Our review of MiSiS vulnerability scan reports for the period of October 2021 through December 2021 revealed two (2) Critical Vulnerabilities that remained outstanding or not remediated throughout this three (3) month period.

#### **Cause and Effect**

ITD represented that the District's vulnerability management program is relatively newly implement and requires time to fully formalize into a matured process.

The lack of proactively managing and timely remediating vulnerabilities increases the risk of potential exploitation. In addition, timely addressing security patches and fixing configuration issues are essential to maintaining the availability, confidentiality, and integrity of mission critical financial reporting information systems.

#### **Recommendation**

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

#### **View of Responsible Officials and Corrective Action Plan**

The MiSiS team is working with the OS team to continuously monitor the operation system for any vulnerabilities. Our analysis of the June 22 report has found that there were 2 critical vulnerabilities. We are waiting for the patch that would resolve them.

The OS Team ETA ("Expected Time of Arrival") is the end of July 2022 for applying the patches in a lower environment. September 2022 is the target date to apply the patches to the Production environment.

Name: Douglas Le  
Title/Division: Senior ERP Director Business Systems/ITD  
Telephone: 213.241.1586

Name: Robert Pelayo  
Title/Division: MiSiS Director/ITD  
Telephone: 213-241-1144

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### CMS Vulnerability

#### **Condition**

Our review of CMS vulnerability scan reports for the period of October 2021 through December 2021 revealed three hundred and thirty-five (335) “Critical” severity level CMS related vulnerabilities that remained outstanding or not remediated throughout this three (3) month period.

#### **Cause and Effect**

ITD represented that the District’s vulnerability management program is relatively newly implement and requires time to fully formalize into a matured process.

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” severity level vulnerabilities should be remediated within 30 days of identification.

#### **View of Responsible Officials and Corrective Action Plan**

CMS team is working with IT Security and Systems Support teams to get an Operating Systems Patching Cycle through the BMC tool to apply the fixes for critical items on the vulnerability report.

Updates pushed through BMC tool is being applied in Test and QA environments before Production.

The target date for Production implementation to remediate the CMS vulnerabilities is October 2022. The test system was recently upgraded and going through validations now.

95% of the 355 outstanding vulnerability items have been resolved by October 2022. A process is in place in which the application teams work collaboratively with IT Security and System Supports teams to perform scheduled patching and upgrades.

Name: Douglas Le  
Title/Division: Senior ERP Director Business Systems/ITD  
Telephone: 213.241.1586

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **Welligent Vulnerability**

#### **Condition**

Our review of Welligent vulnerability scan reports for the period of October 2021 through December 2021 revealed forty (40) “Critical” severity level Welligent vulnerabilities that remained outstanding or not remediated throughout this three (3) month period.

#### **Cause and Effect**

ITD represented that the District’s vulnerability management program is relatively newly implement and requires time to fully formalize into a matured process.

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” severity level vulnerabilities should be remediated within 30 days of identification.

#### **View of Responsible Officials and Corrective Action Plan**

The Welligent servers identified on the observation report will be upgraded from OS Red Hat 7.6 to 7.9 on Sunday, July 3, 2022. We anticipate that all outstanding critical severities will be resolved after the upgrade.

Name: Douglas Le

Title/Division: Senior ERP Director Business Systems/ITD

Telephone: 213.241.1586

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**Section III – Findings and Questioned Costs Relating to Federal Awards**

**Program Identification**

Finding Reference Number:	<b>F-2022-001</b>
Federal Program Title, Awarding Agency, Pass-Through Entity, Assistance Listing Number, and Award Number:	Supporting Effective Instruction State Grant (Title II, Part A of the ESEA), U.S. Department of Education, Passed through the California Department of Education, AL No. 84.367, PCA No. 14341 (Material Weakness)  Elementary and Secondary School Emergency Relief Fund, U.S. Department of Education, Passed through the California Department of Education, AL No. 84.425D, PCA No. 15547 (Material Weakness)
Compliance Requirement:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
State Audit Guide Finding Code:	30000 and 50000

**Criteria**

2 CFR section 200.430(i), Standards for Documentation of Personnel Expenses, requires:

- (1) “Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:
  - (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
  - (ii) Be incorporated into the official records of the non-Federal entity;
  - (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
  - (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
  - (v) Comply with the established accounting policies and practices of the non-Federal entity;
  - (vi) [Reserved]



## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.”

In accordance with LAUSD Policy Bulletin 2643.11 entitled, “Documentation for Employees Paid from Federal and State Categorical Programs,” the Periodic Certification (formerly referred to as Semi-Annual Certifications) must be completed each fiscal year for employees whose compensation is singularly sourced from Federal funds. The first Periodic Certification covers the period between July 1st through December 31st, and the second Periodic Certification covers the period between January 1st through June 30th. These certifications should be completed no later than January 31st and July 31st, respectively. Employees whose compensation is sourced by a combination of Federal or State funds that are not a Single Cost Objective are required to complete and sign the Multi-Funded Time Report at the end of each month.

#### **Condition**

As part of our compliance review over payroll expenditures, we selected samples of payroll expenditures charged to the program and reviewed the supporting documents to ascertain if they were allowable per program regulations, accurately charged to the program, and appropriately supported in accordance with 2 CFR section 200.430(i) and LAUSD Policy Bulletin 2643.11.

***Supporting Effective Instruction State Grants (Title II, Part A of the ESEA):*** In our sample of sixty (60) payroll expenditures, we noted that five (5) employees provided the signed Multi-Funded Time Reports; however, the hours reported on the Multi-Funded Time Reports did not support the hours recorded in SAP. For four (4) of the five (5) employees, the hours reported on the Multi-Funded Time Reports were less than the hours recorded in SAP, leading to an overstatement of program expenditures. For one (1) of the five (5) employees, the hours reported on the Muti-Funded Report were greater than the hours recorded in SAP, leading to an understatement of program expenditures. In addition, we noted that one (1) employee provided a signed Periodic Certification that was signed subsequent to our request.

Total exceptions for overstatement and understatement amounted to \$4,906 and \$683, respectively, of the \$208,524 sampled from \$14,281,515 of the total payroll expenditures. Total exceptions for untimely certifications amounted to \$274.

***Elementary and Secondary School Emergency Relief Fund:*** In our sample of sixty (60) payroll expenditures, we noted that three (3) employees provided the timesheets; however, the hours reported on the timesheets did not support the hours recorded in SAP. For one (1) of the three (3) employees, the hours reported on the timesheet were less than the hours recorded in SAP, leading to an overstatement of program expenditures. For two (2) of the three (3) employees, the hours reported on the timesheets were greater than the hours recorded in SAP, leading to an understatement of program expenditures. In addition, we noted that one (1) employee provided a signed Periodic Certification that was signed subsequent to our request.

Total exceptions for overstatement and understatement amounted to \$820 and \$350, respectively, of the \$223,777 sampled from \$487,522,973 of the total payroll expenditures. Total exceptions for untimely certifications amounted to \$1,482.

Our samples were statistically valid samples.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

#### **Cause and Effect**

The untimely certifications appear to be incidents in which employees did not follow the District's policies and procedures. The discrepancies between the time reports/timesheets and the SAP data appear to be due to clerical errors and lack of sufficient review.

#### **Questioned Costs**

The total costs related to the conditions mentioned above amounted to the following:

*Supporting Effective Instruction State Grants (Title II, Part A of the ESEA) (Assistance Listing No. 84.367):* \$4,906 overstatement and \$683 understatement due to unsupported hours charged.

*Elementary and Secondary School Emergency Relief Fund (Assistance Listing No. 84.425D):* \$820 overstatement and \$350 understatement due to unsupported hours charged.

There were no questioned costs due to untimely completed/signed Periodic Certifications because payroll costs incurred were allowable costs for the programs.

#### **Repeat Finding**

This finding is a repeat finding as indicated in the Status of Prior Audit Findings and Recommendation as finding number F-2021-001.

#### **Recommendation**

We recommend that the District enhance its internal controls over payroll expenditures and the related compliance requirements by providing adequate and continuous training to school administrators, timekeepers, and supervisors on the required procedures to ensure the ongoing compliance requirements are being monitored. We also recommend that management responsible for each grant design and implement controls to review and approve the Multi-Funded Time Reports or timesheets prior to submission to the funding agency, and the review and approval are documented.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**View of Responsible Officials and Corrective Action Plan**

- 1) Accounting Controls team will continue to coordinate with Central Office/program coordinators to:
  - a) communicate the impact of questioned cost resulting from current year's audit findings
  - b) follow through on the sample testing performed on payroll documentations as a secondary control twice a year; and
  - c) provide feedback and training to the schools based on the result of sample testing
  
- 2) Accounting Controls team will coordinate with the MyPLN team regarding the implementation of the annual Mandatory Time & Effort Training. This is a required 30-minute training of administrators, timekeepers, and supervisors with review questions at the end of the course, and requires a 100% correct answers before a certificate of completion will be issued.

Name: Timothy Rosnick  
Title: Deputy Controller  
Telephone: (213) 241 -7989

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**Program Identification**

Finding Reference Number:	<b>F-2022-002</b>
Assistance Listing Number:	84.010
Federal Program Title:	Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) (Material Weakness)
Awarding Agency / Pass-Through Entity:	U.S. Department of Education / California Department of Education
Award Number:	PCA Nos. 14329, 14357, and 15438
Compliance Requirement:	Special Tests and Provisions – Annual Report Card, High School Graduation Rate
State Audit Guide Finding Code:	30000 and 50000

**Criteria**

*Annual Report Card, High School Graduation Rate*

An SEA and its LEAs must report graduation rate data for all public high schools at the school, LEA, and State levels using the 4-year adjusted cohort rate under 34 CFR section 200.19(b)(1)(i)-(iv). Additionally, SEAs and LEAs must include the 4-year adjusted cohort graduation rate (which may be combined with an extended-year adjusted cohort graduation rate or rates) in adequate yearly progress (AYP) determinations. Graduation rate data must be reported both in the aggregate and disaggregated by each subgroup described in 34 CFR section 200.13(b)(7)(ii) using a 4-year adjusted cohort graduation rate. Only students who earn a regular high school diploma may be counted as a graduate for purposes of calculating the 4-year adjusted cohort graduation rate. To remove a student from the cohort, a school or LEA must confirm, in writing, that the student transferred out, emigrated to another country, or is deceased. To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. A student who is retained in grade, enrolls in a General Educational Development (GED) program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort (Title I, Sections 1111(b)(2) and (h) of ESEA (20 USC 6311(b)(2) and (h)); 34 CFR section 200.19(b)).

Section 8.3 of the LAUSD Attendance Manual states School staff shall document students who withdraw from the school. School staff shall follow Appendix J-2: Elementary School Withdrawal Symbols and Appendix J-3: Secondary School Withdrawal Symbols when recording withdrawal data.

Section XI.B of LAUSD REF-6554.4 states the Parent Assurance Letter (PAL) is the official form used to document withdrawal, transfer, and other student movement and that the form must be signed and submitted by the parent/guardian for student withdrawals.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**Condition**

We sampled a total of sixty (60) out of 66,263 students with leave codes in the school year 2020-21 My Integrated Student Information System (MiSiS) data file to verify that the leave code and reason code reported in MiSiS was properly supported. In our review of the documentation in comparison to the leave and reason code, we noted the following:

- 1. Three (3) schools provided documentation for five (5) students that did not support the leave code entered into MiSiS:

<b>Leave Code per MISIS</b>	<b>Leave Code per Supporting Documentation</b>
<b>L5</b> (Student transfers to a school outside California)	<b>L8</b> (Unknown)
<b>L3</b> (Student transfers to a California public school outside LAUSD)	<b>L8</b> (Unknown)
<b>L3</b> (Student transfers to a California public school outside LAUSD)	<b>L4</b> (California Private School)
<b>L3</b> (Student transfers to a California public school outside LAUSD)	<b>L4</b> (California Private School)
<b>L4</b> (Student transfers to a California private school)	<b>L3</b> (California Public School)

- 2. One (1) school was unable to provide any documentation to support the leave code for one (1) student file.

Our sample was a statistically valid sample.

**Cause and Effect**

The discrepancy in the leave code was caused by the schools using the wrong leave code when they did not have enough information to substantiate that code. There seems to be a deficiency in the internal control system to properly train and monitor the personnel who are assigned to maintain the accuracy of student records.

Inaccurate leave codes in MiSiS may lead to inaccurate data collected by CDE, which could lead to errors in the calculation of the graduation rate.

**Questioned Costs**

Not applicable. This finding is considered a programmatic non-compliance issue.

**Repeat Finding**

This finding is a repeat finding as indicated in the Status of Prior Audit Finding as finding number F-2021-005.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **Recommendation**

We recommend that the District continue to strengthen its controls over enrollment/withdrawal status by providing adequate training/monitoring to ensure that student records on MiSiS are accurate and updated when new information is available and that necessary documents are maintained. We recommend that the training include the appropriate levels of written documentation required for different situations under both ESSA guidance and CDE guidance.

### **View of Responsible Officials and Corrective Action Plan**

Pupil Services and Attendance will continue to provide policy guidance:

1. Provide ongoing reminders every other month through the Schoology communication platform regarding accurate enrollment, withdrawal codes and the MYPLN Essential Tips training to support with the withdrawal process, codes, and documentation.
2. Pupil Services and Attendance will continue to post resource tools such as the Certify Rules (this automated data validation tool allows users to efficiently identify data errors or omissions to improve the quality of student data in MiSiS) to support accurate enrollment and withdrawal procedures.
3. Pupil Services and Attendance will communicate with Local District Administration on disseminating information to school-site designees with audit findings to participate in the MYPLN training on accurate enrollment and withdrawal codes during school year 2023-24.
4. Pupil Services and Attendance will communicate with Office of Organizational Excellence to support in messaging the availability of the MYPLN training to support with the withdrawal process, codes, and documentation.
5. Will obtain written acknowledgement for completion of the MYPLN Essential Tips training to support with the withdrawal process, codes, and documentation from the schools identified with audit findings.

