This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 14, 2026

NEW ISSUE – BOOK-ENTRY ONLY

DAC Bond

RATINGS: Fitch: "AAA"
KBRA: "AAA"
Moody's: "Aa3"
See "MISCELLANEOUS – Ratings" herein.

In the opinion of Dannis Woliver Kelley, Bond Counsel to the District, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California, and, assuming continuing compliance after the date of initial delivery of the Bonds with certain covenants contained in the Resolutions authorizing the Bonds and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds maturing on and after ____, 202_ (the "Tax-Exempt Bonds") for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds, and will not be included in computing the alternative minimum taxable income of the owners thereof; however, interest on the Tax-Exempt Bonds is taken into account in determining annual adjusted financial statement income for the purpose of computing alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein.

$1,400,000,000*
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds, Series QRRUS (2026)
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

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

The Los Angeles Unified School District (County of Los Angeles, California), General Obligation Bonds, Series QRRUS (2026) (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Bonds") are issued by the County of Los Angeles, California (the "County"), on behalf of the Los Angeles Unified School District (the "District") to (i) finance certain school facilities projects, (ii) fund capitalized interest on the Bonds through ____ 1, 20__*, (iii) pay principal on Federally Taxable Bonds (defined below) and (iv) pay the costs of issuance of the Bonds, as more fully described herein. See "PLAN OF FINANCE" herein. The Bonds are being issued under the laws of the State of California (the "State"), the applicable authorizations received at elections held by the District as described herein, and pursuant to resolutions of the Board of Education of the District and the Board of Supervisors of the County.

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

Interest on the Bonds maturing on _____ 1, 20___ (the "Federally Taxable Bonds") is payable only at maturity on _____ 1, 20__. Interest on the Tax-Exempt Bonds is payable each January 1 and July 1 to maturity, commencing _____ 1, 202_. Principal of the Bonds is payable in each of the years and in the amounts set forth on the inside front cover page hereof.

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

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

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

The Bonds will be offered when, as and if issued by the County on behalf of the District, and received by the Underwriters, subject to the approval as to their legality by Dannis Woliver Kelley, Long Beach, California, Bond Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the District by the General Counsel to the District and by Dannis Woliver Kelley, Long Beach, California, Disclosure Counsel to the District, and for the Underwriters by Norton Rose Fulbright US LLP, Los Angeles, California. The Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about November 10, 2026.

BofA Securities **Wells Fargo Securities**

RBC Capital Markets **JP Morgan Securities** **Morgan Stanley** **Ramirez & Co., Inc.**

Academy Securities **American Veterans Group, PBC**

Backstrom McCarley Berry & Co. **Bancroft Capital** **Cabrera Capital Markets** **Piper Sandler & Co.**

Dated: _____, 2026

* Preliminary; subject to change.

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

**$1,400,000,000*
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds, Series QRRUS (2026)
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)**

Base CUSIP† Number: 544647

$988,600,000* Serial Bonds

Maturity*	Principal Amount*	Interest Rate	Initial Public Offering Yield	Price	CUSIP† Suffix
Federally Taxable Bonds					
January 1, 2027	$54,400,000				
Tax-Exempt Bonds					
July 1, 2027	$38,920,000				
July 1, 2028	29,315,000				
July 1, 2029	30,780,000				
July 1, 2030	32,320,000				
July 1, 2031	33,935,000				
July 1, 2032	35,635,000				
July 1, 2033	37,415,000				
July 1, 2034	39,285,000				
July 1, 2035	41,250,000				
July 1, 2036	43,315,000				
July 1, 2037	45,475,000				
July 1, 2038	47,755,000				
July 1, 2039	50,140,000				
July 1, 2040	52,645,000				
July 1, 2041	55,280,000				
July 1, 2042	58,045,000				
July 1, 2043	60,945,000				
July 1, 2044	63,995,000				
July 1, 2045	67,195,000				
July 1, 2046	70,555,000				

$411,400,000* ____% Term Bonds due July 1, 2051; Yield ___%; Price: ___%; CUSIP† ___

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* Preliminary; subject to change.

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No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing.

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

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

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

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

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

CUSIP® is a registered trademark of The American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of The American Bankers Association by FactSet Research Systems Inc. CUSIP data herein is set forth for convenience of reference only. The District and the Underwriters assume no responsibility for the selection or uses of the CUSIP data or for the accuracy or correctness of such data. The CUSIP numbers for the Bonds are subject to being changed after the delivery of the Bonds as a result of various subsequent actions.

LOS ANGELES UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

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

DISTRICT OFFICIALS

Andrés E. Chait, *Superintendent*
Pedro Salcido, *Deputy Superintendent of Business Services and Operations*
Devora Navera-Reed, *General Counsel*
Saman Bravo-Karimi, *Chief Financial Officer*
Kurt John, Ed.D., Deputy *Chief Financial Officer – Finance*
Ernie Thomas, *Controller*
Timothy S. Rosnick, *Deputy Controller*

BOND AND DISCLOSURE COUNSEL

Dannis Woliver Kelley
Long Beach, California

MUNICIPAL ADVISOR

KNN Public Finance, LLC
Berkeley, California

PAYING AGENT

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

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$1,400,000,000[*]
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds, Series QRRUS (2026)
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

INTRODUCTION

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

General

This Official Statement, which includes the cover page through the appendices hereto, is provided to furnish information in connection with the sale of the Los Angeles Unified School District (County of Los Angeles, California) General Obligation Bonds, Series QRRUS (2026) (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Bonds").

The Bonds are issued by the County of Los Angeles, California (the "County"), on behalf of the District, pursuant to certain provisions of the California Education Code and other applicable law, the authorization received at certain elections held by the District as described herein, a resolution adopted by the Board of Education of the District (the "District Board") on June 12, 2026 (the "District Resolution"), and a resolution adopted by the Board of Supervisors of the County on October 6, 2026 (the "County Resolution" and, together with the District Resolution, the "Resolutions"). The Bonds are being issued to (i) finance certain school facilities projects, (ii) fund capitalized interest on a portion of the Bonds, (iii) pay principal on the Federally Taxable Bonds, and (iv) pay the costs of issuance of the Bonds, as more fully described herein. See "INTRODUCTION – Authority and Purpose for Issuance of the Bonds" and "PLAN OF FINANCE."

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

The District

The District, encompassing approximately 710 square miles, is located in the western section of the County in the State of California (the "State"). The District's boundaries include virtually all of the City of Los Angeles (the "City"), all of the Cities of Cudahy, Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Calabasas, Carson, Commerce, Culver City, Downey, Hawthorne, Inglewood, Long Beach, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Rolling Hills Estates, Santa Clarita, Santa Monica, South Gate, and Torrance. In addition, the District provides services to several unincorporated areas of the

[*] Preliminary; subject to change.

County which include residential and industrial areas. The boundaries for the District are approximately 80% coterminous with the City, with the remaining 20% included in the smaller neighboring cities and unincorporated County areas described above. The District was formed in 1854 as the Common Schools for the City and became a unified school district in 1960.

The District is the largest public school district in the State and the largest self-governing public school district in the United States. At the time of preparation of the District's original adopted budget for fiscal year 2026-27 (the "Fiscal Year 2026-27 Budget"), transitional kindergarten ("TK") through 12th grade enrollment in the District for fiscal year 2026-27 was approximately 375,890 students, including those attending magnet, opportunity, and continuation schools and centers, Affiliated Charter Schools, and schools for people with disabilities. Such enrollment represents a projected decrease of 13,120 students or approximately 3.37% from the budgeted TK-12 enrollment in the District at the time of preparation of the District's original adopted budget for fiscal year 2025-26 (the "Fiscal Year 2025-26 Budget"). Such enrollment does not include students attending Fiscally Independent Charter Schools that was budgeted at 105,585 students at the time of preparation of the Fiscal Year 2026-27 Budget. Based on enrollment projections at the time of preparation of the Fiscal Year 2026-27 Budget, the District projected enrollment to decline by 3.36% on average annually through fiscal year 2028-29. For more information regarding District enrollment and average daily attendance, see APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance" for information regarding District declining enrollment.

As reflected in the District's Audited Annual Financial Report for fiscal year 2024-25, the District operated 1,233 schools and centers in fiscal year 2024-25, which consisted of 435 elementary schools, 79 middle/junior high schools, 87 senior high schools, 59 options schools, 27 multi-level schools, 11 special education schools, 267 magnet centers, 66 magnet schools, 18 primary school centers, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, and 81 California State preschools. As reflected in the District's Audited Annual Financial Report for fiscal year 2024-25, 51 of the District's schools were operated as Affiliated Charter Schools in fiscal year 2024-25. In addition, as reflected in the District's Audited Annual Financial Report for fiscal year 2024-25, the District oversaw 218 Fiscally Independent Charter Schools within the District's boundaries in fiscal year 2024-25. As of July 2026, the District is operating and overseeing 1,520 schools and centers (including Fiscally Independent Charter Schools). See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – STATE FUNDING OF SCHOOL DISTRICTS – Charter School Funding."

Additional information on the District is set forth in Appendices A and B. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION" and APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025."

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

Fiscal Year 2026-27 Budget and Lack of Going Concern Designation

As discussed in more detail in Appendix A to this Official Statement, the District recently entered into collective bargaining agreements with its three largest employee bargaining units: United Teachers Los Angeles ("UTLA"), Service Employees International Union Local 99 ("SEIU"), and AALA/Teamsters 2010 ("AALA") (collectively, the "2026 Collective Bargaining Agreements"), which are budgeted to cost

approximately $1.2 billion annually for the current and next two fiscal years. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Employees and Labor Relations – *General*" and " – *Negotiations Regarding Labor Contracts.*"

The Fiscal Year 2026-27 Budget, which incorporates the terms of the 2026 Collective Bargaining Agreements, includes negative ending fund balances in fiscal years 2027-28 and 2028-29 of ($1.3) billion and ($3.6) billion, respectively, largely due to the obligations under the 2026 Collective Bargaining Agreements. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Budget." In order to address those negative ending fund balances, the Board adopted a new fiscal stabilization plan (the "2027 Fiscal Stabilization Plan") which includes approximately $3.510 billion in budget solutions; however, some of those solutions are not wholly within the District's control. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Budget – *Fiscal Stabilization Plans*."

By letter dated July 2, 2026 (the "Lack of Going Concern Letter"), the Los Angeles County Superintendent of Schools (the "County Superintendent") determined that the District meets the criteria for a "Lack of Going Concern" designation under California Education Code Section 42127.6. The determination identifies significant fiscal distress, including projected negative operating cash of $231.18 million in November 2027, projected negative operating cash again from February 2028 through May 2028, a projected negative unrestricted General Fund ending balance of approximately ($1.46 billion) in fiscal year 2027-28, and projected total available reserves of (15.13%) in fiscal year 2027-28. The County Superintendent stated that the fiscal impact of the 2026 Collective Bargaining Agreements, compounded by the District's existing structural deficit and declining enrollment, constitutes a severe fiscal event that impairs the District's ability to fulfill its multiyear financial commitments.

As a result of the Lack of Going Concern determination, the County Superintendent assigned a Fiscal Expert to the District, required submission of budget revisions needed to fund the multiyear commitments created by the 2026 Collective Bargaining Agreements, and stated that failure to adopt and fully implement the budget revisions necessary to fund the multiyear commitments created by the 2026 Collective Bargaining Agreements would require a qualified or negative certification on the District's next interim financial report. The County Superintendent may also, if necessary, escalate oversight to a Fiscal Advisor with stay and rescind authority over Board actions. The District submitted the required budget revisions on July 25, 2026, and the County has acknowledged receipt of the revisions.

In addition to its financial commitments in the 2026 Collective Bargaining Agreements, the District continues to experience significant reductions in enrollment throughout its schools, estimated at about 3.36% annually through fiscal year 2028-29. While State funding of education is largely based on average daily attendance ("ADA") (see APPENDIX A – "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance"), enrollment is a primary driver of ADA. Declines in enrollment translate to reductions in State funding for District operations, about 85% of which is used to fund employee salaries and benefits. In addition, an independent actuarial report recently estimated the District's liability, as of June 30, 2026, for claims lodged against the District under AB 218 and similar sexual abuse and molestation claims (losses and allocated loss adjustment expenses) at approximately $958 million, which the District manages through the issuance of judgment obligation bonds, the issuance of which is subject to approval by the County Superintendent of Schools and which may be restricted by the Lack of Going Concern determination described above. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation – *Sexual Misconduct Cases*" herein.

To address the fiscal effects of the 2026 Collective Bargaining Agreements and satisfy certain LACOE requirements, the District Board adopted a fiscal stabilization plan in June 2026 (the "2027 Fiscal Stabilization Plan"). The 2027 Fiscal Stabilization Plan incorporates previously adopted budget solutions and adds revenue enhancements, reserve and trust withdrawals, expenditure and program reductions, staffing and operational changes, employee furloughs, health insurance cost sharing, and school consolidations intended to address projected negative ending fund balances while limiting impacts on core instructional programs and student well-being. If fully implemented, the 2027 Fiscal Stabilization Plan is projected to provide approximately $3.510 billion in budget solutions over the three-year budget period. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION – *2027 Fiscal Stabilization Plan*."

The District's ability to reduce its deficit spending depends on a number of factors, some of which are not wholly within its control. Continuing declines in student enrollment could reduce State funding to such a degree that the District could not honor its financial commitments, which could in turn result in the appointment of a State or County administrator. If the District's financial condition does not improve, it may lack sufficient resources to fund all necessary programs and services. **The Bonds are payable solely from *ad valorem* tax revenues collected by the County and not from the General Fund of the District**. The Lack of Going Concern designation does not affect the obligation of the County to levy unlimited *ad valorem* property taxes for the payment of the Bonds.

When a school district is under fiscal duress, the County Superintendent of Schools is authorized to take actions beyond those described above to ensure it meets its financial obligations, which may include a request for an emergency appropriation from the State. Depending on the size of the emergency appropriation, a trustee may be appointed to serve the school district, or if the appropriation is for greater than 200% of its recommended reserves, an administrator would be appointed by the County, which takes over the powers of the District Board, such that the District Board becomes merely advisory for a period of at least one year. This process is further described under the heading "DISTRICT FINANCIAL INFORMATION - District Budget" in APPENDIX A hereto. A State or County trustee or administrator could not grant the District the authority to file for Chapter 9 if it cannot meet its financial obligations or becomes insolvent under current State law.

The circumstances under which the District may become a debtor in a proceeding under Chapter 9 of the Bankruptcy Code, if authorized by the State Superintendent of Public Instruction, are discussed under "LEGAL MATTERS – Possible Limitations on Remedies; Bankruptcy" herein.

The District's General Obligation Bond Program

Voters within the District have approved a total of $36.605 billion of general obligation bonds in seven separate bond elections since 1997, as delineated in Table 1 below, a portion of which is currently outstanding. Prior to the issuance of the Bonds, a total of approximately $21.356 billion of the approved general obligation bonds will have been issued, with approximately $15.2495 billion remaining to be issued under the bond authorizations listed below (collectively, the "Authorizations"). See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – The District's General Obligation Bond Program and Bonding Capacity."

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TABLE 1
LOS ANGELES UNIFIED SCHOOL DISTRICT
General Obligation Bond Authorizations

Bond Authorization	Date Authorized by Voters	Percentage Approval[1]	Amount Authorized ($ Billions)	Amount Issued[2] ($ Billions)	Amount Unissued[2] ($ Billions)	Purposes
Proposition BB	April 8, 1997	71%	$ 2.400	$ 2.400	$ 0.000	Health and safety improvements, computer technology and science labs, air conditioning and new construction
Measure K	November 5, 2002	68	3.350	3.350	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities
Measure R	March 2, 2004	63	3.870	3.870	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure Y	November 8, 2005	66	3.985	3.985	0.000	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure Q	November 4, 2008	69	7.000	5.151[3]	1.849[3]	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
Measure RR	November 3, 2020	71	7.000	1.900[3]	5.100[3]	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and implementing COVID-19 pandemic facility safety standards
Measure US	November 5, 2024	68	9.000	0.700[3]	8.300[3]	New construction, acquisition, rehabilitation and upgrading of specifically identified school facilities, and installation and upgrading of information-technology infrastructure
	Total		$36.605	$21.356	$15.249	

[1] Measure K, Measure R, Measure Y, Measure Q, Measure RR, and Measure US were approved pursuant to the provisions of Proposition 39, which requires approval of at least 55% of voters voting on the proposition. Proposition BB was approved pursuant to the provisions of Proposition 46, which requires approval of at least two-thirds of voters voting on the proposition.

[2] Totals may not add due to rounding. See also APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt – *General Obligation Bonds*" for the amounts of outstanding general obligation bonds under the referenced Authorizations. Excludes general obligation refunding bonds.

[3] Prior to issuance of the Bonds.

Source: Los Angeles Unified School District.

In addition to the bond proceeds from the seven Authorizations referred to above, the District has received State-matching funds and other revenue sources to fund the general obligation bond program's various projects. The District may continue to receive other revenue sources, including State-matching funds; however, additional funding is not guaranteed. The District's general obligation bond program completed all projects that enabled the District to operate all schools on a traditional two-semester calendar in the 2018-19 school year. In addition, approximately 25,225 new school construction, rehabilitation, modernization and replacement projects, intended to upgrade facilities and improve the learning environment for students, have been completed. The program includes, among other things, various school facilities improvements for campus safety and security, computer technology, sustainability, information technology systems and school buses.

Authority and Purpose for Issuance of the Bonds

The Bonds are issued pursuant to provisions of Section 1(b)(3) of Article XIIIA of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code and other applicable law, the Measure Q Authorization (defined below), the Measure RR Authorization (defined below), the Measure US Authorization (defined below) and the Resolutions.

A portion of the proceeds of the Bonds attributable to the Measure Q Authorization (defined below) will, after payment of costs of issuance thereto, fund certain school projects (collectively, the "Measure Q Projects") approved by voters in the November 4, 2008 election approving Measure Q (the "Measure Q Authorization"). A portion of the proceeds of the Bonds attributable to the Measure RR Authorization (defined below) will, after payment of costs of issuance thereto, fund certain school projects (collectively, the "Measure RR Projects") approved by voters in the November 3, 2020 election approving Measure RR (the "Measure RR Authorization"). A portion of the proceeds of the Bonds attributable to the Measure US Authorization (defined below) will, after payment of costs of issuance thereto, fund certain school projects (collectively, the "Measure US Projects") approved by voters in the November 5, 2024 election approving Measure US (the "Measure US Authorization"). A portion of the proceeds of the Bonds is also expected to fund capitalized interest on a portion of the Bonds through _____ 1, 20__*, pay principal on the Federally Taxable Bonds, and pay costs of issuance of the Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

Security and Source of Payment for the Bonds

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

Pursuant to the District Resolution, the District pledges and grants a lien on and security interest in all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District for payment of bonds issued under such measure of the District and all amounts on deposit in any Interest and Sinking Fund of the District for the payment of the

principal or redemption price of and interest on such bonds. The District Resolution provides that this pledge and grant is valid and binding from the date of adoption of the District Resolution for the benefit of the owners of such bonds and successors thereto. The District Resolution further provides that the property taxes and amounts held in each Interest and Sinking Fund of the District are immediately subject to this pledge and grant, and that this pledge and grant constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in such Interest and Sinking Fund of the District to secure the payment of such bonds. This lien and security interest is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant, and without the need of any physical delivery, recordation, filing, or further act.

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

Cybersecurity

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

Federal Funding

The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprised approximately 7.66% (or approximately $744.0 million) of the District's General Fund revenues for Fiscal Year 2025-26 and are budgeted to comprise approximately 7.71% (or approximately $720.8 million) of General Fund revenues for Fiscal Year 2026-27 as of the Fiscal Year 2026-27 Budget.

On January 27, 2025, the Office of Management and Budget ("OMB") issued a memorandum directing federal agencies to temporarily pause all activities related to the obligation or disbursement of

federal financial assistance, and other relevant activities, that may be implicated by recent executive orders issued under the Trump Administration. On January 29, 2025, OMB rescinded the memorandum. Following the rescission, the White House press secretary noted that the rescission of the memorandum was "[not] a rescission of the federal funding freeze." The U.S. Department of Education released a letter, dated February 14, 2025, notifying schools and colleges to eliminate diversity, equity, and inclusion programs and initiatives by the end of the month or risk losing federal funding. The District cannot predict any action to be taken in carrying out the executive orders nor its effect on the District's federal funding or operations of the District.

On March 20, 2025, President Trump signed an executive order aimed at terminating the United States Department of Education. On June 30, 2025, the Trump Administration announced it would withhold approximately $6.8 billion in federal funding due to be released on July 1, 2025 for certain Title I, II, III and IV programs, including migrant education, professional development, English-learner services, academic enrichment, before- and after-school programs, and adult basic and literacy education. In the June 30, 2025 announcement, the Trump Administration stated that such program grants were under review and no decision had yet been made for the upcoming academic year. The District cannot predict the types of possible federal funding cuts that may occur or the extent of such cuts, if any; however, based on available information, the District does not currently expect the withholding of such federal funds to have a material impact on the District's revenues or operations. No assurance can be given that future federal funding actions will not have a material adverse impact on the District's finances.

Other Information

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

PLAN OF FINANCE

A portion of the proceeds of the Bonds attributable to the Measure Q Authorization will be applied to fund the costs of various components of the Measure Q Projects in accordance with the ballot measure for the Measure Q Authorization. The Measure Q Authorization includes a number of specifically identified projects, which were summarized to the District's voters to include the following: repair/upgrade of aging/deteriorating classrooms, restrooms; upgrade fire/earthquake safety; reduce asbestos, lead paint, air pollution, water quality hazards; build upgrade specialized classrooms students need to meet job/college requirements; and improve classroom internet access.

A portion of the proceeds of the Bonds attributable to the Measure RR Authorization will be applied to fund the costs of various components of the Measure RR Projects in accordance with the ballot measure for the Measure RR Authorization. The Measure RR Authorization includes a number of specifically identified projects, which were summarized to the District's voters to include the following: upgrade classrooms/labs/technology for 21st century learning; implement COVID-19 facilities safety standards; address school facility inequities; reduce asbestos, earthquake and water quality hazards; and replace/renovate aging school classrooms.

A portion of the proceeds of the Bonds attributable to the Measure US Authorization will be applied to fund the costs of various components of the Measure US Projects in accordance with the ballot measure for the Measure US Authorization. The Measure US Authorization includes a number of specifically identified projects, which were summarized to the District's voters to include the following: update school facilities for 21st century student learning and career/college preparedness; improve school facilities for safety, earthquakes and disability access; upgrade plumbing, electrical, HVAC; replace leaky roofs; provide learning technology; and create green outdoor classrooms/schoolyards.

A portion of the proceeds of the Bonds will also be used to pay the costs of issuance of the Bonds, including the underwriters' discount. Premium received from the Bonds will be used to pay capitalized interest on a portion of the Bonds and principal of and interest on the Federally Taxable Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

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

TABLE 2
ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources of Funds	
Principal Amount	$
[Original Issue Premium]	
Total Sources	$
Estimated Uses of Funds	
Deposit to Building Fund	$
Deposit to Interest and Sinking Fund[(1)]	
Underwriters' Discount	
Costs of Issuance[(2)]	
Total Uses	$

(1) Expected to pay principal and interest on the Federally Taxable Bonds on ___1, 20___ and fund capitalized interest on a portion of the Bonds through ____*.

(2) Includes fees of Bond Counsel, Disclosure Counsel, Paying Agent, Municipal Advisor, rating agencies, printer, and other miscellaneous expenses.

THE BONDS

General Provisions

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

* Preliminary, subject to change.

for subsequent disbursement to the beneficial owners of the Bonds. For information about the securities depository and DTC's book-entry system, see APPENDIX C – "BOOK-ENTRY ONLY SYSTEM."

The Bonds mature in the years and on the dates set forth on the inside front cover page hereof. Interest on the Federally Taxable Bonds maturing on _____ 1, 20__ is payable only at maturity on _____1, 20__. Interest on the Bonds maturing on and after _____ 1, 202___ (the "Tax-Exempt Bonds") is payable on each January 1 and July 1 to maturity, commencing on _____ 1, 202___. Each such instance where interest on the Bonds becomes due is an "Interest Payment Date". Interest on the Bonds will be computed based on a 360-day year of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated as of a date during the period from the 15th day of the calendar month immediately preceding such Interest Payment Date, inclusive, whether or not such day is a business day (each, a "Record Date") to such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the date of delivery of the Bonds.

Redemption*

Optional Redemption. The Bonds maturing on or after July 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after _____ 1, 20__, at a redemption price equal to the principal amount of such Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption on July 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (July 1)	Principal Amount to be Redeemed

†

† Maturity.

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

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

* Preliminary; subject to change.

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

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

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

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

***Redemption Fund*.** Prior to or on the redemption date of any Bonds, there shall be available, in the related Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, moneys for the purpose and sufficient to redeem, at the redemption prices as provided therefor, the Bonds designated in the notice of redemption. Such monies set aside for the Bonds are required to be applied on or after the redemption date solely for payment of principal of and premium, if any, and interest due on the Bonds to be redeemed upon presentation and surrender of such Bonds provided that all monies in the related Interest and Sinking Fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the related Interest and Sinking Fund

of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the related Interest and Sinking Fund of the District or otherwise held in trust for the payment of the redemption price of such Bonds, the moneys are required to be held in or returned or transferred to any Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the moneys shall be transferred to the general fund of the District as provided and permitted by law.

Defeasance and Unclaimed Moneys

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

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

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

The term "Advance Refunded Municipal Securities" means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to

the trustee, fiscal agent, or other fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or other obligations for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal of, premium, if any, and interest by a fund consisting only of cash, direct United States or United States guaranteed obligations, or any combination thereof, which fund may be applied only to the payment of such principal of, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as appropriate, and (iii) as to which the principal of, premium, if any, and interest on the bonds and obligations of the character described in clause (i) above which have been deposited in such fund, along with any cash on deposit in such fund, have been verified by an independent certified public accountant as being sufficient to pay principal of, premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, as applicable.

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

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General Description

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

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

Pledge of Tax Revenues

Pursuant to the District Resolution, the District pledges and grants a lien on and security interest in, all revenues from the property taxes collected from the levy by the Board of Supervisors with respect to each voter-approved bond measure of the District and related refunding bonds for payment of bonds issued under such measure of the District or refunded and all amounts on deposit in any Interest and Sinking Fund

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

The pledge of tax revenues provided for in the District Resolution specifies that said lien secures the Bonds and other bonds that may be issued in the future. Further, previous general obligation bonds of the District have been issued under resolutions which pledge tax revenues to secure the general obligation bonds and the general obligation refunding bonds issued thereunder and the District may provide for a similar pledge of tax revenues in resolutions adopted in the future that authorize general obligation bonds and general obligation refunding bonds. The District Resolution does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the lien of the pledges.

Statutory Lien on Taxes (Senate Bill 222)

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

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or

a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

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

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

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

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

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to

levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

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

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

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

Assessed Valuation of Property Within the District

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

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

The fiscal year 2026-27 Assessment Roll for property within the District's boundaries reflects an increase of approximately 4.44% in assessed value from the prior year. Under State law, in addition to reassessments requested by property owners pursuant to Proposition 8 when the current market value of property is less than assessed value as of January 1, the county assessor annually initiates reviews of property for reassessments due to decline-in-value. See "*—Appeals of Assessed Valuation; Blanket Reductions of Assessed Values"* below.

TABLE 3
LOS ANGELES UNIFIED SCHOOL DISTRICT
Historical Gross Assessed Valuation of Taxable Property[1]
Fiscal Years 2011-12 through 2026-27
($ in thousands)

Fiscal Year	Secured[2]	Unsecured	Total[2]	Change From Prior Year	Percent Change
2011-12	$447,830,204	$21,265,021	$469,095,225	$5,249,674	1.13%
2012-13	458,767,053	21,308,439	480,075,492	10,980,267	2.34
2013-14	482,043,584	21,634,336	503,677,920	23,602,428	4.92
2014-15	510,371,502	22,562,705	532,934,207	29,256,287	5.81
2015-16	546,807,059	23,362,404	570,169,464	37,235,257	6.99
2016-17	581,473,213	24,495,794	605,969,007	35,799,543	6.28
2017-18	619,162,082	25,342,665	644,504,747	38,535,740	6.36
2018-19	665,355,078	27,377,547	692,732,625	48,227,878	7.48
2019-20	710,954,606	28,442,486	739,397,092	46,664,467	6.73
2020-21	759,004,739	28,679,270	787,684,010	48,286,918	6.53
2021-22	790,822,215	27,581,051	818,403,266	30,719,256	3.90
2022-23	848,435,713	29,196,328	877,632,041	59,228,775	7.24
2023-24	898,345,149	31,634,928	929,980,077	52,348,036	5.96
2024-25	940,379,767	32,489,350	972,869,117	42,889,040	4.61
2025-26	974,940,606	33,188,522	1,008,129,128	35,260,011	3.62
2026-27	1,016,566,571	36,336,684	1,052,903,256	44,774,128	4.44

(1) Full cash value.
(2) Includes utility valuations.
Source: California Municipal Statistics, Inc.

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

Property values could be reduced by factors beyond the District's control, including a depressed real estate market due to general economic conditions or other events. A pandemic, like the outbreak of the respiratory disease caused by COVID-19 which was declared a pandemic by the World Health Organization, could result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of property in the District. Events resulting in changing economic conditions may also alter the willingness or the ability of local taxpayers to pay *ad*

valorem property taxes levied to repay the District's general obligation bonds. The District cannot predict whether events that may result in changing economic conditions will occur or the extent that a change in economic conditions will impact assessed value of property in the District or the willingness or ability of local taxpayers to pay *ad valorem* property taxes.

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

2025 Wildfires. In January 2025, multiple fires broke out across areas of Los Angeles County burning thousands of acres and damaging or destroying thousands of structures. The three largest of said fires were the Hughes Fire, Eaton Fire, and Palisades Fire. The Hughes Fire burned approximately 10,400 acres and damaged one structure. The Eaton Fire burned approximately 14,000 acres and damaged or destroyed at least 11,000 structures. The Palisades Fire burned approximately 23,500 acres and damaged or destroyed at least 7,000 structures. Properties damaged or destroyed in the Palisades Fire are included within the boundaries of the District and represent a small percentage of the assessed value in the District. As a result of the fires, schools in the District were closed for 3 days and approximately 2,400 students were displaced.

Three school campuses within District boundaries, Marquez Elementary School, Palisades Elementary School, and Palisades Charter High School, a Fiscally Independent Charter School, were significantly damaged by the fires. The three facilities are currently undergoing reconstruction as bond-authorized projects. The Palisades Elementary School site remains closed while under reconstruction. The students remain relocated at Brentwood Science Magnet Elementary School. Marquez Elementary School, however, has returned to its campus (in temporary facilities) as of September, 2025 and the Palisades Charter High School has returned to its campus (in permanent and temporary facilities) as of February, 2026, while both schools are undergoing reconstruction. The District has budgeted approximately $600 million to rebuild the three damaged campuses, approximately $66.4 million of which has been expended to date. The District is still in the process of quantifying the overall loss as a result of the fires.

The County Assessor's Office allows for the reassessment of properties that are damaged or destroyed as a result of misfortune or calamity, which includes wildfires. Property owners may submit an application for the reassessment of the property within 12 months of the damage or destruction. Any such reassessment is retroactive to the date of damage or destruction. The District is unable at this time to quantify the loss in assessed value as a result of any such reassessment. The District also cannot quantify the actual decrease in assessed value in the area impacted by the Palisades fire within the District; however, the total assessed value of property within the District for fiscal year 2025-26 increased by 3.62% over the assessed value within the District for fiscal year 2024-25.

Additionally on January 16, 2025, the California Governor issued Executive Order 10-25 that (i) suspended until April 10, 2026, certain state tax laws that impose penalties, costs, and interest for late payment of property taxes due in calendar year 2025, and (ii) suspended certain additional state tax laws

requiring the filing of various property tax statements. The orders applied to properties located in 9 zip codes that are included in the boundaries of the District. Additional executive orders have been issued to allow for a quicker redevelopment in fire-damaged areas. The suspension period under Executive Order 10-25 has expired. The District cannot predict the effect any executive orders will have on the timely collection of property taxes.

Prospective purchasers of the Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy taxes to pay debt service on the Bonds without limitation as to rate or amount (except for certain personal property which is taxable at limited rates). The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to pay debt service on the Bonds in full when due. Increases in tax rates, however, may impact the ability or willingness of taxpayers to pay their property taxes. See "– Tax Rates, Levies and Collections."

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

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

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

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

Assessed Valuation by Jurisdiction. The following Table 4 describes the percentage and value of the total assessed value of the property within the District's boundaries that resides in the various cities and unincorporated portions of the County, as well as the assessed value of property within the District relative to the County's assessed value, for fiscal year 2026-27.

TABLE 4
LOS ANGELES UNIFIED SCHOOL DISTRICT
Fiscal Year 2026-27 Assessed Valuation by Jurisdiction

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Bell	$ 2,152,565,396	0.20%	$2,637,407,398	81.62%
City of Bell Gardens	76,396,442	0.01	$2,727,342,266	2.80%
City of Beverly Hills	223,165,281	0.02	$50,774,246,575	0.44%
City of Calabasas	796,185	0.00	$11,596,647,087	0.01%
City of Carson	20,934,520,987	1.99	$23,442,535,311	89.30%
City of Commerce	625,362,515	0.06	$8,163,454,830	7.66%
City of Cudahy	1,247,030,527	0.12	$1,247,284,597	99.98%
City of Culver City	65,811,921	0.01	$19,209,080,527	0.34%
City of Downey	716	0.00	$17,010,757,196	0.00%
City of Gardena	9,959,421,811	0.95	$9,959,421,811	100.00%
City of Hawthorne	985,031,755	0.09	$12,473,662,862	7.90%
City of Huntington Park	4,424,389,824	0.42	$4,424,389,824	100.00%
City of Inglewood	51,108,110	0.00	$20,378,270,333	0.25%
City of Lomita	3,595,534,490	0.34	$3,595,534,490	100.00%
City of Long Beach	546,375,032	0.05	$85,601,495,756	0.64%
City of Los Angeles	925,692,433,882	87.92	$926,203,643,170	99.94%
City of Lynwood	74,325,287	0.01	$5,330,374,415	1.39%
City of Maywood	1,607,749,465	0.15	$1,607,749,465	100.00%
City of Montebello	14,015,459	0.00	$9,420,259,321	0.15%
City of Monterey Park	365,428,010	0.03	$11,097,268,324	3.29%
City of Rancho Palos Verdes	1,830,352,380	0.17	$18,566,024,060	9.86%
City of Rolling Hills Estates	36,620,093	0.00	$5,232,223,256	0.70%
City of San Fernando	3,060,425,463	0.29	$3,060,425,463	100.00%
City of Santa Clarita	56,227	0.00	$50,416,123,343	0.00%
City of Santa Monica	1,177,777	0.00	$54,959,296,599	0.00%
City of South Gate	7,092,348,311	0.67	$8,701,417,513	81.51%
City of Torrance	59,883,550	0.01	$44,385,323,434	0.13%
City of Vernon	9,649,541,096	0.92	$9,649,541,096	100.00%
City of West Hollywood	19,605,407,900	1.86	$19,605,407,900	100.00%
Unincorporated Los Angeles County	38,925,979,777	3.70	$155,957,379,573	24.96%
Total District	$1,052,903,255,669	100.00%		
Los Angeles County	$1,052,903,255,669	100.00%	$2,279,713,440,062	46.19%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following Table 5 sets forth the assessed valuation by land use of property within the District in fiscal year 2026-27.

TABLE 5
LOS ANGELES UNIFIED SCHOOL DISTRICT
Local Secured Assessed Valuation and Parcels by Land Use
Fiscal Year 2026-27

Non-Residential:	2026-27 Assessed Valuation[(1)]	% of Total	No. of Parcels	% of Total
Commercial/Office Building	$166,690,326,180	16.40%	51,854	5.33%
Industrial	105,096,623,127	10.34	24,798	2.55
Recreational	2,879,498,252	0.28	1,379	0.14
Government/Social/Institutional	4,939,711,124	0.49	4,997	0.51
Miscellaneous	522,100,721	0.05	1,015	0.10
Subtotal Non-Residential	$280,128,259,404	27.56%	84,043	8.64%
Residential:				
Single Family Residence	$469,516,509,238	46.19%	580,679	59.72%
Condominium/Townhouse	93,156,595,413	9.17	139,500	14.35
Mobile Home Related	569,553,836	0.06	117	0.01
2-4 Residential Units	58,570,339,969	5.76	96,481	9.92
5+ Residential Units/Apartments	108,139,027,732	10.64	42,531	4.37
Miscellaneous Residential	78,475,589	0.01	97	0.01
Subtotal Residential	$730,030,501,777	71.82%	859,405	88.38%
Vacant Parcels	$6,245,139,106	0.61%	28,918	2.97%
Total	$1,016,403,900,287	100.00%	972,366	100.00%

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

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Assessed Valuation of Single-Family Homes. The following Table 6 sets forth the distribution of single-family homes within the District within various assessed valuation ranges in fiscal year 2026-27.