Name: Elsy Rosado

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**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**Program Identification**

Finding Reference Number:	<b>F-2022-003</b>
Federal Program Title, Awarding Agency, Pass-Through Entity, Assistance Listing Number, and Award Number:	Child Nutrition Cluster, U.S. Department of Agriculture, Passed through the California Department of Education, AL Nos. 10.553, 10.555, and 10.559, PCA Nos. 13523, 13524, 13525, 13526, 15637, 13004, and 13006. (Significant Deficiency)  Child and Adult Care Food Program, U.S. Department of Agriculture, Passed through the California Department of Education, AL No. 10.558, PCA Nos. 13529, 13534, and 15577. (Significant Deficiency)
Compliance Requirement:	Special Tests and Provisions
State Audit Guide Finding Code:	30000 and 50000

**Criteria**

Per 7 CFR 225.15 (c)(1), “Sponsors shall maintain accurate records justifying all meals claimed and documenting that all program funds were spent only on allowable Child Nutrition Program costs. Failure to maintain such records may be grounds for denial of reimbursement for meals served and/or administrative costs claimed during the period covered by the records in question. The sponsor's records shall be available at all times for inspection and audit by representatives of the Secretary, the Comptroller General of the United States, and the State agency for a period of three years following the date of submission of the final claim for reimbursement for the fiscal year.”

Per 7 CFR 226.10 (c), “Claims for Reimbursement shall report information in accordance with the financial management system established by the State agency, and in sufficient detail to justify the reimbursement claimed... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim.”

**Condition**

***Child Nutrition Cluster (CNC) (AL Nos. 10.553, 10.555, and 10.559)***

During the procedures performed over meals claimed under the Child Nutrition Cluster programs during the fiscal year 2022, we noted that the monthly meal counts recorded in the District’s Cafeteria Management System (CMS) were not fully supported by underlying documentation (e.g., meal count sheets). We sampled 20 out of 711 schools in August 2021, 20 out of 697 schools in November 2021, and 20 out of 696 schools in February 2022. We then validated that the meal counts recorded in the CMS for Breakfast and Lunch were supported by either meal count sheets used at the school sites or by the point-of-sale (POS) system data. Based on our procedures, we noted the following:

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

1. Of the 20 schools sampled in August 2021, we noted variances in four (4) schools between the CMS count and the meal count sheets for Breakfast. Breakfast meal counts were under-claimed by 46, based on a total sample of 23,497 meals tested, from a total reported population of 1,961,194 meals.
2. Of the 20 schools sampled in November 2021, we noted variances in four (4) schools between the CMS count and the meal count sheets for Breakfast. Breakfast counts were over/(under) claimed by 29 and (1), respectively, based on a total sample of 25,432 meals tested, from a total reported population of 2,508,853 meals.
3. Of the 20 schools sampled in February 2022, we noted variances in four (4) schools between the CMS count and the meal count sheets for Breakfast. Breakfast counts were over/(under) claimed by 9 and (44), respectively, based on a total sample of 19,882 meals tested from a total reported population of 2,575,622 meals.

#### ***Child And Adult Care Food Program (CACFP) (AL No. 10.558)***

During the procedures performed over meals claimed under the Child and Adult Care Food Program during the fiscal year 2022, we noted that the monthly meal counts recorded in the District's Cafeteria Management System (CMS) were not fully supported by underlying documentation (e.g., meal count sheet). We sampled 8 out of 680 schools in September 2021, 9 out of 680 schools in November 2021, and 8 out of 684 schools in February 2022. We then validated that the meal counts recorded in the CMS for Snack and Supper were supported by either meal count sheets used at the school sites or by POS system data. Based on our procedures, we noted the following:

1. Of the 8 schools sampled in September 2021, we noted a variance in one (1) school between the CMS count and the meal count sheets for Supper. Supper meal counts were under-claimed by 10, based on a sample of 12,269 meals tested, from a total reported population of 4,513,335 meals.
2. Of the 8 schools sampled in February 2022, we noted variances in four (4) schools between the CMS count and the meal count sheets for both Snack and Supper. Snack counts were over-claimed by 20, based on a total sample of 4,609 meals tested from a total reported population of 1,183,533 meals. Supper counts were over/(under) claimed by 27 and (21), respectively, based on a total sample of 14,854 meals tested from a total reported population of 3,686,216 meals.

Our samples were statistically valid samples.

#### **Cause and Effect**

The condition appears to be caused by human error while manually counting the paper meal count sheets.

Inaccurate claims of meal counts could lead to questioned costs.

#### **Questioned Costs**

Federal regulation 2 CFR 200.516 (a)(3) requires the auditor to report questioned costs when likely questioned costs exceed \$25,000.



**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

***Child Nutrition Cluster (CNC) (AL Nos. 10.553, 10.555, and 10.559)***

Overclaimed - \$95; Underclaimed – \$(230)

***Child And Adult Care Food Program (CACFP) (AL No. 10.558)***

Overclaimed - \$126; Underclaimed – \$(122)

The following are the total over/(under) claimed per meal type and per program:

Program	Meal Type	Meal Claimed		Amount Billed	
		Over	Under	Over	(Under)
CNC	Breakfast	38	(91)	\$ 95	\$ (230)
	Total CNC	38	(91)	\$ 95	\$ (230)
CACFP	Snack	20	-	\$ 20	\$ -
CACFP	Supper	27	(31)	106	(122)
	Total CACFP	47	(31)	\$ 126	\$ (122)

**Repeat Finding**

This finding is a repeat finding as indicated in the Status of Prior Audit Finding as finding number F-2021-007.

**Recommendation**

We recommend that the District continue to strengthen its controls over the meal claim process to ensure that meals are accurately counted, inputted into CMS and claimed for reimbursement.

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

For the 2021-22 school year, the Food Services Division used federal waivers to support students and families by providing meals under multiple programs. Starting August 2021, COVID concerns resulted in the district discontinuing breakfast in the classroom. USDA waivers permitted the distribution of breakfast and supper meals to students as they left campus for consumption at home. As the school year progressed, the after-school supper program was reinstated for a small group of students at some schools, and this group of students was given a breakfast to take home. Additionally, we distributed weekend meals comprising of supper and snacks. Lastly, the district requested Food Services to serve a morning snack (at the District’s expense) for hungry students. The snacks were tracked manually for reimbursement from ESSER funds by the district.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

Each meal service required a different form to count meals and multiple sheets for the same meal period depending on how the meal bags were distributed (exit gate vs. classroom). The managers had many forms that had to be put together and summed up to come up with the reimbursable counts. Manually compiling and uploading the information is the reason for the variances. Each time there was a change in the operation, the Food Service team had to create a new training module for the change in operation, which created additional forms leading to the errors seen in the audit review. We want to state respectfully that our error rate for meal counts was 0.4% which, given the multiple food distribution channels to support students, is understandable.

To address the audit findings, Food Services will review and modify our procedures and be stringent in monitoring our existing systems and procedures:

1. Food Services Division will add steps to our current meal claiming procedures to ensure accuracy of claims.
  - a. Food Service Manager will utilize the Meal Count Consolidation Form for meal periods that have more than one meal count sheet.
  - b. Food Service Manager will input meal counts into CMS based on information from the Consolidation Form.
  - c. Food Service Manager will run a weekly Meal Counts Report generated from CMS.
  - d. Food Service Manager will compare daily meal count documents to the five-day Meal Count Report for accuracy.
  - e. Area Food Services Supervisors (AFSS) will randomly check meal counts entered in CMS and compare them with the numbers entered in daily meal count sheets. Each school will have a random review every 2-3 months, and where errors are found there will be additional follow up.
2. Food Services will follow the review steps as indicated in Corrective Action Response #1 and confirm the claim for accuracy prior to submission to CNIPS.
  - a. Food Services Central Office Staff will provide a daily meal count report to all Supervisors for review to identify any inputting errors.
  - b. Food Service Managers will review and adjust meal counts prior to the CNIPS claim submission, based on AFSS feedback.

The target date for the implementation of the above corrective action plan is by the end of February 2023.

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**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**Program Identification**

Finding Reference Number:	<b>F-2022-004</b>
Assistance Listing Number:	32.009
Federal Program Title:	Emergency Connectivity Fund Program (Significant Deficiency)
Awarding Agency / Pass-Through Entity:	Federal Communications Commission
Award Number:	Not Available
Compliance Requirement:	Equipment/Real Property Management; Special Tests and Provisions
State Audit Guide Finding Code:	30000 and 50000

**Criteria**

47 CFR 54.1706 (c) states Emergency Connectivity Fund support for eligible equipment and services is limited to no more than one fixed broadband internet access connection per location, and one connected device and one Wi-Fi hotspot device per student, school staff member, or library patron.

2 CFR 200.303 (a) states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

**Condition**

During our audit, we noted that the District did not have sufficient controls in place within its Emergency Connectivity Fund (ECF) program to ensure that proper records were maintained for equipment acquired under the ECF program. The District utilized fundings from both ECF and another Federal grant, Elementary and Secondary School Emergency Relief II (ESSER II), for connectivity to meet the remote learning needs of students, school staff, and library patrons during the COVID-19 emergency period. We noted that eligible devices, such as connectivity devices and Wi-Fi hotspot devices, had originally been purchased using ESSER II grant. Subsequently, a portion of the costs were allocated/transferred to the ECF program.

We obtained a list of equipment purchased with ECF funds for our review and noted that they were not in compliance with the “per-user” limitation. The original listing of equipment indicated that twenty-six (26) individuals were distributed with more than one (1) device. After further inquiry, the District provided an updated equipment list which indicated that ten (10) individuals were distributed with more than one (1) device.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **Cause and Effect**

The condition was due to a lack of sufficient internal controls over maintaining accurate property/equipment records and internal controls over compliance with the “per-user” limitation requirement.

The District did not properly identify equipment funded with Federal awards to ensure maintenance of accurate property/equipment inventories. Also, the District did not maintain a proper tracking system to ensure compliance with the “per-user” limitation requirement.

### **Questioned Costs**

Not applicable. This finding is considered a programmatic non-compliance issue as well as a deficiency in the internal control system over equipment inventory management as the District has yet to submit the request for reimbursement.

### **Recommendation**

We recommend that the District strengthen its policies and procedures related to maintaining accurate property/equipment records in order to comply with the program requirements. We also recommend that the District perform a thorough review of the year-end equipment list to ensure it is complete and accurate.

We also recommend that the District review the listing of devices distributed to students/school staff to ensure that there are no other instances of non-compliance with the per-user limitation requirement, and that non-compliance devices be removed from the request for reimbursement to be submitted to the Federal Communications Commission.

### **View of Responsible Officials and Corrective Action Plan**

The District acknowledges the need to strengthen the staff’s compliance to policies and procedures related to equipment tracking and property records. ECF is a new program and there was an urgent need for the District to provide the necessary equipment for connectivity to meet the remote learning needs of students/school staff during the COVID-19 emergency period. Beginning January 3, 2023, the District will provide additional training to staff as needed and will reiterate the policies and procedures to ensure compliance with program requirements. The District will conduct a thorough review of devices distributed to students/school staff prior to requesting any reimbursement from the program administrator to ensure compliance with the per-user limitation requirement.

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**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**Program Identification**

Finding Reference Number: **F-2022-005**

Assistance Listing Number: 84.002A

Federal Program Titles: Adult Education – Basic Grants to States  
(Material Weakness)

Awarding Agency / Pass-Through Entity: U.S. Department of Education / California Department of Education

Award Number: PCA Nos. 13978, 14109, and 14508

Compliance Requirement: Eligibility

State Audit Guide Finding Code: 30000 and 50000

**Criteria**

According to 29 U.S. Code Section 3272 (4) Eligible Individual, the term “eligible individual” means an individual –

- (A) who is at least 16 years of age;
- (B) who is not enrolled or required to be enrolled in secondary school under State law; and
- (C) who –
  - (iii) is basic skills deficient;
  - (ii) does not have a secondary school diploma or its recognized equivalent and has not achieved an equivalent level of education; or
  - (iii) is an English language learner.

**Condition**

We sampled a total of sixty (60) out of 24,009 students with at least one A Comprehensive System for Adult Education’s (CASAS) test score to verify eligibility for the Adult Education Basic Grants to States Program (Adult Education Program) and identified two (2) students who were sixteen years old at the time of enrollment, but not enrolled in secondary school. Based on the compulsory education law in the State of California, students under the age of 18 are required to be enrolled in secondary school. As such, sixteen-year-old students are not eligible to participate in the Adult Education Program.

Additionally, we noted that the two (2) aforementioned sixteen-year-old students were enrolled in a subprogram specifically designed for high school dropouts between the ages of 16 and 24. As such, we had reasonable doubt that there could potentially be more students in the population who were under the age of 18. After further investigation, we found 631 students enrolled in the Adult Education Program who were under the age of 18 at the time of enrollment.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **Cause and Effect**

The District's policies and procedures regarding the Adult Education Program were not consistent with the age requirements under the State's compulsory education law.

Ineligible participants could result in non-compliance with the program requirements, as well as adjustments to future funding amounts, which are determined based on payment points generated from the District's past performance.

### **Questioned Costs**

Undetermined. The questioned costs for the above-mentioned ineligible participants could not be assessed as the exact expenditure amount related to specific students could not be determined. This grant is a cost reimbursement grant, in which future funding is determined based on payment points generated from the current students' performance.

### **Recommendation**

We recommend that the District develop policies and procedures over eligibility determination and intake process/assessment to ensure that students under the age of 18 are not enrolled in a program funded by the Adult Education Program. In addition, the District should find alternative funding source(s) for students under the age of 18 that are enrolled in the high school dropouts subprogram.

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

Division of Adult and Career Education (DACE) will review the current process and implement the following:

1. Directive will be provided to DACE principals to stop enrolling 16–17-year-old students.
2. Instructions will be given to DACE Accelerated College and Career Transitions (ACCT) Advisors not to enroll students between ages 16-17 moving forward.
3. The District will utilize unrestricted funds for students under the age of 18 that are enrolled in the Workforce Innovation and Opportunity Act (WIOA) program.
4. DACE will continue to serve the existing 16–17-year-old ACCT student population through the end of the school year 2022-23 and use unrestricted funding sources other than WIOA.
5. During school year 2022-23 and henceforth, DACE will not report or claim any student outcomes other than those earned by students who are of 18 years of age and older.
6. DACE will amend the ACCT intake and enrollment policies and procedures in the DACE Counseling Handbook.