TABLE 6
LOS ANGELES UNIFIED SCHOOL DISTRICT
Assessed Valuations of Single Family Homes
Fiscal Year 2026-27

	No. of Parcels	2026-27 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	580,679	$469,516,509,238	$808,565	$520,376

2026-27 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	37,005	6.373%	6.373%	$ 2,415,538,251	0.514%	0.514%
100,000 - 199,999	52,769	9.087	15.460	8,058,941,502	1.716	2.231
200,000 - 299,999	73,446	12.648	28.108	18,408,000,808	3.921	6.152
300,000 - 399,999	63,135	10.873	38.981	21,998,347,145	4.685	10.837
400,000 - 499,999	53,846	9.273	48.254	24,192,292,562	5.153	15.989
500,000 - 599,999	48,609	8.371	56.625	26,694,700,188	5.686	21.675
600,000 - 699,999	42,712	7.356	63.981	27,718,675,347	5.904	27.579
700,000 - 799,999	37,086	6.387	70.367	27,746,977,413	5.910	33.488
800,000 - 899,999	30,393	5.234	75.601	25,761,959,907	5.487	38.975
900,000 - 999,999	22,697	3.909	79.510	21,503,632,073	4.580	43.555
1,000,000 - 1,099,999	16,406	2.825	82.335	17,179,753,686	3.659	47.214
1,100,000 - 1,199,999	12,324	2.122	84.458	14,149,475,905	3.014	50.228
1,200,000 - 1,299,999	10,020	1.726	86.183	12,513,412,965	2.665	52.893
1,300,000 - 1,399,999	8,636	1.487	87.670	11,644,031,619	2.480	55.373
1,400,000 - 1,499,999	7,528	1.296	88.967	10,895,750,974	2.321	57.694
1,500,000 - 1,599,999	6,506	1.120	90.087	10,071,238,263	2.145	59.839
1,600,000 - 1,699,999	5,622	0.968	91.055	9,263,834,878	1.973	61.812
1,700,000 - 1,799,999	5,069	0.873	91.928	8,863,386,604	1.888	63.700
1,800,000 - 1,899,999	4,311	0.742	92.671	7,975,042,769	1.699	65.398
1,900,000 - 1,999,999	3,738	0.644	93.315	7,282,167,923	1.551	66.949
2,000,000 - 2,099,999	3,392	0.584	93.899	6,947,006,016	1.480	68.429
2,100,000 - 2,199,999	2,901	0.500	94.398	6,232,139,271	1.327	69.756
2,200,000 - 2,299,999	2,557	0.440	94.839	5,747,829,795	1.224	70.980
2,300,000 - 2,399,999	2,251	0.388	95.226	5,287,253,398	1.126	72.106
2,400,000 - 2,499,999	2,105	0.363	95.589	5,156,783,187	1.098	73.205
2,500,000 - 2,599,999	1,839	0.317	95.905	4,690,024,207	0.999	74.204
2,600,000 - 2,699,999	1,597	0.275	96.181	4,227,791,476	0.900	75.104
2,700,000 - 2,799,999	1,556	0.268	96.448	4,273,565,137	0.910	76.014
2,800,000 - 2,899,999	1,359	0.234	96.683	3,868,835,684	0.824	76.838
2,900,000 - 2,999,999	1,280	0.220	96.903	3,772,702,719	0.804	77.642
3,000,000 and greater	17,984	3.097	100.000	104,975,417,566	22.358	100.000
	580,679	100.000%		$469,516,509,238	100.000%	

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

Largest Secured Taxpayers in the District. The following Table 7 sets forth the twenty taxpayers with the greatest combined ownership of secured taxable property in the District on the fiscal year 2026-27 tax roll, and the secured assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District.

TABLE 7
LOS ANGELES UNIFIED SCHOOL DISTRICT
Largest Local Secured Taxpayers[(1)]
Fiscal Year 2026-27

	Property Owner	Primary Land Use	2026-27 Assessed Valuation	% of Total[(2)]
1.	Universal Studios LLC	Movie Studio	$ 3,392,837,705	0.33%
2.	Rexford Industrial Realty LP	Industrial	2,860,622,881	0.28
3.	Douglas Emmett LLC	Office Building	2,278,131,010	0.22
4.	Essex Portfolio LP	Apartments	1,562,876,444	0.15
5.	CP Propco LLC	Residential/Hotel	1,369,196,769	0.13
6.	Century City Mall LLC	Shopping Center/Mall	1,204,705,588	0.12
7.	Next Century Partners LLC	Residential/Hotel	1,153,823,368	0.11
8.	FSP South Flower Street	Office Building	1,065,149,476	0.10
9.	CJDB LLC	Shopping Center/Mall	1,015,754,337	0.10
10.	Rochelle H. Sterling	Apartments	932,286,092	0.09
11.	Hanjin International Corp.	Hotel	924,303,408	0.09
12.	Anheuser Busch Commercial	Industrial	873,325,033	0.09
13.	One Hundred Towers LLC	Office Building	759,453,236	0.07
14.	Trizec 333 LA LLC	Office Building	743,926,630	0.07
15.	Maguire Partners 355 S. Grand LLC	Office Building	695,724,444	0.07
16.	BRE HH Property Owner LLC	Office Building	673,606,208	0.07
17.	Tishman Speyer Archstone Smith	Apartments	660,296,057	0.06
18.	Olympic and Georgia Partners LLC	Hotel	657,785,134	0.06
19.	LA Live Properties LLC	Commercial	632,349,052	0.06
20.	Alkmena Magnvs Lap LLC	Office Building	595,000,067	0.06
			$24,051,152,939	2.37%

(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) 2026-27 Local Secured Assessed Valuation: $1,016,403,900,287.
Source: California Municipal Statistics, Inc.

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

Tax Rates, Levies and Collections

General. Taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. Real property that changes ownership or is newly constructed is revalued at the time the change occurs or the construction is completed. The current year property tax rate is applied to the reassessed value, and the taxes are then adjusted by a proration factor that reflects the portion of the remaining tax year for which taxes are due. The annual tax rate is based on the amount necessary to pay all obligations payable from *ad valorem* property taxes and the assessed value of taxable property in a given year. Economic and other factors beyond the District's control, such as a general market decline in land

values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster such as earthquake, drought, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the District's outstanding general obligation bonds.

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

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

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

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

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

State Government Code Sections 29100 through 29107 provide the procedures that all counties must follow for calculating tax rates. The secured tax levy within the District consists of the District's share of the 1% general *ad valorem* property and unitary taxes assessed on a County-wide basis and amounts levied that are in excess of the 1% general *ad valorem* property taxes. These tax receipts are part of the District's operations. In addition, the secured tax levy also includes the amount for the District's share of

special voter-approved *ad valorem* property taxes assessed on a District-wide basis, such as the *ad valorem* property taxes assessed for the District's general obligation bonds issued pursuant to the Authorizations and any related general obligation refunding bonds. *Ad valorem* property taxes levied for general obligation bonds are deposited with the County and may only be applied to pay the principal of, redemption premium, if any, and interest on the District's general obligation bonds and general obligation refunding bonds. The District does not receive such funds nor are they available to pay any of the District's operating expenses. In addition, the total secured tax levy includes special assessments, improvement bonds, supplemental taxes or other charges which have been assessed on property within the District. Since State law allows homeowners' exemptions (described above) and certain business exemptions from *ad valorem* property taxation, such exemptions are not included in the total secured tax levy. See also "– California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes" above.

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

Typical Tax Rate Area. The following Table 8 shows *ad valorem* property tax rates for the most recent five fiscal years in a typical Tax Rate Area of the District (TRA 0067). TRA 0067 comprises approximately 30.08% of the total fiscal year 2026-27 assessed value of the District.

TABLE 8
LOS ANGELES UNIFIED SCHOOL DISTRICT
Typical Tax Rates per $100 of Assessed Valuation (TRA 0067)
Fiscal Years 2022-23 through 2026-27

	2022-23	2023-24	2024-25	2025-26	2026-27[3]
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Los Angeles Unified School District[1]	0.121072	0.124219	0.128018	0.119605	0.121306
Los Angeles Community College District[1]	0.024882	0.060231	0.051361	0.048543	0.043416
City of Los Angeles[1]	0.016066	0.011448	0.013312	0.012232	0.012603
Metropolitan Water District[2]	0.003500	0.003500	0.007000	0.007000	0.008500
Total	1.165520%	1.199398%	1.199691%	1.187380%	1.185825%

(1) Tax rate relates to bonds authorized by voters subsequent to the approval of Proposition 13.
(2) Tax rate relates to bonds authorized by voters pursuant to a special election held in 1966 (prior to the approval of Proposition 13) in the service area of the Metropolitan Water District of Southern California.
(3) 2026-27 assessed valuation of TRA 0067 is $316,709,930,109 which is 30.08% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

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Secured Tax Charges and Delinquencies. The following Table 9A sets forth the real property tax charges and corresponding delinquencies for the District's general obligation bond debt service levy, with respect to the property located in the District, for fiscal years 2015-16 through 2025-26. For reference and as an indication of comparative delinquency rates, Table 9B sets forth the real property tax charges and corresponding delinquencies for the portion of the County's 1% general fund levy that is allocated to the District, with respect to property located in the District for fiscal years 2015-16 through 2025-26. The portion of the County's 1% general fund levy that is allocated to the District is not pledged to and does not secure the repayment of the Bonds.

TABLE 9
LOS ANGELES UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2015-16 through 2025-26

9A. District General Obligation Bond Debt Service Levy

Fiscal Year	Secured Tax Charge[1]	Amount Delinquent June 30	Percentage Delinquent June 30
2015-16	$711,852,286.31	$10,350,374.48	1.45%
2016-17	762,676,169.42	10,152,397.66	1.33
2017-18	765,484,783.08	11,238,395.43	1.47
2018-19	826,147,438.29	13,737,180.29	1.66
2019-20	903,922,222.21	25,782,448.86	2.85
2020-21	1,072,754,468.10	22,715,092.01	2.12
2021-22	904,728,597.58	16,272,122.21	1.80
2022-23	1,033,041,998.26	20,269,504.57	1.96
2023-24	1,127,005,255.56	23,986,400.38	2.13
2024-25	1,215,256,389.52	38,061,628.68	3.13
2025-26	1,181,733,740.96	34,124,980.49	2.89

9B. 1% General Fund Apportionment Levy

Fiscal Year	Secured Tax Charge[2]	Amount Delinquent June 30	Percentage Delinquent June 30
2015-16	$1,078,286,485.58	$15,318,415.41	1.42%
2016-17	1,142,718,955.32	13,595,654.87	1.19
2017-18	1,222,916,327.88	15,217,873.23	1.24
2018-19	1,311,715,583.78	17,950,532.81	1.37
2019-20	1,405,968,051.67	31,757,910.59	2.26
2020-21	1,499,191,370.12	25,590,654.61	1.71
2021-22	1,556,962,602.77	24,377,000.99	1.57
2022-23	1,665,617,645.15	26,045,738.38	1.56
2023-24	1,771,389,883.84	31,149,850.08	1.76
2024-25	1,858,742,488.20	46,619,781.69	2.51
2025-26	1,927,181,311.13	43,108,751.00	2.24

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

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including reduced consumer confidence, reduced real wages or reduced economic activity as a result of a pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire,

or toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. If delinquencies increase substantially as a result of events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

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

The District Participates in CSDTFA. The District is a member of the California Statewide Delinquent Tax Finance Authority ("CSDTFA"). CSDTFA is a joint exercise of powers agency formed for the purpose of purchasing delinquent *ad valorem* property taxes of its members in accordance with Section 6516.6 of the Government Code of the State of California. Historically, CSDTFA has from time to time purchased delinquent *ad valorem* property tax receivables related to the District's share of the 1% general *ad valorem* property tax levy (not the additional *ad valorem* property tax levy for debt service on the District's general obligation bonds) from the District. The District, however, cannot predict whether CSDTFA will continue to make such purchases in the future. CSDTFA purchased the District's delinquent *ad valorem* property tax receivables related to the 1% general *ad valorem* property tax levy attributable to fiscal year 2024-25 from the District at a purchase price equal to 108% of such receivables and is expected to purchase the District's delinquent *ad valorem* property tax receivables related to the 1% general *ad valorem* property tax levy attributable to fiscal year 2025-26 from the District at a substantially similar purchase price. Any penalty charges collected with respect to such delinquencies will be retained by CSDTFA.

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Debt Service

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

TABLE 10
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds, Series QRRUS (2026)
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Annual Debt Service Schedule for the Bonds

Year Ending July 1	Principal	Interest	Total Debt Service
2027[1]			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
Total			

[1] Includes the Federally Taxable Bonds maturing on _____1, 2027.
Source: Los Angeles Unified School District.

Aggregate Fiscal Year Debt Service

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

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

		The Bonds [1]			
Semi-annual Period through	Outstanding General Obligation Bonds[2]	Principal	Interest	Semi Annual Debt Service	Total
January 1, 2027	$ 251,512,415				
July 1, 2027	1,008,961,421				
January 1, 2028	230,595,430				
July 1, 2028	911,121,278				
January 1, 2029	205,763,138				
July 1, 2029	843,233,138				
January 1, 2030	191,022,488				
July 1, 2030	862,442,488				
January 1, 2031	174,236,988				
July 1, 2031	903,056,988				
January 1, 2032	157,104,988				
July 1, 2032	915,484,988				
January 1, 2033	139,044,413				
July 1, 2033	930,659,413				
January 1, 2034	147,034,413				
July 1, 2034	890,254,688				
January 1, 2035	100,036,063				
July 1, 2035	390,511,063				
January 1, 2036	93,112,563				
July 1, 2036	399,497,563				
January 1, 2037	86,205,225				
July 1, 2037	405,340,225				
January 1, 2038	78,821,050				
July 1, 2038	414,986,050				
January 1, 2039	71,112,381				
July 1, 2039	420,082,381				
January 1, 2040	62,933,094				
July 1, 2040	428,218,094				
January 1, 2041	54,317,338				
July 1, 2041	393,602,338				
January 1, 2042	46,320,956				
July 1, 2042	401,600,956				
January 1, 2043	37,982,413				
July 1, 2043	322,037,413				
January 1, 2044	31,555,275				
July 1, 2044	328,975,275				
January 1, 2045	24,763,413				
July 1, 2045	344,953,413				
January 1, 2046	17,977,159				
July 1, 2046	228,892,159				
January 1, 2047	12,903,813				
July 1, 2047	204,173,813				
January 1, 2048	8,112,894				
July 1, 2048	175,707,894				
January 1, 2049	3,946,375				
July 1, 2049	131,131,375				
January 1, 2050	939,981				
July 1, 2050	41,764,981				
Total[3]	$14,524,043,651				

[1] The Bonds have principal maturing on _____1, 2027 and July 1 in each of the years and in the amounts set forth on the inside front cover page hereof.

[2] Includes set-aside payments for Qualified School Construction Bonds. Excludes federal subsidies related to Qualified School Construction Bonds. See APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt – *Limitations on the Receipt of Federal Funds*."

[3] Totals may not equal the sum of the components due to rounding.

Source: Los Angeles Unified School District.

The District's General Obligation Bond Program and Bonding Capacity

Voters within the District have approved a total of $36.605 billion of general obligation bonds in seven separate bond elections since 1997. See "INTRODUCTION – The District's General Obligation Bond Program." See also APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – District Debt" for additional information regarding the District's outstanding general obligation bonds. Pursuant to Section 15106 of the Education Code, the District's bonding capacity for general obligation bonds may not exceed 2.5% of taxable property value in the District as shown by the last equalized assessment of the County. The taxable property valuation in the District for fiscal year 2026-27 is $1.052 trillion, which results in a total current bonding capacity of approximately $26.322 billion. The District's available capacity for the issuance of new general obligation bonds is approximately $15.2 billion (taking into account current outstanding debt before the issuance of the Bonds). The issuance of additional series of general obligation bonds, other than general obligation refunding bonds, in future fiscal years will depend upon, among other things, the assessed valuation of property within the District's boundaries, as determined by the District's analysis of information from, among other sources, the Office of the County Assessor. See "– California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes" above and APPENDIX A – "DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION – DISTRICT FINANCIAL INFORMATION – Future Financings – *General Obligation Bonds*."

Overlapping Debt Obligations

Set forth in Table 12 on the following page is the report prepared by California Municipal Statistics Inc., which provides information with respect to direct and overlapping debt within the District as of September 1, 2026 (the "Overlapping Debt Report"). The Overlapping Debt Report is included for general information purposes only. The District has not reviewed the Overlapping Debt Report for completeness or accuracy and makes no representations in connection therewith. The Overlapping Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

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

TABLE 12
LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Direct and Overlapping Bonded Debt
As of September 1, 2026

2026-27 Assessed Valuation: $1,052,903,255,669

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 9/1/26
Metropolitan Water District	23.539%	$ 3,776,833
Los Angeles Flood Control District	47.116	47,116,000
Los Angeles Community College District	81.805	3,417,526,583
Pasadena Area Community College District	0.001	1,146
Los Angeles Unified School District	**100.000**	**10,403,855,000**(1)
City of Los Angeles	99.945	961,645,804
Other Cities	Various	14,948,154
City Community Facilities Districts	100.000	47,500,000
City and Special District 1915 Act Bonds	0.003 – 100.000	16,574,283
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$14,912,943,803
Less: **Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series J (2010) Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Asides for Repayment**		**258,455,000**(2)
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$14,654,488,803
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Los Angeles County General Fund Obligations	46.186%	$1,838,619,812
Los Angeles County Superintendent of Schools Certificates of Participation	46.186	618,753
Pasadena Area Community College District Certificates of Participation	0.001	273
Los Angeles Unified School District Certificates of Participation	**100.000**	**206,200,000**
Los Angeles Unified School District Judgment Obligations	**100.000**	**338,147,726**
City of Los Angeles General Fund Obligations	99.945	2,244,772,094
Other City General Fund and Pension Obligation Bonds	Various	503,532,931
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$5,131,891,589
Less: City supported obligations		162,108
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$5,131,729,481
OVERLAPPING TAX INCREMENT DEBT:		
City of Los Angeles Redevelopment Agency (Successor Agency)	100.000%	$170,815,000
Other Redevelopment Agencies (Successor Agency)	Various	124,973,830
TOTAL OVERLAPPING TAX INCREMENT DEBT		$295,788,830
GROSS COMBINED TOTAL DEBT		$20,340,624,222(3)
NET COMBINED TOTAL DEBT		$20,082,007,114

Ratios to 2026-27 Assessed Valuation:

Direct Debt ($10,403,855,000)	**0.99%**
Net Direct Debt ($10,145,400,000)	**0.96%**
Total Gross Overlapping Tax and Assessment Debt	1.42%
Total Net Overlapping Tax and Assessment Debt	1.39%
Gross Combined Direct Debt ($10,948,202,726)	**1.04%**
Net Combined Direct Debt ($10,689,747,726)	**1.02%**
Gross Combined Total Debt	1.93%
Net Combined Total Debt	1.91%

Ratios to Redevelopment Incremental Valuation ($107,682,076,771)

Total Overlapping Tax Increment Debt	0.27%

(1) Excludes general obligation bonds to be sold.
(2) As of 6/30/26
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: *California Municipal Statistics, Inc.*

TAX MATTERS

The delivery of the Tax-Exempt Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Tax-Exempt Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), of the owners thereof pursuant to section 103 of the Code, (2) will not be included in computing alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on individuals, and (3) will be taken into account in determining adjusted financial statement income for the alternative minimum tax imposed on certain corporations. The delivery of the Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State of California, that interest on the Bonds is exempt from personal income taxes of the State of California. The statutes, regulations, rulings, and court decisions on which such opinions will be based are subject to change. The form of Bond Counsel's anticipated opinion respecting the Bonds is included in APPENDIX D.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate (the "Tax Certificate") of even date with the initial delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Tax-Exempt Bonds and will assume continuing compliance with the provisions of the Resolution by the District subsequent to the issuance of the Bonds. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Tax-Exempt Bonds and the facilities and equipment financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Tax-Exempt Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any "arbitrage profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants could cause interest on the Tax-Exempt Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Tax-Exempt Bonds should be aware that the ownership of tax-exempt obligations such as the Tax-Exempt Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service ("IRS" or the "Service") or the State of California with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service or the State of California. The Service has an ongoing program of auditing the tax status of the interest on municipal obligations. If an audit of the Tax-Exempt Bonds is commenced, under current procedures, the Service is likely to treat the District as the "taxpayer," and the Owners of the Tax-Exempt Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Tax-Exempt Bonds, the District may have different or conflicting interests from the owners of the respective Tax-Exempt Bonds. Public awareness of any future audit of the Tax-Exempt Bonds could adversely affect

the value and liquidity of the Tax-Exempt Bonds during the pendency of the audit, regardless of its ultimate outcome.

Tax Accounting Treatment of Discount and Premium on Certain of the Bonds

The initial public offering price of certain of the Tax-Exempt Bonds (the "Discount Bonds") may be less than the amount payable on such Tax-Exempt Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Tax-Exempt Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. The tax rules requiring inclusion in income annually by the holder of a debt instrument having original issue discount of the daily portion of original issue discount for each day during a taxable year in which such holder held such debt instrument is inapplicable to the Tax-Exempt Bonds. A portion of such original issue discount, allocable to the holding period of such Discount Bond by the initial purchaser, will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, and will be added to the holder's basis in the Discount Bond, for federal income tax purposes, on the same terms and conditions as those for other interest on the bonds described above under "TAX MATTERS." Such interest is considered to be accrued in accordance with the constant-yield-to-maturity method over the life of a Discount Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Bond, and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial Owner prior to maturity, the amount realized by such Owner in excess of the basis of such Discount Bond in the hands of such Owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial offering price of certain Tax-Exempt Bonds (the "Premium Bonds") may be greater than the amount payable on such bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Tax-Exempt Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium

Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning Premium Bonds.

Form of Bond Counsel Opinion. The form of the proposed opinion of Bond Counsel relating to the Bonds is attached to this Official Statement as APPENDIX D.

LEGAL MATTERS

Possible Limitations on Remedies; Bankruptcy

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

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

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

Statutory Lien. Pursuant to the California Government Code, all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax and the lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the bonds

are executed and delivered. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Statutory Lien on Taxes (Senate Bill 222)." Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such tax collections without permission of the bankruptcy court, and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed.

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

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

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

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

Possession of Tax Revenues; Remedies. If the District goes into bankruptcy and the District or the County has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the District or the County, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. A similar risk would exist if the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy). The United States Court of Appeals for the First Circuit, in

another case arising out of the insolvency proceedings of Puerto Rico, has held that the Bankruptcy Code prohibits the bankruptcy court from requiring a governmental debtor to apply revenues in accordance with applicable non-bankruptcy law. In yet another case arising out of the insolvency proceedings of Puerto Rico, the United States Court of Appeals for the First Circuit has held that creditors cannot bring suit in a non-bankruptcy court to compel the governmental debtor to comply with non-bankruptcy law without first obtaining the permission of the bankruptcy court, and that the bankruptcy court has discretion as to whether to provide permission.

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

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

Amounts Held in County Treasury Pool

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

Legality for Investment in the State

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

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") for each fiscal year by not later than 240 days following the end of the District's fiscal year (currently ending June 30), commencing with the Annual Report for fiscal year 2025-26, and to provide notices of the occurrence of certain specified events (collectively, the "Listed Events"). The information to be contained in the Annual Report and in a notice of a Listed Event is set forth in APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." The District will provide or cause to be provided the Annual Report and such notices to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system in the manner prescribed by the Securities and Exchange Commission ("SEC"). Copies of the District's annual reports and notices of Listed Event filings are available at the website of Digital Assurance Certification, L.L.C. ("DAC"), www.dacbond.com, and at the website of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system, emma.msrb.org. The information presented on these websites is not incorporated by reference in this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds. These covenants have been made in order to assist the Underwriters (defined herein) in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

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

Certain Legal Matters

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Dannis Woliver Kelley, Long Beach, California, Bond Counsel to the District, and certain other conditions. A complete copy of the proposed form of opinion of Bond Counsel with respect to the Bonds is contained in Appendix D. Certain legal matters will also be passed upon for the District by its General Counsel and by the District's Disclosure Counsel, Dannis Woliver Kelley, Long Beach, California ("Disclosure Counsel"), and for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Los Angeles, California ("Underwriters' Counsel").

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

FINANCIAL STATEMENTS

The District's Audited Annual Financial Report for fiscal year ended June 30, 2025, including its general purpose financial statements for the fiscal year ended June 30, 2025, is included as Appendix B. The basic financial statements of the District for the fiscal year ended June 30, 2025 have been audited by Simpson & Simpson, independent certified public accountants, as stated in their report appearing in Appendix B. The District has not requested nor has the District obtained the consent of Simpson & Simpson to the inclusion of its report in Appendix B. Simpson & Simpson has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Simpson & Simpson has not been requested to perform and has not performed any procedures relating to the Official Statement.

LITIGATION

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

MISCELLANEOUS

Ratings

Fitch Ratings, Inc. ("Fitch"), Kroll Bond Rating Agency, LLC ("KBRA"), and Moody's Investors Service Inc. ("Moody's") have assigned their municipal bond ratings of "AAA," "AAA," and "Aa3," respectively, to the Bonds, which may include information that has not been included in this Official Statement. The District has furnished to each rating agency certain materials and information with respect to itself and the Bonds. Generally, rating agencies base their ratings on such information and materials and on their own investigations, studies and assumptions. Each rating reflects only the view of the respective rating agency, and any explanation of the significance of such rating may be obtained only from the issuing rating agency furnishing the same, at the following addresses: Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004, telephone: (212) 908-0800, Kroll Bond Rating Agency, LLC, 805 Third Avenue, 29th floor, New York, New York 10022, telephone: (212) 702-0707, and Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone: (212) 533-0300. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

Municipal Advisor

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

Underwriting

The Bonds are being purchased by BofA Securities, Inc. and Wells Fargo Bank, National Association, on behalf of a syndicate that also includes the other underwriters set forth on the cover hereof (collectively, the "Underwriters"). The Underwriters have agreed to purchase the Bonds at the purchase price of $_____ (which amount is equal to the aggregate principal amount of the Bonds, [plus/less] [net] original issue [premium/discount] of $_____, less an Underwriters' discount of $_____), pursuant to that certain Bond Purchase Agreement, dated _____, 2026 (the "Purchase Agreement"), by and among the Underwriters, the County and the District, relating to the Bonds. Pursuant to the Purchase Agreement, the Underwriters will purchase all of the Bonds if any are purchased.

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

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

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking,

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

BofA Securities, Inc., an underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill"). As part of this arrangement, BofA Securities, Inc. may distribute securities to Merrill, which may in turn distribute such securities to investors through the financial advisor network of Merrill. As part of this arrangement, BofA Securities, Inc. may compensate Merrill as a dealer for their selling efforts with respect to the Bonds.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), an underwriter of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

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

J.P. Morgan Securities LLC ("JPMS"), an underwriter of the Bonds, has entered into negotiated dealer agreements (each, a "JPMS Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each JPMS Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

American Veterans Group, PBC ("AVG"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, an "AVG Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co."), Herold & Lantern Investments, Inc. ("Lantern"), and Pinnacle Investments, LLC ("Pinnacle") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each AVG Dealer Agreement, each of CS&Co., Lantern, and Pinnacle may purchase Bonds from AVG at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

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Additional Information

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

Execution and Delivery

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

LOS ANGELES UNIFIED SCHOOL DISTRICT

By:_____
Chief Financial Officer

APPENDIX A

DISTRICT FINANCIAL INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION

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This Appendix A provides information concerning the operations and finances of the Los Angeles Unified School District (the "District") and certain demographic information in the area covered by the District. Investors must read the entire Official Statement, including this Appendix A, to obtain information essential to making an informed investment decision. The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation, and neither the Bonds nor the obligation of the District to make payment of the interest on or the principal of the Bonds constitutes an indebtedness of the District or the State, or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in the forepart of this Official Statement. See also "GLOSSARY OF CERTAIN TERMS AND ABBREVIATIONS" herein for a description of certain terms and abbreviations used in this Appendix A.

DISTRICT GENERAL INFORMATION

District Boundaries

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

District Governance; Senior Management

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

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

Superintendent. The chief executive officer of the District, appointed by the District Board to manage the day-to-day operations of the District, is the Superintendent of Schools (the "Superintendent"). The District Board appointed Andres E. Chait to serve as the Superintendent effective June 24, 2026.

Recent Matters related to the Former Superintendent. On February 27, 2026, the District Board voted unanimously to place then-Superintendent Alberto M. Carvalho on paid administrative leave pending investigation and named Andrés E. Chait as Acting Superintendent of the District, effective immediately. On February 25, 2026, the Federal Bureau of Investigation executed search warrants at both then-Superintendent Carvalho's residence and District headquarters. The District is cooperating with the ongoing federal investigation, but cannot provide further specifics at this time, nor can the District make any assurances as to any outcome of the investigation or its impact on District operations. The Board action on February 27, 2026, was taken to ensure the District's leadership remains focused on the mission of providing world-class teaching and learning in the classroom. On June 21, 2026, then-Superintendent Carvalho resigned as Superintendent of the District.

Biographies. Brief biographical information for Superintendent Andres Chait and other senior management of the District is set forth below.

Andrés Chait, Superintendent. Superintendent Andrés E. Chait brings decades of experience as an educator and district leader. From kindergarten teacher to principal, Local District Superintendent to Chief of School Operations, he has built a strong track record of student-centered leadership and operational excellence.

As Superintendent of Local District Northeast, he oversaw a diverse portfolio of schools and led efforts to strengthen instructional quality, improve attendance, and support school leaders in driving academic growth. Under his leadership, schools in the region focused on targeted interventions, expanded student supports, and deeper engagement with families and communities.

In his role as Chief of School Operations, Mr. Chait was responsible for ensuring that schools across the District had the operational infrastructure necessary to support teaching and learning. This included oversight of critical areas such as school safety, transportation, nutrition services, and daily operational systems. He worked closely with principals and central office teams to streamline processes, strengthen campus safety protocols, improve service delivery, and align operational systems with the District's academic priorities — ensuring that schools remained safe, well-supported environments where students and staff can thrive.

He also oversaw District operations during a particularly challenging period, including the impacts of the Palisades and Eaton fires and heightened immigration enforcement activity across the region. During these events, he helped coordinate cross-departmental response efforts to maintain school continuity, support affected families, and reinforce safety and stability for students and staff across the District. His leadership across both roles reflects a consistent commitment to equity, collaboration, and creating the conditions for schools and students to thrive.

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

school meals, modernizing wireless networks, leading school building renovations, and implementing strategic budgeting efforts.

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

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

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

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

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

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

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

of Southern California in 1992 and a Juris Doctorate degree from the University of San Francisco School of Law in 1996.

Saman Bravo-Karimi, Chief Financial Officer. Mr. Bravo-Karimi began serving as the District's Chief Financial Officer in September, 2025. Mr. Bravo-Karimi previously served as the Chief Business Officer of Pasadena Unified School District, as Senior Executive Director of Finance Policy and the Director of Finance Policy at the District, as Chief Business Officer of Bright Star Schools, as well as the Director of Capital Fund Compliance and as a Program Associate, Budget Services and Financial Planning for the District. Mr. Bravo- Karimi also completed the Broad Residency in Urban Education, prior to which he served in several positions with Wells Fargo Bank. Mr. Bravo-Karimi earned a Bachelor of Arts degree in Economics and History from the University of California at Los Angeles and a Master of Business Administration from the University of California at Los Angeles Anderson School of Management.

Kurt John, Ed.D, Deputy Chief Financial Officer – Finance. Dr. John joined the District on July 17, 2025. He comes to the District from the Substance Abuse and Mental Health Services Administration where he served as the Director of the Office of Financial Resources. Prior to that, he served in several leadership positions at the National Institutes of Health ("NIH"). These roles included Deputy Budget Officer at the NIH National Eye Institute, Chief Financial Officer and then Executive Officer at the NIH Center for Information Technology, and Chief Financial Officer at the NIH National Institute on Aging. Dr. John received his Bachelor of Science degree and Master of Finance degree from the University of Maryland. He also received an Executive Leadership Master of Public Administration from American University and a Doctor of Education from The George Washington University.

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

Timothy S. Rosnick, Deputy Controller. Mr. Rosnick joined the District in October 2006 and served as the District's Director of Accounting Controls from October 2006 through June 2007 and the Director of Treasury and Accounting Controls from July 2007 through June 2008. Mr. Rosnick served as the District's Controller from June 2008 through June 2011 and served as the District's Deputy Controller from June 2011 through September 2023. Mr. Rosnick became Director of Capital Planning and Budgeting in September 2023 and served in this position through June 2025. Mr. Rosnick is now serving as the District's Deputy Controller. Prior to joining the District, Mr. Rosnick served as an Administrator at the Orange County Department of Education and as a Financial Officer with the Los Angeles County Office of Education ("LACOE"). Mr. Rosnick graduated from the University of Washington with a Bachelor of Arts degree with Distinction in Economics and received a Master of Business Administration degree from the University of Texas at Austin. Mr. Rosnick is a member of the Government Finance Officers Association and the CFA Institute.

Strategic Plan. On June 23, 2026, the Board unanimously adopted a strategic plan for the next four years (the "2026-2030 Strategic Plan") that builds upon the previous strategic plan (the "2022-26 Strategic Plan") while focusing on outcomes for students. Like the 2022-26 Strategic Plan, the 2026-2030 Strategic Plan is organized around five pillars with focus placed on aligned priorities under each pillar.

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

The 2026-2030 Strategic Plan refines and strengthens the District's goals reflecting a continued focus on academic achievement and student success, with important expansions to better prepare students for college, career, and life. The District's updated goals include (i) expanding literacy to include both elementary and middle school (grades 3–5 and 6–8), (ii) maintaining a strong focus on numeracy across grades 3–8, (iii) adding a new goal for science achievement in grades 5 and 8, (iv) strengthening college and career readiness by including both college (A-G completion) and career pathways, and (v) elevating social-emotional learning to support students' development of the skills needed to manage emotions, build relationships, and make responsible decisions. The goals establish clear priorities and align work across schools, offices, and communities to improve outcomes for all students. The District will also focus on student groups to ensure that they demonstrate significant growth to reach grade-level proficiency and close opportunity gaps.

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

School Facilities

The District is the largest public school district in the State and the largest self-governing public school district in the United States. As reflected in the District's Audited Annual Financial Report for fiscal year 2024-25, the District operated 1,233 schools and centers in fiscal year 2024-25, which consisted of 435 elementary schools, 79 middle/junior high schools, 87 senior high schools, 59 options schools, 27 multi-level schools, 11 special education schools, 267 magnet centers, 66 magnet schools, 18 primary school centers, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, and 81 California State preschools. As reflected in the District's Audited Annual Financial Report for fiscal year 2024-25, 51 of the District's schools were operated as Affiliated Charter Schools in fiscal year 2024-25. In addition, as reflected in the District's Audited Annual Financial Report for fiscal year 2024-25, the District oversaw 218 Fiscally Independent Charter Schools within the District's boundaries in fiscal year 2024-25. As of July 2026, the District is operating or overseeing 1,520 schools and centers (including Fiscally Independent Charter Schools). See "STATE FUNDING OF SCHOOL DISTRICTS – Charter School Funding."

Enrollment and Average Daily Attendance

At the time of preparation of the District's original adopted budget for fiscal year 2026-27 (the "Fiscal Year 2026-27 Budget"), the transitional kindergarten ("TK") through 12th grade enrollment in the District for fiscal year 2026-27 was budgeted to be approximately 375,890 students, including those attending magnet, opportunity, and continuation schools and centers, Affiliated Charter Schools, and schools for people with disabilities. Such enrollment represents a projected decrease of 13,120 students or a decrease of approximately 3.37% from the budgeted TK-12 enrollment in the District at the time of preparation of the District's original adopted budget for fiscal year 2025-26 (the "Fiscal Year 2025-26 Budget"). Such enrollment does not include students attending Fiscally Independent Charter Schools whose enrollment was budgeted at 105,585 students at the time of preparation of the Fiscal Year 2026-27 Budget. Based on enrollment projections at the time of preparation of the Fiscal Year 2026-27 Budget, the District projected enrollment to decline by 3.36% on average through fiscal year 2028-29. For more information regarding District enrollment and average daily attendance, see "DISTRICT FINANCIAL INFORMATION – District Budget" below for information regarding the District's declining enrollment.

The District expects enrollment to continue to decline and attributes declining enrollment to, among other things, the reduced birth rate in the County, increased costs of living, including housing costs in southern California, declining immigration trends in the Los Angeles area, residual impacts of the COVID-19 pandemic, and the 2025 wildfires. See "*2025 Wildfires*" in the front part of the Official Statement. The District's Strategic Enrollment & Program Planning Office continues to lead coordination of District-wide enrollment efforts by utilizing data-driven decision-making to expand successful District programs, improve marketing and outreach to communities, implement student retention and matriculation strategies, and streamline TK-12 pathways and programs. As a result of declining enrollment in District schools, the District's annual average daily attendance ("ADA") has declined in recent years and is expected to further decline from fiscal year 2026-27 to fiscal year 2028-29, based on projections contained in the Fiscal Year 2026-27 Budget. Declines in enrollment will negatively affect ADA within the District and, accordingly, the amount of funding the District receives from the State. LACOE, which provides fiscal oversight for school districts in the County, in fiscal year 2025-26 requested the District implement a fiscal stabilization plan to accommodate the declines in ADA and the District's concomitant State funding. In light of recent bargaining agreements and amid the declining enrollment context, LACOE requested an updated Board-approved fiscal stabilization plan for fiscal year 2026-27. See "DISTRICT FINANCIAL INFORMATION – District Budget - *Fiscal Stabilization Plans*" below.

In light of pervasive declining enrollment throughout nearly all school districts in the State (at an average of approximately 1.5% in the last year), the Governor's State budget for fiscal year 2022-23 revised the Local Control Funding Formula ("LCFF") calculation of ADA for purposes of apportionments beginning with fiscal year 2022-23 to consider the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' ADA to allow school districts more time to adjust to enrollment-related LCFF funding declines.

The following Table A-1 sets forth the District's actual and funded ADA for fiscal years 2016-17 through 2026-27. As reflected in Table A-1, the District's funded ADA for fiscal years 2016-17 through 2021-22 was based largely on actual prior year ADA for the second period of attendance ("P-2") for traditional TK-12 students, but current year P-2 ADA for students attending Affiliated Charter Schools. For fiscal years 2022-23 through 2026-27, the District's funded ADA was based largely on the average of three prior fiscal years' P-2 ADA for traditional TK-12 students, as adjusted in accordance with then-applicable COVID-19 ADA relief measures, but current year P-2 ADA for students attending Affiliated Charter Schools. As is shown in Table A-1, the revised LCFF calculation allowing the greater of a school district's current fiscal year, prior fiscal year, or the average of three prior fiscal years' ADA delays, but does not

eliminate, the effects of declining enrollment on LCFF funding; such effects will eventually be felt as higher attendance levels from earlier years continue phasing out of the District's average.

TABLE A-1
LOS ANGELES UNIFIED SCHOOL DISTRICT
Average Daily Attendance
Fiscal Years 2016-17 through 2026-27[1]

	Actual ADA			Funded ADA
Fiscal Year	TK-12[2]	Affiliated Charter Schools[3]	Total	Total
2016-17	450,713	41,143	491,856	500,648[8]
2017-18	438,359	40,232	478,591	483,710[8]
2018-19	415,100	38,910	454,010	470,127[8]
2019-20[4]	413,965	40,940	454,905	454,792[8]
2020-21[5]	N/A	N/A	N/A	455,356[8]
2021-22	345,896	35,043	380,939	449,912[8]
2022-23	349,006	35,465	384,471	434,269[9]
2023-24	345,742	35,585	381,327	411,069[9]
2024-25	336,816	34,895	371,711	386,214[9]
2025-26[6]	324,474	34,646	359,120	373,463[9]
2026-27[7]	313,776	33,621	347,397	365,374[9]

(1) Data may differ from other District disclosures because adjustments were made in certain fiscal years due to additional attendance for non-public students, corrected attendance reports for District students, and/or audit findings.
(2) Includes non-public school special education students and District students attending schools operated by the County.
(3) Includes charter schools that are fiscally-affiliated with the District.
(4) Condensed reporting period. Does not reflect actual student attendance after February 29, 2020 due to the COVID-19 pandemic.
(5) Attendance reporting not required for fiscal year 2020-21 due to the COVID-19 pandemic. The fiscal year 2020-21 State budget included a hold harmless provision for the purpose of calculating apportionments under LCFF in fiscal year 2020-21, providing that ADA for fiscal year 2020-21 was based on ADA for fiscal year 2019-20 (specifically, the period July 1, 2019 through February 29, 2020), as discussed in more detail above.
(6) Actual and Funded ADA as reflected in the 2025-26 Unaudited Actuals presented to and approved by the District Board on September 15, 2026.
(7) Actual and Funded ADA as reflected in the Fiscal Year 2026-27 Budget.
(8) Funded ADA is based largely on actual prior year P-2 ADA for TK-12 and current year P-2 ADA for Affiliated Charter Schools. For more information, see the discussion of ADA funding in the paragraph immediately preceding this table.
(9) Funded ADA is based largely on the average of three prior fiscal years' P-2 ADA for TK-12, as adjusted in accordance with the COVID-19 ADA relief measures, and current year P-2 ADA for Affiliated Charter Schools. For more information, see the discussion of ADA funding in the paragraph immediately preceding this table.

Sources: Los Angeles Unified School District; the District's Audited Annual Financial Report for fiscal year 2024-25 (actual ADA for fiscal years 2016-17 through 2024-25); and Fiscal Year 2025-26 Unaudited Actuals.

Federal Funding

The federal government provides funding for several District programs. Federal policies involving taxation, appropriations, borrowing (including the debt ceiling), trade (including tariffs), immigration, climate change, energy, and other topics can shift, sometimes dramatically, from one presidential administration or Congress to another. From time to time, such shifts can result in reductions to the level of federal funding for a variety of policy priorities, including transportation, housing, healthcare, social services, and other federally funded programs. See "INTRODUCTION – Federal Funding" in the front part of this Official Statement.

STATE FUNDING OF SCHOOL DISTRICTS

General

School districts in the State receive operating revenues from federal, State and local sources, including appropriations from the State's general fund and local property taxes derived from a school district's share of the 1% *ad valorem* property tax. School districts also currently receive revenues from the State attributable to temporary tax increases implemented by Proposition 30 (defined herein). In connection with voter approval of Proposition 55 (defined herein), certain of such temporary tax increases were extended by twelve years through 2030. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 30" below. School districts, such as the District, may be eligible for other special categorical funding, including funding for certain State and federal programs. The amount of categorical funding appropriated to a school district may vary significantly among school districts from year to year. As of the Fiscal Year 2026-27 Budget, the District has budgeted to receive approximately 70.52% of District General Fund revenues from funds of or controlled by the State related to LCFF funding. As a result, decreases in State revenues, or in State legislative appropriations made to fund education, may significantly affect District operations. For more information regarding the District's funding for fiscal year 2026-27, see "– State Budget Act – *2026-27 State Budget*," "– Local Control Funding Formula" and "DISTRICT FINANCIAL INFORMATION – District Budget" herein. See also, "District General Information – Federal Funding" herein.

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

The actual appropriations and the timing of such appropriations are subject to, among other things, the estimated amount of State general fund revenues during the fiscal year and subsequent changes in State law. At times since the implementation of Proposition 98, the State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: including by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State did in fiscal years 2019-20 and 2020-21; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13;

and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances. For more information on the Proposition 98 minimum guarantee under the 2026-27 State Budget, see "– State Budget Act – *2026-27 State Budget*" herein.

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

The State Budget Process

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

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

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

State Budget Act

2025-26 State Budget. The Governor signed the 2025-26 State Budget (the "2025-26 State Budget") on June 27, 2025. The 2025-26 State Budget notes that the State has experienced ongoing uncertainty created by recent federal policy changes. The 2025-26 State Budget reduces growth in State spending while maintaining support for key programs and incorporates a comprehensive regulatory streamlining package to advance more affordable housing and infrastructure.

The 2025-26 State Budget states that the imposition of federal policy changes significantly slowed growth in the California economy, particularly broad-based tariffs which drove a downgrade to California's previous economic and revenue forecasts. The 2025-26 State Budget also notes that California experienced substantial cost and caseload growth in several core State programs – most notably, in Medi-Cal – which combined to a State general fund shortfall of $11.8 billion. The 2025-26 State Budget addresses this shortfall through a range of solutions, including $2.8 billion in reductions in fiscal year 2025-26, growing to $11.9 billion by fiscal year 2028-29; $7.8 billion in total revenue increases and borrowing solutions in fiscal year 2025-26; and $1.2 billion in fund shifts in fiscal year 2025-26. To provide a balanced budget over two fiscal years, the 2024-25 State budget authorized withdrawals from the Budget Stabilization Account ("BSA") of $5.1 billion in fiscal year 2024-25 and $7.1 billion in fiscal year 2025-26. The 2025-26 State Budget continues the scheduled $7.1 billion BSA withdrawal in fiscal year 2025-26, while maintaining a combined reserve balance of $15.7 billion in fiscal year 2025-26, including $11.2 billion in the BSA and $4.5 billion in the Special Fund for Economic Uncertainties (the "SFEU").

The 2025-26 State Budget projects total resources available in fiscal year 2024-25 of approximately $268.7 billion, including revenues and transfers of approximately $226.7 billion and a prior year balance of approximately $42.0 billion, and total expenditures in fiscal year 2024-25 of approximately $233.6 billion. The 2025-26 State Budget projects total resources available for fiscal year 2025-26 of approximately $250.9 billion, inclusive of revenues and transfers of approximately $215.7 billion and a prior year balance of approximately $35.1 billion. The 2025-26 State Budget projects total expenditures in fiscal year 2025-26 of approximately $228.4 billion, inclusive of non-Proposition 98 expenditures of approximately $147.6 billion and Proposition 98 expenditures of approximately $80.7 billion. The 2025-26 State Budget projects total reserve balances of $33.7 billion at the end of fiscal year 2025-26. This includes $18.0 billion in the Reserve for Liquidation of Encumbrances, $4.5 billion in the SFEU, and $11.2 billion in the BSA. The 2025-26 State Budget includes total funding of $137.6 billion for all TK-12 education programs, including $80.5 billion from the State's general fund and $57.1 billion from other funds. The 2025-26 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2025-26 State Budget include the following:

- Proposition 98 Minimum Guarantee. The 2025-26 State Budget reflects Proposition 98 funding levels of $98.5 billion in fiscal year 2023-24, $119.9 billion in fiscal year 2024-25, and $114.6 billion in fiscal year 2025-26. Due to the inherent risk in revenue projections, the 2025-26 State Budget appropriates the fiscal year 2024-25 Proposition 98 minimum guarantee at $118.0 billion, instead of the currently calculated level of $119.9 billion, in order to mitigate the risk of potentially appropriating more resources to the Proposition 98 minimum guarantee than are ultimately available in the final calculation for fiscal year 2024-25. The 2025-26 State Budget will allocate any settle-up funds that are realized to reduce ongoing deficits and protect core program funding for school districts and community colleges, including funding for growth and cost-of-living adjustments, as well as paying down TK-14 deferrals. The Proposition 98 minimum guarantee is in a Test 2 for fiscal year 2023-24 (although suspended at $98.5 billion) and continues to be in a

Test 1 for fiscal years 2024-25 and 2025-26, meaning that the funding level of the Proposition 98 minimum guarantee for such fiscal years is equal to roughly 40% of the State's general fund revenues, plus local property tax revenues. Pursuant to the Proposition 98 formula, this percentage of State general fund revenues is not reduced to reflect enrollment adjustments, which further increases per pupil funding. The Proposition 98 minimum guarantee is "rebenched" to reflect the continued implementation of universal TK and property tax backfills related to the January 2025 fires in the County of Los Angeles. The resulting Test 1 percentage is then "rebenched" to increase the percentage of State general fund revenues due to the Proposition 98 minimum guarantee, from 39.2% to 39.6%.

- Proposition 98 Rainy Day Fund. The 2025-26 State Budget maintains the withdrawal of the full $8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24. The 2025-26 State Budget provides a mandatory deposit into the Proposition 98 Rainy Day Fund in fiscal year 2024-25 of $455.0 million. Additionally, a year-over-year decrease in the Proposition 98 minimum guarantee triggers a mandatory withdrawal of $455.0 million in fiscal year 2025-26, exhausting the remaining Proposition 98 Rainy Day Fund balance. See "– Limitations on School District Reserves" and "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 751."

- Proposition 98 Funding Split. The 2025-26 State Budget shifts the full TK expansion funding from the community colleges budget to the TK-12 budget of the Proposition 98 budget, beginning in the 2025-26 fiscal year. This shifts $232.9 million in ongoing Proposition 98 resources from community colleges to TK-12 schools. The purpose of rebenching Proposition 98 resources for the cost of TK expansion is to ensure that implementation of universal TK does not create a fiscal burden on existing TK-12 programs; therefore, this shift will align resources generated by the rebench.

- Local Control Funding Formula. The 2025-26 State Budget includes an LCFF cost-of-living adjustment of 2.30%. The cost-of-living adjustment, when combined with population growth adjustments, increases discretionary funding for local education agencies ("LEAs") by $2.1 billion. To fully fund the LCFF, the 2025-26 State Budget withdraws $405.3 million from the Proposition 98 Rainy Day Fund to support LCFF costs in fiscal year 2025-26.

- Deferrals. Pursuant to the 2025-26 State Budget, budgetary deferrals of $246.6 million for TK-12 education from fiscal year 2024-25 are fully repaid in fiscal year 2025-26. However, to fully fund the LCFF and maintain the level of fiscal year 2025-26 principal apportionments, the 2025-26 State Budget defers $1.9 billion in LCFF funding from June 2026 to July 2026.

- Universal Transitional Kindergarten. In the 2025-26 school year, the 2025-26 State Budget provides a total of $2.1 billion in ongoing Proposition 98 general fund resources (inclusive of all prior years' investments) to support the full implementation of universal TK, so that all children who turn four years old by September 1 can enroll in TK in the 2025-26 school year. The 2025-26 State Budget also provides an additional $1.2 billion in ongoing Proposition 98 general fund resources to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.

- Before School, After School, and Summer School. The 2025-26 State Budget provides $515.1 million in ongoing Proposition 98 general fund resources for the full implementation of the Expanded Learning Opportunities Program by increasing the number of elementary schools that offer universal access to students, from all those in LEAs with an unduplicated pupil percentage of

75% to all those in LEAs with 55% unduplicated students. Additionally, the 2025-26 State Budget includes $10.4 million to increase the minimum grant amount from $50,000 to $100,000 per LEA.

- Literacy Instruction. The 2025-26 State Budget provides $480.0 million to support literacy instruction aligned with the English Language Arts/English Language Department ("ELA/ELD") Framework for all students, including: (i) $215.0 million in one-time Proposition 98 general fund resources to expand the existing Literacy Coaches and Reading Specialists Grant Program; (ii) $200.0 million one-time Proposition 98 general fund resources to support evidence-based professional learning for elementary school educators aligned with the ELA/ELD Framework; (iii) $40.0 million in one-time Proposition 98 general fund resources to support necessary costs, including purchasing screening materials and training for educators, to administer screenings for risk of reading difficulties to all kindergarten through second grade students beginning in the 2025-26 school year; (iv) $15.0 million in one-time Proposition 98 general fund resources for Literacy and Mathematics Networks, to convene literacy and mathematics lead agencies to support the implementation of evidence-based practices aligned to their respective curriculum frameworks; and (v) $10.0 million in one-time Proposition 98 general fund resources for a county office of education to partner with the University of California, San Francisco Dyslexia Center to support the Multitudes screener for risk of reading difficulties, which is free to California public schools, and expand capacity for educator support for those schools using Multitudes.

- Teacher Preparation and Professional Development. The 2025-26 State Budget includes multiple investments intended to support teachers and improve access to the educator pipeline, including: (i) $300.0 million in one-time Proposition 98 general fund resources to establish the Student Teacher Stipend Program, which will provide $10,000 grants to teacher candidates completing the required student teaching hours beginning in the 2026-27 school year, and available through the 2028-29 school year, of which amount, $5.0 million is available to support a public outreach campaign and a grant management system to facilitate uptake and access to student teacher stipends, teacher residency funds, and national board certification dollars; (ii) $70.0 million in one-time Proposition 98 general fund resources to increase funding for high-quality teacher residency programs; and (iii) $30.0 million in one-time Proposition 98 general fund resources to extend the timeline of the existing National Board Certification Incentive Program to support National Board Certified teachers to teach in high poverty schools.

- State Preschool. To augment provider rates, the 2025-26 State Budget provides $19.3 million of Proposition 98 general fund resources and $10.2 million in non-Proposition 98 general fund resources for the California State Preschool Program to support cost of care. Additionally, within existing funding, the 2025-26 State Budget includes authority for the Department of Education to: (i) expand State Preschool Program provider contracts to increase enrollment of three-year-olds by 10%; (ii) fund prospective pay for State Preschool Program providers to ensure timely payment of State contract funding; and (iii) automate prospective pay for State Preschool Program providers.

Additional budgeted programs and adjustments for K-12 education set forth in the 2025-26 State Budget include the following:

- Learning Recovery Emergency Block Grant. The 2025-26 State Budget provides $378.6 million in one-time Proposition 98 general fund resources to support the Learning Recovery Emergency Block Grant, which supports LEAs in establishing learning recovery initiatives through the 2027-28 school year.

- Career Technical Education. The 2025-26 State Budget provides $150.0 million in one-time Proposition 98 general fund resources for career technical education and career pathways programming, subject to pending legislation.

- Universal School Meals Support Grant. The 2025-26 State Budget provides $145.0 million in one-time Proposition 98 general fund resources for specialized kitchen equipment, infrastructure, training, and procurement of sustainably grown food to support schools in providing more freshly prepared meals, $10.0 million in one-time Proposition 98 general fund resources to recruit and retain school food service workers, and $5.0 million in one-time Proposition 98 general fund resources for a study of ultra-processed foods offered in California school meals.

LAO Analysis of the 2025-26 State Budget. The Legislative Analyst's Office (the "LAO"), a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the 2025-26 State Budget entitled "The 2025-26 Budget: Overview of the Spending Plan" on October 16, 2025 (the "2025-26 State Budget Analysis"). In the 2025-26 State Budget Analysis, the LAO assesses the budget shortfall that was addressed in the 2025-26 State Budget and analyzes the major proposals for K-14 education.

The LAO notes that the State addressed a budget shortfall for the third year in a row. The budget shortfall for the fiscal year 2025-26 of $15.0 billion was smaller compared to $55.0 billion in fiscal year 2024-25 and $27.0 billion in fiscal year 2023-24. Most of the reason that the State faces a budget problem is that the underlying costs of State services continue to outpace the State's revenue collections. However, about $4 billion of the budget problem results from new, discretionary State General Fund spending in the budget package, as well as some budget actions adopted in a special session. The measures approved in the special session provided funding for (1) response and recovery costs related to the January 2025 Southern California wildfires and (2) activities to address federal government actions impacting the state.

The LAO notes that the 2025-26 State Budget uses various maneuvers to address the budget shortfall, including reserve withdrawals, spending reductions, revenue increases, and borrowing (for example, loaning money from other funds to the State's General Fund). The LAO indicates that the 2025-26 State Budget primarily relies on borrowing to close the gap, accounting for $10.0 billion and approximately two-thirds of the total solutions. After borrowing, spending-related solutions, including both reductions and fund shifts, total $5.0 billion and represent nearly all of the remaining one-third of the total solutions. Revenue-related solutions, totaling about $300.0 million, represent the small remainder. Note that while the State is also making a $7.1 billion withdrawal from the BSA in fiscal year 2025-26, the LAO does not treat this withdrawal as part of the 2025-26 State Budget because it was authorized in the 2024-25 State Budget.

As part of the borrowing, the LAO explains that a decrease of the Proposition 98 minimum guarantee will require the State to settle up using future revenues. The estimate for the Proposition 98 minimum guarantee is up nearly $4.7 billion from the June 2024 level, but the 2025-26 State Budget appropriates just over $2.7 billion in additional funding for that year. Funding schools and community colleges at this level—$1.9 billion below the estimate of minimum requirement—provides temporary savings but requires the State to settle up using future revenues. The State will finalize its calculation of this obligation in May 2026. The LAO notes that the borrowing in the 2025-26 State Budget increases the amount of outstanding borrowing the State used to address the budget shortfall by $10.0 billion, increasing the total outstanding budgetary borrowing from $12.0 billion to $22.0 billion; the borrowing is similar to the measures used during the Great Recession.

The LAO estimates that, pursuant to the 2025-26 State Budget, the State would end the 2025-26 fiscal year with $15.7 billion in General Fund reserves, including $11.0 billion in the BSA and $4.5 billion

in the SFEU. The LAO also estimates that the State would have room under the State appropriations limit in fiscal years 2023-24 through 2025-26. The LAO expects that revenues from the major tax sources would grow 10.0% from fiscal year 2023-24 to fiscal year 2024-25; however, the LAO projects that revenues from the major tax sources would decrease by 15.0% from fiscal year 2024-25 to fiscal year 2025-26.

The LAO explains that the 2025-26 State Budget provides $2.2 billion to cover a 2.30% cost-of-living adjustment for existing school and community college programs. For schools, the 2025-26 State Budget also provides an ongoing increase of $607 million for the Expanded Learning Opportunities Program, funding before and after school activities and summer enrichment. This augmentation will increase the share of districts qualifying for the program's higher "tier 1" funding rate. For community colleges, the 2025-26 State Budget also provides $140.0 million to cover 2.35% enrollment growth across fiscal years 2024-25 and 2025-26.

The LAO notes that the 2025-26 State Budget provides $1.7 billion for the Student Support and Professional Development Discretionary Block Grant. Districts can use these funds for any local purpose, but trailer legislation encourages them to prioritize teacher training and professional development, teacher recruitment and retention, career pathways for high school students, and dual enrollment programs. The State will distribute funds on an equal per-pupil basis (about $312.0 per student). For community colleges, the 2025-26 State Budget provides $60.0 million for the Student Support Block Grant. Districts can use these funds for a range of student services, including basic needs (such as food, housing, and transportation), financial aid, counseling, and job placement activities. The State will allocate funds based on student headcount and the share of students qualifying for fee waivers or nonresident tuition exemptions, with a minimum grant of $150,000 per college in each district. In addition to these discretionary grants, the 2025-26 State Budget funds several smaller grants for schools related to learning recovery, teacher training and recruitment, school meals, and career technical education.

The LAO indicates that the 2025-26 State Budget reduces spending in fiscal year 2025-26 by deferring $2.3 billion in payments to fiscal year 2026-27. Of this amount, $1.9 billion pertains to schools. The State will implement the school deferral by shifting a portion of the June 2026 payment to July 2026. The law exempts districts and charter schools that can demonstrate the delay would make them unable to meet their financial obligations. The remaining $408.0 million in deferrals pertains to community colleges. The State will implement the community college deferral by moving payments from May and June 2026 to July 2026. The purpose of these deferrals is to free up funding for additional one-time and ongoing spending that would otherwise exceed the available Proposition 98 funding in fiscal year 2025-26.

The 2025-26 State Budget Analysis is available on the LAO website at www.lao.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

2026-27 State Budget. The Governor signed the budget for fiscal year 2026-27 for the State ("2026-27 State Budget") on June 29, 2026. The 2026-27 State Budget includes balanced budgets for fiscal year 2026-27 and fiscal year 2027-28 and reduces operating deficits projected in future years by more than half. For fiscal year 2026-27, the 2026-27 State Budget includes revenues and transfers of approximately $226 billion and a prior year balance of approximately $57 billion for total resources of approximately $284 billion and expenditures of approximately $251 billion. For fiscal year 2025-26, the 2026-27 State Budget includes total resources of $303 billion (revenues and transfers of $246 billion and prior year balance of $57 billion) and expenses of $245 billion.

The 2026-27 State Budget includes three key revenue proposals: (i) extending the business tax credit limitation of $5 million or 50% of tax liability, whichever is greater, for an additional three years

through 2029, (ii) taxation of digital prewritten software and software as a service, and (iii) a tax on managed care organizations.

In recent years, the State has used withdrawals from the BSA as a budget solution and has suspended deposits to the BSA. As a result of an increase in revenue driven by an increase in personal income, corporate, and sales and use taxes, however, the 2026-27 State Budget includes a $3.6 billion deposit into the BSA in 2026-27 and a minor "true-up" for the 2024-25 fiscal year. After accounting for these actions, the BSA balance in fiscal year 2026-27 is $15.1 billion—an increase of $3.9 billion compared to the fiscal year 2024-25 State budget. In addition, the 2026-27 State Budget includes an ending fund balance of $4.5 billion in the SFEU and $9.2 billion in the Public School System Stabilization Account ("PSSSA") —bringing the combined reserves in 2026-27 to $28.8 billion.

The 2026-27 State Budget provides for a transfer of $6.4 billion to the recently created Projected Surplus Temporary Holding Account to set aside funds in fiscal year 2026-27 to support fiscal year 2027-28. Established in 2024, the Projected Surplus Temporary Holding Account allows the State to set aside a portion of anticipated surplus funds for allocation in a subsequent fiscal year, helping protect against overcommitting projected resources before revenues are realized and expenditures are finalized. When accounting for the balance in the Projected Surplus Temporary Holding Account, the 2026-27 State Budget sets aside approximately $35.2 billion for future funding obligations in the 2026-27 fiscal year.

The 2026-27 State Budget includes $91.1 billion general fund and $60.3 billion other funds for total funding of $151.4 billion for all TK-12 education programs. In the 2026-27 State Budget, the revised estimates of general fund revenues result in adjustments to the Proposition 98 guarantee to $124.9 billion in 2024-25, $125.3 billion in 2025-26, and $128.1 billion in fiscal year 2026-27. These revised Proposition 98 funding amounts represent an increase of approximately $29.2 billion over the three-year period relative to the 2025-26 State Budget.

Much of the funding increase in the 2026-27 State Budget is required to be deposited in the PSSSA and will not immediately be available to TK-12 schools and community colleges. In addition, the Proposition 98 formula requires an $8.3 billion maintenance factor payment in fiscal year 2024-25 above the Proposition 98 guarantee, which will fully retire the Proposition 98 maintenance factor balance. The 2026-27 State Budget also maintains a settle-up payment of $1.9 billion in fiscal year 2024-25 and a $3.9 billion settle-up amount in fiscal year 2025-26; these amounts may be statutorily required under Education Code Section 41204 if actual revenues remain at or above levels currently projected through spring 2027.

The 2026-27 State Budget projects mandatory deposits into the PSSSA across the three-year budget window totaling $8.7 billion. To provide additional long-term budget stability, the 2026-27 State Budget includes a discretionary deposit of $500 million in fiscal year 2025-26, leaving the final balance in the PSSSA at $9.2 billion, which will trigger school district reserve caps beginning in fiscal year 2026-27.

Certain budgeted programs and adjustments to K-12 education set forth in the 2026-27 State Budget include the following:

- State Education Governance. The 2026-27 State Budget moves oversight authority of the management of the California Department of Education and support of local educational agencies under the State Board of Education. The 2026-27 State Budget further provides the State Superintendent with the ability to strengthen coordination and alignment among the bodies setting policy from early childhood through postsecondary education. Further, the 2026-27 State Budget reflects the addition of two new State Board of Education appointees, one appointed by each house of the Legislature, as well as the replacement of one gubernatorial appointee with the State Superintendent, bringing the total number of State Board members to 13. The Budget also requires

the new Education Commissioner, who will be appointed by the Governor, to oversee the Department of Education, to be confirmed by the State Senate.

- LCFF. The 2026-27 State Budget includes a statutory LCFF COLA of 2.87%. Additionally, the Budget includes $1.1 billion to further increase funding for the LCFF. This discretionary investment, commonly referred to as a "super COLA," results in a total (statutory plus discretionary) COLA of 4.31%. These additional funds will help local educational agencies manage rising costs and help offset funding reductions related to declining enrollment, as well as fund a new requirement to provide paid pregnancy disability leave. Finally, the 2026-27 State Budget includes an ongoing increase of $31.3 million Proposition 98 General Fund to provide a 20% increase in LCFF funding for Necessary Small Schools, which is the funding formula for the smallest schools in the state. These schools are the most heavily impacted by enrollment declines and attendance fluctuations; this additional funding will help them maintain instructional programming when student population fluctuates.

- Special Education. The 2026-27 State Budget provides an increase of $2.4 billion in special education funding. These new funds will allow all local educational agencies to receive special education funding at the same rate and will increase the per-student rate to $1,340. Additionally, the 2026-27 State Budget includes an ongoing allocation of $80 million for the special education extraordinary cost pool, which provides reimbursements to special education local plan areas for students with specified high-cost service needs, and the low-incidence disabilities add-on, which provides additional funding to support students with rare, highly specialized needs. The 2026-27 State Budget also provides a one-time increase of $30 million for the Supporting Inclusive Practices Project, which provides resources to schools and educators to expand access to the general education environment for students with disabilities. Further, the 2026-27 State Budget includes a one-time increase of $25 million for the Inclusive College Technical Assistance Center. The Inclusive College Technical Assistance Center facilitates collaboration between local educational agencies and institutions of higher education to expand inclusive college opportunities for students with intellectual and developmental disabilities, help those students develop life skills, and model inclusive postsecondary education communities. Finally, the 2026-27 State Budget provides a one-time investment of $10 million to develop resources and provide technical assistance to support the implementation of alternative pathways and alternative means to a high school diploma for students with disabilities.

- Student Support and Professional Development Discretionary Block Grant. The 2026-27 State Budget provides $5 billion one-time Proposition 98 General Fund for the Student Support and Professional Development Discretionary Block. These funds will provide local educational agencies with fiscal support to address rising costs, as well as fund statewide priorities including: (i) Professional development for teachers on the English Language Arts/English Language Development (ELA/ELD) Framework and the Literacy Roadmap, with a focus on strategies to support literacy for English learners; (ii) Professional development for teachers on the Mathematics Framework; (iii) Professional development for TK-3 teachers and elementary school site administrators on the principles and guidelines of developmentally appropriate instruction; (iv) Teacher recruitment and retention strategies, (v) Career pathways and dual enrollment expansion efforts consistent with the Master Plan for Career Education, (vi) Community school and promising neighborhood partnerships and (vii) Deferred maintenance of school facilities.

- Paid Pregnancy Disability Leave. The 2026-27 State Budget requires all TK-14 local educational agencies to provide all employees with up to 14 weeks of paid pregnancy disability leave beginning on January 1, 2027. This new benefit will support educators who want to start or expand their families and provide protections when pregnancy results in temporary disability. The State has

indicated that costs of this new benefit are absorbable within the funding allocated to local educational agencies for the discretionary LCFF "super COLA" although actual costs to individual districts may vary and could exceed the additional funding provided.

- Community Schools. The 2026-27 State Budget includes $1 billion ongoing Proposition 98 General Fund to expand the community school model to more school sites that have large concentrations of students from low-income families, English learners, and youth in foster care. Community schools receiving these funds will partner with community-based organizations and Promise Neighborhood lead agencies to provide whole child services in the school setting. The 2026-27 State Budget also supports the following investments intended to complement the new ongoing community schools program: $50 million to expand on the state's recent work to redesign middle and high schools, in the context of community schools, to better serve the needs of secondary students, improve student outcomes, and better integrate postsecondary college and career opportunities, $15 million to the State Transformational Assistance Center and Regional Transformational Assistance Centers to support the statewide transformation of new community schools, $13 million to the State Transformational Assistance Center to develop and implement: (1) the ongoing process to certify that community schools are implemented with fidelity and, (2) the long-term accountability structure, and $6 million for the continued implementation of Transforming Together, an initiative supported by the Children and Youth Behavioral Health Initiative and California Community Schools Partnership Program that aims to strengthen collaboration between county offices of education and community partners to better meet the behavioral health needs of students and families.

Additional budgeted programs and adjustments for K-12 education set forth in the 2026-27 State Budget include the following:

- Non-LEA State Preschool Program. To reduce programmatic complexity, the 2026-27 State Budget changes the funding source for non-local educational agency State Preschool providers to Proposition 98 General Fund. The 2026-27 State Budget "rebenches" Proposition 98 by expanding it in proportion to the size of the incoming program. Specifically, the 2026-27 State Budget shifts $813 million from the General Fund to the Proposition 98 General Fund and increases the Proposition 98 Guarantee Test 1 percentage from 39.3% to 39.6%.

- Literacy Instruction. The 2026-27 State Budget includes a one-time increase of $350 million to extend funding for Literacy Coaches and Reading Specialists Grant Program for all grantees until June 30, 2031.

- Math Instruction. The 2026-27 State Budget provides $50 million one-time Proposition 98 General Fund to allow the work of the Mathematics Professional Learning Partnership to expand its reach to more local educational agencies and extend its impact beyond its current expiration date of June 30, 2029.

- Student Teacher Stipend Program. The 2026-27 State Budget provides $408 million one-time Proposition 98 General Fund for the Student Teacher Stipend Program to extend the program and provide an additional $5,000 stipend for student teachers pursuing a credential in a high-need field.

- Educator Residency. The 2026-27 State Budget provides $250 million one-time Proposition 98 General Fund to continue educator residency programs through fiscal year 2029-30. Educator residencies provide high-quality, clinically rich preparation for teachers and school counselors, with residency program participants having higher program completion and workforce retention rates than non-residency prepared teachers.

- Teacher Residency. The 2026-27 State Budget provides $30 million one-time Proposition 98 General Fund for the statewide teacher residency technical assistance center, extending its ability to support local educational agencies in implementing, expanding, and sustaining teacher residency programs and other teacher recruitment and retention through 2034.

- IDEA and Golden State Teacher Grant Program. The 2026-27 State Budget provides $16.2 million ongoing federal special education (IDEA) funds and $1.6 million one-time federal Title II funds to continue the Golden State Teacher Grant Program (GSTG). Additionally, the Budget provides $10 million one-time General Fund for GSTG to support awards for students applying in fiscal year 2027-28 to prepare to teach in shortage fields.

- 21st Century California School Leadership Academy. The 2026-27 State Budget includes $15 million one-time Proposition 98 General Fund to expand and enhance offerings through the 21st Century California School Leadership Academy (21CSLA) program for school leaders. 21CSLA provides no-cost, high-quality professional learning to support California's education leaders and administrators in improving student outcomes and implementing initiatives like universal transitional kindergarten.

- Pathways to Bilingual Teaching Program. The 2026-27 State Budget provides $10 million one-time Proposition 98 General Fund for the Pathways to Bilingual Teaching Program to provide competitive grants up to $600,000 to local educational agencies to create pathways that will increase the number of teachers qualified to teach in bilingual settings.

- Classified School Employee Teacher Credentialing Program. The 2026-27 State Budget provides $10 million one-time Proposition 98 General Fund for the Classified School Employee Teacher Credentialing Program to provide grants up to $24,000 to local educational agencies to support classified employees pursuing teaching credentials.

- Supports for Immigrant Students. The 2026-27 State Budget provides $100 million one-time Proposition 98 General Fund for the Department of Education, in consultation with the Department of Social Services, to establish the California's New Americans in Schools (CalNAS) program to provide supportive services for newcomer pupils, English learners, and immigrant families. This program will supplement the existing California Newcomer Education and Well-Being program administered through the Department of Social Services. Allowable uses of funds include: (1) professional development and resources for staff to effectively support immigrant pupils and families; (2) academic and social services supports for newcomer pupils; and (3) contracting with immigration legal service providers to support outreach or immigration-related legal and other support services. Of the amount allocated, $10 million will be available for one or more local educational agencies to provide statewide technical assistance for CalNAS.

- Dream Resource Centers. The 2026-27 State Budget provides $75 million one-time Proposition 98 General Fund to establish Dream Resource Centers at high schools serving grades 9-12. Funds are intended to support pupils with social services, state-funded immigration legal services, academic opportunities, and parent and family workshops.

The State has not entered into any contractual commitment with the District, the County, the Underwriters nor the Owners of the Bonds to provide State budget information to the District or the Owners of the Bonds. Although they believe the State sources of information listed herein are reliable, neither the District nor the Municipal Advisor assume any responsibility for the accuracy of the State budget information set forth or referred to herein or incorporated by reference herein.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District's ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash and could impair the State's ability to fund schools during the current fiscal year and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. In addition, in prior fiscal years when the State has received significantly reduced revenues, the State has delayed certain payments to school districts. Under certain conditions, the State may suspend funds guaranteed pursuant to Proposition 98 for one or more years, and payments have been suspended in the past during periods of decreased State revenues. See "STATE FUNDING OF SCHOOL DISTRICTS – General."

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

State Funding of Schools Without a State Budget

Although the State Constitution requires that the State Legislature adopt a budget for the State by June 15 of the prior fiscal year and that the Governor sign a budget by June 30, this deadline has been missed from time to time. Delays in the adoption of a Budget Act in any fiscal year could impact the receipt of State funding by the District. On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California), *et al*. ("Connell"). The California Court of Appeal concluded that, absent an emergency appropriation, the State Controller may authorize the payment of State funds during a budget impasse only when payment is either (i) authorized by a "continuing appropriation" enacted by the State Legislature, (ii) authorized by a self-executing provision of the State Constitution, or (iii) mandated by federal law. The Court of Appeal specifically concluded that the provisions of Article XVI, Section 8 of the State Constitution—the provision establishing minimum funding of K-14 education enacted as part of Proposition 98—did not constitute a self-executing authorization to disburse funds, stating that such provisions merely provide formulas for determining the minimum funding to be appropriated every budget year but do not appropriate funds. Nevertheless, the State Controller has concluded that the provisions of the State Education Code establishing K-12 and county office of education revenue limit funding (the predecessor to the LCFF) do constitute continuing appropriations enacted by the State Legislature and, therefore, has indicated that State payments of such amounts would continue during a budget impasse. The State Controller, however, has concluded that K-12 categorical programs are not authorized pursuant to a continuing appropriation enacted by the State Legislature and, therefore, cannot be paid during a budget impasse. To the extent the Connell decision applies to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of some payments to the District while such required legislative action is delayed, unless the payments are self-executing authorizations, continuing appropriations or are subject to a federal mandate. The District, however, does not expect any delays in payments from the State to adversely affect its ability to pay the principal of and interest on the Bonds described in the forepart of this Official Statement.