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Name: Alejandra Salcedo

Title: Federal Grants Specialist

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**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**Section IV – Findings and Questioned Costs Relating to State Awards**

**S-2022-001 – Regular and Special Day Classes – Attendance Computations**

**State Program:** Attendance Accounting: Attendance Reporting

**State Audit Guide Finding Codes:** 10000 and 40000

**Schools Affected**

- 54th Street Elementary School
- Alexander Hamilton Senior High School
- Alexander Hamilton Senior High Music & Performing Arts Mag School
- Beethoven Street Elementary School
- Castelar Street Elementary School
- Cimarron Avenue Elementary School
- David Starr Jordan Senior High School
- Dorris Place Elementary School
- East Valley Senior High School
- Harbor City Elementary School
- Harry Bridges Span School
- Helen Bernstein Senior High School
- Herrick Avenue Elementary School
- Holmes Avenue Elementary School
- Los Angeles Center for Enriched Studies (LACES) Magnet
- Maurice Sendak Elementary School
- North Hollywood Senior High STEM Magnet School
- Nueva Vista Elementary School
- Overland Avenue Elementary School
- Park Avenue Elementary School
- Playa Vista Elementary School
- Richard Riordan Primary Center School
- San Jose Street Elementary School
- Sherman Oaks Center for Enriched Studies (SOCES) Magnet School
- Short Avenue Elementary School
- Sylmar Elementary School
- Towne Avenue Elementary School
- Van Nuys Middle School STEAM Magnet
- Victory Boulevard Elementary STEAM Magnet School
- Young Oak Kim Academy School

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### 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 141 schools, we obtained the Student Monthly Attendance Summary Reports (SMASRs) for a sample of teachers for school month seven (7). 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 153,262 days of attendance and 12,612 days of absences for testing and noted the following findings, resulting due to staff's untimely update of student's attendance records:

- **54<sup>th</sup> Street Elementary School** - Out of the 802 days of attendance and 72 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.
- **Alexander Hamilton Senior High School** - Out of the 991 days of attendance and 73 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.
- **Alexander Hamilton Senior High Music & Performing Arts Magnet School** - Out of the 620 days of attendance and 26 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.
- **Beethoven Street Elementary School**
  - 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.



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Castelar Street Elementary School** - Out of the 611 days of attendance and 16 days of absences sampled, we noted the following exceptions:
  - One (1) student was absent for a total of three (3) days, as evidenced by an absence note but was recorded as present in the SMASR.
- **Cimarron Avenue Elementary School** - Out of the 646 days of attendance and 133 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.
- **David Starr Jordan Senior High School**
  - 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.
- **Dorris Place Elementary School** - Out of the 899 days of attendance and 70 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.
- **East Valley Senior High School** - Out of the 955 days of attendance and 63 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.
- **Harbor City Elementary School** - Out of the 833 days of attendance and 60 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.
- **Harry Bridges Span School** - Out of the 2,868 days of attendance and 168 days of absences sampled, we noted the following exceptions:
  - Twenty-three (23) students were absent for a total of thirty-three (33) days, as evidenced by an absence note but was 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 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.
- **Helen Bernstein Senior High School** - Out of the 600 days of attendance and 142 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 ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Herrick Avenue Elementary School** - Out of the 1,437 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.
- **Holmes Avenue Elementary School** - Out of the 1,327 days of attendance and 136 days of absences sampled, we noted the following exceptions:
  - One (1) student was absent for a total of two (2) days, as evidenced by an absence note but was recorded as present in the SMASR.
- **Los Angeles Center for Enriched Studies (LACES) Magnet**
  - We identified six (6) 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.
- **Maurice Sendak Elementary School** - Out of the 166 days of attendance and 5 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.
- **North Hollywood Senior High STEM Magnet School** - Out of the 540 days of attendance and 30 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.
- **Nueva Vista Elementary School** - Out of the 779 days of attendance and 48 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.
- **Overland Avenue Elementary School** - Out of the 1,119 days of attendance and 39 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.
- **Park Avenue Elementary School** - Out of the 708 days of attendance and 52 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.
- **Playa Vista Elementary School** - Out of the 1,181 days of attendance and 73 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.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

- **Richard Riordan Primary Center School** - Out of the 472 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 marked as present in the SMASR.
- **San Jose Street Elementary School** - Out of the 770 days of attendance and 47 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.
- **Sherman Oaks Center for Enriched Studies (SOCES) Magnet School** - Out of the 3,122 days of attendance and 146 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 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.
- **Short Avenue Elementary School** - Out of the 1,225 days of attendance and 86 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 marked as present in the SMASR.
- **Sylmar Elementary School** - Out of the 570 days of attendance and 38 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.
- **Towne Avenue Elementary School** - Out of the 1,007 days of attendance and 86 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.
- **Van Nuys Middle School STEAM Magnet School** - Out of the 367 days of attendance and 13 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.
- **Victory Boulevard Elementary STEAM School** - Out of the 460 days of attendance and 34 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.
- **Young Oak Kim Academy School** - Out of the 1,473 days of attendance and 123 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 marked as present in the SMASR.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

These findings are repeat findings, having been reported previously at June 30, 2021 (S-2021-001) but for different schools.

### Questioned Costs

- Grades TK/K-3: 12 days/141 days = 0.09 ADA overstated \* \$12,243.36 = \$1,101.90
  - Grades 4 to 6: 16 days/141 days = 0.11 ADA overstated \* \$11,256.77 = \$1,238.24
  - Grades 7 to 8: 32 days/141 days = 0.23 ADA overstated \* \$11,589.74 = \$2,665.64
  - Grades 9 to 12: 7 days/141 days = 0.05 ADA overstated \* \$13,780.81 = \$689.04
- 
- 54th Street Elementary School
    - Grades TK/K-3: 2 days/141 days in single track school year
    - Grades 4 to 6: 2 days/141 days in single track school year
  - Alexander Hamilton Senior High School
    - Grades 9 to 12: 1 day/141 days in single track school year
  - Alexander Hamilton Senior High Music & Performing Arts Mag School
    - Grades 9 to 12: 2 days/141 days in single track school year
  - Castelar Street Elementary School
    - Grades 7 to 8: 3 days/141 days in single track school year
  - Cimarron Avenue Elementary School
    - Grades TK/K-3: 1 day/141 days in single track school year
  - East Valley Senior High School
    - Grades 9 to 12: 1 day/141 days in single track school year
  - Harbor City Elementary School
    - Grades TK/K-3: 1 day/141 days in single track school year
  - Harry Bridges Span School
    - Grades 4 to 6: 4 days/141 days in single track school year
    - Grades 7 to 8: 29 days/141 days in single track school year
  - Helen Bernstein Senior High School
    - Grades 9 to 12: 1 day/141 days in single track school year
  - Herrick Avenue Elementary School
    - Grades 9 to 12: 1 day/141 days in single track school year
  - Holmes Avenue Elementary School
    - Grades 4 to 6: 2 days/141 days in single track school year
  - North Hollywood Senior High STEM Magnet School
    - Grades 9 to 12: 1 day/141 days in single track school year
  - Nueva Vista Elementary School
    - Grades TK/K-3: 1 day/141 days in single track school year
  - Overland Avenue Elementary School
    - Grades TK/K-3: 1 day/141 days in single track school year
  - Park Avenue Elementary School
    - Grades 4 to 6: 1 day/141 days in single track school year
  - Playa Vista Elementary School
    - Grades 4 to 6: 1 day/141 days in single track school year
  - Richard Riordan Primary Center School
    - Grades TK/K-3: 2 days/141 days in single track school year

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- San Jose Street Elementary School
  - Grades TK/K-3: 1 day/141 days in single track school year
- Short Avenue Elementary School
  - Grades TK/K-3: 1 day/141 days in single track school year
  - Grades 4 to 6: 1 day/141 days in single track school year
- Sylmar Elementary School
  - Grades 4 to 6: 1 day/141 days in single track school year
- Towne Avenue Elementary School
  - Grades TK/K-3: 2 days/141 days in single track school year
- Van Nuys Middle School STEAM Magnet
  - Grades 4 to 6: 1 day/141 days in single track school year
- Victory Boulevard Elementary STEAM Magnet School
  - Grades 4 to 6: 1 day/141 days in single track school year
- Young Oak Kim Academy School
  - Grades 4 to 6: 2 days/141 days in single track school year

### 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.

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

We will continue to provide policy guidance:

1. Provide ongoing reminders every other month through the Schoology communication platform regarding accurate attendance, enrollment, and withdrawal procedures.
2. Provide ongoing reminders every other month through the Schoology communication regarding the MYPLN Essential Tips training to support with appropriate attendance documentation.
3. Pupil Services and Attendance will communicate with Local District Administration on disseminating information to school-site designees with audit findings to participate in the MYPLN training on accurate attendance, enrollment, withdrawal procedures during school year 2023-24.
4. Pupil Services and Attendance will communicate with Office of Organizational Excellence to support in messaging the availability of the MYPLN training to support with the accurate, attendance, enrollment, withdrawal procedures, codes, and documentation.
5. Effective for fiscal year 2022-23, the District will obtain written acknowledgement for completion of the MYPLN Essential Tips training to support with accurate attendance, enrollment, and withdrawal procedures, codes, and documentation from the identified schools with audit findings.

Name: Elsy Rosado

Title: Director, Pupil Services and Attendance

Telephone: (213) 241-3844

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### S-2022-002 – Teacher Certification and Misassignments

**State Audit Guide Finding Codes:** 40000 and 71000

#### Schools Affected

- Charles Drew Middle School
- Cimarron Avenue Elementary
- Dayton Heights Elementary
- Dorris Place Elementary
- Eagle Rock High School
- Garden Grove Elementary
- Harbor City Elementary
- Harry Bridges Span School
- Kentwood Elementary
- Mervyn M Dymally Senior High
- Northridge Middle School
- Patrick Henry Middle School
- Robert Fulton College Preparatory School
- Sally Ride Elementary: A Smart Academy
- Van Nuys Middle School
- Verdugo Hills Senior High
- William Mulholland Middle School
- Wilshire Crest Elementary
- Young Oak Kim 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.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- (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.

*Executive Order N-3-22 – 2.* For the purposes of providing emergency substitute teaching services as authorized by Title 5, California Code of Regulations section 80025(b), temporary certificates may be issued pursuant to Education Code section 44332(a) without regard to whether the recipient has a pending credential or permit application or has made the statement under oath required by that section, and any contrary requirements of section 44332(a) are hereby suspended through March 31, 2022. All applicants receiving temporary certificates pursuant to section 44332(a) must meet the remaining eligibility requirements in section 80025 and all requirements of Education Code section 44332.6.

3. The limitations in California Code of Regulations, Title 5, sections 80025.1 (c) and 80025.3(a) and (b), as modified via Section 47 of Assembly Bill 167, Chapter 252, Statutes of 2021, on the duration for which substitute teachers can be assigned to a single general education assignment are extended to no more than 120 days through March 31, 2022.

### **Condition, Cause and Effect**

During our procedures performed for each class sampled for attendance testing of regular and special day classes, adult education, and continuation, 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 431 K-12 teachers and noted nineteen (19) 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:

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

- **Charles Drew Middle School** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential.
- **Cimarron Avenue Elementary** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential.
- **Dayton Heights Elementary** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential.
- **Dorris Place Elementary** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential.
- **Eagle Rock High School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Garden Grove Elementary** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential.
- **Harbor City Elementary** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Harry Bridges Span School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Kentwood Elementary** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential.
- **Mervyn M Dymally Senior High** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Northridge Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Patrick Henry Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Robert Fulton College Preparatory School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Sally Ride Elementary: A Smart Academy** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential.
- **Van Nuys Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Verdugo Hills Senior High** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.



## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

- **William Mulholland Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- **Wilshire Crest Elementary** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential.
- **Young Oak Kim Academy** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

These findings are repeat findings, having been reported previously at June 30, 2021 (S-2021-002) but for different schools and teachers.

#### **Questioned Costs**

Not Applicable.

#### **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.

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

Human Resources (HR) will continue to strive to ensure every student is taught by an appropriately authorized teacher by providing professional development to certificated staff overseeing the master schedule and training them on how the MiSiS Assignment Monitoring Report helps school sites take timely action to ensure they do not have misassignments. HR will send out reminders in the Spring via Staff Relation's Update, advising principals to submit their Education Code options in a timely manner. Moving forward, we will be offering principals the opportunity to have one to one virtual meetings to review misassignments identified in MiSiS, to ensure the principal understands how to correct it.

Substitute teachers will also be informed of the Commission guidelines governing their 30-Day Substitute Teaching Permit for no more than 30 days in general education and no more than 20 days in special education. The passage of the 2022 Education Omnibus Budget Trailer Bill has extended the 60 days maximum until July 1, 2023.

Name: Jorge Amador  
Title: Assistant Director, Substitute Unit  
Contact Information: [jorge.amador@lausd.net](mailto:jorge.amador@lausd.net)

Name: Luz Ortega  
Title: Coordinator, Credentials, Contract and Compliance Unit  
Contact Information: [luz.ortega@lausd.net](mailto:luz.ortega@lausd.net)

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### S-2022-003 – Kindergarten Continuance

#### State Audit Guide Finding Codes: 40000

#### Schools Affected

- Carlos Santana Arts Academy
- City of Angels Virtual Academy 5
- Parthenia Academy of Arts and Technology
- Queen Anne Place Elementary
- Queen Anne Place Elementary DL Two-Way Im Spanish
- San Jose Street Elementary
- Vernon City Elementary
- Windsor Hills Elementary Math/Science Aerospace Magnet

#### 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 103 schools offering Kindergarten from the schools sampled for attendance reporting, we selected students enrolled in kindergarten for school year 2021-22 and kindergarten in school year 2020-21 and verified that a signed kindergarten continuance parental agreement (agreement) was maintained. We noted the following exceptions due to school oversight:

- **Carlos Santana Arts Academy** – 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.
- **City of Angels Virtual Academy 5** – A signed agreement, approved in form and content by the CDE, was not on file before the start of the school year or before the student began their second year of kindergarten for one (1) student.
- **Parthenia Academy of Arts and Technology** – 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.
- **Queene Anne Place Elementary** – 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.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Queene Anne Place Elementary DL Two-Way Im Spanish** – 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.
- **San Jose Street Elementary** – 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.
- **Vernon City Elementary** – 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.
- **Windsor Hills Elementary Math/Science Aerospace 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.

This finding is a repeat finding, having been reported previously at June 30, 2021 (S-2021-003) but for different schools.

### Questioned Costs

**\$7,471.50 (0.61 total ADA overstated x \$12,248.36)**

- Carlos Santana Arts Academy
  - 22 days overstated / 141 days in single track school year = 0.16 ADA
- City of Angels Virtual Academy 5
  - 1 day overstated / 141 days in single track school year = 0.01 ADA
- Parthenia Academy of Arts and Technology
  - 31 days overstated / 141 days in single track school year = 0.22 ADA
- Queen Anne Place Elementary
  - 2 days overstated / 141 days in single track school year = 0.01 ADA
- Queen Anne Place Elementary DL Two-Way Im Spanish
  - 2 days overstated / 141 days in single track school year = 0.01 ADA
- San Jose Street Elementary
  - 1 day overstated / 141 days in single track school year = 0.01 ADA
- Vernon City Elementary
  - 1 day overstated / 141 days in single track school year = 0.01 ADA
- Windsor Hills Elementary Math/Science Aerospace Magnet
  - 25 days overstated / 141 days in single track school year = 0.18 ADA

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **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 MiSiS Monitoring tool.

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.

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

During the 2021-22 academic year, the Division of Instruction provided training for personnel and reminders in the administrator newsletter about the kindergarten continuance form and requirements in Reference Guide (REF-6756.1), Kindergarten Continuance (Including Kindergarten Retention): Parental Agreement for Pupil to Continue in Kindergarten for an Additional Year. These sessions were initiated after the start of the school year and supported schools to use the elementary retention Focus dashboard report to monitor retentions at the kindergarten level. Since the sessions were conducted after the start of the year, some schools subsequently reviewed kindergarten retentions at their sites and obtained signed notices after the start of the school year.

Schools who received audit findings will be provided notices and the District policy, REF 6756.1, to review. These schools will also participate in training to deepen their understanding of these guidelines.

Information on the Focus dashboard report, certification rule, requirements for kindergarten retention and use of the continuance form will be included in future trainings for school site personnel conducted by Student Health and Human Services and the Division of Instruction. Additionally, messages about Kindergarten retention requirements, the focus dashboard retention monitoring report and the certification rule will be included in the instructional news that provides guidance to local district administrators, principal supervisors and principals. Informational sessions will be conducted for these school leaders in the 2022-23 school year.

Implementation Date: December 31, 2022

Name: Carlen Powell  
Title: Administrator of Elementary Instruction  
Telephone: (213) 241-5333

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### S-2022-004 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 #2
- City of Angels Virtual Academy #3
- City of Angels Virtual Academy #5
- Estrella Avenue Elementary School

#### 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 or student work products, as personally judged in each instance by a certificated teacher.

*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 five (5) schools with independent study programs, we noted the following, as a result of six long-term independent study programs being established quickly in response to the high number of students requesting an online instructional program option during the pandemic, resulting in master agreements being signed after the students were enrolled:

- **City of Angels Virtual Academy #2**
  - The school did not maintain records of master agreements for four (4) students.
  - Master agreements for twenty-two (22) students were missing parent signatures and/or signatures of a certificated teacher and student.
  - The master agreement for one (1) student was signed by the parent later than 30 days after the first day of instruction.
  - The school did not maintain work products for one (1) student.
- **City of Angels Virtual Academy #3**
  - The school did not maintain records of master agreements for four (4) students.
  - Master agreements for twenty-two (22) students were missing parent signatures and/or signatures of a certificated teacher and student.
  - The master agreement for one (1) student was signed by the parent later than 30 days after October 15<sup>th</sup>.
  - The school did not maintain work products for one (1) student.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **City of Angels Virtual Academy #5**
  - The school did not maintain records of a master agreement for one (1) student.
  - Master agreements for thirteen (13) students were missing parent signatures and/or signatures of a certificated teacher and student.
  - The master agreement for seven (7) students were signed by the parent later than 30 days after October 15<sup>th</sup>.
  - The school did not maintain work products for two (2) students.
  
- **Estrella Avenue Elementary School**
  - The school did not maintain work products for fifteen (15) students.
  - Attendance for (1) student shows 6 days on the SMASR (Student Monthly Attendance Summary Report); however, the student's record of attendance shows 5 days. The student's days were overreported by 1 day due to school oversight.
  - Attendance for (1) student shows 12 days on the SMASR (Student Monthly Attendance Summary Report); however, the student's record of attendance shows 11 days. The student's days were overreported by 1 day due to school oversight.

### Questioned Costs

- Grades TK/K-3:  $71 \text{ days}/141 \text{ days} = 0.50 \text{ ADA overstated} * \$12,243.36 = \$6,121.68$
- Grades 4-6:  $1,485 \text{ days}/141 \text{ days} = 10.53 \text{ ADA overstated} * \$11,256.77 = \$118,533.79$
- Grades 7-8:  $2,237 \text{ day}/141 \text{ days} = 15.87 \text{ ADA overstated} * \$11,589.74 = \$183,929.17$
- Grades 9-12:  $231 \text{ days}/141 \text{ days} = 1.64 \text{ ADA overstated} * \$13,780.81 = \$22,600.53$
  
- **City of Angels Virtual Academy #2**
  - Grades 4-6: 702 days overstated/141 days in single track school year
  - Grades 7-8: 625 days overstated/141 days in single track school year
  - Grades 9-12: 105 days overstated/141 days in single track school year
- **City of Angels Virtual Academy #3**
  - Grades 4-6: 28 days overstated/141 days in single track school year
  - Grades 7-8: 1,121 days overstated/141 days in single track school year
  - Grades 9-12: 103 days overstated/141 days in single track school year
- **City of Angels Virtual Academy #5**
  - Grades 4-6: 723 days overstated/141 days in single track school year
  - Grades 7-8: 491 days overstated/141 days in single track school year
  - Grades 9-12: 23 days overstated/141 days in single track school year
- **Estrella Avenue Elementary School**
  - Grades TK/K-3: 71 days overstated/141 days in single track school year
  - Grades 4-6: 32 days overstated/141 days in single track school year

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **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.

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

#### **Virtual Academy Schools:**

This is to acknowledge the importance of ensuring that all the elements of the master agreements are completed and that all records of attendance are properly supported with readily available pupil work products to provide justification for all attendance reported to be accurate according to policy.

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 by December 2022.
2. Provide training on the current Independent Study Policy, including master agreements, records of assignments, and attendance procedures to designated administrator from each of the six, Virtual Academies, long-term, Independent Study Program. Training implementation began in July 2022.
3. Provide training on the new MISIS system for creating master agreements, records of assignments, reporting student participation and attendance, along with how to run reports for monitoring the completion of master agreements, record of assignments, participation, and attendance to designated administrator from each of the six, Virtual Academies long-term Independent Study Program. Training implementation began in July 2022.
4. Provide training on the current Independent Study Policy, including master agreements, records of assignments, and attendance procedures to the Virtual Academies, long-term, Independent Study Program. Training implementation began in August 2022.
5. Provide training on the new MISIS system for creating master agreements, records of assignments, reporting student participation and attendance to the Virtual Academies, long-term Independent Study Program. Training implementation began in August 2022.

Name: Connie L. Brandstetter

Title: Administrator of Instruction, Virtual Academy

Telephone: (213) 241-1933

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **Short Term Independent Study Program:**

This is to acknowledge the importance that all attendance records are appropriately supported with readily available pupil work products to justify all attendance reported to be accurate according to policy.

Planned corrective actions are as follows:

1. Review and discuss audit findings with school administrators and designees in the short-term Independent Study Program by January 2023.
2. Provide training on the current Independent Study Policy, including master agreements, records of assignments, and attendance procedures to administrators and designees of all administrators in the short-term independent study schools. Training will take place by January 2023. In addition, ongoing training to prevent future findings with all administrators in the short-term Independent Study programs will take place by Spring Semester 2023.
3. Provide training on the new MISIS system for creating master agreements, records of assignments, and reporting student participation and attendance, along with how to run reports for monitoring the completion of master agreements, the record of assignments, participation, and attendance to school administrators and designees of the short-term Independent Study Program. Training will take place by January 2023. Ongoing training to prevent future findings with all administrators in the short-term Independent Study programs will take place by Spring Semester 2023.
4. Provide training on the Schoology Learning Management System on integrating curriculum and storing student work products in the short-term Independent Study Program. In addition, ongoing training to prevent future findings with all administrators in the short-term Independent Study programs will take place by Spring Semester 2023.
5. School administrators will create a system for maintaining work products for students completing short-term Independent Study agreements by February 2023.

Name: Dr. Dickson Perey

Title: Counseling Coordinator, Region East

Telephone: (213) 766-7418



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### S-2022-005 – Attendance Accounting – Continuation Education – Attendance Computations

#### State Audit Guide Finding Codes: 10000 and 4000

#### School Affected

- Henry David Thoreau Continuation High School

#### Criteria

*Title 5, California Code of Regulations, Section 401(d)* - In all classes for adults, continuation schools, and classes, and regional occupational centers and programs, attendance shall be reported to the supervising administrator at least once each school month.

*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 and 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.

*California Education Code, Section 46170* - In continuation high schools and continuation education classes, a day of attendance is 180 minutes of attendance, but no pupil shall be credited with more than 15 hours of attendance per school per week, proportionately reduced for those school weeks having weekday holidays on which classes are not held.

#### Condition, Cause and Effect

In our sample of four (4) continuation schools, we obtained the Student Monthly Attendance Summary Reports (SMASRs) for a sample of teachers for school month seven (7). 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.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

We noted the following findings:

- **Henry David Thoreau Continuation High School** - Of the 142.20 hours (40 days) of attendance and 17 days of absences sampled and tested we noted the following findings:
  - Attendance for one (1) student was overstated by 108 minutes (1.80 hours) or 0.60 days due to school staff not updating the attendance record for student early release.

### Questioned Costs

0.60 days / 141 days = 0.004 ADA overstated \* \$13,780.81 = \$55

- Henry David Thoreau Continuation High School – 0.60 days overstated / 141 days in single track school year = 0.004 ADA

### Recommendation

We recommend that the District strengthen its review process over student attendance reporting to ensure that the reports accurately reflect student attendance data. We also recommend that the District continue to provide adequate attendance reporting training to the schools so that proper attendance reporting procedures are adhered to, and that the District obtain written acknowledgement from the schools identified above that they have been successfully trained and have implemented a system in place to prevent such occurrences in the future.

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

We will continue to provide policy guidance:

1. Provide ongoing reminders every other month through the Schoology communication platform regarding accurate enrollment, withdrawal codes and the MYPLN Essential Tips training to support with the withdrawal process, codes, and documentation.
2. Pupil Services and Attendance will continue to post resource tools such as the Certify Rules (this automated data validation tool allows users to efficiently identify data errors or omissions to improve the quality of student data in MiSiS) to support accurate enrollment and withdrawal procedures.
3. Pupil Services and Administrative team will receive information on Audit Findings during PSA Administrative Meeting by February 2023.
4. Pupil Services and Attendance will communicate with Local District Administration on disseminating information to school-site designees with audit findings to participate in the MYPLN training on accurate enrollment and withdrawal codes during school year 2023-24.
5. Pupil Services and Attendance will communicate with Office of Organizational Excellence to support in messaging the availability of the MYPLN training to support with the withdrawal process, codes, and documentation.
6. Will obtain written acknowledgement for completion of the MYPLN Essential Tips training to support with the withdrawal process, codes, and documentation from the schools identified with audit findings.

Name: Elsy Rosado  
Title: Director, Pupil Services and Attendance  
Telephone: (213) 241-3844

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**S-2022-006 – Ratio of Administrative Employees to Teachers**

**State Audit Guide Finding Codes:** 40000

**Criteria**

*California Education Code, Section 41402* – The maximum ratios of administrative employees to each 100 teachers in the various types of school districts shall be as follows: (b) In unified school districts – 8.

**Condition, Cause and Effect**

We noted that based on the District’s administrative employee-to-teacher ratio analysis that the number of administrative employees per hundred teachers is 9.73, which exceeds the allowable ratio set forth in Education Code section 41402, which for the District is 8.

The District exceeded the allowable ratio due in part to many school-sites instructional support positions (but are not assigned a classroom or carrying a roster) and school support staff who are placed in Local Districts and Central Offices are considered administrators for purposes of the ratio calculation.

Employees filling these positions are on leave from their regular classroom/school assignment. These positions are necessary and critical to the District’s mission to influence student outcomes and improve teaching and learning.

These findings are repeat findings, having been reported previously on June 30, 2021 (S-2021-004).

**Questioned Costs**

Per Assembly Bill No. 75 (AB-75) School Finance: Education Omnibus Trailer Bill, a school district with average daily attendance of more than 400,000 as of the 2016-17 second principal apportionment, shall be exempt from any penalties calculated pursuant to Section 41404 of the Education Code for the 2019-20 fiscal year to 2021-22 fiscal year.

The District is granted this exception as their 2016-17 second principal apportionment average daily attendance was 448,888.25.

As such, the calculation of questioned costs is not applicable.

**Recommendation**

We recommend that the District strengthen controls over the adherence of the administrative employees to teacher’s ratio requirement.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

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

The District continuously monitors and strengthens controls over the Administrative Employees to Teachers Ratio (R2) by implementing the following:

1. Training was provided by the School Services of California (SSC) to the District in fiscal year 2021-22 to establish a standardized way of evaluating and classifying positions
2. Established a Freeze Committee that serves as a monitoring entity that oversees the “freeze” policy. The Freeze Committee creates, approves, and funds essential positions. Modifications have been made to the embedded tracking system, which allows targeted analysis and increased accountability to maintain the R2 ratio.
3. Review of all positions to avoid overlapping of duties and responsibilities.
4. Reduce and closure of positions that are redundant that exist in Central and in Local Districts.

The District’s collaborative efforts with Office of Government Relations, Human Resources, and Finance to get Assembly Bill No. 2038 passed will help the District become compliant in 2022-23 and beyond.

Name: Maria Sotomayor

Title: Director, Organizational Effectiveness

Contact Information: msotomay@lausd.net

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### S-2022-007 – 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, 2022, which accounts for all applicable audit adjustments.

We utilized the ledger to calculate the elements of the current expense formula, which amounted to \$8,479,897,925.23.

We then utilized the ledger to calculate the elements of the minimum classroom compensation, which amounted to \$3,972,872,209.92.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

Based on the information derived above, we determined that the District’s percent of current cost of education expended for classroom compensation to be 46.85%, which falls short of the 55.00% minimum percent required for unified school districts.

This leads to a deficiency percentage of 8.15 % and a deficiency amount of \$691,111,680.91.

These calculations are illustrated below:

Total teacher salaries and benefits	\$ 3,972,872,209.92	(a)
Current expense	\$ 8,479,897,925.23	(b)
Percentage spent by the District	46.85%	(c) = (a) / (b)
Minimum percentage required	55.00%	(d)
Percentage below the minimum	8.15%	(e) = (d) - (c)
Deficiency Amount	\$ 691,111,680.91	(f) = (e) * (b)

This is a repeat finding, having been reported previously at June 30, 2021 (S-2021-005).