Local Control Funding Formula

General. Funding for school districts, charter schools and county offices of education in connection with the LCFF includes State apportionments for general operating costs ("State Aid") and funding for categorical programs. During fiscal year 2025-26, approximately 66.51% of the District's General Fund revenues were disbursed pursuant to the LCFF. As of the Fiscal Year 2026-27 Budget, the District has budgeted approximately 70.52% of the District's fiscal year 2026-27 General Fund revenues to consist of funds determined under the LCFF. For fiscal years 2021-22 through 2023-24, LCFF revenues comprised a lower percentage of the District's total General Fund revenues as a result of increases in one-time federal funding for COVID-19 relief.

The following Table A-2 sets forth the percentage of the District's General Fund revenues that are derived from revenues under the LCFF, federal revenues, other State revenues and other local revenues for fiscal years 2022-23 through 2025-26 and budgeted for 2026-27 as of the Fiscal Year 2026-27 Budget.

TABLE A-2
LOS ANGELES UNIFIED SCHOOL DISTRICT
General Fund Revenue Sources
Percentage of Total District General Fund Revenues[(1)]
Fiscal Years 2022-23 through 2026-27

Revenue Source	Fiscal Year 2022-23[(2)]	Fiscal Year 2023-24[(2)]	Fiscal Year 2024-25[(2)]	Fiscal Year 2025-26[(3)]	Fiscal Year 2026-27[(4)]
LCFF	55.99%	60.04%	66.71%	66.51%	70.52%
Federal Revenues	19.57	18.91	7.67	7.66	7.71
Other State Revenues	22.77	15.85	19.26	20.81	18.77
Other Local Revenues	1.67	5.19	6.36	5.01	2.99

(1) Sum of percentages may not equal 100% due to rounding.
(2) Audited.
(3) Unaudited Actuals as presented to and approved by the District Board on September 15, 2026.
(4) Budgeted as of Fiscal Year 2026-27 Budget. For more information regarding State funding during fiscal year 2026-27 see "DISTRICT FINANCIAL INFORMATION – District Budget."
Sources: Audited Annual Financial Report for fiscal years 2022-23 through 2024-25; Fiscal Year 2025-26 Unaudited Actuals; and Fiscal Year 2026-27 Budget.

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

Based on the ADA of the given demographic classification, school districts are eligible to receive a 20% supplemental grant (the "Supplemental Grant") for students classified as English Learners ("EL"), students eligible to receive a free or reduced-price meal ("FRPM"), and students classified as foster youth

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

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

The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2026-27, the LCFF provides to school districts and charter schools: (a) a Base Grant for each LEA equivalent to $11,811 per ADA for transitional kindergarten/kindergarten through grade 3 (including the grade span adjustment); (b) a Base Grant for each LEA equivalent to $10,860 per ADA for grades 4 through 6; (c) a Base Grant for each LEA equivalent to $11,181 per ADA for grades 7 and 8; (d) a Base Grant for each LEA equivalent to $13,295 per ADA for grades 9 through 12 (including the grade span adjustment). The Base Grant amount for fiscal year 2026-27 includes a COLA of 4.31%. The amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants is subject to the discretion of the State.

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

The difference between the amount a school district or charter school would have received under the old funding system and the estimated amount it would receive for LCFF funding at full implementation, based on certain criteria is referred to as the "Economic Recovery Target." Only school districts and charter schools that were at, or below, the 90th percentile of per-pupil funding rates of school districts under the pre-fiscal year 2013-14 funding system, as determined at the certification of the State's second principal apportionment in fiscal year 2013-14, are eligible for Economic Recovery Target payments. Based on these criteria, the District is not entitled to receive Economic Recovery Target funding. Certain of the District's Affiliated Charter Schools, however, are entitled to the Economic Recovery Target funding and are budgeted to receive approximately $1 million, collectively, in fiscal year 2026-27.

The District has the largest student enrollment and ADA of any school district in the State. See "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance" herein. In addition, the District's ADA includes a significant number of students classified as Unduplicated Pupils. Accordingly, the District expects to receive more LCFF funding than other school districts in the State. The Fiscal Year 2026-27 Budget budgets that approximately 86.68% of students attending non-charter schools of the District will be classified as Unduplicated Pupils under the LCFF during fiscal year 2026-27. The percentage of students classified as Unduplicated Pupils is based on a three-year rolling average. The District's calculation of ADA with respect to Unduplicated Pupils, which is used to determine Supplemental and Concentration Grant revenues, is subject to adjustment upon review thereof by the District's independent auditor.

The following Table A-3 sets forth the District's Base Grant per ADA with grade span adjustments for fiscal years 2017-18 through 2026-27 under the LCFF.

TABLE A-3
LOS ANGELES UNIFIED SCHOOL DISTRICT
Adjusted Base Grant Per Average Daily Attendance
Fiscal Years 2017-18 through 2026-27

Fiscal Year	Grades TK/K-3	Grades 4-6	Grades 7-8	Grades 9-12
2017-18	$7,941	$7,301	$7,518	$8,939
2018-19[(1)]	8,235	7,571	7,796	9,269
2019-20	8,503	7,818	8,050	9,572
2020-21	8,503	7,818	8,050	9,572
2021-22	8,935	8,215	8,458	10,057
2022-23	10,119	9,304	9,580	11,391
2023-24	10,951	10,069	10,367	12,327
2024-25	11,068	10,177	10,478	12,460
2025-26	11,323	10,411	10,719	12,746
2026-27	11,811	10,860	11,181	13,295

[(1)] LCFF was fully funded in fiscal year 2018-19.
Source: California Department of Education.

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

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

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

Risks Affecting School District Revenue. Payments to the District under the LCFF, which allocates a Base Grant per unit of ADA with additional supplemental funding in the form of Supplemental Grants and Concentration Grants based on certain factors. Thus, a temporary shutdown of a school or an entire school district or other event resulting in reduced enrollment or attendance would reduce the ADA of a school district and could impact the funding a school district receives. For example, events such as labor strikes or the outbreak of a highly contagious disease, such as occurred in 2020 with COVID-19, could harm a school district's financial results or result in a temporary shutdown of the school district's facilities. Such an event could also have impacts on the State's tax and other revenue receipts which may, in turn, impact educational funding that school districts receive from the State. While State and federal one-time COVID-19 relief funding provided some immediate relief to school districts, including the District, during the COVID-19 pandemic, the District cannot predict whether similar legislation providing State and federal one-time relief funding would be enacted in the future in the event a similar or other outbreak of a highly contagious disease or epidemic disease or other event resulting in reduced enrollment or attendance were to occur in the future. Immigration enforcement activity by federal immigration authorities may also negatively impact ADA or enrollment by targeting the specific populations of students that cause the District to qualify for supplemental and concentration grant funding, thereby reducing LCFF funding to a greater degree.

In January 2025, multiple fires broke out across areas of the County burning thousands of acres and damaging or destroying thousands of structures. The three largest of said fires are the Hughes Fire, Eaton Fire, and Palisades Fires. The Hughes Fire burned approximately 10,400 acres, although no information is available on the number of structures that have been damaged or destroyed. The Eaton Fire burned approximately 14,000 acres and damaged or destroyed at least 10,000 structures. The Palisades Fire burned approximately 23,500 acres and damaged or destroyed at least 7,000 structures. Properties damaged or

destroyed in the Palisades Fire are included within the boundaries of the District and represent a small percentage of the assessed value in the District. As a result of the fires, schools in the District were closed for 3 days and approximately 2,400 students were displaced.

The District has filed a claim with its insurers for property losses due to the Palisades Fire and is collaborating with the commercial insurance companies to recover the damage. Additionally, the District is preparing several applications for Public Assistance Grant funding and is working with the Federal Emergency Management Agency and the California Governor's Office of Emergency Services to obtain reimbursement for losses not covered by the commercial insurance policy.

Three school campuses within District boundaries, Marquez Elementary School, Palisades Elementary School, and Palisades Charter High School, a Fiscally Independent Charter School, were significantly damaged by the fires. The three facilities are currently undergoing reconstruction as bond-authorized projects. The Palisades Elementary School site remains closed while under reconstruction. The students remain relocated at Brentwood Science Magnet Elementary School. Marquez Elementary School, however, has returned to its campus (in temporary facilities) as of September 2025 and the Palisades Charter High School has returned to its campus (in permanent and temporary facilities) as of February 2026, while both schools are undergoing reconstruction. The District has budgeted approximately $600 million to rebuild the three damaged campuses, approximately $66.4 million of which has been expended to date. The District is still in the process of quantifying the overall loss as a result of the fires.

The County Assessor's Office allows for the reassessment of properties that are damaged or destroyed as a result of misfortune or calamity, which includes wildfires. Property owners may submit an application for the reassessment of the property within 12 months of the damage or destruction. Any such reassessment is retroactive to the date of damage or destruction. The District is unable at this time to quantify the loss in assessed value as a result of any such reassessment. The District also cannot quantify the actual decrease in assessed value in the area impacted by the Palisades fire within the District, however, the total assessed value of property within the District for fiscal year 2025-26 increased by 3.62% over the assessed value within the District for fiscal year 2024-25.

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

Charter School Funding

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

Pursuant to the LCFF, Fiscally Independent Charter Schools and Affiliated Charter Schools will receive a Base Grant per ADA and are eligible to receive Supplemental Grants, Concentration Grants and Equity Multiplier funds. See " – Local Control Funding Formula" herein. In fiscal year 2024-25, the District operated 51 Affiliated Charter Schools and oversaw 218 Fiscally Independent Charter Schools within the District boundaries. The fiscal year 2026-27 funded ADA of the Affiliated Charter Schools and the Fiscally Independent Charter Schools is budgeted to be 33,988 and 94,374, respectively. An increase in the number of Fiscally Independent Charter Schools within the boundaries of a school district or an increase in the number of students transferring to a Fiscally Independent Charter School or an Affiliated Charter School from a traditional school within a school district may cause a net reduction in the District's ADA.

Limitations on School District Reserves

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

The State-imposed minimum recommended reserve for the District is accounted for in the District's reserve for economic uncertainties. Payments allocated to the Proposition 98 Rainy Day Fund by the State in fiscal years 2021-22 and 2022-23 triggered the limitations on school district reserves under the Education Code in fiscal years 2022-23 and 2023-24. The State's economic and revenue outlook, however, has changed. The 2024-25 State Budget provided for a discretionary payment of approximately $1.1 billion to the Proposition 98 Rainy Day Fund in fiscal year 2024-25 and the withdrawal of the entire $8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24, leaving a projected balance of $1.1 billion at the end of fiscal year 2025-26. The 2025-26 State Budget provided both a mandatory deposit into the Proposition 98 Rainy Day Fund in fiscal year 2024-25 of $455.0 million and a mandatory withdrawal of $455.0 million in fiscal year 2025-26, exhausting the remaining Proposition 98 Rainy Day Fund balance. School district reserve caps were not triggered in fiscal year 2025-26. The 2026-27 State Budget, however, projects mandatory deposits to the Proposition 98 Rainy Day Fund in fiscal years 2026-27, 2027-28 and 2028-29, as well as a discretionary $500 million deposit for fiscal year 2025-26 which will bring the balance in the Proposition 98 Rainy Day Fund to $9.2 billion at the end of fiscal year 2025-26, triggering the limitations on school district reserves in fiscal year 2026-27. See "– State Budget Act" and "– 2026-27 State Budget."

DISTRICT FINANCIAL INFORMATION

District Financial Policies and Related Practices

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

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

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

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

Based on the Fiscal Year 2026-27 Budget, the District's Operating Reserves are expected to satisfy both the 5% Minimum Reserve Threshold and the 1% statutory reserve requirement for fiscal year 2026-27, however, for fiscal years 2027-28, and 2028-29, the District is projecting negative ending general fund balances. The District agreed to the 2026 Collective Bargaining Agreements (defined herein), the implementation of which is expected to cost approximately $1.2 billion annually and, without budgetary intervention, would cause the District to not meet either its Minimum Reserve Threshold or the statutory reserve requirement beginning in fiscal year 2027-28. See "– District Budget – *Fiscal Stabilization Plans*." Unlike the 5% Minimum Reserve Threshold, the 1% statutory reserve requirement is based on the unrestricted and unassigned ending fund balance (including the reserve for economic uncertainties) and does not take into account the restricted, committed, or assigned ending fund balances. See "INTRODUCTION- Fiscal Year 2026-27 Budget and Lack of Going Concern Designation" in the forepart to this Official Statement and "– *2027 Fiscal Stabilization Plan*" herein.

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

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

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

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

The Health and Welfare Benefits Fund is used to pay all health and welfare payments for active employees and retirees. The District determines funding of the Health and Welfare Benefits Fund based on the applicable health benefits agreement for each of the applicable years. See "– Employees and Labor Relations – Negotiations Regarding Labor Contracts" herein. As of June 30, 2026, the net position of the Health and Welfare Benefits Fund was approximately $7.8 million, however, expenditures and accruals are still being posted for fiscal year 2025-26. The Fiscal Year 2026-27 Budget includes contributions of $1.525 billion for the Health and Welfare Benefits Fund.

The District Board approved the creation of the OPEB Trust Fund in May 2014 as an irrevocable trust for its OPEB liability. The Budget and Finance Policy directs the District, subject to approval by the District Board, to make annual contributions to the OPEB Trust Fund when the balance in the General Fund exceeds the 5% Minimum Reserve Threshold to the extent possible. In the event that the unrestricted portion of the General Fund balance is above 5% of the unrestricted revenues (after the annual OPEB contribution has been determined), the Budget and Finance Policy directs the District to make an additional contribution to the OPEB Trust Fund. See "– Other Postemployment Benefits" herein. As of a June 30, 2026 measurement date, the net position of the OPEB Trust Fund was approximately $1.3 billion[1].

[1] The 2027 Fiscal Stabilization Plan includes a withdrawal of $175 million from the OPEB Trust Fund in fiscal year 2028-29 that is not accounted for in the net position of the OPEB Trust Fund as of June 30, 2026.

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

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

The Debt Management Policy is required to be reviewed annually. The current Debt Management Policy was approved by the District Board on June 12, 2026. The District is in compliance with the Debt Management Policy. The Debt Management Policy establishes a ceiling of 2.0% for the ratio of COPs gross annual debt service to District General Fund expenditures. The District Board may increase the target at the time a new debt issuance is proposed, but such authority is not intended to exceed the ceiling established in the Debt Management Policy. As of July 2, 2026, the maximum fiscal year debt service with respect to the COPs was approximately 0.25% of the District's General Fund budgeted expenditures for Fiscal Year 2026-27. As of July 2, 2026, the District has outstanding COPs in the aggregate principal amount of approximately $206.2 million. (See "– District Debt – Lease Obligations and Certificates of Participation" for more information.). As of July 2, 2026, the maximum fiscal year debt service with respect to the COPs and the Judgment Obligation Bonds, Series 2025A (Federally Taxable), which are also payable from the General Fund, is approximately 0.51% of the District's General Fund budgeted expenditures for Fiscal Year 2026-27. The Debt Management Policy limits unhedged variable rate debt to $100 million (excluding interim financing intended to be refunded with fixed rate obligations within 13 months) and requires reporting of the debt ratios and benchmarks. The District currently has variable interest rate exposure of approximately $103 million. The variable rate debt is associated with the District's judgment obligation notes which serve as an interim financing mechanism in connection with the District's refinancing of claims arising from AB 218 and similar claims through the issuance of judgment obligation bonds on a fixed rate basis. (See "– District Debt – Judgment Obligation Bonds" and "– Non-Revolving Line of Credit" for more information).

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

In addition, the Investment Policy requires the District's investment portfolios remain sufficiently liquid to enable the District to meet its operating requirements and be structured to attain a maximum return commensurate with its investment risk constraints and the cash flow characteristics of each portfolio.

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

Significant Accounting Policies, System of Accounts and Audited Financial Statements

The CDE imposes by law uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the California School Accounting Manual. The District uses fund accounting and maintains governmental funds, proprietary funds and fiduciary funds. The General Fund is the chief operating fund of the District. For a description of the other major funds of the District, see the description thereof contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025." Note 1 to such audited financial statements sets forth significant accounting policies that the District follows. Simpson & Simpson Certified Public Accountants ("Simpson"), Los Angeles, California, served as independent auditor to the District for its audited financial statements for fiscal year 2024-25. Simpson has not been requested to consent to the use or to the inclusion of its reports in this Official Statement, and it has not audited or reviewed this Official Statement. The District's audited financial statements for the fiscal year ended June 30, 2025, are included as Appendix B to this Official Statement. The complete audited financial statements of the District, including the notes thereto, are an integral part of this Official Statement.

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

The audited financial statements for fiscal year 2024-25 include certain audit findings and questioned costs. With respect to the audited financial statements for fiscal year 2024-25, Simpson identified 13 audit findings and questioned costs totaling approximately $47.8 million. For detailed information regarding such findings and questioned costs, see Appendix B. Notably, in fiscal year 2024-25 – like the four previous fiscal years – the District did not meet the minimum threshold of General Fund spending on classroom teacher salaries and benefits in accordance with Education Code Section 41372. Under Education Code Section 41372, a unified school district, like the District, is required to spend a minimum of 55% of its General Fund resources on classroom salaries and benefits. In fiscal year 2024-25, the District spent approximately 54.5% of its General Fund resources on classroom salaries and benefits, which is approximately 0.5% or $44.3 million below such minimum threshold set forth in the Education Code. The District has implemented a process aligned with parameters provided by the California Department of Education that includes manual adjustments to the calculation for programs that are not

intended for classroom expenditures, resulting in an improved expense ratio from 47% in fiscal year 2023-24 to 54.5% in fiscal year 2024-25.

In each of fiscal year 2020-21 through fiscal year 2024-25, the District Board approved the submission of a waiver request to the County Superintendent, and each waiver was approved by the County Superintendent.

In addition, the audited financial statements for fiscal year 2024-25 included $2.1 million of questioned costs for Home-to-School Transportation. Employee time related to indirect costs was incorrectly charged to the Home-to-School Transportation program. The District will strengthen controls over time reporting, approvals, and cost allocations to ensure compliance going forward.

An additional finding of note in the audited financial statements for fiscal year 2024-25 related to proper documentation of Proposition 28 – Arts & Music expenditures. The District lacked supporting documentation for work performed by employees, or the documentation was inadequate. The District will strengthen its controls over documentation of these expenditures.

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

Audited Financial Report

Fiscal Year 2024-25 Annual Comprehensive Financial Report. The District's fiscal year 2024-25 Annual Comprehensive Financial Report (the "Fiscal Year 2024-25 Audit") has been submitted to the District. The Fiscal Year 2024-25 Audit reflects the District's audited financial results for fiscal year 2024-25. The Fiscal Year 2024-25 Audit reflects a General Fund adjusted beginning balance of approximately $6.42 billion, total revenues of $9.68 billion, total expenditures of $11.12 billion, other financing sources and uses of $112.6 million, and an ending balance of $5.09 billion. The Fiscal Year 2024-25 Audit indicates that the General Fund ending balance of approximately $5.09 billion consists of approximately $710.57 million for the mandatory reserve for economic uncertainties, $50.88 million of non-spendable revolving cash, stores, and prepaid expenditures, $889.6 million of restricted ending balances, no committed ending balances, $1.374 billion of assigned ending balances and $2.068 billion of unassigned and unappropriated ending balances. In fiscal year 2024-25, the District was able to meet its financial commitments and its required ending balances, as set forth in the Budget and Finance Policy. See "– District Financial Policies and Related Practices" for more information on the Budget and Finance Policy.

District Budget

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

The county superintendent of schools must approve, conditionally approve, or disapprove the adopted budget for each school district by September 15 in accordance with the Education Code. The county superintendent of schools is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the

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

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

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

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

Fiscal Year 2025-26 Budget. The Fiscal Year 2025-26 Budget projected a General Fund beginning balance of approximately $4.27 billion, total budgeted revenues of $9.34 billion, total budgeted expenditures of $11.48 billion, budgeted other financing sources and uses of positive $18.82 million, and a budgeted ending balance of $2.15 billion. The Fiscal Year 2025-26 Budget projected that its budgeted General Fund ending balance of $2.15 billion is expected to consist of approximately $115.2 million for the mandatory reserve for economic uncertainties, $49.47 million of non-spendable revolving cash, stores, and prepaid expenditures, $78.64 million of restricted ending balances, $46.11 million of committed ending balances, $413.01 million of assigned ending balances, and $1.45 billion of undesignated and unassigned ending balances.

LACOE's Response to Fiscal Year 2025-26 Budget. In its letter dated September 9, 2025, LACOE approved the Fiscal Year 2025-26 Budget. LACOE noted that, as adopted, the Fiscal Year 2025-26 Budget reflected annual operating deficits of the Unrestricted General Fund's projected expenditures and other outgo. LACOE also indicated that the Unrestricted General Fund was projected to decrease from a beginning balance of $3,402.90 million in fiscal year 2025-26, to a negative ending balance of $913.59 million by fiscal year 2027-28, a decline of approximately $4,316.49 million, or 126.85% over three years. Additionally, LACOE noted that for fiscal year 2027-28, the General Fund ending fund balance reflects a negative balance of $913.59 million, with projected reserves not meeting the District's minimum reserve level required by the State Criteria and Standards. However, LACOE pointed out that as a result of the 2026 Fiscal Stabilization Plan, the District had restored a positive General Fund ending balance in 2027-28 and projected that reserves will meet the District's minimum required reserves in each year. However, the Unrestricted General Fund was still projected to decrease from a beginning balance of $3,402.90 million in fiscal year 2025-26, to an ending balance of $686.41 million by fiscal year 2027-28, a decline of approximately $2,716.49 million, or 79.83%, over three years. LACOE expressed concern about the District's projected trend of deficit spending and its impact on the District's fiscal stability and requested that the District address its ongoing structural deficit by submitting an updated Fiscal Stabilization Report with its Fiscal Year 2025-26 First Interim Report. See "– 2026 Fiscal Stabilization Plan" below. Additionally, LACOE foresaw continued declines in enrollment and attendance as resulting in a loss of revenue for the District in future years and recommended that the District carefully monitor its enrollment and attendance trends and adjust financial projections for the current and subsequent fiscal years accordingly to reflect the resulting impact. See "DISTRICT GENERAL INFORMATION – Enrollment and Average Daily Attendance," for more information regarding the District's declining enrollment.

Fiscal Stabilization Plans. When needed, LACOE and the District partner to implement actions necessary to stabilize and improve the financial condition of the District.

2026 Fiscal Stabilization Plan. As described above, the District's budget for fiscal year 2025-26 included a structural deficit whereby in-year expenditures exceeded in-year revenues. The Fiscal Year 2025-26 Budget included continued deficit spending, and included a projected deficit of $1.6 billion for fiscal year 2027-28 of operating funds, which indicated a lack of going concern. On April 15, 2025, LACOE recommended that the District address its deficit spending through the submission of a fiscal stabilization plan. In light of the Fiscal Year 2025-26 Budget negative projections for fiscal year 2027-28, and as recommended by LACOE, the District adopted a Fiscal Stabilization Plan on June 17, 2025 (the "2026 Fiscal Stabilization Plan").

To address the $1.6 billion deficit projected in fiscal year 2027-28, the 2026 Fiscal Stabilization Plan provided for expenditure reduction strategies beginning in fiscal year 2026-27 and continued through fiscal year 2027-28 to reduce the structural deficit through fiscal year 2027-28. The 2026 Fiscal Stabilization Plan included changes to unrestricted General Fund expenditures, including the release of amounts on hand in Fund 17 Special Reserve Fund for other than Capital Outlay Projects, reassessed school carryover policies by need for fiscal year 2026-27, targeted funding allocation reductions in fiscal year

2026-27, reduction of unfunded positions in fiscal year 2026-27, consolidation of the District's footprint (campuses and programs) and evaluation of academic return on investment, reassessed effectiveness of earmarked, unspent investments, strategic closure of vacant school positions annually in February (except General Fund restricted positions), bringing students closer to their school of residence, and reduction in central operations (non-school-based reductions).

Subsequent to the District's adoption of the 2026 Fiscal Stabilization Plan, three of its major bargaining units voted to strike, which the District averted by negotiation of tentative agreements and an agreement in principle with such bargaining units. Such agreements have since been approved by the District Board (the "2026 Collective Bargaining Agreements"). The 2026 Collective Bargaining Agreements increased the District's expenditures for UTLA, AALA and SEIU Local 99 (Units B, C, F and G) retroactively for fiscal years 2024-25 and/or 2025-26 as well as prospectively for fiscal years 2026-27, 2027-28 and 2028-29. The District has estimated the on-going annual financial impact of the 2026 Collective Bargaining Agreements, at full implementation, to be approximately $1.2 billion.

Pursuant to AB 1200, the District is required, before approving a collective bargaining agreement, to publicly disclose the agreement's fiscal impact and provide the disclosure to the county superintendent for review and comment. The county superintendent evaluates whether the district can afford the agreement over the relevant multi-year period and may identify concerns or require follow-up budget actions if the agreement threatens fiscal solvency.

LACOE Review of the 2026 Collective Bargaining Agreements. On June 12, 2026, the District received the Los Angeles County Superintendent of Schools AB 1200 response regarding the 2026 Collective Bargaining Agreements ("LACOE Response Letter"). The LACOE Response Letter stated that, after incorporating the projected costs of the 2026 Collective Bargaining Agreements, the District's multi-year projections indicated that the District would not meet its state-mandated minimum reserve requirement during the term of the 2026 Collective Bargaining Agreements, with total available reserves projected at negative 15.13% in fiscal year 2027–28 and an Unrestricted General Fund negative ending balance projected at approximately $1.46 billion in fiscal year 2027–28. The LACOE Response Letter further stated that the cumulative fiscal impact of the 2026 Collective Bargaining Agreements across all funds was projected to be approximately $1.13 billion in fiscal year 2026–27 and $1.44 billion in fiscal year 2027–28, and that $231.0 million in expenditure adjustments under the District's 2026 Fiscal Stabilization Plan remained pending. If the 2026 Collective Bargaining Agreements are ratified, the LACOE Response Letter stated that the District must submit an updated, Board-approved fiscal stabilization plan and any necessary budget revisions within applicable statutory timeframes, and noted that failure to adopt and implement required budget revisions could result in further action by the County Superintendent, including a qualified or negative certification on the District's next interim financial report and the possible appointment of a fiscal expert or fiscal advisor.

2027 Fiscal Stabilization Plan. In order to accommodate the impacts of the 2026 Collective Bargaining Agreements and as required by LACOE, the Board adopted the 2027 Fiscal Stabilization Plan on June 16, 2026, as further updated on September 15, 2026. The 2027 Fiscal Stabilization Plan incorporates all of the provisions of the 2026 Fiscal Stabilization Plan plus additional solutions to address the projected negative ending fund balances. Proposed solutions minimize the impact on core instructional programs, maintain additional supports for student well-being, and reduce discretionary funds allocated to schools, Central Office staff support, and non-labor expenditures.

Solutions included in the 2027 Fiscal Stabilization Plan over the three-year budget period include an increase of approximately $872 million of revenues included in 2026-27 State Budget; a 1% increase in ADA; $140 million withdrawal from the OPEB Trust; $590 million in central office reductions; $0 contribution to the OPEB Trust Fund; release of $46 million federal uncertainty committed reserves; $900

million reduction to SENI; $50 million BSAP reduction; $20 million HEET program reduction; $20 million reduction to the affiliated charter block grant; $50 million Norm position reductions; employee furlough days; school consolidations; health insurance cost sharing; $17.5 million reduction to District police budget and the sunset of the MetroGo Pass partnership. Fully implemented, the 2027 Fiscal Stabilization Plan would provide $3.510 billion in budget solutions. Additionally, implementation of the 2027 Fiscal Stabilization Plan would result in unrestricted/unassigned ending fund balances of $986 million in fiscal year 2026-27, $728 million in fiscal year 2027-28 and $5 million in fiscal year 2028-29.

A number of the solutions included in the 2027 Fiscal Stabilization Plan, however, are contingent and have not yet been finalized. Certain solutions, including employee furlough days, school consolidations, health insurance cost sharing, the reduction or elimination of contributions to the OPEB Trust Fund, and withdrawal from the OPEB Trust, require subsequent action by the Board and/or successful negotiation with the relevant bargaining units. The 2027 Fiscal Stabilization Plan also includes an increase in the attendance rate of students from 92% to 93%, thereby reducing the projected decline in ADA. The District can provide no assurance that efforts to increase attendance rates will be successful, that the required Board approvals will be obtained, that fmiramo with the bargaining units will be concluded successfully or on the assumed terms and timeline, or that the projected $3.510 billion in budget solutions will be achieved in whole or in part. If some or all of these solutions are not implemented as assumed, the District may not meet the 5% Minimum Reserve Threshold or the 1% statutory reserve requirement in fiscal years 2027-28 and/or 2028-29 and may continue to project negative ending fund balances. In such event, the District could be required to identify and implement alternative budget solutions and could be subject to further action by LACOE and the County Superintendent of Schools, including a qualified or negative certification on a future interim financial report and the possible appointment of a fiscal advisor with stay and rescind authority over Board actions. See "*– Fiscal Stabilization Plans*," "*– LACOE Review of the 2026 Collective Bargaining Agreements*" above and "*– Lack of Going Concern Determination*" below.

In response to LACOE's conditions in its conditional approval of the Fiscal Year 2026-27 Budget, the District identified contingent actions for the 2027 Fiscal Stabilization Plan actions requiring negotiation with labor partners. See "*–LACOE's Response to Fiscal Year 2026-27 Budget*" and "*– District's Response to Conditional Budget Approval*" below.

In the event that the District's financial condition were to change in future fiscal years, LACOE may require the District to implement an alternate fiscal stabilization plan to stabilize and improve the financial condition of the District. Additionally, the District Board may make future changes to the 2027 Fiscal Stabilization Plan.

Lack of Going Concern Determination. On July 2, 2026, the Los Angeles County Superintendent of Schools (the "County Superintendent"), LACOE's executive director, issued a written determination that the District meets the criteria for a "Lack of Going Concern" designation under California Education Code Section 42127.6 (the "Lack of Going Concern Letter"). The determination was based on a review of information provided by the District, including the fiscal impact of the 2026 Collective Bargaining Agreements, the Fiscal Year 2026-27 Budget and the 2027 Fiscal Stabilization Plan, and considers the Financial Crisis Management Assistance Team's Indicators of Risk or Potential Insolvency.

The County Superintendent determined that the District may be unable to meet its financial obligations in fiscal years 2027-28 and 2028-29. The Lack of Going Concern Letter stated that the 2026 Collective Bargaining Agreements, compounded by the existing structural deficit and declining enrollment, constitute a severe fiscal event impairing the District's ability to fulfill its multiyear financial commitments and reflects mismanagement of the collective bargaining process.

The principal fiscal concerns supporting the Lack of Going Concern determination, in order of severity, as stated in the Lack of Going Concern Letter, include projected depletion of operating cash, projected insolvency of the unrestricted General Fund, inadequate reserves, and the fiscal impact of the 2026 Collective Bargaining Agreements. Absent successful implementation of the 2027 Fiscal Stabilization Plan, the District's operating cash is projected to become negative by $231.18 million in November 2027 and to remain negative again from February 2028 through May 2028. With the cost of the 2026 Collective Bargaining Agreements incorporated into the Fiscal Year 2026-27 Budget, the District's unrestricted General Fund is projected to reach a negative ending balance of approximately $1.46 billion in fiscal year 2027-28. The District's total available reserves are projected to decline to (15.13%) in fiscal year 2027-28, far below and entirely eliminating the statutorily required 1.00% minimum reserve for economic uncertainties. The cumulative fiscal impact of the 2026 Collective Bargaining Agreements is projected to increase from approximately $1.13 billion in fiscal year 2026-27 to $1.44 billion in fiscal year 2027-28, representing a more than $2.50 billion liability over the term of the 2026 Collective Bargaining Agreements.

The County Superintendent also identified additional factors contributing to the Lack of Going Concern determination, including $231 million in expenditure reductions in the 2026 Fiscal Stabilization Plan that remained unexecuted and unidentified as of the District's fiscal year 2025-26 Second Interim Report, a statutory certification deficiency regarding the District's ability to sustain the costs of the 2026 Collective Bargaining Agreements, projected enrollment and average daily attendance declines of 6.62% and 6.63%, respectively, through fiscal year 2028-29, and a significant leadership transition.

As part of the County Superintendent's statutory response, LACOE assigned a Fiscal Expert to the District. The Fiscal Expert's role is advisory and diagnostic and includes advising and assisting the District with review of fiscal assumptions, budget revisions, and corrective actions. The County Superintendent warned that if it is determined that elevated intervention is warranted, she may escalate oversight by assigning a Fiscal Advisor with stay and rescind authority over Board actions in lieu of the Fiscal Expert. Moreover, the County Superintendent advised that if the employee furlough days identified in the 2027 Fiscal Stabilization Plan are not implemented and in effect by the Fall Break 2026 period, the District could expect that the County would consider appointing a Fiscal Advisor with stay or rescind powers. In addition, the Lack of Going Concern Letter provides that the "Lack of Going Concern" determination automatically triggers a mandatory Fiscal Crisis Management Advisory Team ("FCMAT") Fiscal Health Risk Analysis ("FHRA") to determine the District's risk level for fiscal insolvency, triggers restrictions on the District's issuance of non-voter-approved debt and a finding that the County should assign a qualified or negative certification to the District's next interim report.

The County Superintendent directed the District to fully cooperate with LACOE and the assigned Fiscal Expert, including by providing full, timely, and unrestricted access to requested documents, data, records, systems, communications, analysis, staff, meetings, and other information relevant to the District's fiscal condition. The District was also directed to update its 2027 Fiscal Stabilization Plan to include detailed implementation plans with specific actions, responsible departments, timelines, and measurable performance metrics for each proposed expenditure reduction or revenue enhancement. The Lack of Going Concern Letter specifically requires detailed plans for furlough days and reductions in force, including implementation of furloughs beginning in fall 2026 and completion of the Board-approved reduction-in-force process no later than the final Board meeting in January 2027.

FCMAT Fiscal Health Risk Analysis. LACOE's designation of the District as a lack of going concern triggered a FHRA by FCMAT. FCMAT performed its FHRA, dated September 30, 2026, using the Fiscal Year 2026-27 Budget and multiyear projections for fiscal years 2027-28 and 2028-29 and conducted fieldwork from August 18 through August 20, 2026. FCMAT's FHRA assigned the District a risk score of 37.9%, which falls within FCMAT's "moderate risk" category. Notwithstanding that score, FCMAT assessed the District's overall fiscal-solvency risk as "high" as a result of LACOE's lack-of-going-

concern designation. FCMAT stated that the District's projected inability to maintain the required minimum reserve for economic uncertainties in the two subsequent fiscal years, together with the magnitude of its continuing structural deficit spending, indicates significant fiscal risk.

FCMAT identified the District's principal areas of fiscal risk as: (i) collective bargaining agreements; (ii) deficit spending; (iii) contributions and transfers; (iv) enrollment and attendance; (v) fund balance and the reserve for economic uncertainties; and (vi) position control. FCMAT described these risks as interconnected and as collectively affecting the District's ability to restore and maintain fiscal stability.

FCMAT also emphasized that fund balance and cash availability are distinct measures and that fiscal solvency requires both sustainable fund balances and sufficient cash to pay obligations when due. Accordingly, accurate and complete cash-flow projections are necessary to identify potential cash shortfalls and determine whether temporary borrowing or other cash-management measures may be required.

FCMAT stated that restoring fiscal stability will require the District to implement the 2027 Fiscal Stabilization Plan within the required timeframes, achieve sustainable expenditure reductions, monitor fund balance and cash flow, evaluate special education contributions and other material assumptions, and take timely corrective action if projected results do not materialize. FCMAT cautioned that delays in corrective action could reduce the District's available options and require more significant expenditure reductions over a shorter period.

Fiscal Year 2026-27 Budget. The Fiscal Year 2026-27 Budget was adopted by the District Board on June 23, 2026. The Fiscal Year 2026-27 Budget was developed with the assumptions contained in the Governor's May revision to the proposed fiscal year 2026-27 State Budget. The Fiscal Year 2026-27 Budget projects a General Fund beginning balance of approximately $2.98 billion, total budgeted revenues of $9.35 billion, total budgeted expenditures of $11.35 billion, budgeted other financing sources and uses of positive $54.5 million, and a budgeted ending balance of $1.04 billion. The Fiscal Year 2026-27 Budget projects that its budgeted General Fund ending balance of $1.04 billion is expected to consist of approximately $114.3 million for the mandatory reserve for economic uncertainties, $50.6 million of non-spendable revolving cash, stores, and prepaid expenditures, $285.1 million of restricted ending balances, $109.5 million of committed ending balances, $227.8 million of assigned ending balances, and $253.7 million of undesignated and unassigned ending balances.

The Fiscal Year 2026-27 Budget includes certain assumptions and policies, including:

- Statutory COLA of 2.87% for Special Education and selected categorical programs outside of LCFF.

- Net enrollment decline of 13,120 to 375,890 in fiscal year 2026-27 from 389,010 in 2025-26 for non-charter and Affiliated Charter Schools and a Fiscally Independent Charter School enrollment decline of 1,371 to 105,585 in fiscal year 2026-27 from 106,956 in fiscal year 2025-26.

- LCFF-funded ADA of 331,385.75 for non-charter schools, which is based on the average of the three prior years' ADA and 33,987.93 for Affiliated Charter Schools in fiscal year 2026-27, which is based on projected second period (P-2) ADA; the percentage of ADA to enrollment is assumed to be 92%.

- State Special Education funding reflects an increased base rate to $943.86 per ADA.

- Estimated unduplicated pupil count and three-year rolling average unduplicated pupil percentage.

- LCFF allocation of $941.7 million from the Education Protection Account (the "Education Protection Account") established by Proposition 30 (defined herein) to be spent for instruction.

- LCFF supplemental and concentration expenditures of $1,905.6 million that reflect the SENI reduction of $99 million.

- Lottery unrestricted rate per ADA is estimated at $190 per ADA and restricted rate per ADA is estimated at $82 per ADA.

- Receipt of approximately $469.5 million from the ELOP.

- Receipt of approximately $81.4 million from Arts and Music in Schools (Proposition 28) and LCFF Equity Multiplier of $35.9 million.

- Funding for employee health and medical benefits at the per participant rate set forth in the Health and Welfare Agreement (defined herein).

- Contribution rate to CalSTRS (defined herein) of 19.10%.

- Employer contribution rate to CalPERS (defined herein) of 26.40%.

- Using $469.7 million of ELO-P funds comprised of $0.2 million estimated carried over from fiscal year 2025-26 and $469.5 million of new funds received for 2026-27.

- Ongoing and major maintenance resources totaling $331.4 million, reflecting 3% of budgeted General Fund expenditures and other financing uses, excluding CalSTRS on behalf expenditures.

- Contribution from all funds of $105.2 million to the Workers' Compensation Fund and inclusion of total Workers' Compensation actuarially determined funded liability of $473.4 million.

- Inclusion of bond measure, debt service, Certificates of Participation (COPs) proceeds funds, and other financing sources/uses.

- Reserve for Economic Uncertainties totaling $114.3 million, reflecting the statutory 1% budgeted expenditure requirement and other financing uses.

- Implementation of 2026 Fiscal Stabilization Plan, such as release of SENI and General Fund School Program carryover of $360 million, release of various reassessed assigned balances of $53 million, and central office reductions of $164 million.

- Inclusion of 2026-27 beginning balances in the General Fund and other funds, reflecting the updated estimated actual ending balance as of June 30, 2026.

- Estimated ending balances for the General Fund and other funds for fiscal year 2026-27, reflecting the difference between estimated revenue and expenditure levels for fiscal year 2026-27.

- Authority to transfer amounts, as necessary, to implement technical adjustments related to the fiscal year 2026-27 budget.

- Authority to implement new revenues for fiscal year 2026-27, if any, and increase budgeted appropriations accordingly.

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

- Transfer from Special Reserve Fund – Noncapital Outlay of $92.6 million in 2026-27 included in the fiscal year 2025-26 Fiscal Stabilization Plan to fund operating expenses; the ending balance in the Special Reserve Fund – Noncapital Outlay is $497.6 million in fiscal year 2026-27.

LACOE's Response to Fiscal Year 2026-27 Budget. On September 15, 2026, LACOE notified the District that it had approved the District's fiscal year 2026–27 LCAP and conditionally approved the District's Fiscal Year 2026–27 Budget, subject to compliance with two conditions by October 8, 2026.

LACOE's first condition requires the District to submit an implementation timeline and supporting detail for updates to its 2027 Fiscal Stabilization Plan that identifies revenue enhancements and expenditure reductions sufficient to meet the applicable minimum reserve requirement in the current and two subsequent fiscal years. The timeline should include: (a) the revenue enhancements and expenditure reductions under consideration and, for each action, its projected fiscal impact, responsible party, implementation timeline and measurable performance metric; (b) for each action requiring negotiation, voter approval or other authorization outside the District's sole discretion and authority, a contingency action within the Board's authority, the date by which the contingency action would be implemented and confirmation that it would produce revenue enhancements, expenditure reductions or a combination thereof equal to or greater than the original action; and (c) summary charts showing revised enrollment and ADA projections based on current trends and the corresponding budget adjustments, and comparing the projected fiscal impact of actions within the District's control with those dependent upon external authorization.

LACOE's second condition requires the District to submit an updated Form CASH reflecting current cash-flow projections and incorporating the District's budget and revenue and expenditure assumptions, and the impact of updates to the 2027 Fiscal Stabilization Plan. The Form CASH must show all available cash-management solutions necessary to address projected cash-flow deficiencies and demonstrate the District's ability to meet its financial obligations.

LACOE provided that it must approve or disapprove the District's budget by November 9, 2026, and stated that a complete and responsive submission by October 8, 2026, should resolve its concerns and significantly increase the likelihood that the Fiscal Year 2026-27 Budget will be approved.

LACOE also summarized the fiscal concerns identified during review of the Fiscal Year 2026-27 Budget, identifying concerns regarding the District's continued deficit spending, declining reserves, declining enrollment and ADA, and labor costs and projected cash-flow deficiencies. In particular, LACOE noted that the District projects a negative $3.054 billion unrestricted General Fund balance by fiscal year 2028–29, will not meet its minimum reserve requirement in fiscal years 2027–28 or 2028–29, and projects declines of 24,956 in enrollment and 19,625 in funded ADA over the three-year period. LACOE further noted projected deficits in certain other District funds, stated that additional salary or benefit increases would further erode the District's reserve position, and required the District to demonstrate how it will cover projected negative General Fund cash balances. The District's Lack of Going Concern status remains in effect through the next financial reporting period, and applicable statutory restrictions on debt issuance remain in effect.

District's Response to Conditional Budget Approval. The District provided written responses evidencing compliance with the conditions in LACOE's response to the Fiscal Year 2026-27 Budget on or before October 8, 2026, as required.

In response to the first condition, the District submitted implementation plans identifying milestones, performance metrics, responsible departments, and estimated completion dates for the measures included in the 2027 Fiscal Stabilization Plan. For 2027 Fiscal Stabilization Plan measures requiring labor negotiations, i.e., employee furloughs and health insurance cost sharing, which together represent $100 million of the 2027 Fiscal Stabilization Plan for fiscal year 2027–28, the District identified a contingency under which it would maximize restricted-grant reimbursements for eligible District expenses if labor negotiations do not progress by June 2027. The contingency is expected to be incorporated during development of the budget for fiscal year 2027–28 and is projected to provide $50 million of savings in each of fiscal years 2027–28 and 2028–29. The District stated that implementation of this alternative could reduce restricted funding available for program activities. In response to LACOE's request for revised enrollment and average daily attendance information, the District reported that fiscal year 2026–27 Norm Day enrollment was below the projection used in the adopted budget. Total Norm Day enrollment was 375,257, or 4,488 students below the forecast of 379,745. The District also reported that a one-percent change in enrollment affects revenues by approximately $60 million in aggregate over the subsequent three fiscal years.

In response to LACOE's second condition, the District prepared an updated monthly cashflow forecast incorporating the 2027 Fiscal Stabilization Plan for the period from July 2026 through June 2028. The cashflow forecast maintains positive projected cash balances throughout the forecast period and reflects an ending balance of approximately $1.3 billion in June 2028. The District therefore represented that implementation of the 2027 Fiscal Stabilization Plan would address the cash shortfalls previously forecasted for certain months in fiscal year 2027-28. These projections remain dependent on the timing and realization of the measures included in the 2027 Fiscal Stabilization Plan.

District General Fund Budgets and Audited Actuals. The following Table A-11a sets forth the District's Adopted Budgets for the District General Fund, inclusive of regular and specially funded programs, for fiscal years 2022-23 through 2026-27, the audited results for fiscal years 2021-22 through 2024-25 and the unaudited actual results for fiscal year 2025-26. The budgeted beginning balance for each fiscal year reflects the estimated ending balance for the prior fiscal year based upon information as of the budget adoption date. Accordingly, the budgeted ending balance for a fiscal year and the subsequent budgeted beginning balance may differ from the actual ending balance and actual beginning balance.

TABLE A-11a
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL FUND BUDGET FOR FISCAL YEARS 2022-23 THROUGH 2026-27
AUDITED ACTUALS FOR FISCAL YEARS 2022-23 THROUGH 2024-25[1][2]
UNAUDITED ACTUALS FOR FISCAL YEAR 2025-26
($ IN MILLIONS)

	Adopted Budget 2022-23	Audited Actuals 2022-23	Adopted Budget 2023-24	Audited Actuals 2023-24	Adopted Budget 2024-25	Audited Actuals 2024-25	Adopted Budget 2025-26[3]	Unaudited Actuals 2025-26	Adopted Budget 2026-27[4]
Beginning Balance	$ 3,567.6	$ 3,328.3	$ 5,179.3	$ 5,708.3	$ 6,356.9	$ 6,421.9	$ 4,273.2	$ 4,514.9	$ 2,984.1
Revenue									
State Apportionment	$ 4,573.8	$ 4,844.3	$ 5,080.1	$ 4,963.7	$ 4,725.7	$4,644.5	$4,652.4	$4,603.1	$4,772.5
Property Taxes	1,511.6	1,749.9	1,658.2	1,771.8	1,721.6	1,811.3	1,783.0	1,854.2	1,820.0
Total LCFF	$ 6,085.4	$ 6,594.2	$ 6,738.3	$ 6,735.5	$ 6,447.3	$ 6,455.8	$ 6,435.4	$ 6,457.3	$ 6,592.4
Federal	2,823.3	2,304.2	1,840.5	2,121.5	862.8	741.9	843.8	744.0	720.8
Other State	1,717.9	2,681.9	1,678.0	1,778.4	1,694.7	1,864.2	1,726.1	2,020.5	1,755.0
Other Local	168.1	196.2	274.2	582.3	402.5	615.2	331.6	486.6	279.6
Total Revenue	$ 10,794.7	$ 11,776.5	$ 10,531.0	$ 11,217.6	$ 9,407.3	$ 9,677.1	$ 9,336.9	$ 9,708.4	$ 9,347.7
Total Beginning Balance and Revenue	$ 14,362.3	$ 15,104.8	$ 15,710.3	$ 16,925.9	$ 15,764.3	$ 16,099.0	$ 13,610.1	$ 14,223.3	$ 12,331.9
Expenditures									
Certificated Salaries	$ 3,772.5	$ 3,474.9	$ 3,730.4	$ 3,877.7	$ 4,185.7	$ 4,088.5	$ 4,019.0	$ 4,225.2	$ 4,297.8
Classified Salaries	1,260.8	1,346.1	1,434.0	1,516.3	1,574.1	1,620.3	1,545.7	1,830.4	1,759.1
Employee Benefits	2,798.4	2,592.9	2,820.2	2,919.8	3,069.8	3,154.2	3,260.4	3,204.7	3,388.3
Books and Supplies	2,793.8	670.5	1,893.1	602.8	1,196.8	460.3	1,474.3	354.4	757.5
Other Operating Expenses	1,045.9	1,272.1	1,718.5	1,506.1	1,069.3	1,646.2	1,155.4	1,504.6	1,134.9
Capital Outlay	17.9	111.1	53.6	113.1	104.3	148.0	62.8	72.7	54.9
Debt Service	0.1	22.4	4.8	26.8	-	33.4	-	25.2	-
Other Outgo	5.3	6.9	5.8	7.1	6.9	7.4	7.7	7.9	7.6
Transfers of Indirect Cost	(30.4)	(24.0)	(20.0)	(20.1)	(43.4)	(39.3)	(49.0)	(52.0)	(54.7)
Total Expenditures	$11,664.3	$ 9,472.9	$11,640.2	$10,549.6	$11,163.5	$11,119.0	$11,476.3	$11,173.0	$11,345.4
Excess (Deficiency) of Revenue Over (Under) Expenditures	$ (869.6)	$ 2,303.6	$(1,109.2)	$ 668.0	$ (1,756.2)	$ (1,441.9)	$ (2,139.4)	$ (1,464.6)	$ (1,997.6)
Total Other Financing Sources (Uses)	$ 4.6	$ 76.3	$ 2.8	$ 45.6	$ (20.2)	$ 112.7	$ 18.8	$ 131.1	$ 54.45
Change in Fund Balance	$ (865.0)	$ 2,379.9	$ (1,106.4)	$ 713.6	$ (1,776.4)	$(1,329.3)	$ (2,120.6)	$ (1,333.5)[5]	$ (1,943.2)
Ending Balance	$ 2,702.6	$ 5,708.2	$ 4,072.9	$ 6,421.9	$ 4,580.5	$ 5,092.7	$ 2,152.6	$ 3,181.3	$ 1,041.0

Source: Los Angeles Unified School District. (continued on next page).

TABLE A-11a (CONT.)
LOS ANGELES UNIFIED SCHOOL DISTRICT
General Fund Budget for Fiscal Years 2022-23 through 2026-27
Audited Actuals for Fiscal Years 2022-23 through 2024-25[(1)(2)]
Unaudited Actuals for Fiscal Year 2025-26
($ in millions)

	Adopted Budget 2022-23	Audited Actuals 2022-23	Adopted Budget 2023-24	Audited Actuals 2023-24	Adopted Budget 2024-25	Audited Actuals 2024-25	Adopted Budget 2025-26[(3)]	Unaudited Actuals 2025-26	Adopted Budget 2026-27[(4)]
Fund Balance									
Nonspendable	$ 46.6	$ 47.5	$ 43.0	$ 49.9	$ 48.0	$ 50.9	$ 49.5	$ 43.4	$ 50.6
Restricted	208.6	1,843.0	1,258.0	1,794.5	1,672.6	889.6	78.6	648.4	285.1
Committed	1,491.3	2,920.9	1,972.8	2,972.0	1,796.9	--	46.1	46.1	109.5
Assigned	351.6	510.9	451.9	491.5	726.1	1,373.6	413.0	717.4	227.8
Reserved for Economic Uncertainties	234.1	238.8	233.5	244.9	112.2	710.6	115.2	119.8	114.3
Undesignated/Unassigned	370.4	147.1	113.7	869.0	224.8	2,068.0	1,450.1	1,606.2	253.7

(1) Totals may not equal sum of component parts due to rounding.
(2) Includes the Regular Program and the Specially-Funded Programs.
(3) Does not include $575.2 million in Fund 17- Special Reserve Fund - Non-Capital Outlay which was created in fiscal year 2024-25 and is comprised of unrestricted funds previously accounted for in the General Fund.
(4) Does not include the 2027 Fiscal Stabilization Plan.
(5) Includes an audit adjustment of ($57) million.

Sources: Los Angeles Unified School District's Adopted Budgets for fiscal years 2022-23 through 2026-27; Audited Annual Financial Report for fiscal years 2022-23 through 2024-25; and Unaudited Actuals for fiscal year 2025-26.

The following Table A-11b illustrates the District's multi-year General Fund projections for fiscal years 2026-27 through 2028-29 pursuant to the Fiscal Year 2026-27 Budget which incorporates the 2026 Fiscal Stabilization Plan but does not incorporate the 2027 Fiscal Stabilization Plan. See "– *Fiscal Stabilization Plans*" above.

TABLE A-11b
LOS ANGELES UNIFIED SCHOOL DISTRICT
FISCAL YEAR 2026-27 BUDGET
GENERAL FUND MULTI-YEAR PROJECTIONS
FISCAL YEARS 2026-27 THROUGH 2028-29
($ IN MILLIONS)[1][4]

	2026-27	2027-28	2028-29
Revenue and Other Financing Sources			
Total LCFF	$6,592.4	$6,597.8	$6,568.4
Federal	720.8	656.7	656.0
Other State	1,755.0	1,730.8	1,720.3
Other Local	279.6	238.4	219.6
Transfers In	122.6[2]	527.6[2]	30.0[2]
Other Sources	0.9	1.2	1.2
Total Revenues without 2027 FSP Changes	9,471.3	9,752.6	9,195.5
Expenditures			
Certificated Salaries	4,297.8	4,188.8	4,092.0
Classified Salaries	1,759.1	1,749.3	1,739.3
Employee Benefits	3,388.3	3,520.3	3,582.8
Books and Supplies	757.5	720.5	700.0
Services and Other Operating Expenses	1,134.9	1,212.2	1,212.2
Capital Outlay	54.9	75.5	75.9
Other Outgo (excluding transfers of indirect costs)	7.6	7.6	7.6
Other Outgo – transfers of indirect costs	(54.7)	(45.4)	(55.3)
Transfers Out	69.1[3]	92.9[3]	113.6[3]
Other Adjustments	--	(45.0)	(45.0)
Total Expenditures without 2027 FSP Changes	11,414.5	11,476.6	11,423.0
Net Increase (Decrease) in Fund Balance	(1,943.2)	(1,724.1)	(2,227.5)
Net Beginning Fund Balance	2,984.1	1,041.0	(683.1)
Ending Fund Balance	$1,041.0	$(683.1)	$(2,910.6)
Components of Ending Fund Balance			
Nonspendable	50.6	50.6	50.6
Restricted	285.1	176.2	143.7
Committed			
Stabilization Arrangements	--	--	--
Other Commitments	109.5	191.3	272.4
Assigned	227.8	87.1	93.0
Unassigned/Unappropriated			
Reserve for Economic Uncertainties	114.3	114.9	114.3
Unassigned/Unappropriated	253.7	(1,303.2)	(3,584.7)

[1] Totals may not add due to rounding.
[2] Reflects transfers from Fund 17 (Special Reserve Fund – Other than Capital Outlay) to cover General Fund operating costs with Fund 17 expected to be depleted by the end of fiscal year 2027-28 which causes the decrease in fiscal year 2028-29.
[3] Comprised of debt service payments on outstanding judgment obligation bonds that increases over time.
[4] Does not include the 2027 Fiscal Stabilization Plan.
Source: Fiscal Year 2026-27 Budget.

Historical Review of District General Fund Actual Revenues and Expenditures. The following Table A-12 sets forth the District's total revenues, total expenditures and the difference reflected in the audited results for fiscal years 2004-05 through 2024-25.

TABLE A-12
LOS ANGELES UNIFIED SCHOOL DISTRICT
Historical Review of District General Fund Audited Revenues and Expenditures for Fiscal Years 2004-05 through 2024-25
($ in millions)

Fiscal Year	Total Revenues[1]	Total Expenditures[2]	Difference
2004-05	$ 6,461.93	$ 6,436.35	$ 25.58
2005-06	6,572.70	6,487.75	84.95
2006-07	6,994.08	6,733.36	260.72
2007-08	6,954.29	6,992.29	(38.00)
2008-09	6,764.50	6,671.80	92.70
2009-10	6,302.12	6,389.17	(87.05)
2010-11	6,428.93	6,193.37	235.56
2011-12	5,919.59	5,998.31	(78.72)
2012-13	5,722.96	5,955.05	(232.09)
2013-14	5,896.35	5,788.82	107.53
2014-15	6,452.84	6,333.28	119.56
2015-16	7,213.53	6,723.15	490.38
2016-17	7,292.27	6,837.31	454.96
2017-18	7,308.08	7,062.45	245.63
2018-19	7,788.71	7,582.63	206.08
2019-20	7,613.72	7,781.09	(167.37)
2020-21[3]	9,010.00	8,204.19	805.81
2021-22[3]	9,781.49	9,308.46	473.03
2022-23[3]	11,868.39	9,488.47	2,379.92
2023-24[3]	11,288.37	10,574.69	713.68
2024-25[3]	10,432.55	11,761.82	(1,329.27)

[1] Includes Other Financing Sources.
[2] Includes Other Financing Uses.
[3] Increases due to revenues and expenditures related to COVID-19.
Sources: Audited Annual Financial Report for fiscal years 2004-05 through 2024-25.

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

A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, may not meet its

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

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

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

Second Interim Financial Report for Fiscal Year 2025-26. The District submitted its 2025-26 Second Interim Report to LACOE with a positive certification; however, the 2025-26 Second Interim Report was completed prior to entering into the 2026 Collective Bargaining Agreements and did not reflect the financial obligations in the 2026 Collective Bargaining Agreements. Based on the 2025-26 Second Interim Report, the District expected to meet its financial commitments and satisfy the 5% Minimum Reserve Threshold and the 1% statutory reserve requirement for fiscal years 2025-26, 2026-27 and 2027-28. The 2025-26 Second Interim Report provided that the District continued to be challenged with deficit spending wherein expenditures are greater than projected revenues.

The 2025-26 Second Interim Report projected a General Fund ending balance of approximately $3.21 billion for fiscal year 2025-26, consisting of a projected unrestricted General Fund ending balance of approximately $2.77 billion and a projected restricted General Fund ending balance of $436.020 million for fiscal year 2025-26. The projected fiscal year 2025-26 unrestricted General Fund ending balance consisted of non-spendable, other commitments, assigned, unassigned reserve for economic uncertainties and unassigned/unappropriated components in the amounts of approximately $50.60 million, $46.11 million, $903.71 million, $120.10 million and $1.65 billion, respectively.

The District revises its projections of revenues, expenditures, and ending fund balances contained in its annual budget as more financial data becomes available throughout the fiscal year. The Fiscal Year 2026-27 Budget reflects the District's budget for fiscal year 2026-27 and also reflects multi-year projections through fiscal year 2028-29. The projections for fiscal years 2027-28 and 2028-29 contained in the Fiscal Year 2026-27 Budget reflect negative ending General Fund balances. In order to address this issue, the District adopted the 2027 Fiscal Stabilization Plan. See "District Budget – *Fiscal Stabilization Plans*." The 2027 Fiscal Stabilization Plan reflects a projected General Fund ending balance in fiscal year 2027-28 of approximately $1,345 million and in fiscal year 2028-29 of $683 million.

The achievement of certain results or other expectations contained in the Fiscal Year 2026-27 Budget and the 2027 Fiscal Stabilization Plan involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described therein to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates, and other forward-looking statements contained in the Fiscal Year 2026-27 Budget and the 2027 Fiscal Stabilization Plan are expressly qualified in their entirety by the foregoing and the other cautionary statements.

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Employees and Labor Relations

General. The District has twelve bargaining units with existing contracts. The largest bargaining unit among the District's employees is United Teachers Los Angeles ("UTLA"), which is comprised of among other employees, teachers, counselors, advisers, nurses, psychologists, and social workers. In addition, certain employees are not represented by a formal bargaining unit (the "District Represented Employees"). The following Table A-14 sets forth the number of members of each bargaining unit as of October 5, 2026, and the expiration dates of the existing or successor labor agreements with each of the District's employee bargaining units.

TABLE A-14
LOS ANGELES UNIFIED SCHOOL DISTRICT
Employee Bargaining Units and Contract Expiration Dates
As of October 5, 2026

Employee Bargaining Unit	Members*	Contract Expiration Date (June 30)
AALA/Teamsters 2010 (Certificated Administrators – Unit M)	2,433	2028
Unit A (Los Angeles School Police Association)	251	2028
Unit B (SEIU Local 99 Instructional Aides)	14,571	2027
Unit C (SEIU Local 99 Operations – Support Services)	7,626	2027
Unit D (CSEA Chapter 500 Office – Technical and Business Services)	4,128	2026(2)
Unit E (LA/OC Building and Construction Trades Skilled Crafts)	1,407	2027
Unit F (SEIU Local 99 Teacher Assistants)	872	2027
Unit G (SEIU Local 99 Playground Aides)	5,768	2027
Unit H (Los Angeles School Police Management Association)	57	2028
AALA/Teamsters 2010 (Classified Management – Unit J)	445	2028
Unit S (Teamsters 572 - Classified Supervisors)	3,217	2027
United Teachers Los Angeles	35,232	2027
District Represented Employees(1)	519	N/A

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

Negotiations Regarding Labor Contracts. The United Teachers Los Angeles ("UTLA") and the District, on April 12, 2026, reached a two-year agreement for fiscal years 2025-26 and 2026-27 that increases UTLA members' salary scales by 11.65%, increases the beginning teacher salary to $77,000 per year and funds additional support service providers, reduces class size for non-magnet academic 11th and 12th grade classes by one (1) and counseling ratios in secondary settings.

SEIU Local 99 (Units B, C, F and G), on April 23, 2026, reached an agreement for fiscal years 2024-25 through 2026-27 with the District which includes a 3% wage increase effective July 1, 2024; a 4% wage increase effective January 1, 2025; a 2.5% wage increase effective July 1, 2025; a 2.5% wage increase effective January 1, 2026; a 6% wage increase effective July 1, 2026; a 6% wage increase effective January 1, 2027; as well as additional hours, training, improved access to health benefits eligibility, and improvements in uniforms, safety shoes, and tool allowances for select classifications. Effective July 1, 2025, (a) the tuition reimbursement increased to $1400; (b) in the interest of recognizing those employees with excellent attendance, the District agreed to provide an attendance incentive ranging from $100 - $500 annually. Also, in this agreement, for eligible employees, the bilingual differential and longevity rates doubled. The financial impacts of the SEIU Agreement have been incorporated as expenditures in the Fiscal Year 2026-27 Budget.

AALA/Teamsters 2010 (Certificated Administrators - Unit M and Classified Management – Unit J) and the District, on April 12, 2026, reached an agreement for fiscal year 2025-26 through fiscal year 2027-28 that increases members' salary by 11.65% for two years with a reopener for year three. Also, in the interest of recognizing those employees with excellent attendance, the District agreed to provide an attendance incentive ranging from $100 - $500 annually. The financial impacts of the AALA/Teamsters 2010 Unit M Agreement have been incorporated as expenditures in the Fiscal Year 2026-27 Budget.

Unit D (CSEA Chapter 500 Office – Technical and Business Services) and the District have reached a Reopener Agreement for fiscal years 2024-25 and 2025-26 (the "CSEA Agreement"). Under the CSEA Reopener Agreement (a) effective July 1, 2024, all CSEA bargaining unit members received a retroactive 3% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect June 30, 2024; (b) effective January 1, 2025, all CSEA bargaining unit members received a retroactive 3% on-going wage increase applied to all pay school groups and levels of the base salary table in effect December 31, 2024; (c) effective July 1, 2025, all CSEA bargaining unit members received a retroactive 2% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect June 30, 2025; and (d) effective January 1, 2026, all CSEA bargaining unit members received a retroactive 2% on-going wage increase applied to all pay school groups and levels of the base salary table in effect December 31, 2025. Effective July 1, 2025, (a) longevity rates for 10-30 years of qualifying District service were doubled; (b) the bilingual differential rate increased to $1.00 if required to speak, read and write in a language other than English and $.50 if only required to converse in a language other than English; and (c) in the interest of recognizing those employees with excellent attendance, the District agreed to provide an attendance incentive ranging from $100 - $500 annually.

As a result of the CSEA Agreement, the District anticipated an increase in fiscal year 2026-27 expenditures of $48.22 million of which approximately $37.96 million related to the District's general fund. The financial impacts of the CSEA Agreement have been incorporated as expenditures in the Fiscal Year 2026-27 Budget. As of October 1, 2026, CSEA began negotiations for a successor collective bargaining agreement for fiscal year 2026-27 through 2028-29.

Unit S (Teamsters 572 – Classified Supervisors) and the District reached a three-year agreement for fiscal years 2024-25 through 2026-27 (the "Teamsters 572 Agreement"). Under the Teamsters 572 Agreement (a) effective July 1, 2024, all Teamsters 572 bargaining unit members received a retroactive 3% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on June 30, 2024; (b) effective January 1, 2025, all Teamsters 572 bargaining unit members received a retroactive 3% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on December 31, 2024; (c) effective July 1, 2025, all Teamsters 572 bargaining unit members received a retroactive 2% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on June 30, 2025; (d) effective January 1, 2026, all Teamsters 572 bargaining unit members will receive a retroactive 2% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on December 31, 2025; (e) effective July 1, 2026, all Teamsters 572 bargaining unit members will receive a 1.5% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on June 30, 2026; and (f) effective January 1, 2027, all Teamsters 572 bargaining unit members will receive a 1.5% on-schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on December 31, 2026. Effective July 1, 2024, the tuition reimbursement increased to $1400. Effective July 1, 2025, (a) longevity rates for 10-30 years of qualifying District service doubled; (b) the bilingual differential rate increased to $1.00 if required to speak, read and write in a language other than English and $.50 if only required to converse in a language other than English; and (c) in the interest of recognizing those employees with excellent attendance, the District agreed to provide an attendance incentive ranging from $100 - $500 annually. Effective July 1, 2026 the daily flat rate for hauling in excess of 200 pounds in a single trip shall be $15 per day.

Teamsters 572 exercised a re-opener provision in its agreement in light of the recent agreement with SEIU Local 99 (Units B, C, F and G) to renegotiate and request that their salaries be matched to SEIU Local 99 (Units B, C, F and G). On July 29, 2026, Teamsters 572 reached a salary compression MOU agreement with the District for the periods covering January 1, 2025, through January 1, 2027, to apply salary adjustments to Unit S classifications principally within the range of SEIU Unit B and Unit C represented classifications. The MOU provides a supplemental salary increase to approximately 73 of 264 Unit S classifications to restore their prior salary alignment with SEIU Unit B and Unit C classifications following increases to those units, as follows: Additional 1% effective January 1, 2025; 0.5% effective July 1, 2025; 0.5% effective January 1, 2026; 4.5% effective July 1, 2026; and 4.5% effective January 1, 2027. The MOU also establishes a framework to further review compression and the potential consolidation, collapse, or reclassification of higher salaried Unit S classifications as appropriate to facilitate reasonable salary differentiation between related higher-level and lower-level classifications.

As a result of the Teamsters 572 Agreement, the District anticipated an increase in fiscal year 2026-27 expenditures of approximately $30.18 million (all funds), of which approximately $21.64 million related to the District's general fund. The financial impact of the Teamsters 572 Agreement has been incorporated as expenditures in the Fiscal Year 2026-27 Budget.

Unit A (Los Angeles School Police Association) and the District reached a three-year agreement for fiscal years 2025-26 through 2027-28 (the "LASPA Agreement"). Under the LASPA Agreement, (a) effective July 1, 2025, all LASPA bargaining unit members received a retroactive 2% on schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on June 30, 2025; (b) effective January 1, 2026, all LASPA bargaining unit members received a retroactive 2% on schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on December 31, 2025; (c) effective July 1, 2026, all LASPA bargaining unit members will receive a 1.5% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective June 30, 2026; and (d) effective January 1, 2027, all LASPA bargaining unit members will receive a 1.5% on schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on December 31, 2026. On or after January 1, 2027, LASPA may reopen Article XIII – Wages and Salaries solely on compensation. Effective July 1, 2025, (a) the bilingual differential rate increased to $1.00 if required to speak, read and write in a language other than English and $.50 if only required to converse in a language other than English; (b) in the interest of recognizing those employees with excellent attendance, the District agreed to provide a financial incentive ranging from $100 - $500 annually; (c) the uniform allowance increased to $1,050 in each fiscal year for the cost of dry cleaning and repairs; (d) the tuition reimbursement increased to $1,400; and (e) employees who work a majority of their assignment during evening shift receive a 5.5% differential and employees who work an overnight shift receive an 11% differential.

As a result of the LASPA Agreement, the District anticipated an increase in fiscal year 2026-27 expenditures of approximately $3.09 million (all funds), of which approximately $2.94 million related to the District's general fund. The financial impacts of the LASPA Agreement have been incorporated as expenditures in the Fiscal Year 2026-27 Budget.

Unit H (Los Angeles School Police Management Association) and the District reached a three-year agreement for fiscal years 2025-26 through 2027-28 (the "LASPMA Agreement"). Under the LASPMA Agreement, (a) effective July 1, 2025, all LASPMA bargaining unit members received a retroactive 2% on schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on June 30, 2025, (b) effective January 1, 2026, all LASPMA bargaining unit members received a retroactive 2% on schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on December 31, 2025, (c) effective July 1, 2026, all LASPMA bargaining unit members will receive a 1.5% on schedule wage increase applied to all pay scale groups and levels of the base salary tables effective June 30, 2026 and, (d) effective January 1, 2027, all LASPMA bargaining unit members will receive a 1.5% on

schedule wage increase applied to all pay scale groups and levels of the base salary tables in effect on December 31, 2026. On or after January 1, 2027, LASPMA may reopen Article XIV – Wages and Salaries solely on compensation. Effective July 1, 2025, (a) the bilingual differential rate increased to $1.00 if required to speak, read and write in a language other than English and $.50 if only required to converse in a language other than English, (b) in the interest of recognizing those employees with excellent attendance, the District agreed to provide a financial incentive ranging from $100 - $500 annually, (c) the uniform allowance increased to $1,050 in each fiscal year for the cost of dry cleaning and repairs, (d) the tuition reimbursement increased to $1,400, (e) employees who work a majority of their assignment during evening shift receive a 5.5% differential and employees who work an overnight shift receive an 11% differential.

Under the LASPMA Agreement, the District anticipated an increase in fiscal year 2026-27 expenditures of approximately $.88 million (all funds), of which approximately $.87 million relate to the District's general fund. The financial impacts of the LASPMA Agreement have been incorporated as expenditures in the Fiscal Year 2026-27 Budget.

Under the LASPA Agreement and the LASPMA Agreement, members of those bargaining units may re-open their respective contracts as to salaries as a result of the recent tentative agreement with AALA/Teamsters 2010 (Certificated Administrators) to renegotiate and request that their salaries be matched to AALA/Teamsters 2010 (Certificated Administrators). No such request has been made to date.

Unit E (LA/OC Building & Construction Trades Skilled Crafts) and the District recently reached an agreement for fiscal years 2025-26 through 2026-27, however, Unit E (LA/OC Building & Construction Trades Skilled Crafts) has informed the District that its membership did not ratify the new agreement and instead, intends to re-open collective bargaining. The financial impacts of the Trades Agreement have been incorporated as expenditures in the Fiscal Year 2026-27 Budget.

Employees that are classified as "District-represented" are not in a formal bargaining unit. In alignment with District Board-approved labor agreements discussed above, District-represented employees received comparable compensation adjustments. District-represented employees with salaries similar to those within the range of SEIU classifications received a 24% wage increase as reflected above for SEIU. District-represented employees with salaries within the range of AALA/Teamsters Classified Managers, received a 11.65% wage increase as reflected above for Unit J. District-represented employees outside of the range of union-represented classifications received a 5.5% wage increase. Senior Management positions did not receive a wage increase. The financial impacts of the District-represented agreement were incorporated as expenditures into the Fiscal Year 2026-27 Budget.

The District entered a memorandum of understanding with UTLA, CSEA, Teamsters 572 (Unit S – Classified Supervisors) and AALA/Teamsters 2010 to establish a three-year instructional calendar (fiscal years 2025 - 2028). The memorandum of understanding maintains a three-week (15 days) winter break, and provides for instruction, enrichment, nutrition and child supervision through a voluntary five-day winter recess academy in each such fiscal year.

Health and Welfare Agreement. The District and all bargaining units commenced negotiations on June 23, 2025, for a successor Health and Welfare Agreement regarding health and welfare benefits for active employees and retirees. On December 3, 2025, the District reached a two-year agreement (the "Health and Welfare Agreement") with all of its bargaining units for calendar years 2026 and 2027 to continue providing health and welfare benefits for active employees and retirees at no additional cost to participants.

Under the Health and Welfare Agreement, the District will make fixed-amount contributions to fund the anticipated per-category, per-participant costs of current health and welfare benefits, including

administrative costs, for the 2026 and 2027 calendar years. This represents a return to the historic agreement format, under which the District's obligation is to pay a fixed dollar amount for each participant category, as opposed to the immediately preceding 2024–2025 agreement, during which the District covered all actual per-participant costs of benefits.

The Health and Welfare Agreement also provides that any unspent health care reserve funds accumulated pursuant to predecessor agreements (if any) will be maintained for the term of the current agreement and may be used to pay unforeseen expenses or cost overages arising during the current or future benefits agreements. Under this Agreement, 100% of unspent reserve funds above $125 million as of December 31 of the 2026 and 2027 benefit years (if any), and 50% of any unspent reserve funds below $125 million at the end of the two-year Health Benefits Agreement (if any), shall be returned to the District's general fund. The remaining 50% of any unspent reserve funds below $125 million at the end of the two-year Health Benefits Agreement (if any) may be used to pay unforeseen expenses or cost overages arising during the current or future benefits agreements.

Additionally, the District is not obligated to replenish or augment, with additional contributions, any reserves accumulated via the savings of unspent funds through the term of the Health and Welfare Agreement. The financial impacts of the Health and Welfare Agreement are anticipated to be incorporated as expenditures during Fiscal Years 2025–26, 2026–27, and 2027–28. According to the approved AB 1200 filing, the Health and Welfare Agreement provides for increased Health and Welfare costs of $68.50 million for fiscal year 2025–26, increased costs of $16.91 million in fiscal year 2026–27, and savings in Health and Welfare costs of $33.36 million in fiscal year 2027–28, compared to what was initially projected as part of the fiscal year 2025–26 adopted budget.

Future District health and welfare contributions beyond the 2027 benefit year are subject to negotiations for a successor agreement. Such negotiations may be initiated by either party between January 2026 and August 2027.