**Questioned Costs**

Deficiency amount - \$691,111,680.91.

**Recommendation**

We recommend that the District to put mechanisms in place to track their compliance with the minimum percentage required throughout the year to be in compliance with 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 benefit 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.

Name: Joy N. Mayor  
Title: Controller  
Contact Information: joy.mayor@lausd.net

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**S-2022-008 – After School Education and Safety Program**

**State Program:** After School Education and Safety Program

**State Audit Guide Finding Codes:** 40000

**Schools Affected**

- 32<sup>nd</sup> Street Middle School
- 54<sup>th</sup> Street Elementary School
- 66<sup>th</sup> Street Elementary School
- 95<sup>th</sup> Street Elementary School
- Alexander Sci Ctr SC
- Berendo Middle School
- Bethune Middle School
- Broadous Elementary School
- Bryson Elementary School
- Capistrano Elementary School
- Carnegie Middle School
- Charles Maclay Middle School
- Chatsworth Park Elementary School
- Columbus Middle School
- Dena Elementary School
- Denker Elementary School
- Dodson Middle School
- Dolores Street Elementary School
- Dominguez Elementary School
- Ellen Ochoa Learning Zone
- Ford Blvd Elementary School
- Foshay LC
- Gates Elementary School
- Harrison Elementary School
- Harte Prep Middle School
- Hollenbeck Middle School
- Lassen Elementary School
- Liberty Blvd Elementary School
- Lomita Math – Sci Mag
- MaCES Magnet School
- Maclay Middle School
- Mann UCLA Community School
- Miller Elementary School
- Monte Vista Street Elementary School
- Nava Learning Academy
- Nevin Elementary School
- Ochoa LC
- O Melveny Elementary School
- Orchard Academies 2C
- Palms Elementary School
- Pio Pico Middle School
- Plainview Charter Academy
- Primary Academy
- RFK Ambassador School of Global Leadership
- San Antonio Elementary School
- San Fernando Middle School
- San Miguel Elementary School
- Sepulveda Middle School
- South Gate Middle School
- State Elementary
- Sun Valley ET MAG MS1
- Sutter Middle School
- Toluca Lake Elementary School
- Vena Elementary School
- Vinedale Elementary School
- Vista Middle School
- Walnut Park Middle School
- Windsor M/S AERO MAG
- Wright ENG DES MAG MS1

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### 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 125 schools and 2,241 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:

#### After School Component of the Program

On a sample basis, we tested the attendance documentation of 100 schools and 1,810 days of attendance in the after school component of the After School Education and Safety Program.

There were 103 students in 41 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.



## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

- **32<sup>nd</sup> Street Middle School** – Three (3) students did not participate in the full period of the after school program for a total of 8 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **66<sup>th</sup> Street Elementary** – One (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 was not a properly filled out early release form to explain why such requirements were not complied with.
- **Berendo Middle School** – Three (3) students did not participate in the full period of the after school program for a total of 9 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Bethune Middle School** – Two (2) 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.
- **Bryson Elementary School** – One (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 was not a properly filled out early release form to explain why such requirements were not complied with.
- **Carnegie Middle School** – Two (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.
- **Charles Maclay Middle School** – Four (4) students did not participate in the full period of the after school program for a total of 12 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Chatsworth Park Elementary School** - One (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 was not a properly filled out early release form to explain why such requirements were not complied with.
- **Columbus Middle School** – One (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.
- **Denker Elementary School** - One (1) 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.
- **Dodson Middle School** - Three (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.
- **Dolores Street Elementary School** - Five (5) 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.
- **Dominguez Elementary School** - Two (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.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

- **Ellen Ochoa Learning Zone** - Four (4) 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.
- **Ford Blvd Elementary School** - Two (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.
- **Foshay LC** - Three (3) 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.
- **Harrison Elementary School** - One (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 was not a properly filled out early release form to explain why such requirements were not complied with.
- **Harte Prep Middle School** - Two (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.
- **Hollenbeck Middle School** - One (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.
- **Lassen Elementary School** - One (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 was not a properly filled out early release form to explain why such requirements were not complied with.
- **MaCES Magnet School** – Four (4) 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.
- **Mann UCLA Community School** – Two (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.
- **Nava Learning Academy** – Two (2) students did not participate in the full period of the after school program for a total of 5 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **O Melveny Elementary School** – One (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 was not a properly filled out early release form to explain why such requirements were not complied with.
- **Palms Elementary School** – One (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 was not a properly filled out early release form to explain why such requirements were not complied with.
- **Pio Pico Middle School** – One (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 was not a properly filled out early release form to explain why such requirements were not complied with.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

- **Plainview Charter Academy** – Two (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.
- **RFK Ambassador School of Global Leadership** – Four (4) 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.
- **San Fernando Middle School** – Three (3) 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.
- **San Miguel Elementary School** – One (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 was not a properly filled out early release forms to explain why such requirements were not complied with.
- **Sepulveda Middle School** – Three (3) 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.
- **Sun Valley ET MAG MS1** – Five (5) students did not participate in the full period of the after school program for a total of 16 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Sutter Middle School** – Two (2) students did not participate in the full period of the after school program for a total of 8 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Toluca Lake Elementary School** - Two (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.
- **Vista Middle School** – Four (4) students did not participate in the full period of the after school program for a total of 11 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
- **Walnut Park Middle School** – One (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.
- **Windsor M/S AERO MAG** – Four (4) 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.
- **Wright ENG DES MAG MS1** – Five (5) students did not participate in the full period of the after school program for a total of 8 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

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 2 Assist Summary reported to CDE for the schools for a sampled month during the school year 2021-2022. 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.

- **54<sup>th</sup> Street Elementary School** - MAR was overstated by 2 days, compared to the sign-in sheets for the total counted present days.
- **95<sup>th</sup> Street Elementary School** – Lack of supporting information (i.e., sign-in time, sign-out time) of one (1) student to produce the attendance record for a total of one (1) day but marked present on the MAR.
- **Alexander Sct Ctr SC** - MAR was overstated by 101 days, compared to the sign-in sheets for the total counted present days.
- **Berendo Middle School** - MAR was overstated by 56 days, compared to the sign-in sheets for the total counted present days.
- **Broadous Elementary School** - MAR was overstated by 4 days, compared to the sign-in sheets for the total counted present days.
- **Bryson Elementary School** - MAR was overstated by 3 days, compared to the sign-in sheets for the total counted present days.
- **Capistrano Elementary School** - MAR was overstated by 38 days, compared to the sign-in sheets for the total counted present days.
- **Carnegie Middle School** - MAR was overstated by 36 days, compared to the sign-in sheets for the total counted present days.
- **Charles Maclay Middle School** - Lack of supporting information (i.e., sign-in time, sign-out time) of one (1) student to produce the attendance record for a total of four (4) days but marked present on the MAR.
- **Columbus Middle School**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of one (1) student to produce the attendance record for a total of one (1) day but marked present on the MAR.
  - MAR was overstated by 347 days, compared to the sign-in sheets for the total counted present days.
- **Denker Elementary School** - Lack of supporting information (i.e., sign-in time, sign-out time) of one (1) student to produce the attendance record for a total of one (1) day but marked present on the MAR.
- **Foshay LC** - MAR was overstated by 624 days, compared to the sign-in sheets for the total counted present days.
- **Gates Elementary School** - MAR was overstated by 4 days, compared to the sign-in sheets for the total counted present days.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Harrison Elementary School**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of three (3) students to produce the attendance record for a total of thirteen (13) days but marked present on the MAR.
  - MAR was overstated by 301 days, compared to the sign-in sheets for the total counted present days.
- **Harte Prep Middle School** – BTB report was overstated by 29 days, compared to the Period 2 Assist Summary report submitted to CDE. The District subsequently updated the Period 2 Assist Summary as a result of our observation.
- **Hollenbeck Middle School** – MAR was overstated by 39 days, compared to the sign-in sheets for the total counted present days.
- **Liberty Blvd Elementary School**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of one (1) student to produce the attendance record for a total of four (4) days but marked present on the MAR.
  - MAR was overstated by 25 days, compared to the sign-in sheets for the total counted present days.
- **Lomita Math – Sci Mag** – MAR was overstated by 30 days, compared to the sign-in sheets for the total counted present days.
- **Mann UCLA Community School** - Lack of supporting information (i.e., sign-in time, sign-out time) of one (1) student to produce the attendance record for a total of four (4) days but marked present on the MAR.
- **Maclay Middle School**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of fifty (50) students to produce the attendance records for a total of thirty-three (33) days but marked present on the MAR.
  - MAR was overstated by 30 days, compared to the sign-in sheets for the total counted present days.
- **MaCES Magnet** – MAR was overstated by 32 days, compared to the sign-in sheets for the total counted present days.
- **Miller Elementary School** - MAR was overstated by 1 day, compared to the sign-in sheets for the total counted present days.
- **Monte Vista Street Elementary School** - MAR was overstated by 1 day, compared to the sign-in sheets for the total counted present days.
- **Nevin Elementary School** - MAR was overstated by 16 days, compared to the sign-in sheets for the total counted present days.
- **O Melveny Elementary School**- MAR was overstated by 4 days, compared to the sign-in sheets for the total counted present days.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Ochoa LC**
  - MAR was overstated by 327 days, compared to the sign-in sheets for the total counted present days.
  - BTB report was overstated by 334 days, compared to the Period 2 Assist Summary report submitted to CDE. The District subsequently updated the Period 2 Assist Summary as a result of our observation.
- **Orchard Academies 2C** - MAR was overstated by 10 days, compared to the sign-in sheets for the total counted present days.
- **Pio Pico Middle School**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of one (1) student to produce the attendance record for a total of one (1) day but marked present on the MAR.
  - MAR was overstated by 79 days, compared to the sign-in sheets for the total counted present days.
- **Primary Academy**- MAR was overstated by 11 days, compared to the sign-in sheets for the total counted present days.
- **RFK Ambassador School of Global Leadership**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of three (3) students to produce the attendance records for a total of nine (9) days but marked present on the MAR.
  - MAR was overstated by 20 days, compared to the sign-in sheets for the total counted present days.
- **San Antonio Elementary School** – MAR was overstated by 4 days, compared to the sign-in sheets for the total counted present days.
- **San Fernando Middle School** – BTB report was overstated by 44 days, compared to the Period 2 Assist Summary report submitted to CDE. The District subsequently updated the Period 2 Assist Summary as a result of our observation.
- **San Miguel Elementary School** - MAR was overstated by 3 days, compared to the sign-in sheets for the total counted present days.
- **Sepulveda Middle School** - BTB report was overstated by 111 days, compared to the Period 2 Assist Summary report submitted to CDE. The District subsequently updated the Period 2 Assist Summary as a result of our observation.
- **South Gate Middle School** –MAR was overstated by 44 days, compared to the sign-in sheets for the total counted present days.
- **State Elementary School** - MAR was overstated by 1 day, compared to the sign-in sheets for the total counted present days.
- **Sun Valley ET MAG MS1** - BTB report was overstated by 170 days, compared to the Period 2 Assist Summary report submitted to CDE. The District subsequently updated the Period 2 Assist Summary as a result of our observation.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Toluca Lake Elementary School** – Lack of supporting information (i.e., sign-in time, sign-out time) of one (1) student to produce the attendance record for a total of one (1) day but marked present on the MAR.
- **Vena Elementary School** - Lack of supporting information (i.e., sign-in time, sign-out time) of one (1) student to produce the attendance record for a total of one (1) day but marked present on the MAR.
- **Vinedale Elementary**- MAR was overstated by 10 days, compared to the sign-in sheets for the total counted present days.
- **Vista Middle School** –
  - Lack of supporting information (i.e., sign-in time, sign-out time) of two (2) students to produce the attendance records for a total of four (4) days but marked present on the MAR.
  - MAR was overstated by 281 days, compared to the sign-in sheets for the total counted present days.
  - BTB report was overstated by 15 days, compared to the Period 2 Assist Summary report submitted to CDE. The District subsequently updated the Period 2 Assist Summary as a result of our observation.
  - The school did not maintain support for early release forms.
- **Windsor M/S AERO MAG** –
  - Lack of supporting information (i.e., sign-in time, sign-out time) of two (2) students to produce the attendance records for a total of 5 days but marked present on the MAR.
  - MAR was overstated by 17 days, compared to the sign-in sheets for the total counted present days.
- **Wright Eng Des Mag MS1** – - MAR was overstated by 6 days, compared to the sign-in sheets for the total counted present days.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **Before School Component of the Program**

On a sample basis, we tested the attendance documentation of twenty-five (25) schools and 431 days of attendance in the before school component of the Before School Education and Safety Program.

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 2 Assist Summary reported to CDE for the schools for a sampled month during the school year 2021-2022. 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.

- **Dena Elementary**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of one (1) student to produce the attendance records for a total of five (5) days but marked present on the MAR.
  - MAR was overstated by 19 days, compared to the sign-in sheets for the total counted present days.

### **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.



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

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

Beyond the Bell Branch has established policies and procedures, (Attendance Reporting Policy Effective Date: 07/01/2011) regarding attendance reporting by agencies providing services to schools. It is our goal to strengthen compliance to the district's policies and procedures and mitigate future audit findings.

Following is a schedule of trainings 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-2022-008 will attend a training meeting scheduled in January 2023. The training will address the District's policy on documenting and maintaining accurate attendance and Early Release/Late Arrival forms records.
2. Agency contractors and program personnel providing services at all District Sites will attend a training meeting scheduled in February 2023. The training will address the District's policy on documenting and maintaining accurate attendance and Early Release/Late Arrival forms records.
3. Beyond the Bell Branch Administrators and Traveling Supervisors monitoring agency contractors and program personnel will attend a training meeting scheduled in March 2023. The training will address the Traveling Supervisor's responsibility when monitoring agencies to ensure they follow the District's policies and procedures on attendance reporting and the documentation of Early Release/Late Arrival Policies.
4. Beyond the Bell Branch Administrators and Traveling Supervisors will conduct "Random Reviews/Audits of Monthly Attendance Reports" throughout the year to examine agency sign-in/sign-out procedures and documentation of Early Release/Late Arrival Policies.

The expected outcome of these trainings is to ensure we reduce or eliminate these types of findings in the future.