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

On February 17, 2026, release notices were sent to 2,616 administrators comprising all non-permanent and permanent certificated administrators, supervisory employees, confidential employees and all non-school based administrators, informing them that they may be released and/or reassigned due to reasons including, but not limited to, funding, restructuring, loss of confidence or for cause, in accordance with Education Code Section 44951. To date, however, no administrators have been released pursuant to these notices. Also, on February 17, 2026, the District Board authorized a classified reduction in force for fiscal year 2026-27 which includes the closure of 657 positions and a reduction in the work calendar for 74 positions. As a result of the Board's authorized classified reduction in force, the Personnel Commission sent out a total of 719 release notices to impacted classified employees. As of September 1, 2026, 203 classified employees have been released. No assurances can be given as to how many administrative or

classified employees will actually be released, moved into a lower classification or employed on a reduced basis.

Any reinstatement of previously released District employees, any restrictions on future releases of employees not required for basic District functions, or any combination of those elements will have a negative impact on the District's ability to achieve the goals stated in its 2027 Fiscal Stabilization Plan, in light of the challenges posed by declining enrollment at the District.

Retirement Systems

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

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

The following Table A-15 sets forth the District's aggregate contributions to CalSTRS, CalPERS and PARS, inclusive of employee contributions to CalPERS paid by the District, for fiscal years 2022-23 through 2025-26, and budgeted amounts for fiscal year 2026-27, as of the Fiscal Year 2026-27 Budget, and these contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2022-23 through 2026-27. See tables below entitled "Annual Regular CalSTRS Contributions," "Annual CalPERS Regular Contributions" and "Annual PARS Contribution." See also the District's financial statements contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025."

TABLE A-15
LOS ANGELES UNIFIED SCHOOL DISTRICT
Aggregate Employer Contributions to CalSTRS, CalPERS and PARS
Fiscal Years 2022-23 through 2026-27
($ in millions)

Fiscal Year	District Contributions[(1)]	District Contribution as Percentage of Total Governmental Funds Expenditures
2022-23	$1,040.33	8.08%
2023-24	1,201.09	6.87
2024-25	1,287.88	7.88
2025-26[(2)]	1,360.00	8.46
2026-27[(3)]	1,407.68	7.83

(1) Reflects data for all District Funds, including the District's General Fund. Excludes on-behalf payments from the State to CalSTRS and CalPERS.
(2) Unaudited Actuals for fiscal year 2025-26 as presented and approved by the District Board on September 15, 2026.
(3) Budgeted per Fiscal Year 2026-27 Budget.
Sources: Audited Annual Financial Report for fiscal years 2022-23 through 2024-25; Fiscal Year 2025-26 Unaudited Actuals; Fiscal Year 2026-27 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

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

Member benefits are determined pursuant to the Education Code and are generally based on a member's age, final compensation and years of credited service. Members are 100% vested in retirement benefits after five years of credited service and are eligible for "normal" retirement at age 60 and for early retirement at age 55 or at age 50 with 30 years of credited service. The normal retirement benefit is 2% of final compensation (as defined in the Education Code) for each year of credited service (up to 2.4% of final compensation for members retiring after age 60), and members who retire on or after January 1, 2011 with 30 or more years of service by December 31, 2010 receive monthly bonus payments of up to $400 per month. Members hired on or after January 1, 2013 who retire at age 62 are eligible for a benefit equal to 2% of final compensation for each year of credited service (up to 2.4% of final compensation for members retiring after age 62). Benefits include a 2% cost of living increase (computed on a simple, non-compounded, basis based on the initial allowance) on each September 1 following the first anniversary of the effective date of the benefit. See "– *California Public Employees' Pension Reform Act of 2013*" herein and Note 9 set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025."

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

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

The State is not an employer (with certain limited exceptions) in any of the CalSTRS programs but contributes to the DB Plan and a supplemental benefits maintenance account pursuant to provisions of the Education Code. For fiscal year 2026-27, the State contributes 8.328% of members' annual earnings to the DB Plan and an additional 2.5% of member earnings into the CalSTRS supplemental benefit maintenance account, which is used to maintain the purchasing power of benefits.

The District's employer contribution rate for fiscal year 2026-27 is 19.10% of covered payroll. The District's employer contribution rate is inclusive of the employer base contribution of 8.25% of payroll provided by the Education Code.

The employee contribution rate for CalSTRS members first hired on or before December 31, 2012 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 60 members) has been 10.25% since fiscal year 2016-17 and remains at 10.25% for fiscal year 2026-27. The employee contribution rate for CalSTRS members first hired on or after January 1, 2013 to perform CalSTRS creditable activities (i.e., CalSTRS 2% at 62 members) was 9.205% for fiscal years 2016-17 and 2017-18 and increased to 10.205% for fiscal year 2018-19 and has since remained at 10.205% through fiscal year 2026-27.

The following Table A-16 sets forth the District's regular annual contributions to CalSTRS for fiscal years 2022-23 through 2025-26 and the budgeted contribution for fiscal year 2026-27 and such contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2022-23 through 2026-27. The District has always paid all required CalSTRS annual contributions. As of September 1, 2026, 36,896 District employees were members of CalSTRS.

TABLE A-16
LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual Regular CalSTRS Contributions
Fiscal Years 2022-23 through 2026-27
($ in millions)

Fiscal Year	CalSTRS Employer Rate	District Contributions[(1)]	District Contribution as Percentage of Total Governmental Funds Expenditures
2022-23	19.10%	$663.9	5.16%
2023-24	19.10	740.7	4.24
2024-25	19.10	785.1	4.80
2025-26[(2)]	19.10	802.6	4.99
2026-27[(3)]	19.10	841.3	4.68

(1) Reflects data for all District Funds, including the District's General Fund. Excludes on-behalf payments from the State to CalSTRS.
(2) Unaudited Actuals for fiscal year 2025-26 as presented to and approved by the District Board on September 15, 2026.
(3) Budgeted per the Fiscal Year 2026-27 Budget.
Sources: Audited Annual Financial Report for fiscal years 2022-23 through 2024-25; Fiscal Year 2026-27 Budget; Fiscal Year 2025-26 Unaudited Actuals;and the District for the percentage of Total Governmental Funds Expenditures.

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

The actuarial valuation for the entire CalSTRS defined benefit program as of June 30, 2025 (the "2025 CalSTRS Actuarial Valuation") showed an estimated unfunded actuarial liability of $82.0 billion, a decrease of approximately $6.7 billion from the June 30, 2024 valuation. The actual unfunded actuarial liability as of June 30, 2025, represents a net actuarial gain of approximately $5.2 billion. Such net actuarial gain is due primarily to change in actuarial value assumptions based on the most recent experience analysis, member salary increases being less than projected, and market value returns (estimated at 9.20%) being greater than assumed (7.00%) and returns on actuarial value of assets (estimated at 8.20%) being greater than assumed due to the recognition of a portion of the current year actuarial investment gain and the prior year deferred gains. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2025, and June 30, 2024, based on the actuarial assumptions, were approximately 79.30% and 76.70%, respectively. According to the 2025 CalSTRS Actuarial Valuation, the funded ratio increased by 2.60% during the past year. As described in the 2025 CalSTRS Actuarial Valuation, the increase in the funded ratio is primarily due to the expected year-to-year change as a result of contributions to pay down the unfunded actuarial liability and the return on the Actuarial Valuation of Assets exceeding the assumed return. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates or the amount the District will be required to pay for pension related costs. Accordingly, there can be no assurances that the District's required contributions to CalSTRS will not increase in the future, subject to the limitations of AB 1469.

The following are certain of the actuarial assumptions set forth in the 2025 CalSTRS Actuarial Valuation: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, 3.25% payroll growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The 2025 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013, are subject to the provisions of PEPRA (as defined herein). See *"− California Public Employees' Pension Reform Act of 2013"* below for a discussion of the pension reform measure signed by the Governor in September 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

The CalSTRS Audited Comprehensive Financial Report for fiscal year 2024-25 (the "2024-25 CalSTRS ACFR") states that during fiscal year 2024-25, CalSTRS included 39,887 covered employees of the District in its State Teachers' Retirement Program and 4,188 covered employees of the District in its tax-deferred defined contribution plans under Sections 403(b) and 457 of the Internal Revenue Code (the "Pension2 Program"). Accordingly, covered employees of the District represented approximately 7.40% and 11.20% of covered employees in the State Teachers' Retirement Program and Pension2 Program, respectively.

The UAAL and funded status of the CalSTRS pension fund as of June 30 of fiscal years ended June 30, 2021, through June 30, 2025, are set forth in the following Table A-17. The fair market value of the CalSTRS pension fund as of June 30, 2024 and June 30, 2025, was approximately $321.9 billion and $349.5 billion, respectively. The individual funding progress for the District and the District's proportionate share of CalSTRS' net pension liability is set forth in the District's audited financial statements. See "– *Pension Accounting and Financial Reporting Standards*" herein and Note 9 set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025."

TABLE A-17
Actuarial Value of CalSTRS Defined Benefit Program
Valuation Dates June 30, 2021 through June 30, 2025
($ in billions)

Valuation Date (June 30)	Actuarial Obligation	Actuarial Value of Assets[(1)]	Market Value of Assets	Unfunded Actuarial Obligation	Funded Ratio (Actuarial Value)	Funded Ratio (Fair Market Value)
2021	$332.082	$242.363	$292.980	$89.7	73.0%	81.9%
2022	346.089	257.537	283.340	88.6	74.4	75.2
2023	359.741	273.155	299.148	86.6	75.9	76.2
2024	380.507	291.838	321.910	88.7	76.7	77.5
2025	395.525	313.533	349.525	82.0	79.3	81.0

(1) Actuarial Value of Assets does not include amounts allocable to the CalSTRS Supplemental Benefits Maintenance Account Reserve which was $21.03 billion as of June 30, 2021, $23.05 billion as of June 30, 2022, $24.98 billion as of June 30, 2023, $26.94 billion as of June 30, 2024, and $29.01 billion as of June 30, 2025.
Sources: California State Teachers' Retirement System Defined Benefit Program Actuarial Valuations as of June 30, 2021 through June 30, 2025.

District Proportionate Share. As of June 30, 2025, the District's proportionate share of CalSTRS' net pension liability was approximately $4.10 billion, based on a discount rate of 7.10%. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the fiscal year 2023-24 employer contributions calculated by CalSTRS with consideration given to separately financed and irregular employer contributions relative to the projected contributions of all participating employer and non-employer contributing entities. Measured as of June 30, 2024, the District's proportionate rate was 5.929%. See Note 9(b) of the District's financial statements in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025."

California Public Employees' Retirement System. California Public Employees' Retirement System ("CalPERS") is a defined benefit plan that covers classified personnel who work four or more hours per day. CalPERS is operated on a Statewide basis and, based on publicly available information, has significant unfunded liabilities. CalPERS issues a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS ACFRs and actuarial valuations may be obtained from the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information set forth therein is not incorporated by reference in this Official Statement. Benefit provisions are established by State legislation in accordance with the Public Employees' Retirement Law and are generally based on a member's age, final compensation, and years of credited service. For a description of member benefits for both the Safety Plan and Miscellaneous Plan of the District administered by CalPERS, see Note 9(a) set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025."

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

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. School districts' contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot make any predictions as to the effect of State, national or international events on investment earnings and school district contributions. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of fifty percent of normal cost of benefits or an actuarially determined rate of 8.00% in fiscal year 2025-26. School districts are required to contribute to CalPERS at an actuarially determined rate. In recent years, the State has bought-down employer contributions in order to reduce the employer contribution rate which has risen over 6.00% since 2019-20. Inclusive of such buydowns, the actuarially determined rate for employer contributions was 25.37% for fiscal year 2022-23, 26.68% for fiscal year 2023-24, 27.05% for fiscal year 2024-25, and 26.81% for fiscal year 2025-26. For fiscal year 2026-27, school district employers, including the District are required to contribute to CalPERS 26.40% of eligible salary expenditures. For a description of employer and member contribution rates, see Note 9(a) set forth in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025."

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The following Table A-18 sets forth the District's employer contribution rates, regular annual contributions, inclusive of employee contributions paid by the District to CalPERS for fiscal years 2022-23 through 2025-26, and the budgeted contribution for fiscal year 2026-27, and such contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2022-23 through 2024-25 and the budgeted contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal year 2026-27. The District has always paid all required CalPERS annual contributions. As of September 1, 2026, 31,258 District employees were members of CalPERS.

TABLE A-18
LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual CalPERS Regular Contributions
Fiscal Years 2022-23 through 2026-27
($ in millions)

Fiscal Year	CalPERS Employer Rate (Miscellaneous)	CalPERS Employer Rate (Safety)	District Contributions[1]	District Contribution as Percentage of Total Governmental Funds Expenditures
2022-23	25.370%	50.130%	$370.3	2.88%
2023-24	26.680	53.680	453.0	2.59
2024-25	27.050	64.580	495.4	3.03
2025-26[2]	26.810	73.600	550.5	3.42
2026-27[3]	26.400	76.550	559.6	3.11

(1) Reflects data for all District Funds, including the District's General Fund.
(2) Unaudited Actuals as presented to and approved by the District Board on September 15, 2026.
(3) Budgeted in Fiscal Year 2026-27 Budget.
Sources: Audited Annual Financial Report for fiscal years 2022-23 through 2024-25; Fiscal Year 2026-27 Budget; Fiscal Year 2025-26 Unaudited Actuals; and the District for the percentage of Total Governmental Funds Expenditures.

Actuarial Valuation. Since the June 30, 2015, valuation, CalPERS has employed an amortization and smoothing policy that apportions all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period. In contrast, the previous policy spread investment returns over a 15-year period with experience gains and losses spread over a rolling 30-year period. The amounts of the pension/award benefit obligation or UAAL will vary from time to time depending upon actuarial assumptions, and actual rates of return on investments, salary scales, and levels of contribution. See Table A-19 – "Actuarial Value of Schools Portion of CalPERS – Historical Funding Status" herein.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2025 (the "2025 CalPERS Schools Pool Actuarial Valuation"), was released in September 2025, and such valuation reported an actuarial accrued liability of approximately $141.0 billion with the market value of assets at approximately $105.5 billion, and a funded status of approximately 74.7%. From June 30, 2024 to June 30, 2025, the funded status of the CalPERS Schools Pool increased by approximately 5.1%, primarily due to investment gain.

CalPERS reported a 12.0% net rate of return on investments for fiscal year 2024-25, a 9.3% net return for investments for fiscal year 2023-24 and a 5.8% net return on investments for fiscal year 2022-23. In fiscal year 2021-22, however, CalPERS' reported its first negative return on investments since fiscal year 2008-09. Such negative return generated an actuarial investment loss of approximately $12.40 billion, which will be amortized over 20 years with a five-year phase in, and increased the component of the expected employer contribution rate related to the unfunded liability contribution in fiscal year 2023-24 by 1.69% of payroll. The 2025 CalPERS Schools Pool Actuarial Valuation reports that the employer contribution rates for fiscal years 2026-27, 2027-28, 2028-29, 2029-30, 2030-31 and 2031-32 are projected

to be 26.4%, 26.8%, 25.9%, 25.1%, 24.0% and 23.8%, respectively. Such projections assume that all actuarial assumptions will be realized, including net investment returns in such fiscal years of 6.80%, and that no further changes to assumptions, contributions, benefits or funding will occur during such fiscal years. Persistent negative returns on investments may result in increased employer contribution rates above the current level of expected increases reflected in the 2025 CalPERS Schools Pool Actuarial Valuation. Actual contribution rates will differ from such projections. The District cannot predict the impact of State, national, and international events on investment returns and employer contribution rates. Accordingly, there can be no assurances that the District's required contributions to CalPERS will not significantly increase in the future.

The 2025 CalPERS Schools Pool Actuarial Valuation as summarized assumes, among other things, 2.50% price inflation, 3.0% wage inflation, payroll growth of 2.80% compounded annually and a discount rate of 6.80% compounded annually (net of investment and administrative expenses) as of June 30, 2025. The 2025 CalPERS Schools Pool Actuarial Valuation reflects revised actuarial assumptions recommended in the November 2025 CalPERS Experience Study and Review of Actuarial Assumptions and adopted by the CalPERS Board of Administration on November 19, 2025. Such assumption changes result in increased unfunded accrued actuarial liability which is partially offset by a decrease in the unfunded liability rate due to pay roll being projected at a higher wage inflation assumption. The actuarial funding method used in the 2025 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method."

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

The UAAL and funded status of the schools portion of CalPERS as of fiscal years ended June 30, 2021 through June 30, 2025 are set forth in the following Table A-19.

TABLE A-19
Actuarial Value of Schools Portion of CalPERS
Historical Funding Status
Valuation Dates June 30, 2021 through June 30, 2025
($ in millions)

Valuation Date (June 30)	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Determining Contributions	Unfunded Liability/ (Surplus) as a % of Payroll
2021	$110,507	$86,519	78.3%	$23,988	$15,181	158.0%
2022	116,982	79,386	67.9	37,596	16,731	224.7
2023	124,924	84,292	67.5	40,632	19,055	213.2
2024	133,978	93,187	69.6	40,791	21,450	190.2
2025	141,195	105,452	74.7	35,743	22,946	155.8

Source: CalPERS Schools Pool Actuarial Valuation as of June 30, 2025.

District Proportionate Share. As of June 30, 2025, the District reported a net pension liability of $2.9 billion for its proportionate share of the net pension liability of the Miscellaneous Plan. The net pension liability of the Miscellaneous Plan was measured by CalPERS as of June 30, 2024, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by CalPERS pursuant to an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on the fiscal year 2023-24 employer contributions calculated by CalPERS. As of June 30, 2024, the District's proportion of the CalPERS net pension liability was approximately 8.176%. See "– *Pension Accounting and Financial Reporting Standards*" herein and Note 9(a) to the audited financial statements of the District contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025."

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Safety Plan Actuarial Valuation; Net Pension Liability. The CalPERS Safety Plan of the Los Angeles Unified School District (Employer # 3614620780) Annual Valuation Report as of June 30, 2024 uses the "Entry Age Normal Cost Method" as the actuarial funding method and assumes, among other things, a 6.80% investment rate of return (net of administrative expenses), projected annual salary increases based on category, entry age, and duration of service, projected inflation of 2.30% and projected payroll growth of 2.80%. The UAAL and funded status of the District's Safety Plan, which is an individual component of CalPERS, as of June 30 of fiscal years ended June 30, 2020 through June 30, 2024, are set forth in the following Table A-20. As of June 30, 2025, the District's net pension liability under the CalPERS Safety plan was $129.65 million. The net pension liability of the CalPERS Safety plan is measured as of June 30, 2025, using standard update procedures. See Note 9(a) to the audited financial statements of the District contained in APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025."

TABLE A-20
CalPERS Actuarial Value of LAUSD Safety Plan[(1)]
Historical Funding Status
Valuation Dates June 30, 2020 through June 30, 2024
($ in millions)

Valuation Date (June 30)	Accrued Liability	Market Value of Assets[(2)]	Unfunded Liability	Funded Ratio	Annual Covered Payroll
2020	$459.1	$335.9	$123.2	73.2%	$33.3
2021	479.3	412.9	66.4	86.1	26.2
2022	508.4	377.1	131.3	74.2	23.5
2023	540.0	394.3	145.6	73.0	23.2
2024	581.5	423.7	157.8	72.9	26.7

(1) Reflects information relating to the District's Safety Plan and does not include information relating to the Miscellaneous Plan. Actuarial information relating to the historical funding status of the District's Miscellaneous Plan is not available from CalPERS as a separate report but is incorporated in the combined schools portion of CalPERS' pension fund as set forth in Table A-19 above.
(2) CalPERS no longer uses an actuarial value of assets and only uses the market value of assets.
Source: CalPERS Safety Plan of the Los Angeles Unified School District (Employer # 3614620780) Annual Valuation Report as of June 30, 2024.

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

The following Table A-21 sets forth the District's annual contributions to PARS for fiscal years 2022-23 through 2025-26, and the budgeted annual contribution to PARS for fiscal year 2026-27 as of the Fiscal Year 2026-27 Budget, and the contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2022-23 through 2025-26 and the budgeted contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal year 2026-27. As of September 1, 2026, 10,434 active District employees were members of PARS.

TABLE A-21
LOS ANGELES UNIFIED SCHOOL DISTRICT
Annual PARS Contribution
Fiscal Years 2022-23 through 2026-27
($ in millions)

Fiscal Year	District Contributions[1][2]	District Contribution as Percentage of Total Governmental Funds Expenditures
2022-23	$6.2	0.05%
2023-24	7.4	0.04
2024-25	7.3	0.04
2025-26[3]	6.9	0.04
2026-27[4]	6.7	0.04

[1] Reflects payments to PARS for pension costs associated with the District's regular and specially funded programs.
[2] Includes amounts related to prior years' PARS contributions.
[3] Unaudited Actuals as presented to and approved by the District Board on September 15, 2026.
[4] Budgeted per the Fiscal Year 2026-27 Budget.
Sources: Audited Annual Financial Report for fiscal years 2022-23 through 2024-25; Fiscal Year 2026-27 Budget; and the District for the percentage of Total Governmental Funds Expenditures.

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

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

In addition, PEPRA amends existing laws to redefine final compensation for purposes of pension benefits for PEPRA Employees. Further, PEPRA permits certain public employers who have offered a lower defined benefit retirement plan before January 1, 2013 to continue to offer such plan to PEPRA Employees. If a public employer adopts a new defined benefit plan on or after January 1, 2013, however,

such plan will be subject to PEPRA requirements unless, among other things, its retirement system's chief actuary and retirement board certify that the new plan is not riskier or costlier to the public employer than the defined benefit formula required under PEPRA.

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

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

Other Postemployment Benefits

General. In addition to employee health care costs, the District provides other post-employment health care benefits ("OPEB") in accordance with collective bargaining agreements and the health benefits agreement. The District's OPEB consists of post-employment benefits for health, prescription drug, dental, and vision coverage for retirees and their dependents. As of June 30, 2025, there were approximately 62,290 active employees who met the eligibility requirements and enrolled in benefits, 40,143 inactive employees received retiree benefits, and 149 inactive employees entitled to but not enrolled in retiree benefits, for a total of 102,582 current and former employees entitled to receive benefits under the District's OPEB plan. Historically, the District has funded these benefits on a pay-as-you-go basis, paying an amount in each fiscal year equal to the benefits distributed or disbursed in that fiscal year. Beginning in fiscal year 2013-14, the District's policy, subject to District Board approval, is to prefund a portion of its OPEB costs for employees, retirees and their beneficiaries by allocating funds for the express purpose of funding future other postemployment benefit costs to the extent possible. See "– District Financial Policies and Related Practices – *Budget and Finance Policy* – Liability Management" herein. The District Board approved the creation of the OPEB Trust Fund in May 2014.

As of June 30, 2025, the District has contributed approximately $623.3 million to the OPEB Trust Fund, inclusive of the District's contributions of $60 million in July 2014, $30 million in September 2014, $45 million in September 2015, $6 million in March 2016, $78 million in October 2016, $120 million in October 2017, $33.3 million in August 2023, $52.8 million in September 2023, $17.6 million in each of October 2023, November 2023, December 2023, January 2024, February 2024, March 2024, April 2024 and May 2024, $17.4 million in June 2024, $3.3 million for each of the months of July 2024 through May 2025 and $3.7 million in June 2025. The District did not contribute to the Trust Fund in fiscal years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23, although the District, for internal purposes, designated $33.3 million of the $244.3 million contributed to the OPEB Trust Fund in fiscal year 2023-24 as a fiscal year 2022-23 contribution. As of a June 30, 2026 measurement date, the OPEB Trust Fund's net position was $1.29 billion. Pursuant to the provisions of the 2027 Fiscal Stabilization Plan, the District has budgeted not

to contribute any funds to the OPEB Trust Fund in fiscal year 2026-27, and to withdraw $175 million from the OPEB Trust Fund in fiscal year 2028-29.

The Actuarial Valuation Report Postretirement Health Benefits for the Fiscal Year Ending June 30, 2026 Measurement Date June 30, 2025 (the "2025 Actuarial Valuation") from Aon Hewitt indicated that based on the District's current funding policy, projected cash flows, and the assumed asset return, the assets in the OPEB Trust Fund are projected to be depleted by June 2050. However, the 2027 Fiscal Stabilization Plan includes the withdrawal of $175 million from the OPEB Trust Fund which will cause the OPEB Trust Fund to be depleted sooner.

The following Table A-22 sets forth the District's funding of other postemployment benefits for fiscal years 2022-23 through 2025-26, the budgeted contribution for fiscal year 2026-27 as of the Fiscal Year 2026-27 Budget, and the contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal years 2022-23 through 2025-26 and the budgeted contributions as a percentage of the District's Total Governmental Funds expenditures for fiscal year 2026-27. In addition, Table A-22 sets forth the District's contribution to the OPEB Trust Fund for fiscal years 2022-23 through 2024-25 and budgeted for fiscal year 2026-27.

TABLE A-22
LOS ANGELES UNIFIED SCHOOL DISTRICT
Expenditures for Other Postemployment Benefits
Fiscal Years 2022-23 through 2026-27
($ in millions)

Fiscal Year	Pay-as-You-Go Amount	OPEB Trust Fund Contribution[1]	Total Amount	Expenditure as Percentage of Total Governmental Funds Expenditures
2022-23	$235.9	$0.0	$235.9	1.83%
2023-24[2]	245.8	244.3	490.1	2.80
2024-25	252.8	40.0	292.8	1.79
2025-26	326.9[3]	142.0[4]	468.9	2.92
2026-27[5]	343.0	0[6]	343.0	1.91

(1) As of June 30, 2025, the District has contributed approximately $623.3 million to the OPEB Trust Fund, inclusive of the District's contributions of $60 million in July 2014, $30 million in September 2014, $45 million in September 2015, $6 million in March 2016, $78 million in October 2016, $120 million in October 2017, $33.3 million in August 2023, $52.8 million in September 2023, $17.6 million in each of October 2023, November 2023, December 2023, January 2024, February 2024, March 2024, April 2024 and May 2024, and $17.4 million in June 2024 and $40 million in Fiscal Year 2024-25.

(2) The District, for internal purposes, designated $33.3 million of the $244.3 million contributed to the OPEB Trust Fund in fiscal year 2023-24 as a fiscal year 2022-23 contribution.

(3) Unaudited Actuals as of fiscal year 2025-26.

(4) Actual contribution for fiscal year 2025-26 made in July, 2025. The additional OPEB contribution budgeted for Fiscal Year 2025-26 of $213.1 million was reduced to $20 million and reflected in the District's First Interim Report for fiscal year 2025-26.

(5) Budgeted per the Fiscal Year 2026-27 Budget.

(6) The 2027 Fiscal Stabilization Plan reduced the contribution to $0 for fiscal year 2026-27.

Sources: Audited Annual Financial Reports for fiscal years 2022-23 through 2024-25; Fiscal Year 2026-27 Budget and the District for the OPEB Trust Fund Contribution and percentage of Total Governmental Funds Expenditures.

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

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

Changes in Net OPEB Liability. The District's net OPEB liability has fluctuated over time based on a variety of factors, including changes in healthcare plans and actuarial assumptions and the funded status of the OPEB Trust Fund. In the June 2023 Actuarial Valuation Report Postretirement Health Benefits as of the June 30, 2022 measurement date for fiscal year 2022-23 (the "2022 Actuarial Valuation"), the District's actuary, Aon Hewitt, pointed out that a byproduct of the GASB 75 standards is the potential for increased volatility of results from year to year, which the District has experienced since the implementation of GASB 75. The District's net OPEB liability as of June 30, 2021 increased to $11.06 billion and then decreased to $10.19 billion as of June 30, 2022 based on certain changes in actuarial assumptions described in more detail below. As of June 30, 2023, the District's net OPEB liability decreased to $8.48 billion also based on certain changes in actuarial assumptions also described in more detail below. See "*– 2022 Actuarial Valuation*" below for more information. The District's net OPEB liability decreased by approximately $780 million from $8.99 billion as of June 30, 2024 to $8.21 billion as of June 30, 2025 also based on certain changes in actuarial assumptions also described in more detail below. See "*– 2024 Actuarial Valuation*" below for more information. As of June 30, 2025, the District's net OPEB liability increased to $8.48 billion. See "*– 2025 Actuarial Valuation*" below for more information.

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

- Assets: $469,939,493 as of June 30, 2022, measurement date.

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

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

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

2024 Actuarial Valuation. The June 2025 Actuarial Valuation Report Postretirement Health Benefits, as of the June 30, 2024 measurement date, documents the results of the interim actuarial valuation for fiscal year 2024-25 (the "2024 Actuarial Valuation").

The District's net OPEB liability decreased by approximately $780 million from $8.99 billion as of June 30, 2024 to $8.21 billion as of June 30, 2025. The 2024 Actuarial Valuation reflects updated financial information for fiscal year 2024-25 and is based on the census data, actuarial assumptions, and plan provisions used in the 2023 Actuarial Valuation with the following changes:

- Assets: $819,462,741 as of June 30, 2024, measurement date.
- Municipal Bond Rate: 3.63% as of June 30, 2024 (3.65% as of June 30, 2023), based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.
- Contributions: Ad hoc additional pre-funding contribution schedules currently include $40 million for fiscal year ended June 30, 2025, $142.6 million for fiscal year ended June 30, 2026 through fiscal year ended June 30, 2030, and $140 million for all future fiscal years.
- Expected Return on Assets: 6.40% as of June 30, 2024 (6.20% as of June 30, 2023), per District's revised expectation for CalPERS' CERBT Strategy 1 asset allocation.
- Discount Rate: 4.50% as of June 30, 2024 (3.80% as of June 30, 2023), after reassessment based on updated assets and municipal bond rate as of June 30, 2024.

2025 Actuarial Valuation. The District's net OPEB liability increased by approximately $271 million from $8.21 billion as of June 30, 2025 to $8.48 billion as of June 30, 2026. The 2025 Actuarial Valuation reflects updated financial information for fiscal year 2025-26 and is based on the census data, actuarial assumptions, and plan provisions used in the 2024 Actuarial Valuation with the following changes:

- Assets: $819,462,741 as of June 30, 2025, measurement date.
- Municipal Bond Rate: 5.20% as of June 30, 2025 (3.63% as of June 30, 2024), based on the *Bond Buyer* General Obligation Bond 20-Bond Municipal Bond Index.
- Contributions: Additional contribution of $33.3 million for fiscal year ending 2023, to be made in fiscal year ending 2024; $211 million to be made in fiscal year ending 2024; and $40 million for all future fiscal years. These contribution assumptions do not reflect the 2027 Fiscal Stabilization Plan, which provides for $0 contributions in fiscal year 2026-27 and a $175 million withdrawal in fiscal year 2028-29. See "- District Budget - Fiscal Stabilization Plans."
- Expected Long-Term Return on Assets: 6.40% as of June 30, 2024, based on CalPERS published rate which fell within the auditor's supportable range based on the June 30, 2024 capital market assumptions.
- Discount Rate: 5.60% as of July 1, 2025, after reassessment based on updated assets and municipal bond rate as of June 30, 2025.

The following Table A-23 shows the impact of the changes to the actuarial assumptions in the 2024 Actuarial Valuation on the District's Net OPEB Liability for the fiscal year ending June 30, 2026 compared to fiscal year June 30, 2025 that was based on the 2025 Actuarial Valuation.

TABLE A-23
LOS ANGELES UNIFIED SCHOOL DISTRICT
NET OPEB LIABILITY
As of June 30, 2025 and June 30, 2026
($ in billions)

	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2026
(1) OPEB Liability		
(a) Retired Participants and Beneficiaries Receiving payment	$3.036	$3.271
(b) Active Participants	5.990	6.172
(c) Total	9.026	9.443
(2) Plan Fiduciary Net Position	(.819)	(.963)
(3) Net OPEB Liability	8.206	8.480
(4) Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.08%	10.20%
(5) Deferred Outflow of Resources for Contributions Made After Measurement Date	.293	TBD

Source: 2025 Actuarial Valuation.

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

For more information on the District's OPEB plan, OPEB liability and related assumptions for fiscal year ended June 30, 2025, see Note 9 to the audited financial statements of the District contained in

APPENDIX B – "AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2025" attached hereto.

Risk Management and Litigation

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

For discussion of the District's outstanding liability (losses plus loss adjustment expense) for general, auto, and sexual molestation, see "– Sexual Misconduct Cases – Current Claims Exposure" below. The District is in the process of analyzing pending claims, timing of liabilities and potential liabilities, and estimates of liability for claims in accordance with GASB Statement Nos. 10 and 56, which require that the District recognize liabilities, to the extent that (1) it is probable that a liability had been incurred at the date of the financial statements, and (2) the amount of the loss can be reasonably estimated. This liability estimate reflects an accounting perspective. Detailed information is not yet final, and this estimate is provided based on certain averages, assumptions, and opinions.

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

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

The Captive Insurer evaluates risks, sets premium levels, and invests capitalization and premium payments for liabilities. This structure is expected to provide the District with greater control over its insurance costs, claims handling, and risk management practices. The Captive Insurer was established initially to insure and manage the District's non-insured/retained automobile, general, sexual abuse and molestation, property and workers' compensation liabilities as well as other insurance coverages deemed necessary by the Captive Insurer in the future. The District will continue to assess its insurance portfolio to identify additional lines of insurance to include in the Captive Insurer.

The District is authorized to budget and appropriate funds for the development and implementation of the Captive Insurer, including capital, premiums, funds and fees in lines of insurance coverage to be provided by the Captive Insurer. Upon substantial implementation of the Captive Insurer in Fiscal Year 2024-25, the District transferred applicable and eligible portions of the District's Workers' Compensation Fund and Liability Self Insurance Fund to the Captive Insurer to be managed, invested, and applied to pay

claims. As of June 30, 2026, approximately $1.275 billion has been transferred to the Captive Insurer. The District expects that the Captive Insurer, together with traditional insurance, reinsurance, and self-insured retentions, regulates and minimizes insurance costs and secures liability insurance coverage to mitigate financial risks.

For fiscal year 2026-27, the Captive Insurer provides the District with $5 million in general liability and automobile liability insurance coverage. The Captive Insurer also funds the first $5 million in coverage for childhood sexual abuse and molestation claims. To protect the District from larger childhood sexual abuse losses, the District has purchased $15 million of commercial excess insurance, providing coverage from $5 million to $20 million on a claims-made basis, subject to the policy terms and aggregate limits. The Captive Insurer further provides unlimited excess coverage for childhood sexual abuse and molestation losses exceeding $20 million. In addition, the Captive Insurer provides workers' compensation coverage up to the statutory limit.

Traditional Insurance. In addition to the coverage provided by the Captive Insurer, the District maintains various excess property, casualty, and fidelity insurance policies with different self-insured retentions through a joint powers authority described below. Commercial excess insurance policies with an aggregation limit of $15 million to cover sexual abuse and molestation claims that exceed the initial $5 million have been purchased. Additionally, the District has acquired excess property insurance policies that offer a per occurrence limit of $750 million and various sublimits for claims that go beyond the $17.5 million self-insured retention coverage, and a sensor-triggered parametric earthquake insurance policy with a $15 million per occurrence/aggregate limit. Moreover, the District purchases a separate boiler and machinery policy with a per occurrence limit of $250 million, as well as a fidelity crime coverage policy with a per occurrence limit of $5 million.

Joint Powers Authority. In March 2014, the District Board approved a joint powers authority agreement by and between the District and Los Angeles Trust Children's Health Inc., a nonprofit public benefit corporation organized under the laws of the State of California, to establish the Los Angeles Unified School District Risk Management Authority (the "Risk Management Authority"), which became effective July 1, 2014. The Risk Management Authority allows the District to access reinsurance markets that are not available to individual entities, thus expanding the universe of available coverage options. The Risk Management Authority was capitalized by the District and provides an insurance program for the District and the Los Angeles Trust Children's Health Inc.

Sexual Misconduct and Molestation. Prior to Fiscal Year 2013-14, the District's liability coverage generally included coverage for sexual misconduct and molestation claims with some limited exceptions as described herein with respect to claims potentially revived and made actionable after the passage of Assembly Bill 218. See "– Sexual Misconduct Cases – Assembly Bill 218 and Statute of Limitations in Childhood Sexual Assault Claims" herein. Liability coverage beginning in Fiscal Year 2013-14 did not include this coverage because the District determined that it was not available at reasonable rates from any insurance provider. The Risk Management Authority allows the District to purchase reinsurance for excess liability coverage which is not presently available to self-insured public agencies such as the District. See "– Sexual Misconduct Cases" herein. The District currently maintains excess liability coverage for lawsuit settlements which covers certain sexual misconduct and molestation claims, among others, with a limit of $15 million above a $5 million self-insurance retention; see "Risk Management and Litigation – *Captive Insurance Program*" above.

Workers' Compensation. The District is authorized to self-insure for workers' compensation claims and had previously established a workers' compensation reserve fund for such claims. With the establishment of the Captive Insurer, the District funds such self-insurance through the Captive Insurer for

its workers' compensation liability, which amounts the Captive Insurer will manage, invest, and apply to claims.

Pollution Legal Liability Policy. The District purchased a pollution legal liability ("PLL") policy through Allied World National Assurance Company with coverage of $10.0 million per incident and $10.0 million in aggregate, effective July 1, 2026 to June 30, 2029.

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

Litigation Regarding Insurance Providers. In September 2015, the District filed a lawsuit entitled *Los Angeles Unified School District v. ACE et al.* (the "Miramonte Coverage Action"), in the Los Angeles Superior Court seeking more than $200 million in damages from twenty-seven of the District's current and former insurance providers who failed to fund the defense and reimburse the District for settlement amounts paid by the District in connection with claims by hundreds of students and parents alleging that negligent hiring, supervision, and retention of former teachers Mark Berndt and Martin Springer at Miramonte Elementary School resulted in sexual abuse of the students.

In April 2017, the District filed a second lawsuit in the Los Angeles Superior Court entitled *Los Angeles Unified School District v. AIU Insurance Company, et. al.* (the "Telfair Coverage Action"), seeking more than $40 million in damages from eight of the District's current and former insurance providers in connection with the lawsuits filed against the District alleging that negligence of its employees in hiring, retaining, and supervising Paul Chapel resulted in sexual abuse of approximately twenty students at Telfair Elementary School.

In August 2017, the District filed a third lawsuit in the Los Angeles Superior Court entitled *Los Angeles Unified School District v. Allied World et al.* (the "De La Torre Coverage Action"), seeking more than $60 million in damages from seven of the District's current and former insurance providers who failed to fund the defense and reimburse the District for settlement amounts paid by the District in connection with claims by over twenty students and their parents alleging that negligent hiring, supervision, and retention of former teacher Robert Pimentel at De La Torre Elementary School resulted in sexual abuse of the students.

The District has not been reimbursed by any of the defendants for amounts expended in conjunction with resolving the underlying sexual abuse litigation described in this section. While no insurer agreed to pay any of the District's defense costs before the coverage actions were filed, rulings obtained in the Miramonte Coverage Action have forced AIG to reimburse the District for over $21 million in defense costs. Further, the District has alleged that the insurance providers have not only breached their respective insurance obligations owed to the District in connection with underlying litigation but also breached the implied covenant of good faith and fair dealing.

In 2021, following a bench trial, the court found that the insurer breached its duty to indemnify the District under one insurance policy at issue in the Miramonte Coverage Action for its settlements of the underlying claims. In the Miramonte Coverage Action and Telfair Coverage Action, the Court has provided

guidance to the District in allocating defense costs to exhaustion of the District's self-insured retentions for specific policy periods, potentially allowing the District to recover some additional indemnity payments from certain insurers subject to those Insurers' coverage defenses.

In the Miramonte Coverage Action, the School District moved for summary adjudication in its favor and against Defendants Everest National Insurance Company (Everest) and Insurance Company of the State of Pennsylvania (ICSOP) as to these Defendants' two affirmative defenses. The two affirmative defenses are based on (1) Insurance Code section 533 (Section 533) and (2) on policy language stating that Defendants need not cover harm that is "expected or intended" from the standpoint of the named insured ("expected or intended" limitation). On October 13, 2025, the court issued a ruling granting the School District's MSA. However, under Code of Civil Procedure section 437c, subdivision (h), the MSA Ruling was "stayed until such time as the court can discuss with the parties potential additional discovery of School Board record". On October 27, 2025, the court issued a *nunc pro tunc* ruling striking the original ruling in the MSA Ruling and replacing it with the following language: "The court will grant the Motion unless the court permits further discovery pursuant to CCP 437c(h) and additional evidence creates an issue of material fact as to knowledge of the School Board itself concerning Berndt's conduct."

On February 17, 2026, Judge Kuhl issued her Ruling, which finalized her grant of the District's Motion for Summary Adjudication on the Insurers' "Expected or Intended" and Insurance Code section 533 coverage defenses. According to Judge Kuhl's ruling, the District has established that there were no issues of material fact regarding whether the District Board expected or intended abuse by Berndt. On March 11, 2026, ICSOP and Everest filed a 77-page Writ Petition with the Court of Appeal challenging Judge Kuhl's "Expected or Intended" ruling.

In the De La Torre Coverage Action, the Court entered judgment in favor of Lexington Insurance Company, finding that each claimant's abuse is a separate occurrence subject to a separate per-occurrence SIR. The District filed an appeal challenging that judgment. Oral argument in the De La Torre appeal was held on March 4, 2025, before the Second Appellate District during the 9:00 a.m. session.

On May 29, 2026, the Court of Appeal fully reversed Judge Kuhl's summary judgment ruling for Lexington on the number of occurrences. The Court of Appeal rejected that ruling, agreeing with the District's argument that one should look at the liability causing act of the insured to determine the number of "occurrences." This means it is the entity's alleged negligent hiring and/or supervision. On July 8, 2026, Lexington filed a petition for review to the California Supreme Court. On September 26, 2026, the Supreme Court denied Lexington's petition for review of the Court of Appeal ruling.

On November 4, 2020, the District filed another round of lawsuits against its insurers, *Los Angeles Unified School District v. Starr Indemnity & Liability Co., et al.* (the "Cahuenga Coverage Action") and *Los Angeles Unified School District v. Ins. Co. of the State of Pennsylvania, et al.* (the "Franklin Coverage Action") seeking more than $25 million and $8 million, respectively, in settlement reimbursements plus defense costs relating to underlying litigation involving the alleged abuse of multiple students at Franklin High School and Cahuenga High School. In 2021, the District moved for summary adjudication to establish that the Insurance Company of State of Pennsylvania (an AIG Co.) had breached its duty to defend the District under a 2002-2003 insurance policy, which the court denied. In April 2024, in the Cahuenga Coverage Action, the Court denied the motion for summary judgment of Starr Indemnity & Liability Company, finding triable issues of fact under the Starr policies. In July 2024, in the Franklin Coverage Action, the Court granted the defendant insurers' motion for summary judgment and entered judgment in favor of the defendants. The District is considering its options with respect to additional motion practice and a limited trial in the Cahuenga Coverage Action.

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

On June 26, 2024, the District filed a new lawsuit against some of its primary and excess insurers, *Los Angeles Unified School District v. Aetna Insurance Company, et al.*, in which it is seeking more than $9 million in settlement reimbursements, declaratory relief that would result in its insurers indemnifying future settlement and/or verdict payments, defense costs incurred to defend approximately sixty lawsuits arising out of sexual abuse allegations from the 1950s, 1960s, and 1970s, and punitive damages. Recent Court rulings on Motions for Summary Adjudication brought by defendants will result in the District amending its Complaint to name additional excess insurers to this lawsuit for insurance coverage for now approximately sixty-five underlying lawsuits. To date, twenty-five underlying lawsuits have settled, in which insurer Chubb paid or agreed to pay more than $8,600,000 to those settlements and over $1,300,000 in reimbursement for defense costs incurred. The District cannot predict the final outcome of or remedy imposed by any court with respect to this complaint or the amount, if any, by which any of the insurance providers will reimburse the District for settlements and defense costs in the underlying litigation lawsuits.

Wrongful Death Cases. In September 2022, two high school students overdosed in a bathroom on campus after ingesting a pill believed to have been laced with Fentanyl. The students were found on campus after school hours: one deceased in the bathroom and the second student in the courtyard outside the bathroom. The surviving student found in the courtyard was transported to the hospital. On December 12, 2022, the deceased student's mother filed a complaint in the Los Angeles Superior Court against the District seeking unspecified damages for negligence and wrongful death. She has since made a demand to dismiss her lawsuit in exchange for $20 million. On October 13, 2023, the surviving student filed a lawsuit against the District in the Los Angeles Superior Court, seeking unspecified damages for negligence. The surviving student has made a demand to resolve her claim for $15 million. The District has consolidated the two matters, and the previously scheduled trial date was vacated and a new trial has not been scheduled.

In March 2024, a high school student was involved in a fight on campus, wherein she allegedly sustained injuries, including head trauma. It is further alleged that as a result of these claimed injuries, the student passed away ten days later. A report issued by the Los Angeles County Medical Examiner's Office concluded that the cause of death was head trauma sustained from a fall down a set of stairs on March 10, 2024, while the decedent was attending a party. On September 20, 2024, the mother and the decedent's estate filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for wrongful death. The litigation is in the discovery phase and trial is currently set for March 2, 2027.

In August 2024, a high school student and member of the junior varsity football team collapsed on the field while playing in a football game. The student was transported to the hospital and subsequently passed away on September 3, 2024. On July 7, 2025, the family of the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for wrongful death. The case is in the discovery stage and a trial is scheduled for September 13, 2027.

In January 2026, a special education student suffered a medical emergency on campus and subsequently passed away at the hospital. On July 14, 2026, the family of the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for wrongful death and

claiming that the District failed to supervise the student. The matter is in the early stages of litigation and a trial date has not yet been scheduled.

In February 2026, a high school student was involved in an altercation on campus resulting in her being struck in the head with a metal water bottle. Several days after the incident, the student reported to the hospital with headaches and subsequently passed away. On April 29, 2026, the family of the student filed a complaint in the Los Angeles Superior Court against the District, seeking unspecified damages for wrongful death. The case is in the early stages of litigation, and a trial date is currently scheduled for July 31, 2028.

Catastrophic Injury Cases. In June 2023, a middle school student jumped from the third story of a building on campus during the school day. The student sustained catastrophic, non-fatal injuries. A personal injury action was subsequently filed on behalf of the injured student in the Los Angeles Superior Court against the District, seeking unspecified damages. The matter is currently in litigation, and a trial has been scheduled for May 3, 2027.

COVID-19 Employee Vaccinations Lawsuit. Since the Fall of 2021, the District has been named in at least thirty-five different lawsuits challenging the District's previous COVID-19 vaccination mandate, filed by current and former employees and job applicants, asserting various causes of action for wrongful termination, employment discrimination, and violations of Constitutional rights, among other theories of recovery. While certain of the lawsuits have been filed on behalf of a single named plaintiff, others are filed on behalf of groups of plaintiffs ranging from 6 to 167.

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

At present, the District is a defendant in 14 active employee vaccine mandate lawsuits. Plaintiffs argue that Reasonable Accommodations were readily available and known to the District because they had previously worked on site with regular testing in a manner that had successfully protected the health and safety of others, but the District refused to provide accommodations for Plaintiffs' religious beliefs and practices. Some plaintiffs also argue that the COVID vaccines were ineffective.

The District is actively defending these matters and has taken the legal position that it has complied with all obligations as provided by the Americans with Disabilities Act and the California Fair Employment and Housing Act ("FEHA"). The District engaged in a Reasonable Accommodations process wherein it granted employees exemptions to the vaccination mandate; however, it could not grant remote work to the various job classifications because their essential job duties could not be performed remotely. Additionally, vaccinations were the only way in which the District could maintain a gold standard for safety as confirmed by its medical experts. With regard to Plaintiffs' federal legal claims of equal protection, the District's position remains that a vaccination mandate is rationally related to a legitimate business interest of ensuring a safe school environment for all employees and students.

The District has prevailed in several of the matters, one of which is summarized more fully below. The others are set for trial in 2026 and 2027 or have yet to receive a trial date. The District plans to file dispositive motions on all pending matters asking the Court to dismiss the lawsuits prior to trial.

Health Freedom Defense Fund, Inc. v. Alberto Carvalho, *et al*. (United States District Court, Central District Western Division, Case No. 2:21-cv-08688) involved six plaintiffs, both classified and certificated employees. The District filed a motion to dismiss the lawsuit presenting evidence that the vaccine mandate was rationally related to legitimate business interests in ensuring a safe school environment for all employees and students. The Trial Court granted the District's motion. Plaintiffs appealed to the Ninth Circuit where the three-member panel heard arguments and reversed the trial court, ordering the parties back to court. In June 2024, the District filed a Petition for Rehearing En Banc requesting that a panel of ten justices review this "question of exceptional importance." In July 2024, the States of California and Oregon filed briefs in support of the District asking the court to reconsider the matter. In July 2025, the Ninth Circuit En Banc panel reversed the decision of the three-member panel and found in favor of the District. This resulted in plaintiffs filing a Petition for Writ of Certiorari for review by the United States Supreme Court ("SCOTUS"). In May 2026, SCOTUS denied review of plaintiffs' Petition and the matter was finally resolved in the District's favor. The denial by SCOTUS operated as the final destination for any further relief by the plaintiffs and disposed of the matter in its entirety. The denial further serves as a substantial basis for support in the District's pending COVID-19 vaccine cases.

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

The District is constantly evaluating or analyzing pending claims, the timing of liabilities and potential liabilities, and estimates of liability for claims by class and at levels of potential exposure. Those estimates are continuously revised given settlement and jury verdict trends or outcomes in sexual misconduct matters.

Miramonte. In the Miramonte sexual abuse litigation, involving Mark Berndt (who in 2013 pleaded no contest to 23 felony counts of lewd acts on children and was sentenced to 25 years in prison), there have previously been over $250 million in settlements with 225 students. This amount was a contingent liability reported in fiscal year 2023-24. There are approximately 35 active cases pending with 248 plaintiffs. The earliest trial date is scheduled for November 17, 2026, involving 11 plaintiffs. The other remaining matters do not have trial dates yet.

Assembly Bill 218 and Statute of Limitations in Childhood Sexual Assault Claims. Pursuant to Assembly Bill 218 ("AB 218"), which became effective on January 1, 2020, certain changes were made to the claim prerequisites and the applicable statute of limitations periods for claims of childhood sexual assault, including claims against public entities like the District. AB 218 impacted the District's liability exposure because it (1) extended the statute of limitations periods for claims of childhood sexual assault, (2) did away altogether with the Tort Claims Act's presentation requirements for claims involving childhood sexual assault under which many claims were found to be late, and (3) revived certain claims for which applicable statute of limitations periods have otherwise already expired (if brought within three years of January 1, 2020). Pursuant to AB 218, a plaintiff's ability to bring a claim was extended to twenty-two

years from the age of majority or five years after the plaintiff discovered or reasonably should have discovered psychological injury or illness occurring after the age of majority caused by the alleged childhood sexual assault. With respect to claims that otherwise would have been barred as of January 1, 2020, AB 218 revived such claims for a period of three years, which period expired on December 31, 2022. In 2023, the California State Legislature passed, and the Governor signed into law, AB 452 which eliminated the statute of limitations for the recovery of civil damages suffered as a result of childhood sexual assault. AB 452 applies prospectively for civil claims that arise on or after January 1, 2024.

Currently, the District has active cases defending a total of 307 AB 218 claimants who allege misconduct by former employees. Since the District is in the middle of litigation on many of the pending AB 218 lawsuits, the District cannot fully predict the extent of its liability in such cases, whether the claimants will prevail, and if so, how a final court decision or settlement agreement with respect to each such lawsuit may affect the financial status, policies or operations of the District, as the nature of the court's remedy and the responses thereto are unknown at the present time.

Current Claims Exposure. Based on an independent third-party actuarial report, the District's liability as of June 30, 2026, for claims arising from AB 218 and similar sexual abuse and molestation claims (losses and allocated loss adjustment expenses) is estimated to be approximately $958 million. Additionally, the District has transferred related claims liability of approximately $95 million to its Captive Insurer. See "– Risk Management and Litigation – Captive Insurance Program" above. It should be noted that these cases include a significant number of claimants in the Miramonte sexual abuse litigation matters described above, among others. As further described elsewhere herein, this exposure estimate reflects an accounting perspective, and the District is in the process of analyzing pending claims. Detailed information is not yet final, and this estimate is provided based on certain averages, assumptions, and opinion.

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

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

The District has set aside an amount in its Liability Self-Insurance Fund to pay certain existing claims amounts arising under AB 218. Additional amounts are expected to be provided and available to the Captive Insurer, with required reserves, liabilities, and insurance policy premiums determined by the Captive Insurer and charged to the District using actuarial information. The District's total liability arising from existing AB 218 claims may ultimately exceed such amounts. The District expects to amortize payments on remaining claims beyond the year in which they accrue. See "- Assembly Bill 218 and Statute of Limitations in Childhood Sexual Assault Claims" above. While the District may be able to access insurance coverage for a portion of some of the AB 218 claims, the District is not currently able to determine what amount of the total liability may be covered by prior insurance policies or existing insurance policies

for excess coverage. The District has identified certain gaps in insurance coverage prior to 1992 for which it is actively investigating the availability of policies that may provide coverage for claims arising from AB 218. Additionally, under AB 218, individuals who were over the age of 26 and under 40 on December 31, 2022, will still be able to file a lawsuit timely until they turn 40, and the District is unable to estimate the potential liability associated with this group of potential claimants.

The California Government Code requires the District to pay each judgment in the fiscal year that it becomes due, to the extent funds are available, or if its funds are not sufficient, in the "ensuing fiscal year immediately upon the obtaining of sufficient funds for that purpose." Such liabilities demanding prompt payment may in the aggregate exceed the amount currently reserved for settlements and monetary damages and not otherwise amortized beyond the year in which they accrue. The District may finance or refinance certain judgments arising from AB 218 and similar claims, essentially refunding claims such that claims liabilities can be spread over several years, whether pursuant to California law applicable to local agencies such as the District, or by court order for a period not to exceed ten years commencing with the judgment or court's order approving a settlement with dismissal of the action. See "District Debt – Judgment Obligation Bonds." Without amortization of pending and projected claims, such liabilities could decrease the District's net position as of June 30, 2025, from the amount set forth in the District's financial statements for Fiscal Year 2024-25.

Within the District, the treatment of child abuse and related reporting has evolved significantly over the past several decades. Prior to 1981, District employees did not have child abuse and neglect reporting obligations under California law, and there was limited, if any, training provided to District employees. Since 1981, California law mandates District employees to report suspected child abuse or neglect. The District's policies on such reporting have evolved and improved since then consistent with changes to California law. The District currently maintains (a) policies regarding child abuse and neglect reporting, sexual harassment (student-to-student, adult-to-student, and student-to-adult), social media for employees and associated persons, responsible use of technology, and ethics, (b) a code of conduct with students, and (c) protocols and procedures for reporting and investigating allegations of employee misconduct. The District also offers a variety of online and in-person training courses and resources to District employees. Currently, all District employees are subject to background checks prior to employment and are required to complete yearly child abuse training. For further reference, certain of the District's policies, protocols, and training materials are made available online at the District's website. The District regularly reviews its policies, procedures, and protocols with respect to these topics and updates them periodically to address evolving circumstances.

Litigation Regarding September 2022 Cyberattack. Three separate lawsuits remain pending against the District relating to the 2022 cyberattack on the District. The first three cases have been deemed related, with the matter of *M.M., et al. v. Los Angeles Unified School District*, Case No. 22STCV37822, serving as the lead case. The three lawsuits, filed on behalf of named individuals and purported classes of individuals whose personal information was allegedly posted to the dark web as a result of the cyberattack, have been deemed complex, and plaintiffs' counsel filed a consolidated complaint against the District and Defendant Infosys, Ltd. therein, on February 13, 2024. The District filed its demurrer in response to the consolidated complaint on March 22, 2024. The District's demurrer was sustained as to 14 of 16 causes of action on June 6, 2024, with leave to amend. Plaintiffs filed their First Amended Class Action Complaint on September 27, 2024, asserting twelve causes of action, including several that were subject to the previous demurrer. The parties engaged in mediation on October 24, 2024, but the mediation did not result in a settlement. By order dated May 28, 2025, the court sustained in part, and overruled in part, the District's demurrer to the First Amended Class Action Complaint. The District filed its answer and affirmative defenses on July 28, 2025. The parties participated in a mandatory settlement conference in May 2026, but were unsuccessful in resolving the case. The parties are engaging in discovery and the District anticipates

proceeding with a dispositive motion and challenges to class certification. For more information related to the cyberattack, see " – Cybersecurity" below.

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

On October 29, 2024, the court issued an order denying CCSA's request for a preliminary injunction. On June 27, 2025, the court issued an order (the "June 2025 Order") granting in part and denying in part CCSA's First Cause of Action, finding that two provisions in a section of the Charter School Co-Location Policy identifying certain types of school sites where the District "avoids" Proposition 39 co-locations are facially unlawful because they conflict with Proposition 39. However, the court found that the remaining aspects of the Charter School Co-Location Policy are not facially invalid and would need to be considered on a case-by-case basis through an "as applied" challenge. The June 2025 Order also denied CCSA's Third Cause of Action. On December 1, 2025, the court issued an order denying CCSA's Second Cause of Action. No other claims remain pending and unresolved. On February 23, 2026, judgment was entered by the court. On March 5, 2026, the court entered a Peremptory Writ of Mandate, commanding the District to "take all necessary action to refrain from enforcing or implementing those parts of Section II of the [Policy] that the Court found to be facially unlawful in its [June 2025 Order], as further reflected in the Judgment." The District has appealed the June 2025 Order, and CCSA has filed a cross-appeal.

Proposition 28 Litigation. In February 2025, the District's former superintendent, among others, filed a civil action against the District and the Superintendent, alleging misuse of approximately $77 million in taxpayer funds that voters approved pursuant to Proposition 28 to expand arts and music education. The District responded to the complaint with a demurrer and motion to strike, and on November 5, 2025, the District's demurrer was overruled, and its motion to strike Plaintiffs' jury trial demand was granted. The District filed its Answer and Affirmative Defenses on December 5, 2025. The parties are engaging in written discovery and continue to explore a potential settlement.

PHBAO Complaint. On January 20, 2026, Plaintiff 1776 Project Foundation filed a complaint in the US District Court, Central District of California, alleging that the District violates both the U.S. Constitution and the California State Constitution by impermissibly discriminating against students and families on the basis of race through its designation of schools as either "Predominately Hispanic, Black, Asian and Other non-Anglo" ("PHBAO") to the detriment of white students or others (including students of Middle Eastern descent) living in areas within or attending non-PHBAO schools. Plaintiff's complaint brings two federal claims and one state claim for relief, and seeks a permanent injunction, declaratory relief, attorneys' fees, and other relief as the Court deems appropriate. On February 18, 2026, the U.S. Department of Justice ("DOJ") filed a Complaint in Intervention for Declaratory and Injunctive Relief and Notice of Motion and Unopposed Motion to Intervene. As Plaintiff-Intervenor, the United States of America is seeking to join Plaintiff 1776 Project Foundation in the complaint filed on January 20, 2026, challenging the District's PHBAO Program. The District was served on March 17, 2026. At the hearing on the Motion to Intervene held on March 26, 2026, the federal district court judge continued the hearing to provide an opportunity for the District to respond to the motion. The District filed a motion to dismiss on June 22, 2026. The ACLU filed a motion to intervene on June 5, 2026, which was opposed by both the DOJ and plaintiffs on July 9, 2026. The District's reply was filed August 28, 2026, the hearing was held on September 24, 2026, and the U.S. District Court has yet to issue a decision.

Social Media Litigation. On March 20, 2026, the District filed its Complaint and supporting allegations in the multi-district litigation (MDL) proceedings pending in the U.S. District Court for the Northern District of California, against the owners and operators of social media platforms such as Facebook, Instagram, TikTok, Snapchat, X, and others, asserting causes of action for negligence, gross negligence, public nuisance, statutory unfair competition, and violation of federal RICO statutes, for their alleged roles in fueling a youth mental health crisis and disrupting the educational environment for Los Angeles students. In filing its Complaint in the MDL proceedings, the District joined hundreds of school districts, cities, counties, and state attorneys general across the country pursuing legal action seeking to hold social media companies accountable for the alleged harm their platforms have inflicted on children. As alleged in the complaint, District educators, counselors, and administrators are confronting unprecedented levels of student anxiety, depression, sleeplessness, self-harm, suicidal ideation, disordered eating, cyberbullying, sextortion, and excessive exposure to extreme and exploitative content, much of which is alleged to have been amplified and monetized by social media design features. The Complaint seeks numerous forms of relief, including declaratory and injunctive relief, civil penalties, disgorgement of profits, equitable relief, and monetary damages. The District has submitted its initial discovery disclosures (Plaintiff's Fact Sheet) as required by the Court and discovery is proceeding. Defendant "X" formerly known as Twitter, has filed a motion to transfer venue from the MDL to the US District Court, Northern District of Texas based on its user agreement. The District successfully opposed the motion, which had been heard on July 17, 2026. At this early stage of the litigation, the District cannot predict the outcome of the relatively novel claims asserted in the MDL proceedings or its Complaint filed therein.

Criminal Charges and Litigation Against Former Employee. On March 26, 2026, the Los Angeles County District Attorney's Office announced that felony charges had been filed against Hong "Grace" Peng, a former District employee, and Gautham Sampath, the owner of former District vendor, Innive, related to certain technology-related transactions between the District and Innive. Specifically, Ms. Peng is alleged to have illegally influenced the District's award of contracts, work orders and change orders to Innive totaling more than $22 million and allegedly received $3 million in funds illegally routed by Sampath through various intermediaries. As noted by the District Attorney's office, the District's Office of the Inspector General referred the matter to that office in 2022, after an investigation revealed evidence of apparent conflicts. Ms. Peng resigned from her employment with the District on October 7, 2022. The District's contractual relationship with Innive ended on March 31, 2024.

On April 10, 2026, the District filed a lawsuit in Los Angeles County Superior Court against Ms. Peng, Mr. Sampath, and Innive, seeking, among other remedies, to void the transactions in question and to recover amounts paid to Innive pursuant to California Government Code Sections 1090 and 1092, based largely on the same conduct that is alleged in the criminal complaint. The District cannot predict the final outcome at this early stage of the litigation, which is stayed pending resolution of the criminal proceedings.

Litigation and Federal Investigation regarding Gender-Affirming Care Policies. In March 2026, the District was named and served in a lawsuit filed in the United States District Court, Central District of California, brought by the parents of a former student at Palisades Charter High School, an independent charter school operated by a nonprofit public benefit corporation. The Complaint names Palisades Charter High School, the District, as well as then-Superintendent Carvalho and the Board members in their official capacities, and a retired District employee in his individual capacity. The Complaint alleges that the District Defendants were responsible for adopting policies implemented and enforced throughout the District, including policies concealing gender-affirming care for students at Palisades Charter High School from parents like Plaintiffs. The Complaint further alleges such policies ultimately led to their child's suicide in March 2024, after graduating from Palisades Charter High School in June 2022. The District filed a motion to dismiss pursuant to Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6). The motion to dismiss hearing was scheduled for October 13, 2026 before Judge Consuelo B. Marshall. On its own motion, the court continued the hearing to December 8, 2026.

The District argues that Plaintiffs lack Article III standing because the alleged injury is not "fairly traceable to the challenged action of the defendant." While Plaintiffs have identified LAUSD "policies and practices" as allegedly impacting the deceased student, no "policy or practice" identified in the Complaint is fairly traceable to an actual LAUSD policy or practice applicable to Palisades Charter High School, an independent charter school and operated by a nonprofit corporation.

As recently publicly reported, in response to the lawsuit, the Trump administration has recently opened an investigation into the District's policies related to gender-affirming care, as allegedly violative of federal anti-discrimination laws. Investigation results from the DOJ are pending.

Recent Federal Investigations. The District received notification on April 23, 2026, from the United States Department of Education's Office of Civil Rights ("OCR") that it had opened an investigation into the District's Black Student Achievement Plan ("BSAP"). The notification stated that OCR would investigate "whether the District's Black Student Achievement Plan violates Title VI and its implementing regulations by providing services and programs to students based on their race and by excluding students of other races from the program." In response to the OCR complaint, the District submitted a position statement emphasizing that the BSAP is designed to support students' needs through educational opportunities by fostering high academic performance, social-emotional awareness and management, and a positive cultural identity. The BSAP is open to all students, in alignment with the District's nondiscrimination policy. Supporting evidence provided by the District included data on the nondiscriminatory metrics used for BSAP school selection, evidence that services were provided for all students participating in the program, and evidence that program activities were inclusive for all interested students. The District provided a response and all requested evidence to OCR on May 20, 2026. Investigation results from OCR are pending.

On May 5, 2026, OCR notified the District that it is opening a Title IX directed investigation into the District's handling of sexual harassment and sexual assault of students by District teachers, administrators, and staff. The investigation relates to certain District policies arising out of settlement agreements reached in 2024 with UTLA, addressing procedures to be followed to inform bargaining unit members of allegations of misconduct when they are reassigned pending investigation. In the District's position statement submitted to OCR, the District clarified that when an employee is alleged to have

engaged in sexual harassment of a student, the employee is not "reassigned" to another school site. The term "reassignment" involves removing the employee from their current school assignment and directing them to report to work either at a district office (away from students) or at their home, pending the outcome of an investigation. Staff who are reassigned are not relocated to work at another school or location where students may be present, out of an abundance of caution and to prioritize safety for all. OCR will be examining the Employee Reassignment Bulletin to determine if it is compliant with the Title IX grievance procedures required by federal law. On July 24, 2026, the District submitted all requested SSIT case files. Investigation results from OCR are pending.

Cybersecurity

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

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

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

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

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

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

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

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

Protective Measures. The District has implemented several protective measures with respect to access requirements to its systems to reduce the District's vulnerability to cyberattacks in the future. Following the September 2022 cyberattack, the District established an Independent Information Technology Task Force comprised of cybersecurity experts from private and public sectors to develop a set of recommendations to further strengthen the District's cybersecurity. The District has augmented its cybersecurity team, retained cybersecurity service providers, and implemented additional security controls and monitoring of its systems.

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

No assurance can be made in any networked environment that a future cyberattack or natural disaster would not compromise the confidentiality, integrity or availability of District information assets. To help mitigate cybersecurity risk, the District has aligned its information security program with the National Institute of Standards and Technology ("NIST") Cyber Security Framework, ensuring a structured approach to security maturity across all six NIST functions: Govern, Identify, Protect, Detect, Respond,

and Recover. The District continuously monitors the effectiveness of the program to proactively modify it when the cyberattack landscape changes.

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

District Debt

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

A $7,000,000,000 general obligation bond authorization was approved by voters on November 4, 2008 (the "Measure Q Authorization"). Subsequent to the issuance of the Bonds, the District will have issued $5.526 billion* under the Measure Q Authorization, leaving $1.474 billion* available under the Measure Q Authorization.

A $7,000,000,000 general obligation bond authorization was approved by the voters on November 3, 2020 (the "Measure RR Authorization"). Subsequent to the issuance of the Bonds, the District will have issued $2.6 billion under the Measure RR Authorization, leaving $4.4 billion* available under the Measure RR Authorization.

A $9,000,000,000 general obligation bond authorization was approved by voters on November 5, 2024 (the "Measure US Authorization"). Subsequent to the issuance of the Bonds, the District will have issued $1.025 billion* of Measure US general obligation bonds, leaving $7.975 billion* available under the Measure US Authorization.

Under the District's general obligation bond program, approximately 25,225 new school construction, rehabilitation, modernization and replacement projects, which are intended to upgrade facilities and improve the learning environment for students, have been completed. In addition, 822 projects valued at approximately $9.7 billion are currently underway, including 591 projects valued at nearly $4.7 billion in pre-construction, and 231 projects valued at nearly $5.0 billion under construction.

Pursuant to Section 1(b)(3) of Article XIIIA of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the State Education Code, as amended, and other applicable law (collectively, the "Act"), the District Board has appointed the LAUSD School Construction Bond Citizens' Oversight Committee (the "Citizens' Bond Oversight Committee"). The Citizens' Bond Oversight Committee is

* Preliminary; subject to change.

composed of 15 members representing numerous community groups and operates to inform the public concerning the spending of Measure K, Measure R, Measure Y, Measure Q, Measure RR, and Measure US Authorization bond funds authorized by the Act. The Citizens' Bond Oversight Committee regularly reviews the potential bond projects and budgets and provides non-binding advice to the District Board on how to allocate and reallocate scarce bond proceeds in order to ensure the completion of viable projects and to avoid non-completion of projects once commenced. The Citizens' Bond Oversight Committee also informs the public concerning the spending of funds attributable to the Proposition BB Authorization, although Proposition BB was approved under statutes other than the Act. The Citizens' Bond Oversight Committee meets monthly in order to review all matters including, among other things, changes in budget, scope and schedules that relate to the District's general obligation bonds and the projects proposed to be funded therefrom. In addition, the Citizens' Bond Oversight Committee makes recommendations to the District Board regarding such matters. See "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Proposition 39" herein. The District's Office of the Inspector General conducts audits on a selected number of the construction management firms on an annual basis to ensure that funds from the School Upgrade Program and other legacy bond programs are spent in compliance with the Act and the District's policies relating thereto. The District's outside auditor, Simpson, currently prepares the required bond audits regarding the expenditures of general obligation bond proceeds.

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The members of the District's Citizens' Bond Oversight Committee and the community groups represented by such members are set forth in Table A-24 below.

TABLE A-24
LOS ANGELES UNIFIED SCHOOL DISTRICT
Citizens' Bond Oversight Committee
(As of October 1, 2026)

Member	Community Group Represented
D. Michael Hamner, FAIA, Chair	American Institute of Architects
Robert Campbell, Vice Chair	Los Angeles County Auditor-Controller's Office
Dr. Samantha Rowles, Secretary	LAUSD Student Parent
Patrick MacFarlane, Executive Member	Early Childhood Alliance
Scott Pansky, Executive Member	Los Angeles Area Chamber of Commerce
Dr. Bevin Ashenmiller	Tenth District Parent Teacher Student Association
Neelura Bell	California Charter School Association
Chad Boggio	Los Angeles County Federation of Labor AFL-CIO
Melina Lathe	LAUSD Student Parent
Aleigh Lewis	Los Angeles City Controller's Office
Jennifer McDowell	Los Angeles City Mayor's Office
Ashley Kaiser	Association of General Contractors of California
Tamar Poladian-Perron	Thirty-First District Parent Teacher Student Association
Rachelle Anema	Los Angeles County Auditor-Controller's Office (Alternate)
Monica Carlos	LAUSD Student Parent (Alternate)
Asha Lang	LAUSD Student Parent (Alternate)
Jeanalee Obergfell	Los Angeles City Mayor's Office (Alternate)
Jason Peterson	L.A. Co. Federal of Labor AFL-CIO (Alternate)
Brenden Sullivan	Tenth District Parent Teacher Student Association (Alternate)

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The following Table A-25, Table A-26, Table A-27, Table A-28, Table A-29, Table A-30 and Table A-31 set forth the outstanding series of general obligation bonds and the amount outstanding as of September 1, 2026, under the Proposition BB, Measure K, Measure R, Measure Y, Measure Q, Measure RR, and Measure US Authorizations, respectively. The tables below do not reflect the issuance of the Bonds. For more information, see "PLAN OF FINANCE" in the forepart of this Official Statement.

TABLE A-25
LOS ANGELES UNIFIED SCHOOL DISTRICT
Proposition BB (Election of 1997) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of September 1, 2026	Date of Issue
2017 Refunding Bonds, Series A[(1)]	$139,265	$10,550	May 25, 2017
TOTAL	$139,265	$10,550	

(1) Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Proposition BB Authorization are not counted against the Proposition BB Authorization of $2.4 billion.

Source: Los Angeles Unified School District.

TABLE A-26
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure K (Election of 2002) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of September 1, 2026	Date of Issue
2016 Refunding Bonds, Series B[(1)]	$ 227,535	$80,410	September 15, 2016
2017 Refunding Bonds, Series A[(1)]	941,565	96,545	May 25, 2017
2019 Refunding Bonds, Series A[(1)]	153,285	90,685	May 29, 2019
2020 Refunding Bonds, Series A[(1)]	112,350	105,040	October 6, 2020
2021 Refunding Bonds, Series B[(1)]	48,855	16,105	November 10, 2021
2024 Refunding Bonds, Series A[(1)]	193,740	176,055	April 30, 2024
2026 Refunding Bonds, Series A[(1)]	95,750	95,750	August 25, 2026
TOTAL	$1,773,080	$660,590	

(1) Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure K Authorization, are not counted against the Measure K Authorization of $3.35 billion.

Source: Los Angeles Unified School District.

TABLE A-27
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure R (Election of 2004) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of September 1, 2026	Date of Issue
2016 Refunding Bonds, Series B[(1)]	$ 176,455	$ 92,520	September 15, 2016
2019 Refunding Bonds, Series A[(1)]	349,350	201,250	May 29, 2019
Series RYQ Bonds (2020)	36,000	26,470	April 30, 2020
2020 Refunding Bonds, Series A[(1)]	113,150	75,525	October 6, 2020
Series RYRR (2021)	123,990	95,650	November 10, 2021
2024 Refunding Bonds, Series A[(1)]	1,243,800	1,047,395	April 30, 2024
2025 Refunding Bonds, Series A[(1)]	20,035	20,035	May 13, 2025
2026 Refunding Bonds, Series A[(1)]	80,690	80,690	August 25, 2026
TOTAL	$2,143,470	$1,639,535	

(1) Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure R Authorization, are not counted against the Measure R Authorization of $3.87 billion.

Source: Los Angeles Unified School District.

TABLE A-28
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure Y (Election of 2005) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of September 1, 2026	Date of Issue
Series J Bonds (2010) (Qualified School Construction Bonds)	$ 290,195	$ 290,195	May 6, 2010
2016 Refunding Bonds, Series B[(1)]	96,865	50,790	September 15, 2016
Series M-1 Bonds (2018)	117,005	91,085	March 8, 2018
2019 Refunding Bonds, Series A[(1)]	91,970	54,445	May 29, 2019
Series RYQ Bonds (2020)	182,000	133,825	April 30, 2020
2020 Refunding Bonds, Series A[(1)]	76,500	74,215	October 6, 2020
Series RYRR (2021)	70,150	54,115	November 10, 2021
2024 Refunding Bonds, Series A[(1)]	1,537,405	1,418,445	April 30, 2024
2025 Refunding Bonds, Series A[(1)]	33,485	33,485	May 13, 2025
2026 Refunding Bonds, Series A[(1)]	44,290	44,290	August 25, 2026
TOTAL	$2,539,865	$2,244,890	

(1) Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure Y Authorization, are not counted against Measure Y Authorization of $3.985 billion.