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**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**S-2022-009 – Unduplicated Local Control Funding Formula Pupil Counts**

**State Program:** Unduplicated Local Control Funding Formula Pupil Counts

**State Audit Guide Finding Code:** 40000

**Schools Affected**

- Alexander Hamilton Senior High
- Belvedere Middle School
- Breed Street Elementary
- Calahan Street Elementary
- David Starr Jordan Senior High
- Eagle Rock High School
- East Valley Senior High
- Graham Elementary
- Gridley Street Elementary
- Helen Bernstein Senior High
- Jaime Escalante Elementary School
- James A Garfield Senior High
- McKinley Avenue Elementary
- North Hollywood Senior High
- Northridge Middle School
- Osceola Street Elementary
- Playa Vista Elementary
- Robert Fulton College Preparatory School
- Roy Romer Middle School
- San Antonio Elementary
- San Gabriel Avenue Elementary
- San Jose Street Elementary
- South Gate Senior High
- Tarzana Elementary
- Verdugo Hills Senior High
- Young Oak Kim Academy
- Chatsworth Charter High School (Dependent Charter)
- Dixie Canyon Community Charter (Dependent Charter)

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### 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 3,105 students from 148 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 3,105 students tested, 1,743 students were selected for verification of their Free and Reduced Price Meal (FRPM) eligibility as “181 - Free” or “182 - Reduced”, 500 students were selected for verification of their English Learner “EL”, and 862 students were selected for verification of either FRPM or EL eligibility in accordance with the audit guide.

Based on our testing, we noted that thirty-three (33) students from the District’s schools, and three (3) students 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 October 31st 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.

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:

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

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	1,242,668	1,063,927	85.62%	-	-	(307) **	1,063,620	85.59%
Alexander Hamilton Senior High	7,465	5,100	68.32%	-	(1)	-	5,099	68.31%
Belvedere Middle School	2,397	2,304	96.12%	-	(1)	-	2,303	96.08%
Breed Street Elementary	886	838	94.58%	(2)	-	-	836	94.36%
Calahan Street Elementary	1,427	1,000	70.08%	-	(1)	-	999	70.01%
David Starr Jordan Senior High	2,157	2,137	99.07%	(1)	(2)	-	2,134	98.93%
Eagle Rock High School	6,634	3,520	53.06%	-	(1)	-	3,519	53.04%
East Valley Senior High	1,484	1,404	94.61%	(1)	-	-	1,403	94.54%
Graham Elementary	1,870	1,801	96.31%	(1)	-	-	1,800	96.26%
Gridley Street Elementary	1,431	1,258	87.91%	(3)	-	-	1,255	87.70%
Helen Bernstein High	2,050	1,984	96.78%	-	(2)	(1)	1,981	96.63%
Jaime Escalante Elementary School	1,571	1,495	95.16%	-	-	(1)	1,494	95.10%
James A. Garfield Senior High	7,376	7,038	95.42%	(1)	-	-	7,037	95.40%
McKinley Avenue Elementary	2,026	2,007	99.06%	-	(1)	-	2,006	99.01%
North Hollywood Senior High	7,773	5,261	67.68%	-	(1)	-	5,260	67.67%
Northridge Middle	2,303	2,118	91.97%	(1)	-	-	2,117	91.92%
Osceola Street Elementary	1,015	886	87.29%	(2)	-	-	884	87.09%
Playa Vista Elementary	1,539	282	18.32%	-	(2)	-	280	18.19%
Robert Fulton College Preparatory	3,850	3,743	97.22%	-	(1)	-	3,742	97.19%
Roy Romer Middle	2,849	2,695	94.59%	(1)	-	-	2,694	94.56%
San Gabriel Avenue Elementary	1,576	1,459	92.58%	-	(1)	-	1,458	92.51%
San Jose Street Elementary	1,876	1,302	69.40%	-	-	(1)	1,301	69.35%
South Gate Senior High	6,059	5,571	91.95%	(1)	-	-	5,570	91.93%
Tarzana Elementary	805	667	82.86%	(1)	-	-	666	82.73%
Young Oak Kim Academy	2,514	2,472	98.33%	(1)	-	-	2,471	98.29%
Chatsworth Charter High School (Dependent Charter)	4,925	3,345	67.92%	-	(14)	-	3,331	67.63%
Chatsworth Charter High School (Dependent Charter)	4,925	3,345	67.92%	-	(1)	-	3,344	67.90%
Dixie Canyon Community Charter (Dependent Charter)	2,098	593	28.27%	-	(7)	-	586	27.93%
Dixie Canyon Community Charter (Dependent Charter)	2,098	593	28.27%	-	(2)	-	591	28.17%

\* 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, 2021 (S-2021-007) but for different schools.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**Questioned Costs**

We determined the total impact of the thirty-three (33) findings on the District, and three (3) findings 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 307, and for the Dependent Charter Schools is 21, broken down as follows:

Chatsworth Charter High School	14
Dixie Canyon Community Charter	7
Total	21

We decreased the District’s UPC by the extrapolated impact of 307 students and calculated an Adjusted UPC of 85.59%.

We applied the Adjusted UPC to the District’s LCFF State Aid, Adjusted for Minimum State Aid Guarantee for fiscal year 2021-22, and we computed total questioned costs to be \$781,353.

We also decreased the Dependent Charter Schools’ UPC by the extrapolated impact of 21 students and calculated an Adjusted UPC as follows:

Chatsworth Charter High School	67.63%
Dixie Canyon Community Charter	27.93%

We applied the Adjusted UPC to the Dependent Charter Schools LCFF State Aid, Adjusted for Minimum State Aid Guarantee for fiscal year 2021-22, and we computed total questioned costs to be \$33,788, broken down as follows:

Chatsworth Charter High School	\$ 30,268
Dixie Canyon Community Charter	3,520
Total	\$ 33,788

**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 an English learner or free and reduced meals 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.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

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

#### English Learner Program:

The Multilingual and Multicultural Education Department in collaboration with the Student Testing Branch and Division of Instruction, P-12, will implement the following actions steps in addition to existing English Learner (EL) program processes and controls:

- 1) By March 2023, provide District-wide training to EL Designees in collaboration with Region EL staff on required Summative English Language Proficiency Assessments (ELPAC) and grade level skills assessments, Dynamic Indicators of Basic Early Literacy Skills (DIBELS) and Reading Growth Measure (RGM).
- 2) By June 2023, enhance existing data systems to monitor ELPAC and grade level skill assessment completion, which will include training to EL Designees on how to monitor ELPAC and grade level skill assessment completion.
- 3) Send grade level skills testing updates on assessment completion/pending throughout the academic year.

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Name: Rafael Escamilla  
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Name: Jose Posada  
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#### Free or Reduced Price Meal:

To address the Free or Reduced Price Meal eligibility status, the following corrective actions will be taken:

- 1) By spring 2023, meet with other District offices, such as Budget and Food Services, to inform them of the change to the District's collection of household income forms for new students and to understand the effect of this change will have on the District.
- 2) By spring 2023, update the business rules used by the District to reflect this change.

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**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

June 30, 2022

**S-2022-010 Immunizations**

**State Audit Guide Finding Codes: 40000**

**Schools Affected**

- 9th Street Elementary
- 99th Street Elementary
- 109th Street Elementary
- 112th Street Elementary
- Arlington Heights Elementary
- Arlington Heights Elementary DL Two-Way Im Spanish
- Arminta Street Elementary
- Chandler Elementary
- Columbus Avenue Elementary
- Edwin Markham Middle School
- Ellen Ochoa LC DL Two-Way Im Spanish
- Erwin Elementary
- Florence Griffith Joyner Elementary
- Gardena Elementary DL Two-Way Im Spanish
- Hillcrest Drive Elementary
- Laurel Cinematic Arts Creative Tech Magnet
- Marguerite Poindexter LaMotte Elementary
- Marquez Charter
- Martin Luther King Jr Elementary
- Miramonte Elementary DL Two-Way Im Spanish
- Noble Avenue Elementary
- Point Fermin Elementary Marine Science Magnet
- Rancho Dominguez Preparatory School
- RFK Comm Schls - UCLA Community School DL One-Way Im Spanish
- Rosewood Avenue Elementary Urban Planning/Design Magnet
- Roy Romer Middle Gifted/Humanities Magnet
- Roy Romer Middle School
- Saticoy Elementary DL Two-Way Im Armenian
- Stoner Avenue Elementary DL One-Way Im Spanish
- William Jefferson Clinton Middle School
- Windsor Hills Elementary Math/Science Aerospace Magnet

**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

<b>Grade</b>	<b>Number of Doses Required of Each Immunization</b>				
K-12 Admission (7th - 12th)	4 Polio	5 DTap	3 Hep B	2 MMR	2 Varicella
7th Grade Advancement	2 Varicella	1 Tdap			

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

*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).



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- (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 54 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 574 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<sup>nd</sup> dose was received within 4 calendar months and 10 school days after the 1<sup>st</sup> dose.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

We noted the following findings, resulting from the pandemic which significantly contributed to the findings below:

- **9<sup>th</sup> Street Elementary** - Out of the 6 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 1<sup>st</sup> dose of the varicella vaccine before the first day of school and did not receive the required 2<sup>nd</sup> dose of the measles vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 105 days during the time in which the pupil was not compliant with immunization requirements.
- **99<sup>th</sup> Street Elementary** - Out of the 12 pupils sampled, we noted the following exceptions:
  - Three (3) pupils did not receive the required 2<sup>nd</sup> doses of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 410 days during the time in which the pupils were not compliant with immunization requirements.
- **109<sup>th</sup> Street Elementary** - Out of the 10 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2<sup>nd</sup> dose of the varicella within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 191 days during the time in which the pupils were not compliant with immunization requirements.
- **112<sup>th</sup> Street Elementary** - Out of the 11 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the measles vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 232 days during the time in which the pupils were not compliant with immunization requirements.
- **Arlington Heights Elementary** - Out of the 2 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 1<sup>st</sup> 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 87 days during the time in which the pupil was not compliant with immunization requirements.
- **Arlington Heights Elementary DL Two-Way Im Spanish** - Out of the 6 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 116 days during the time in which the pupil was not compliant with immunization requirements.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Arminta Street Elementary** - Out of the 10 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2<sup>nd</sup> doses of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 258 days during the time in which the pupils were not compliant with immunization requirements.
- **Chandler Elementary** - Out of the 13 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the measles vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> 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.
- **Columbus Avenue Elementary** - Out of the 12 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 1<sup>st</sup> 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 118 days during the time in which the pupil was not compliant with immunization requirements.
- **Ellen Ochoa LC DL Two-Way Im Spanish Elementary** - Out of the 12 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 171 days during the time in which the pupil was not compliant with immunization requirements.
- **Erwin Elementary** - Out of the 15 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 146 days during the time in which the pupil was not compliant with immunization requirements.
- **Florence Griffith Joyner Elementary** - Out of the 7 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 126 days during the time in which the pupil was not compliant with immunization requirements.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Gardena Elementary DL Two-Way Im Spanish** - Out of the 8 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 1<sup>st</sup> 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 89 days during the time in which the pupil was not compliant with immunization requirements.
  
- **Hillcrest Drive Elementary** - Out of the 10 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 1<sup>st</sup> dose of the varicella vaccine before the first day of school.
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 87 days during the time in which the pupils were not compliant with immunization requirements.
  
- **Marguerite Poindexter LaMotte Elementary** - Out of the 12 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 295 days during the time in which the pupils were not compliant with immunization requirements.
  
- **Marquez Charter** - Out of the 9 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 149 days during the time in which the pupil was not compliant with immunization requirements.
  
- **Martin Luther King Jr Elementary** - Out of the 8 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 30 days during the time in which the pupil was not compliant with immunization requirements.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Miramonte Elementary DL Two-Way Im Spanish** - Out of the 10 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 214 days during the time in which the pupils were not compliant with immunization requirements.
  
- **Noble Avenue Elementary** - Out of the 22 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 111 days during the time in which the pupil was not compliant with immunization requirements.
  
- **Point Fermin Elementary Marine Science Magnet** - Out of the 10 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 136 days during the time in which the pupil was not compliant with immunization requirements.
  
- **RFK Comm Schools – UCLA Community School DL One-Way Im Spanish** - Out of the 14 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 102 days during the time in which the pupil was not compliant with immunization requirements.
  
- **Rosewood Avenue Elementary Urban Planning/Design Magnet** - Out of the 8 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 289 days during the time in which the pupils were not compliant with immunization requirements.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2022

- **Saticoy Elementary DL Two-Way Im Armenian** - Out of the 9 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 1<sup>st</sup> dose of the varicella vaccine before the first day of school.
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 307 days during the time in which the pupils were not compliant with immunization requirements.
  
- **Stoner Avenue Elementary DL One-Way Im Spanish**- Out of the 4 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 100 days during the time in which the pupil was not compliant with immunization requirements.
  
- **Windsor Hills Elementary Math/Science Aerospace Magnet** - Out of the 8 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella and measles vaccines within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 81 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 7<sup>th</sup>/8<sup>th</sup> Grade pupils to the California Department of Public Health (CDPH), we selected a sample of 222 7<sup>th</sup>/8<sup>th</sup> 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 (prior version of form or equivalent electronic or hard copy record are acceptable), and verified that each pupil obtained 2 doses of varicella vaccine and 1 dose of Tdap vaccine prior to admission into 7<sup>th</sup> Grade, or had a current medical exemption on file for Tdap vaccine. For pupils who only had 1 dose of varicella vaccine prior to admission, we verified that the 2<sup>nd</sup> dose was received within 4 calendar months and 10 school days after the 1<sup>st</sup> dose. For pupils who did not have Tdap vaccine, we verified they were excluded from attendance.

We noted the following findings, resulting from the pandemic which significantly contributed to the findings below:

- **Edwin Markham Middle School** - Out of the 45 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 146 days during the time in which the pupil was not compliant with immunization requirements.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Laurel Cinematic Arts Creative Tech Magnet** - Out of the 5 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> 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.
  
- **Rancho Dominguez Preparatory School** - Out of the 13 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 1<sup>st</sup> 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 170 days during the time in which the pupil was not compliant with immunization requirements.
  
- **Roy Romer Middle Gifted/Humanities Magnet** - Out of the 4 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 174 days during the time in which the pupil was not compliant with immunization requirements.
  
- **Roy Romer Middle School** - Out of the 36 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 173 days during the time in which the pupils were not compliant with immunization requirements.
  
- **William Jefferson Clinton Middle School** - Out of the 60 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 1<sup>st</sup> dose of the varicella vaccine before the first day of school.
  - Three (3) pupils did not receive the required 2<sup>nd</sup> dose of the varicella vaccine within four calendar months and ten school days after receiving the 1<sup>st</sup> dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 405 days during the time in which the pupils were not compliant with immunization requirements.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### Questioned Costs

#### District:

- Grades K-3 – 3,886 days / 180 days = 21.59 ADA overstated \* \$12,243.36 = \$264,334.14

#### Marquez Charter school:

- Grades K-3 – 149 days / 180 days = 0.83 ADA overstated \* \$12,243.36 = \$10,161.99

#### *Kindergarteners/1<sup>st</sup> Graders:*

- 9<sup>th</sup> Street Elementary – 105 days overstated/180 days in single track school year
- 99<sup>th</sup> Street Elementary - 410 days overstated/180 days in single track school year
- 109<sup>th</sup> Street Elementary - 191 days overstated/180 days in single track school year
- 112<sup>th</sup> Street Elementary - 232 days overstated/180 days in single track school year
- Arlington Heights Elementary - 87 days overstated/180 days in single track school year
- Arlington Heights Elementary DL Two Way Im Spanish - 116 days overstated/180 days in single track school year
- Arminta Street Elementary - 258 days overstated/180 days in single track school year
- Chandler Elementary - 85 days overstated/180 days in single track school year
- Columbus Avenue Elementary - 118 days overstated/180 days in single track school year
- Ellen Ochoa LC DL Two-Way Spanish Im - 171 days overstated/180 days in single track school year
- Erwin Elementary - 146 days overstated/180 days in single track school year
- Florence Griffith Joyner Elementary - 126 days overstated/180 days in single track school year
- Gardena Elementary DL Two-Way Im Spanish - 89 days overstated/180 days in single track school year
- Hillcrest Drive Elementary - 87 days overstated/180 days in single track school year
- Marguerite Poindexter LaMotte Elementary - 295 days overstated/180 days in single track school year
- Marquez Charter - 149 days overstated/180 days in single track school year
- Martin Luther King Jr Elementary - 30 days overstated/180 days in single track school year
- Miramonte Elementary DL Two-Way Im Spanish - 214 days overstated/180 days in single track school year
- Noble Avenue Elementary - 111 days overstated/180 days in single track school year
- Point Fermin Elementary Marine Science Magnet - 136 days overstated/180 days in single track school year
- RFK Comm Schools – UCLA Community School DL One-Way Im Spanish - 102 days overstated/180 days in single track school year
- Rosewood Avenue Elementary Urban Planning/Design Magnet - 289 days overstated/180 days in single track school year
- Saticoy Elementary DL Two-Way Im Armenian - 307 days overstated/180 days in single track school year
- Stoner Avenue Elementary DL One-Way Im Spanish - 100 days overstated/180 days in single track school year
- Windsor Hills Elementary Math/Science Aerospace Magnet - 81 days overstated/180 days in single track school year



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- Grades 7-8 –  $1,232 \text{ days} / 180 \text{ days} = 6.84 \text{ ADA overstated} * \$11,589.74 = \$79,273.82$

### *7<sup>th</sup>/8<sup>th</sup> Graders:*

- Edwin Markham Middle School - 146 days overstated/180 days in single track school year
- Laurel Cinematic Arts Creative Tech Magnet - 164 days overstated/180 days in single track school year
- Rancho Dominguez Preparatory School - 170 days overstated/180 days in single track school year
- Roy Romer Middle Gifted/Humanities Magnet - 174 days overstated/180 days in single track school year
- Roy Romer Middle School - 173 days overstated/180 days in single track school year
- William Jefferson Clinton Middle School - 405 days overstated/180 days in single track school year

### **Recommendation**

We recommend that the District strengthen its controls over implementing District policies over pupil immunization record tracking. Furthermore, we recommend that the District continue to provide adequate training to the schools, so that proper monitoring of pupil's immunization are adhered to.

### **Views of Responsible Officials and Planned Corrective Actions**

To address the audit findings, the District has the following action steps:

- Met with Executive Leadership to review audit results – November 2022
- Send weekly immunization data reports to Local District leadership to be shared with Community of School Administrators and Principals – January 2023
- Nursing administrators will attend Principals meetings to review immunization data and school immunization requirements – annually and as needed – January 2023
- Nursing administrators to meet with Local District Administrators of Operations (AOOs) to review immunization data and school immunization requirements – monthly and as needed – January 2023
- Place immunization requirements and other resources in Principal's Portal – January 2023
- Work with Office of Communications to publicize and encourage immunizations – January 2023 and ongoing

Name: Sosse Bedrossian

Title: Director of Nursing Services

Contact Information: (213) 202-7580 or [sosse.bedrossian@lausd.net](mailto:sosse.bedrossian@lausd.net)

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### **S-2022-011 – Attendance Accounting – Dependent Charters – Attendance Computations**

**State Program:** Attendance Accounting: Attendance Reporting

**State Audit Guide Finding Codes:** 10000 and 40000

#### **Schools Affected**

- Alfred B Nobel Charter Middle School STEAM Magnet
- Chatsworth Charter High School
- Dr Theodore T Alexander Jr Science Center 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 seven (7). 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 15,462 days of attendance and 958 days of absences for testing and noted the following findings, resulting from staff’s untimely updating of student’s attendance records:

- **Alfred B Nobel Charter Middle School STEAM Magnet** - Out of the 1,156 days of attendance and 41 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 ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

- **Chatsworth Charter High School** - Out of the 1,752 days of attendance and 110 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.
  
- **Dr Theodore T Alexander Jr Science Center School** - Out of the 859 days of attendance and 91 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.

These findings are repeat findings, having been reported previously at June 30, 2021 (S-2021-008) but for different schools.

### Questioned Costs

- Grades 4 to 6: 1 day/141 days = 0.01 ADA overstated \* \$11,256.77 = \$112.57
- Grades 7 to 8: 1 day/141 days = 0.01 ADA overstated \* \$11,589.74 = \$115.90
- Grades 9 to 12: 1 day/141 days = 0.01 ADA overstated \* \$13,780.81 = \$137.81
  
- Alfred B Nobel Charter Middle School STEAM Magnet
  - Grades 7 to 8: 1 day/141 days in single track school year
- Chatsworth Charter High School
  - Grades 9 to 12: 1 day/141 days in single track school year
- Dr Theodore T Alexander Jr Science Center School
  - Grades 4 to 6: 1 day/141 days in single track school year

### 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.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

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

We will continue to provide policy guidance:

1. Provide ongoing reminders every other month through the Schoology communication platform regarding accurate attendance, enrollment, and withdrawal procedures.
2. Provide ongoing reminders every other month through the Schoology communication regarding the MYPLN Essential Tips training to support with appropriate attendance documentation.
3. Pupil Services and Attendance will communicate with Local District Administration on disseminating information to school-site designees with audit findings to participate in the MYPLN training on accurate attendance, enrollment, withdrawal procedures during school year 2023-24.
4. Pupil Services and Attendance will communicate with Office of Organizational Excellence to support in messaging the availability of the MYPLN training to support with the accurate, attendance, enrollment, withdrawal procedures, codes, and documentation.
5. Effective for fiscal year 2022-23, the District will obtain written acknowledgement for completion of the MYPLN Essential Tips training to support with accurate attendance, enrollment, and withdrawal procedures, codes, and documentation from the identified schools with audit findings.

Name: Elsy Rosado

Title: Director, Pupil Services and Attendance

Telephone: (213) 241-3844

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### S-2022-012 – Mode of Instruction – Dependent Charters

**State Audit Guide Finding Codes:** 40000 and 71000

#### Schools Affected

- Dr Theodore T Alexander Jr Science Center School

#### Criteria

*California Education Code, Section 47605(l)* - (1) Teachers in charter schools shall hold the Commission on Teacher Credentialing certificate, permit, or other document required for the teacher's certificated assignment. These documents shall be maintained on file at the charter school and are subject to periodic inspection by the chartering authority. A governing body of a direct-funded charter school may use local assignment options authorized in statute and regulations for the purpose of legally assigning certificated teachers, in accordance with all of the requirements of the applicable statutes or regulations in the same manner as a governing board of a school district. A charter school shall have authority to request an emergency permit or a waiver from the Commission on Teacher Credentialing for individuals in the same manner as a school district.

*Executive Order N-3-22 – 2.* For the purposes of providing emergency substitute teaching services as authorized by Title 5, California Code of Regulations section 80025(b), temporary certificates may be issued pursuant to Education Code section 44332(a) without regard to whether the recipient has a pending credential or permit application or has made the statement under oath required by that section, and any contrary requirements of section 44332(a) are hereby suspended through March 31, 2022. All applicants receiving temporary certificates pursuant to section 44332(a) must meet the remaining eligibility requirements in section 80025 and all requirements of Education Code section 44332.6

3. The limitations in California Code of Regulations, Title 5, sections 80025.1(c) and 80025.3(a) and (b), as modified via Section 47 of Assembly Bill 167, Chapter 252, Statutes of 2021, on the duration for which substitute teachers can be assigned to a single general education assignment are extended to no more than 120 days through March 31, 2022.

#### Condition, Cause and Effect

During our procedures performed for each class sampled for attendance testing of regular and special day classes, adult education, and continuation, 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 36 K-12 teachers and noted one (1) teacher who was assigned to teach in a position not consistent with the authorization of his/her certification:

- **Dr Theodore T Alexander Jr Science Center School** – One (1) substitute teacher was assigned to teach in a position beyond the time period permitted within their substitute teacher credential due to an appropriately authorized teacher not being available to cover in the position.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2022

### Questioned Costs

Not Applicable

### Recommendation

We recommend that the District monitor and strengthen internal controls 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.

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

Human Resources (HR) will continue to strive to ensure every student is taught by an appropriately authorized teacher by providing professional development to certificated staff overseeing the master schedule and training them on how the MiSiS Assignment Monitoring Report helps school sites take timely action to ensure they do not have misassignments.

Substitute teachers will also be informed of the Commission guidelines governing their 30-Day Substitute Teaching Permit for no more than 30 days in general education and no more than 20 days in special education. The passage of the 2022 Education Omnibus Budget Trailer Bill has extended the 60 days maximum until July 1, 2023.

Name: Jorge Amador  
Title: Assistant Director, Substitute Unit  
Contact Information: [jorge.amador@lausd.net](mailto:jorge.amador@lausd.net)

Name: Luz Ortega  
Title: Coordinator, Credentials, Contract and Compliance Unit  
Contact Information: [luz.ortega@lausd.net](mailto:luz.ortega@lausd.net)

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Status of Prior Year Findings and Recommendations

June 30, 2022

**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-2021-001 Schedule of Expenditures of Federal Awards Completeness (Material Weakness)**

**Recommendation**

We recommend that the District strengthen its controls within the Accounting Department over the preparation and review of the SEFA by ensuring that all Federal grants and awarded amounts are completely and accurately reported. Moreover, we recommend that each department complete a standard template that is formatted for the reporting of all Federal award expenditures and payments received, and to submit supporting documentation to the Accounting Department to reconcile expenditures and revenues which will ensure the completeness of the SEFA, prior to submission of the final SEFA.

**View of Responsible Officials and Corrective Action Plan**

Implemented.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Status of Prior Year Findings and Recommendations

June 30, 2022

**Section VI - Findings and Questioned Costs Related to Federal Awards**

**1. Finding F-2021-001 – Activities Allowed or Unallowed/Allowable Costs and Cost Principles – Documentation for Payroll**

**Program Identification**

**Child Nutrition Cluster**, U.S. Department of Agriculture, Passed through the California Department of Education, Assistance Listing Nos. 10.555 and 10.559, PCA Nos. 13523, 13524, 13004, and 13006.

**COVID-19 - Coronavirus Relief Fund**, U.S. Department of Treasury, Passed through the California Department of Education, Assistance Listing No. 21.019, PCA No. 25516.

**Adult Education – Basic Grants to States**, U.S. Department of Education, Passed through the California Department of Education, Assistance Listing No. 84.002, PCA No. 14508, 14109, and 13978.

**Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)**, U.S. Department of Education, Passed through the California Department of Education, Assistance Listing No. 84.010, PCA No. 14329, 14357, and 15438.

**Career and Technical Education – Basic Grants to States (Perkins V)**, U.S. Department of Education, Passed through the California Department of Education, Assistance Listing No. 84.048, PCA No. 14894 and 14893.

**Supporting Effective Instruction State Grants (Title II, Part A of the ESEA)**, U.S. Department of Education, Passed through the California Department of Education, Assistance Listing No. 84.367, PCA No. 14341.

**COVID-19 - Elementary and Secondary School Emergency Relief Fund**, Department of Education, Passed through the California Department of Education, Assistance Listing No. 84.425D, PCA Nos. 15536, 15547, and 15535.

**Recommendations**

We recommend that the District continue to strengthen its internal controls over payroll expenditures and the related compliance requirements by providing ongoing training to appropriate personnel on the required procedures, and to include a review process for monitoring compliance with those procedures.

**Current Status**

Implemented. 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 (F-2022-001) but for different schools.



**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Status of Prior Year Findings and Recommendations

June 30, 2022

**2. Finding F-2021-002 – Allowable Costs/Cost Principles**

**Program Identification**

**Epidemiology and Laboratory Capacity for Infectious Diseases**, U.S. Department of Health and Human Services, passed through Los Angeles County Office of Education, Assistance Listing No. 93.323, Contract No. C-21248-20:23.

**Recommendations**

We recommend that the District strengthen its review process over invoices to ensure that all costs charged by Contractors and vendors are in accordance with the terms stipulated in the executed agreements/contracts.

**Current Status**

Implemented.

**3. Finding F-2021-003 – Period of Performance**

**Program Identification**

**Hazard Mitigation Grant Program**, U.S. Department of Homeland Security, passed through California Governor’s Office of Emergency Services of Education, Assistance Listing No. 97.039, Project Nos. PJ0004 and PJ0066.

**Recommendations**

We recommend that the District strengthen its controls over period of performance by implementing procedures to accurately identify program expenditures based on the actual period in which the expenditures were incurred. We also recommend that the District review all expenditures charged to King Middle School Auditorium, Project No. PJ0066 to determine whether the expenditures were incurred within the period of performance in excess of the total Federal share reimbursed.

**Current Status**

Implemented.

**4. Finding F-2021-004 – Subrecipient Monitoring**

**Program Identification**

**Twenty-First Century Community Learning Centers**, U.S. Department of Education, passed through California Department of Education, Assistance Listing No. 84.287, PCA Nos. 14349, 14765, 14603, and 14535.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Status of Prior Year Findings and Recommendations

June 30, 2022

#### Recommendations

We recommend that the District perform and document a risk of assessment/evaluation of noncompliance on all subrecipients by conducting the “Agency Review Meetings” at least annually. We also recommend that the District complete the Subrecipient Monitoring Checklist for all subrecipients to assess/evaluate the risk of noncompliance at least annually.

We also recommend the District continue to strengthen its controls over subrecipient monitoring by providing adequate training/monitoring to District personnel to ensure that all subrecipients, who receive Federal awards from the District and other entities in excess of \$750,000 have a Single Audit conducted. If the subrecipient represents to the District that their total expenditures did not exceed the applicable threshold in Federal funding during the fiscal year, an exemption letter, signed by the subrecipient’s CFO, should be obtained in lieu of a Single Audit report to officially notify the District that the subrecipient is exempt from the Single Audit requirements.

#### Current Status

Implemented.

#### 5. Finding F-2021-005 – 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 California Department of Education, Assistance Listing No. 84.010, PCA No. 14329.

##### Recommendations

We recommend that the District continue to strengthen its controls over enrollment/withdrawal status by providing adequate training/monitoring to ensure that student records on MiSiS are accurate and updated when new information is available and that necessary documents are maintained. We recommend that the training include the appropriate levels of written documentation required for different situations under both ESSA guidance and CDE guidance.

##### Current Status

Implemented. 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 (F-2022-002) but for different schools.

#### 6. Finding F-2021-006 – Special Tests and Provisions – Assessment System Security

##### Program Identification

**Title I Grants to Local Educational Agencies**, U.S. Department of Education, passed through California Department of Education, Assistance Listing No. 84.010, PCA No. 14329.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Status of Prior Year Findings and Recommendations

June 30, 2022

**Recommendations**

We recommend that the District strengthen its monitoring process to ensure principals sign the ELPAC Security Agreement and Affidavit before a Site ELPAC Coordinator user role is created in TOMS and the ELPAC assessment is administered.

**Current Status**

Implemented.

**7. Finding F-2021-007 – Special Tests and Provisions – Meal Count Testing**

**Program Identification**

**Child Nutrition Cluster**, U.S. Department of Agriculture, Passed through the California Department of Education, Assistance Listing Nos. 10.555 and 10.559, PCA Nos. 13523, 13524, 13004, and 13006.

**Recommendations**

We recommend that the District continue to strengthen its controls over the meal claim process to ensure that meals are accurately counted, inputted into CMS and claimed for reimbursement.

**Current Status**

Implemented. 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 (F-2022-003) but for different schools except for one school.

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Status of Prior Year Findings and Recommendations

June 30, 2022

### Section VII – Findings and Questioned Costs Relating to State Awards

#### S-2021-001 – Regular and Special Day Classes – Attendance and Distance Learning

**State Program:** Attendance Accounting: Attendance Reporting

**State Audit Guide Finding Codes:** 10000 and 40000

#### Schools Affected

- 122nd Street Elementary School
- 122nd Street Elementary DL Two-Way IM Spanish School
- 20th Street Elementary School
- Albert Einstein Continuation High School
- Alfonso B Perez Special Education Center
- Alta California Elementary School
- Arleta Senior High School
- Apperson Street Elementary School
- Bellingham Elementary School
- Boys Academic Leadership Academy
- Cahuenga Elementary School
- Capistrano Avenue Elementary School
- Charles H Kim Elementary DL One-Way IM Korean School
- Charles Maclay Middle School
- Christopher Columbus Middle School
- Christopher Columbus MS Medical/Math/Science Magnet
- Coldwater Canyon Elementary School
- Crenshaw Magnets: Science Tech Engineer Math & Medicine
- Darby Avenue Elementary School
- Early College Academy - LA Trade Tech College
- Ernest Lawrence Middle School
- Erwin Elementary School
- Felicitas And Gonzalo Mendez Senior High School
- Ford Boulevard Elementary DL Two-Way IM Spanish School
- Francisco Sepulveda Middle School
- Frank Del Olmo Elementary School
- Gault Street Elementary School
- George K Porter Middle School
- Gil Garcetti Learning Academy
- Granada Elementary School
- Gulf Avenue Elementary School
- Harvard Elementary School
- Hillery T Broadous Elementary School
- Independence Elementary School
- Jack London Continuation High School
- John B Monlux Elementary School

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Status of Prior Year Findings and Recommendations

June 30, 2022

### Schools Affected (continued)

- John B Monlux Elementary Science/Tech/Math Magnet
- John F Kennedy Senior High School
- John H Francis Polytechnic Senior High School
- John Hope Continuation High School
- La Salle Avenue Elementary School
- Lake Street Primary School
- Liggett Street Elementary School
- Logan Academy of Global Ecology
- Logan Street Elementary DL Two-Way IM Spanish School
- Magnolia Avenue Elementary School
- Mayberry Street Elementary Communication Arts Magnet
- Michelle Obama Elementary School
- Micheltorena Street DL Two-Way IM Spanish School
- Micheltorena Street Elementary School
- Norwood Street Elementary School
- Olympic Primary Center
- Pacific Boulevard School
- Porter Ranch Community School
- Porter Ranch School DL Two-Way IM Korean School
- Purche Avenue Elementary School
- Purche Avenue Elementary STEAM Magnet
- Richard E Byrd Middle School
- Russell Elementary School
- San Pedro Street Elementary School
- Saturn Street Elementary School
- Saturn Street Elementary Arts/Media Magnet
- Shirley Avenue Elementary School
- Toluca Lake Elementary School
- Tulsa Street Elementary School
- Ulysses S Grant Senior High School
- Valley Oaks Center for Enriched Studies (VOCES) Magnet
- Van Nuys Senior High School
- Vena Avenue Elementary School
- Vista Middle School
- Washington Irving Middle School Math Music Engineering Mag
- Westport Heights Elementary School
- Whitney Young Continuation High School

# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Status of Prior Year Findings and Recommendations

June 30, 2022

### Recommendation

We recommend that the District and the schools continue to strengthen its controls over implementing attendance and distance learning 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. Students participating in distance learning should be supported by a weekly engagement record and daily participation record.

Finally, we recommend that the District continue to support the schools by providing adequate training over attendance and distance learning reporting so that proper procedures 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-2022-001) but for different schools.

### S-2020-001 – Regular and Special Day Classes – Attendance Computations

**State Program:** Attendance Accounting: Attendance Reporting

**State Audit Guide Finding Codes:** 10000 and 40000

### Schools Affected

- 75th Street Elementary
- Annalee Avenue Elementary
- Aragon Avenue Elementary
- Audubon Middle School
- Augustus F Hawkins High School –  
Community Health Advocates School
- Barton Hill Elementary
- Benjamin Banneker Career and  
Transition Center
- Bret Harte Preparatory Middle School
- Bryson Avenue Elementary
- Carson Senior High
- Cesar Chavez Elementary
- Chapman Elementary
- Edward R Roybal Learning Center
- Frank Lanterman High School
- George Washington Preparatory Senior  
High
- Liberty Boulevard Elementary
- Loren Miller Elementary
- Luther Burbank  
Arts/Technology/Community Magnet  
Middle School
- Manual Arts Senior High College  
Preparatory Magnet
- Marianna Avenue Elementary
- Miles Avenue Elementary
- Rancho Dominguez Preparatory School
- Samuel Gompers University Pathways  
Medical Magnet Academy Middle  
School
- Sierra Park Elementary
- Tweedy Elementary
- Victoria Avenue Elementary

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Status of Prior Year Findings and Recommendations

June 30, 2022

#### **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 obtain written acknowledgement from the schools identified above that they have been successfully trained and have implemented a system in place to prevent such occurrences in the future.

#### **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-2022-001) but for different schools.

#### **S-2021-002 – Teacher Certification and Misassignments**

**State Audit Guide Finding Codes:** 40000 and 71000

#### **Schools Affected**

- Lake Balboa College Preparatory Magnet K-12
- Logan Academy of Global Ecology
- Reseda Charter High School
- Valley Oaks Center for Enriched Studies Magnet

#### **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. 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-2022-002) but for different schools and teachers.

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Status of Prior Year Findings and Recommendations

June 30, 2022

#### **S-2021-003 – Kindergarten Continuance**

**State Audit Guide Finding Codes:** 40000

##### **Schools Affected**

- Castlebay Lane Charter 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 MiSiS Monitoring tool.

We also recommend that the District obtain written acknowledgement from the school 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-2022-003) but for different schools.

#### **S-2021-004 – Ratio of Administrative Employees to Teachers**

**State Audit Guide Finding Codes:** 40000

##### **Recommendation**

We recommend that the District strengthen controls over the adherence of the administrative employees to teacher's ratio requirement.

##### **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-2022-006).



**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Status of Prior Year Findings and Recommendations

June 30, 2022

**S-2021-005 – Classroom Teacher Salaries**

**State Audit Guide Finding Codes:** 61000

**Recommendation**

We recommend that the District to put mechanisms in place to track their compliance with the minimum percentage required throughout the year to be in compliance with 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-2022-007).

**S-2021-006 – School Accountability Report Card**

**State Program:** School Accountability Report Card

**State Audit Guide Finding Codes:** 72000

**Schools Affected**

- Charles Maclay Middle School
- Crenshaw High School Magnet: Science Tech Engineer Math & Medicine (STEMM)
- Shirley Avenue Elementary
- Valley Oaks Center for Enriched Studies Magnet

**Recommendation**

We recommend that information reported on the District's FIT be reported accurately in the District's SARC by conducting a review of the reported information in SARC to ensure its accuracy and consistency with source documents. Additionally, we recommend that the District maintain documentation supporting the reviews conducted and its results.

**Current Status**

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding.

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

Status of Prior Year Findings and Recommendations

June 30, 2022

**S-2021-007 – Unduplicated Local Control Funding Formula Pupil Counts**

**State Program:** Unduplicated Local Control Funding Formula Pupil Counts

**State Audit Guide Finding Code:** 40000

**Schools Affected**

- John F. Kennedy High School
- Logan Academy of Global Ecology
- George Ellery Hale Charter Academy (Dependent Charter)
- Taft Charter High School (Dependent Charter)

**Recommendation**

We recommend that the District continue to monitor English learner eligibility status to ensure students who are designated as an English learner 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-2022-009) but for different schools.

**S-2021-008 – Attendance Accounting – Dependent Charters – Attendance and Distance Learning**

**State Program:** Attendance Accounting: Attendance Reporting

**State Audit Guide Finding Codes:** 10000 and 40000

**Schools Affected**

- Castlebay Lane Charter
- Enadia Way Technology Charter
- Hamlin Charter Academy
- Nestle Avenue Charter
- Reseda Charter High School
- Reseda Charter High School Science Magnet
- William Howard Taft Charter High School

## LOS ANGELES UNIFIED SCHOOL DISTRICT

### Status of Prior Year Findings and Recommendations

June 30, 2022

#### **Recommendation**

We recommend that the District and the schools continue to strengthen its controls over implementing attendance and distance learning 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. Students participating in distance learning should be supported by a weekly engagement record and daily participation record.

Finally, we recommend that the District continue to support the schools by providing adequate training over attendance and distance learning reporting so that proper procedures 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-2022-011) but for different schools.

#### **S-2020-009 – Attendance Accounting – Dependent Charters – Attendance Computations**

**State Program:** Attendance Accounting: Attendance Reporting

**State Audit Guide Finding Codes:** 10000 and 40000

#### **Schools Affected**

- Colfax Charter Elementary

#### **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. The District should have a process in place to identify charter students who are over the age of nineteen and are not making satisfactory progress to graduate. Finally, we recommend that the District continue to support the school by providing adequate training over attendance reporting so that proper attendance reporting procedures are adhered to, and that the District obtain written acknowledgement from the school identified above that they have been successfully trained and have implemented a system in place to prevent such occurrences in the future.

#### **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-2022-011) but for different schools.

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**



SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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December 14, 2022

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, 2022, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item FS-2022-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item FS-2022-002 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 page 249. Our observations and recommendations have been discussed with appropriate members of management and are intended to strengthen internal controls and operating efficiency.

The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

This communication is intended solely for the information and use of the Board of Education, District management, the State Controller's office, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

## **Current Year Management Letter Comments**

### **ML-2022-001 – CMS Program Change Management**

#### **Condition**

Documenting and approving application changes should be consistently followed to prevent unauthorized program changes. This includes documenting and retaining management approvals to confirm that program changes are aligned with management's intentions and user requirements.

#### **NIST 800-53: CM-3 CONFIGURATION CHANGE CONTROL**

Processes for managing configuration changes to systems include Configuration Control Boards or Change Advisory Boards that review and approve proposed changes.

However, we reviewed nine (9) CMS program changes which comprised the total population changes for the year under review and noted that a Change Management Approval Form was missing for the following two (2) changes:

- CMS MOC ticket # CRQ000000055940
- CMS MOC ticket # CRQ000000058881

#### **Recommendation**

We recommend that Change Management Approval Forms be completed and retained for CMS changes in a consistent manner.

#### **Management Response**

ITD will ensure Change management forms are completed and signed-off prior to implementing the change in Production.

#### Responsible Official

Name: Douglas Le  
Title/Division: Senior ERP Director Business Systems/ITD  
Telephone: (213) 241-1586

## **Status of Prior Year Management Letter Comments**

### **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-2022-002 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-2022-002 within the accompanying schedule of findings and questioned costs.

### **ML-2021-003 - Active Directory Network User Account**

#### **Recommendation**

We recommend that terminated (i.e., retired, resigned, withdrawn, etc.) employees’ Active Directory user accounts be disabled or deleted in a timely manner upon their physical separation from the District. To support facilitating this process, the user’s manager/supervisor should submit a request to HR to have the employee’s system access suspended or disabled in a timely manner.

#### **Current Status**

Implemented.



## **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**

Partially Implemented. As of May 31, 2022, 91 Branches/Offices across 16 Divisions have completed their Business Continuity Plans (BCP); this includes 19 ITD Divisions having a baselined BCP.

As of May 9, 2022, ITD has set a June 30, 2023, target timeframe to fully implement a Cloud/Hybrid Data Center Disaster Recovery Solution.

### **ML-2015-002 - Security Management Policy and Procedures**

#### **Recommendation**

We recommend that ITD 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**

Partially Implemented. The following IT security policies have been drafted but not formally adopted as they are pending executive management approval:

- a. Vulnerability Management Policy is complete and officially published.
- b. Incident Response for Critical Information Systems is scheduled for review with CIO June 17, 2022.