Source: Los Angeles Unified School District.

TABLE A-29
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure Q (Election of 2008) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of September 1, 2026	Date of Issue
Series A Bonds (2016)	$ 648,955	$ 111,145	April 5, 2016
Series B-1 Bonds (2018)	1,085,440	851,200	March 8, 2018
Series RYQ Bonds (2020)	724,940	533,040	April 30, 2020
Series C Bonds (2020)	1,057,060	750,510	November 10, 2020
2021 Refunding Bonds, Series A[(1)]	164,095	109,605	April 29, 2021
Series QRR (2022)	100,000	94,170	November 22, 2022
Series QRR (2023)	525,000	454,450	November 7, 2023
Series QRR (2024)	525,000	359,780	October 8, 2024
2025 Refunding Bonds, Series A[(1)]	194,825	194,825	May 13, 2025
Series QRR (2026)	350,000	317,205	May 11, 2026
TOTAL	$5,375,315	$3,775,930	

(1) Refunding bonds issued to refund general obligation bonds, which were issued pursuant to the Measure Q Authorization, are not counted against Measure Q Authorization of $7.00 billion.

Source: Los Angeles Unified School District.

TABLE A-30
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure RR (Election of 2020) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of September 1, 2026	Date of Issue
Series RYRR (2021)	$ 300,000	$ 231,420	November 10, 2021
Series QRR (2022)	400,000	287,605	November 22, 2022
Series QRR (2023)	325,000	292,565	November 7, 2023
Series QRR (2024)	575,000	394,040	October 8, 2024
Series QRR (2026)	300,000	271,890	May 11, 2026
TOTAL	$1,900,000	$1,477,520	

Source: Los Angeles Unified School District.

TABLE A-31
LOS ANGELES UNIFIED SCHOOL DISTRICT
Measure US (Election of 2024) Bonds
($ in thousands)

Bond Issue	Aggregate Principal Amount	Outstanding Amount as of September 1, 2026	Date of Issue
Election of 2024, US Series A-1 (2025)	$ 430,780	$430,780	May 13, 2025
Election of 2024, US Series B (2025)	239,575	164,060	May 13, 2025
TOTAL	$670,355	$594,840	

Source: Los Angeles Unified School District.

Lease Obligations and Certificates of Participation. As of September 1, 2026, the District has outstanding lease obligations in the form of COPs in the aggregate principal amount of approximately $206.2 million. The District estimates that the aggregate payment of principal and interest evidenced by COPs will be approximately $263.5 million until the final maturity thereof. The District's lease obligations are not subject to acceleration in the event of a default thereof. The following Table A-32 sets forth the District's existing lease obligations paid from the District General Fund with respect to its outstanding COPs as of September 1, 2026. See " – Future Financings – *Lease Financings*" for more information.

TABLE A-32
LOS ANGELES UNIFIED SCHOOL DISTRICT
Certificates of Participation Lease Obligations Debt Service Schedule[(1)]
(as of September 1, 2026)

Fiscal Year Ending (June 30)	Paid From General Fund[(2)(3)]
2027	$ 28,515,337
2028	28,519,704
2029	28,507,595
2030	26,762,202
2031	26,758,791
2032	16,351,750
2033	16,347,075
2034	16,340,500
2035	16,332,675
2036	14,755,750
2037	14,755,375
2038	14,757,375
2039	14,760,000
Total[(3)]	$263,464,129

(1) The lease payments reflect the net obligations of the District due to the defeasance of certain COPs.
(2) The District expects to pay all or a portion of the final debt service payments evidenced by certain series of COPs from funds on deposit in the related debt service reserve fund.
(3) Total may not equal sum of component parts due to rounding.
Source: Los Angeles Unified School District.

Judgment Obligation Bonds. With respect to a portion of the District's pending and potential liabilities for sexual misconduct and similar claims including those brought pursuant to AB 218, the District has approved the issuance of certain judgment obligation notes and bonds for the refinancing and amortization of such claims resulting in settlement and final judgment of the court. On July 9, 2025, the District issued its Judgment Obligation Bonds, Series 2025A (Federally Taxable) in the principal amount of $308,150,000. See "DISTRICT FINANCIAL INFORMATION – Risk Management and Litigation – *Sexual Misconduct Cases*."

The refinancing and amortization of these claims over a ten-to-twenty-year period as general unsecured obligations of the District payable from legally available revenues will result in more manageable annual payment obligations in the near term and minimize detrimental impacts upon the District's operations and currently enrolled and future students. To provide for the issuance of the judgment obligation notes and bonds, the District Board, in June 2024, initially adopted an approving resolution and the District filed a complaint in the Los Angeles Superior Court for judicial validation in June 2024 (the "Initial Judgment Obligation Bond Approval"). Judicial validation is necessary for the District to deliver the notes, bonds and related agreements to the satisfaction of lenders and bond investors as legally enforceable obligations of the District meeting an exception to the constitutional debt limitation under the California constitution. The court entered a judgment in the Initial Judgment Obligation Bond Approval in the District's favor on April 24, 2025 to the effect, among other things, that the District has the authority under California law to issue the Series 2025A Bonds, and that the Bonds, Indenture, and refunding of the 2024-25 Notes are valid, legal, and binding obligations of the District under California law. Pursuant to Section 870 of the California Code of Civil Procedure and Rule 2(a) of the California Rules of Court, the period during which a notice of appeal to the judgment in the Initial Judgment Obligation Bond Approval could be timely filed expired on May 27, 2025 and the judgment is binding and conclusive in accordance with California law. Pursuant to the Initial Judgment Obligation Bond Approval, the aggregate dollar amount of Judgments to be refunded by the Bonds cannot exceed $500,000,000.

As of September 1, 2026, the District has outstanding judgment obligation bonds in the aggregate principal amount of $308.2 million.

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TABLE A-33
LOS ANGELES UNIFIED SCHOOL DISTRICT
Judgment Obligation Bonds Debt Service Schedule
(as of September 1, 2026)

Fiscal Year Ending (June 30)	Paid From General Fund[(1)]
2027	$ 29,597,353
2028	29,583,090
2029	29,570,429
2030	29,548,589
2031	29,517,432
2032	29,486,070
2033	29,454,445
2034	29,416,736
2035	29,380,095
2036	29,346,446
2037	29,308,979
2038	29,269,219
2039	29,226,389
2040	29,179,146
2041	29,133,519
Total[(1)]	$441,017,934

[(1)] Total may not equal sum of component parts due to rounding.
Source: Los Angeles Unified School District.

Non-Revolving Line of Credit. In order to pay judgments resulting from claims arising under AB 218 in the interim prior to the issuance of judgment obligation bonds as described above, the District has entered into a Non-Revolving Credit Agreement with Royal Bank of Canada pursuant to which the District may draw up to $196,418,801.79 (the "Line of Credit") through November 19, 2027. Draws on the Line of Credit bear interest at a variable interest rate and are payable from any available moneys of the District but are intended to be paid from proceeds of judgment obligation bonds. Currently, the District has outstanding draws on the Line of Credit in the amount of $103,091,590.80, with the most recent draw of $7,008,235 made on August 7, 2026. The District may draw an additional $93,327,210.99 from the Line of Credit.

Tax and Revenue Anticipation Notes. The District has no outstanding Tax and Revenue Anticipation Notes and does not intend to issue tax and revenue anticipation notes in fiscal year 2026-27.

Limitations Related to Receipt of Federal Subsidy Payments. Federal policies involving taxation, appropriations, borrowing (including the debt ceiling), trade (including tariffs), immigration, climate change, clean energy, and other topics can shift, sometimes dramatically, from one presidential administration or Congress to another. From time to time, such shifts can result in reductions to the level of federal funding for a variety of policy priorities, including transportation, housing, healthcare, social services, and other federally funded programs.

On March 1, 2013, then-President Barack Obama signed an executive order (the "Sequestration Executive Order") to reduce budgetary authority in certain accounts subject to sequester in accordance with the Budget Control Act of 2011 (the "Budget Control Act") and the American Taxpayer Relief Act of 2012 (the "Taxpayer Relief Act"). Pursuant to the Sequestration Executive Order, budget authority for all accounts in the domestic mandatory spending category including, among others, accounts for the payments to issuers of "Direct Pay Bonds," which includes the District's outstanding Series J (Qualified School

Construction Bonds) (the "Series J Bonds"), are subject to sequestration. Direct Pay Bonds are issued as taxable bonds and provide credits to the District from the federal government pursuant to Section 54AA(d) and 54AA(g) of the Code.

Pursuant to the Bipartisan Budget Act of 2013, enacted in December 2013, the District's Direct Pay Bonds are subject to the full amount of sequestration budget cuts. The federal subsidy for the Direct Pay Bonds for the federal fiscal year ended September 30, 2023, was reduced by 5.7%, and the U.S. Treasury Department has announced a decrease in subsidy amounts by 5.7% through federal fiscal year ending 2031. During the federal fiscal year ended September 30, 2025, the sequester resulted in a reduction in the aggregate amount of approximately $0.9 million with respect to the refundable credits for the Series J Bonds.

Congress can terminate, extend or otherwise modify reductions in federal subsidy payments on Direct Pay Bonds due to sequestration at any time. Furthermore, due to recent federal legislation, it was reported that the Congressional pay-as-you-go or PAYGO budget rule and scorecard could increase the overall sequestration percentage from the current level of 5.7% (under the Budget Control Act) to 100%. The Consolidated Appropriations Act of 2023, enacted in December 2022, prevented the PAYGO sequestration provisions from being triggered in January 2023 and delaying PAYGO sequestration until January 2025, absent further legislation. Accordingly, the District cannot predict what action, if any, that Congress may take with respect to the federal subsidy and its impact on the District's Direct Pay Bonds in future federal fiscal years. The District's Series J Bonds, however, are payable from and secured by ad valorem property taxes which are to be assessed in amounts sufficient to pay principal of and interest on the Series J Bonds when due. The County has levied and will continue to levy *ad valorem* property taxes in an amount sufficient to pay principal of and interest on the Series J Bonds when due regardless of the amount of federal subsidy.

Recently, several such policy shifts, including delays in grants and other appropriations, have been proposed or promulgated through presidential executive orders, and other official and unofficial actions at the federal level. The District receives federal funding for certain of its programs.

See "RISK FACTORS – Federal Funding" in the front part of this Official Statement for information on recent actions of the current federal administration related to a potential loss of Federal funding. The District cannot predict any action to be taken in carrying out the executive orders nor its effect on the District's federal funding or operations of the District.

Overlapping Debt Obligations

Set forth in Table A-34 on the following page is the report prepared by California Municipal Statistics Inc., which provides information with respect to direct and overlapping debt within the District as of September 1, 2026 (the "Overlapping Debt Report"). The Overlapping Debt Report is included for general information purposes only. The District has not reviewed the Overlapping Debt Report for completeness or accuracy and makes no representations in connection therewith. The Overlapping Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The first column in Table A-34 names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This

percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in Table A-34) produces the amount shown in column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

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TABLE A-34
LOS ANGELES UNIFIED SCHOOL DISTRICT
Schedule of Direct and Overlapping Bonded Debt
As of September 1, 2026

2026-27 Assessed Valuation: $1,052,903,255,669

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 9/1/26
Metropolitan Water District	23.539%	$ 3,776,833
Los Angeles Flood Control District	47.116	47,116,000
Los Angeles Community College District	81.805	3,417,526,583
Pasadena Area Community College District	0.001	1,146
Los Angeles Unified School District	**100.000**	**10,403,855,000**(1)
City of Los Angeles	99.945	961,645,804
Other Cities	Various	14,948,154
City Community Facilities Districts	100.000	47,500,000
City and Special District 1915 Act Bonds	0.003 – 100.	16,574,283
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$14,912,943,803
Less: **Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series J (2010) Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Asides for Repayment**		**258,455,000**(2)
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$14,654,488,803
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Los Angeles County General Fund Obligations	46.186%	$1,838,619,812
Los Angeles County Superintendent of Schools Certificates of Participation	46.186	618,753
Pasadena Area Community College District Certificates of Participation	0.001	273
Los Angeles Unified School District Certificates of Participation	**100.000**	**206,200,000**
Los Angeles Unified School District Judgment Obligations	**100.000**	**338,147,726**
City of Los Angeles General Fund Obligations	99.945	2,244,772,094
Other City General Fund and Pension Obligation Bonds	Various	503,532,931
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$5,131,891,589
Less: City supported obligations		162,108
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$5,131,729,481
OVERLAPPING TAX INCREMENT DEBT:		
City of Los Angeles Redevelopment Agency (Successor Agency)	100.000 %	$170,815,000
Other Redevelopment Agencies (Successor Agency)	Various	124,973,830
TOTAL OVERLAPPING TAX INCREMENT DEBT		$295,788,830
GROSS COMBINED TOTAL DEBT		$20,340,624,222 (3)
NET COMBINED TOTAL DEBT		$20,082,007,114

Ratios to 2026-27 Assessed Valuation:

Direct Debt ($10,403,855,000)	**0.99%**
Net Direct Debt ($10,145,400,000)	**0.96%**
Total Gross Overlapping Tax and Assessment Debt	1.42%
Total Net Overlapping Tax and Assessment Debt	1.39%
Gross Combined Direct Debt ($10,948,202,726)	**1.04%**
Net Combined Direct Debt ($10,689,747,726)	**1.02%**
Gross Combined Total Debt	1.93%
Net Combined Total Debt	1.91%

Ratios to Redevelopment Incremental Valuation ($107,682,076,771)

Total Overlapping Tax Increment Debt	0.27%

(1) Does not include the Bonds.
(2) As of June 30, 2026.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Future Financings

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

Pursuant to the Education Code, the District's bonding capacity for general obligation bonds may not exceed 2.5% of taxable property valuation in the District as shown by the last equalized assessment roll of the County. The taxable property valuation in the District for fiscal year 2026-27 is approximately $1.053 trillion, which results in a total bonding capacity of approximately $26.322 billion. The District's available capacity for the issuance of new general obligation bonds is approximately $15.9 billion, as of September 1, 2026. The fiscal year 2026-27 assessed valuation of property within the District's boundaries of approximately $1.053 trillion reflects an increase of 4.44% from fiscal year 2025-26. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District" and – 2025 Wildfires" in the forepart of this Official Statement and "CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the State Constitution" herein.

Following the issuance of the Bonds, the District will have $1,474,045,000[*] authorized and unissued general obligation bond authorization remaining under the Measure Q Authorization. Following the issuance of the Bonds, the District will have $4,400,000,000[*] authorized and unissued general obligation bond authorization remaining under the Measure RR Authorization. Following the issuance of the Bonds, the District will have $7,975,000,000[*] authorized and unissued general obligation bond authorization remaining under the Measure US Authorization. The District may issue additional general obligation bonds or general refunding bonds in the future depending upon project needs and market conditions.

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

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

Tax and Revenue Anticipation Notes. The District does not expect to issue tax and revenue anticipation notes in fiscal year 2026-27. The District may issue tax and revenue anticipation notes in future fiscal years depending on State and federal funding. The District may also issue tax and revenue

[*] Preliminary; subject to change.

anticipation notes as an interim financing mechanism in connection with its refinancing of claims arising from AB 218 and similar claims. See "– Judgment Obligation Bonds" above.

Judgment Obligation Notes and Bonds. In February 2026, the District Board adopted a resolution authorizing additional judgement obligation notes and bonds and filed a complaint in Los Angeles Superior Court for judicial validation (the "Second Judgment Obligation Bond Approval"). The complaint sought an order that the District has the authority under California law to issue the judgment obligation bonds described in the complaint, and that such judgment obligation bonds, a related credit facility and certain related legal documents are valid, legal, and binding obligations of the District under California law.

The court entered a judgment in the Second Judgment Obligation Bond Approval in the District's favor as to the aforementioned. Pursuant to Section 870 of the California Code of Civil Procedure and Rule 2(a) of the California Rules of Court, the period during which a notice of appeal to the judgment in the Second Judgment Obligation Bond Approval could be timely filed expired on June 23, 2026 and the judgment is binding and conclusive in accordance with California law. The Second Judgement Obligation Bond Approval authorizes the issuance of judgment obligation bonds to refund an aggregate $250,000,000 of Judgments.

Non-Revolving Line of Credit. Pursuant to the Second Judgement Obligation Bond Approval, the District is also authorized to enter into a Credit Agreement with Wells Fargo Bank, N.A. pursuant to which it may draw up to $250,000,000 for a period of three years.

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

Constitutionally Required Funding of Education

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

Article XIIIA of the State Constitution

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

The provisions of Article XIIIA were subsequently modified pursuant to Proposition 39, which was approved by California voters on November 7, 2000. See "– Proposition 39" below. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year or reduced in the event of declining

property value caused by substantial damage, destruction or other factors including a general economic downturn. Subsequent amendments further limit the amount of any *ad valorem* tax on real property to 1% of the full cash value except that additional taxes may be levied to pay debt service on bonded indebtedness approved by the requisite percentage of voters voting on the proposition.

Legislation Implementing Article XIIIA

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

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

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

Proposition 19

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

State-Assessed Utility Property

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

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

Article XIIIB of the State Constitution

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

The 2025-26 State Budget projects that the State will be below its appropriations limit (also referred to as the Gann Limit) for fiscal year 2025-26. The District Board adopted the annual appropriation limit for both fiscal year 2025-26 and fiscal year 2026-27 of approximately $4.18 billion and $4.24 billion, respectively. The limitation applies only to proceeds of taxes and therefore does not apply to service fees and charges, investment earnings on non-proceeds of taxes, fines, and revenue from the sale of property and taxes received from the State and federal governments that are tied to special programs.

Article XIIIC and Article XIIID of the State Constitution

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

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

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

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

Proposition 98

On November 8, 1988, State voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the

university level, and the operation of the State's Appropriations Limit, primarily by guaranteeing State funding for K-12 school districts and community college districts (collectively, "K-14 districts").

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

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

The 2024-25 State Budget suspended the Proposition 98 guarantee in 2023-24, which created a maintenance factor payment to be paid in future fiscal years of approximately $8.3 billion in 2023-24 and $4.1 billion in 2024-25. The maintenance factor obligation will be paid in addition to the Proposition 98 guarantee funding in 2024-25. The 2026-27 State Budget puts the Proposition 98 guarantee under Test 1 for fiscal years 2024-25 through 2026-27 and maintains the $1.9 billion settle-up payment in fiscal year 2024-25 paying off the Proposition 98 guarantee for fiscal year 2024-25. The 2026-27 State Budget also maintains the maintenance factor of $8.3 billion for fiscal year 2024-25 which retires the Proposition 98 maintenance factor balance. The 2026-27 State Budget includes a $3.9 billion settle-up payment in fiscal year 2025-26 which will be required to be paid under Education Code Section 41204 if actual revenues remain at or above levels currently projected through spring 2027. See "STATE FUNDING OF SCHOOL DISTRICTS – State Budget Act – 2025-26 State Budget" and "– 2026-27 State Budget."

Proposition 39

Proposition 39, which was approved by California voters in November 2000 ("Proposition 39"), provides an alternative method for passage of school facilities bond measures by lowering the constitutional voting requirement from two-thirds to 55% of voters and allows property taxes to exceed the current 1% limit in order to repay such bonds. The lower 55% vote requirement would apply only to bond issues to be used for construction, rehabilitation, or equipping of school facilities or the acquisition of real property for school facilities. The State Legislature enacted additional legislation which placed certain limitations on this lowered threshold, requiring that (i) two-thirds of the governing board of a school district approve placing a bond issue on the ballot, (ii) the bond proposal be included on the ballot of a Statewide or primary election, a regularly scheduled local election, or a Statewide special election (rather than a school district

election held at any time during the year), (iii) the tax rate levied as a result of any single election not exceed $25 for a community college district, $60 for a unified school district, or $30 for an elementary school or high school district per $100,000 of taxable property value, and (iv) the governing board of the school district appoint a citizen's oversight committee to inform the public concerning the spending of the bond proceeds. In addition, the school board of the applicable district is required to perform an annual, independent financial and performance audit until all bond funds have been spent to ensure that the funds have been used only for the projects listed in the measure. The District's Measure K, Measure R, Measure Y, Measure Q, Measure RR, and Measure US bond programs were authorized pursuant to Proposition 39. See "DISTRICT FINANCIAL INFORMATION – District Debt – *General Obligation Bonds*" herein. The District is in full compliance with all Proposition 39 requirements.

Proposition 1A

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

Proposition 22

Proposition 22, which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State general fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See "– Proposition 1A" herein. In addition, Proposition 22 generally eliminated the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increased school and community college district's share of property tax revenues, prohibited the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibited the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO stated that Proposition 22 would prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. However, the California Supreme Court, in *California Redevelopment Association v. Matosantos*, held that the

dissolution provisions set forth in Assembly Bill No. 26 of the First Extraordinary Session (2011) were constitutional and permitted the State to allocate revenues that would have been directed to the redevelopment agencies to make pass-through payments (*i.e.*, payments that such entities would have received under prior law) to local agencies and to successor agencies for retirement of the debts and certain administrative costs of the redevelopment agencies.

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

Proposition 30

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

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

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

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

Proposition 2

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

Budget Stabilization Account. The Proposition 2 constitutional amendments related to the BSA (i) require deposits into the BSA whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the BSA at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (defined herein as the "Proposition 98 Rainy Day Fund") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Proposition 98 Rainy Day Fund unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created. For more information on limitations on school district reserves and the District's commitment of funds in fiscal years 2024-25 and 2025-26, see "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves."

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

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

Although the 2024-25 State Budget provides for a discretionary payment of approximately $1.1 billion to the Proposition 98 Rainy Day Fund in fiscal year 2024-25, the 2024-25 State Budget also provided for a withdrawal of the entire $8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24, leaving a projected balance of $1.1 billion at the end of fiscal year 2024-25. The 2025-26 State Budget replaced the discretionary payment of $1.1 billion into the Proposition 98 Rainy Day Fund in 2024-25 with a mandatory payment of $1.2 billion, and another mandatory payment in 2025-26 of $376 million. School district reserve caps were not triggered in fiscal years 2024-25 or 2025-26, but, under the 2026-27 State Budget, school district reserve caps will be triggered in fiscal year 2026-27. The District, which has an ADA of over 250,001 students, is required to maintain a reserve for economic uncertainty in an amount equal to 1% of its general fund expenditures and other financing uses. For more information on limitations on school district reserves and the District's commitment of funds in fiscal year 2026-27, see "STATE FUNDING OF SCHOOL DISTRICTS – Limitations on School District Reserves" and "– 2026-27 State Budget."

The District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Bonds as and when due.

State School Facilities Bonds

General. The District applies for apportionments from State bond initiatives and historically has received funding from such State bond initiatives. No assurances can be given that the District will continue to apply for apportionments from current or future State bond initiatives or that the District will continue to receive funding from State bond initiatives for which it applies. Typically, the District receives State funds from the below mentioned propositions. As a result, as of July 1, 2026, the District has received approximately $314.84 million in General Funds.

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

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

Future Initiatives

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

REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION

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

Population

The following Table A-35 sets forth the estimates of the population of the City, the County and the State in calendar years 2022 through 2026.

TABLE A-35
POPULATION ESTIMATES
2022 through 2026

Year (as of January 1)	City of Los Angeles	County of Los Angeles	State of California
2022	3,820,855	9,861,671	39,159,480
2023	3,818,803	9,864,220	39,167,274
2024	3,828,748	9,882,296	39,446,835
2025	3,839,536	9,900,914	39,646,907
2026	3,806,201	9,837,286	39,592,978

Source: *California State Department of Finance*, E-4 Population Estimates for Cities, Counties, and the State, 2021-2026, with 2020 Census Benchmark. Sacramento, California, May 2026.

Income

The following Table A-36 sets forth the median household income for the City, the County, the State and the United States for calendar years 2020 through 2024.

TABLE A-36
MEDIAN HOUSEHOLD INCOME[(1)]
2020 through 2024

Year	City of Los Angeles	County of Los Angeles	State of California	United States
2020	$65,290	$71,358	$78,672	$64,994
2021	70,372	77,456	84,907	69,717
2022	76,135	82,516	91,551	74,755
2023	79,701	86,587	95,521	77,719
2024	82,263	90,845	100,149	81,604

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

The following Table A-37 sets forth the distribution of income by certain income groupings per household for the City, the County, the State and the United States for calendar year 2024.

TABLE A-37
INCOME GROUPINGS 2024[(1)]
(Percent of Households)

Income Per Household	City of Los Angeles	County of Los Angeles	State of California	United States
$24,999 & Under	17.3%	14.5%	12.4%	14.4%
$25,000-49,999	15.5	14.6	13.4	16.2
$50,000 & Over	67.1	70.9	74.2	69.4

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

Employment

The District is within the Los Angeles-Long Beach Primary Metropolitan Statistical Area Labor Market (Los Angeles County). The following Table A-38 sets forth wage and salary employment in the County from calendar years 2021 through 2025.

TABLE A-38
LABOR FORCE AND EMPLOYMENT IN THE COUNTY OF LOS ANGELES[(1)]
2021 through 2025

	2021	2022	2023	2024	2025
Civilian Labor Force	5,019,900	5,036,800	5,064,700	5,106,400	5,098,800
Employment	4,569,800	4,786,000	4,808,300	4,812,400	4,810,600
Unemployment	450,100	250,800	256,500	294,000	288,200
Unemployment Rate	9.0%	5.0%	5.1%	5.8%	5.6%
Wage and Salary Employment					
Farm	4,600	4,800	4,700	4,700	4,200
Mining and Logging	1,600	1,700	1,700	1,700	1,700
Construction	149,000	151,300	151,200	151,600	146,500
Manufacturing	313,100	321,700	318,400	312,600	303,300
Trade, Transportation and Utilities	814,000	833,500	822,800	812,000	799,300
Information	208,800	234,900	193,100	189,600	177,000
Financial Activities	213,200	215,700	210,500	207,700	203,400
Professional and Business Services	631,300	667,400	657,200	657,400	660,200
Educational and Health Services	843,900	870,600	919,000	967,000	1,007,100
Leisure and Hospitality	434,200	512,400	534,100	537,500	533,100
Other Services	135,700	153,000	157,400	159,000	158,000
Government	560,200	570,000	583,100	601,700	603,200
Total[(1)]	4,309,700	4,536,900	4,553,200	4,602,500	4,596,900

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

The following Table A-39 sets forth taxable sales in the County for the calendar years 2021 through 2025.

TABLE A-39
COUNTY OF LOS ANGELES
TAXABLE TRANSACTIONS[1]
2021 through 2025
($ in thousands)

Type of Business	2021	2022	2023	2024	2025
Motor Vehicle and Parts Dealers	$ 5,874,913	$ 6,107,706	$ 5,510,132	$ 5,915,448	$ 5,480,291
Home Furnishings and Appliance Stores	2,196,546	1,978,987	1,847,059	1,840,633	1,994,342
Building Materials and Garden Equipment and Supplies Dealers	2,559,972	2,661,863	2,601,934	2,661,653	2,661,013
Food and Beverage Stores	2,094,400	2,175,811	2,197,912	2,185,620	2,388,902
Gasoline Stations	3,496,387	3,879,947	3,644,903	3,089,081	2,955,362
Clothing and Clothing Accessories Stores	4,333,429	4,264,552	4,159,760	4,225,492	4,331,864
General Merchandise Stores	4,528,327	4,594,291	4,435,020	4,379,483	4,398,077
Food Services and Drinking Places	6,619,760	7,300,091	7,439,994	7,575,324	7,725,415
Other Retail Group	6,772,509	6,680,548	6,796,412	6,455,478	6,434,767
Total Retail and Food Services	$38,476,242	$39,643,796	$38,633,126	$38,328,211	$38,397,032
All Other Outlets	$15,104,491	$16,421,461	$16,235,978	$15,639,399	$16,359,230
TOTAL ALL OUTLETS	$53,580,733	$56,065,258	$54,869,103	$53,967,610	$54,756,262

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

Leading County Employers

The economic base of the County is diverse with no one sector being dominant. Some of the leading activities include government (including education), business/professional management services (including engineering), health services (including training and research), tourism, distribution, and entertainment. The following Table A-40 sets forth the major employers in the County as of August 2025.

TABLE A-40
COUNTY OF LOS ANGELES
MAJOR EMPLOYERS[1]
2025

Employer	Product/Service	Employees
Los Angeles County	Government	117,000
Los Angeles Unified School District	Education	78,874
University of California, Los Angeles	Education	57,411
Kaiser Permanente Southern California	Nonprofit health plan	47,897
City of Los Angeles[2]	Government	34,320
University of Southern California	Private university	25,741
Cedars-Sinai	Healthcare organization	18,087
Northrop Grumman Corp.	Systems and products in aerospace, electronics and information systems	16,600
Walt Disney Co.	Media and entertainment	13,400
NBCUniversal	Media and entertainment	13,000
UPS	Logistics, transportation and freight	12,000
Los Angeles Department of Water & Power	Energy	12,000
Providence	Health care	11,500
Home Depot	Home improvement retailer	11,000
Target Corp.	Retailer	11,000
Boeing Co.	Aerospace and defense, commercial jetliners, space and security systems	10,700
Long Beach Unified School District	Education	10,000
Albertsons Cos.	Retail grocer	10,000
California Institute of Technology	Private university, operator of Jet Propulsion Laboratory	8,396
AT&T Inc.	Telecommunications, DirecTV, cable, satellite and television provider	8,000
Amazon	Online retailer	7,000
Allied Universal	Provider of security services and technology solutions	6,800
City of Hope	Treatment and research center for cancer, diabetes, and life-threatening diseases	6,700
City of Long Beach	Government	5,581
Bank of America Corp.	Banking and financial services	5,530
Children's Hospital Los Angeles	Nonprofit freestanding children's hospital	5,305
Costco Wholesale	Membership chain of warehouse stores	5,300
Los Angeles County Metropolitan Transportation Authority	Transportation	5,000
California State University, Northridge	Education	4,807
Capital Group	Financial services	4,600
California State University, Long Beach	Education	4,458
Pomona Unified School District	Education	4,000
Los Angeles World Airports	Airport authority owner and operator	3,500
Antelope Valley Medical Center	High quality, compassionate healthcare to the community since 1955	2,800
Cal Poly Pomona	Education	2,710
Cal State Dominguez Hills	Education	2,700
Deloitte LLP and subsidiaries	Audit, tax, advisory and consulting services	2,610
California State University, Los Angeles	Education	2,575
Glendale Unified School District	Education	2,200
City of Santa Monica	Government	2,000
City of Pasadena	Government	2,000
Montebello Unified School District	Education	1,900
Santa Monica Community College District	Education	1,800
Antelope Valley Union High School District	Education	1,200
Conejo Valley School District	Education	1,100
Port of Los Angeles	Trade gateway	1,009
Mt. San Antonio Community College District	Education	1,000

[1] This information was provided by representatives of the employers, company financial and annual budget reports, company LinkedIn profiles. Government agencies and companies are ranked by the current number of full-time employees in the County. Several organizations and companies may have qualified for this list but failed to submit information or do not break out local employment data.
[2] Excludes proprietary departments (LADWP, LAWA, Port of LA).
Source: "Largest Public-Sector Employers" and "Largest Private Sector Employers," *Los Angeles Business Journal*, August 26-September 1, 2025.

Construction

The following Table A-41 sets forth the valuation of permits for new residential buildings and the number of new single-family and multi-family dwelling units in the City for the years 2020 through 2024.

TABLE A-41
CITY OF LOS ANGELES
PERMIT VALUATIONS AND UNITS OF CONSTRUCTION[(1)]
2020 through 2024
($ in thousands)

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

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

The following Table A-42 sets forth information with respect to building permits and building valuations in the County from 2020 through 2024.

TABLE A-42
COUNTY OF LOS ANGELES
BUILDING PERMITS AND VALUATIONS[1]
2020 through 2024

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

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

GLOSSARY OF CERTAIN TERMS AND ABBREVIATIONS

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

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

"ACFR" means annual comprehensive financial report.

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

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

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

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

"CDE" means the California Department of Education.

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

"Common Core" means Common Core State Standards.

"COPs" means certificates of participation.

"COVID-19" means Coronavirus Disease 2019.

"CSEA" means California School Employees Association.

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

"FRPM" means free or reduced-price meal.

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

"ISMP" means the Information Security Management Program.

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

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

"LASPA" means the Los Angeles School Police Association.

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

"LCAP" means the Local Control and Accountability Plan.

"LCFF" means the Local Control Funding Formula.

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

"LI" means students classified as foster youth.

"OCIP" means owner controlled insurance program.

"OPEB" means Other Post-Employment Benefits.

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

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

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

"PERB" means the Public Employee Relations Board.

"PLL" means pollution legal liability.

"SEIU" means Service Employees International Union.

"SUP" means School Upgrade Program.

"UAAL" means unfunded actuarial accrued liability.

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

APPENDIX B

AUDITED ANNUAL FINANCIAL REPORT OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2025

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Los Angeles Unified School District

Annual Comprehensive Financial Report







For Fiscal Year Ended
June 30, 2025

2024-25

Los Angeles, California

LOS ANGELES UNIFIED SCHOOL DISTRICT
LOS ANGELES, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025

MR. ALBERTO M. CARVALHO
SUPERINTENDENT OF SCHOOLS

MR. PEDRO SALCIDO
DEPUTY SUPERINTENDENT OF SCHOOLS

MR. SAMAN BRAVO-KARIMI
CHIEF FINANCIAL OFFICER
(Effective September 15, 2025)

DR. KURT JOHN
DEPUTY CHIEF FINANCIAL OFFICER
(Effective July 14, 2025)

MR. ERNIE THOMAS
CONTROLLER

PREPARED BY
ACCOUNTING AND DISBURSEMENTS DIVISION
333 S. BEAUDRY AVENUE
LOS ANGELES, CALIFORNIA 90017

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INTRODUCTORY SECTION



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

Alberto M. Carvalho
Superintendent

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

December 15, 2025

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

Dear Board Members and Members of the Los Angeles Unified School District Community:

The Annual Comprehensive Financial Report (ACFR) of the Los Angeles Unified School District (LAUSD or the District), for the fiscal year ended June 30, 2025, 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.

We recognize the importance of transparency and accountability to the families, students, staff, and taxpayers who make up our community. This report includes clear summaries, plain-language explanations, charts, and other graphical presentations to help make the District's financial information accessible and understandable to all stakeholders. Our goal is to provide citizens with meaningful insight into how public resources are managed to support the District's schools, programs and community priorities.

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 FY2024-25 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 3.

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, 2025, the District operated 436 elementary schools, 79 middle/junior high schools, 87 senior high schools, 59 options schools, 27 multi-level schools, 11 special education schools, 1 home and hospital, 66 magnet schools and 267 magnet centers, 18 primary school centers, 2 community adult schools, 7 regional occupational centers, 2 skills centers, 87 early education centers, 4 infant centers, and 81 California State Preschools. The District is governed by a seven-member Board of Education elected by voters within the District to serve alternating five-year terms. These terms were extended to five years for members elected in 2015 and thereafter. As of June 30, 2025, the District employed 36,136 certificated, 35,850 classified, and 4,221 unclassified employees. Enrollment as of September 2024 was 402,561 students in K-12 schools, 40,447 students in adult schools and centers, and 6,781 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 Forecast's third quarterly report of 2025 highlights continued weakness in the U.S. and California economies which include rising inflation, labor market deterioration, and potential shift in the Federal Reserve's monetary policy. The Forecast predicts the nation's GDP (Gross Domestic Product) growth of 1.0% by the third quarter of 2025 and expected to recover in 2026 and will increase to 2.0% by the fourth quarter of 2026. For California's economic growth to outpace the nation, durable goods manufacturing, including aerospace and technology sectors, need to recover strongly. On the U.S. labor market front, the unemployment rate has risen to 4.3% but the UCLA Forecast points out of particular concern the decline in non-farm payrolls seen by economists as a primary signal to an imminent recession.

California's unemployment rate, historically higher than the nation, is expected to peak at 6.2% early next year and averaging 5.5%, 5.9%, and 4.6% in 2025, 2026, and 2027, respectively. Below is a table that shows the unemployment rate across three years for the United States and California.

	U.S.			California		
Month	2023	2024	2025	2023	2024	2025
January	3.50%	3.70%	4.00%	4.40%	5.10%	5.40%
February	3.60%	3.90%	4.10%	4.50%	5.10%	5.40%
March	3.50%	3.90%	4.20%	4.50%	5.10%	5.30%
April	3.40%	3.90%	4.20%	4.50%	5.20%	5.30%
May	3.60%	4.00%	4.20%	4.60%	5.20%	5.30%
June	3.60%	4.10%	4.10%	4.60%	5.30%	5.40%
July	3.50%	4.20%	4.20%	4.70%	5.40%	5.50%
August	3.70%	4.20%	4.30%	4.80%	5.40%	5.50% (P)
September	3.80%	4.10%	4.40%	4.90%	5.50%	N/A
October	3.90%	4.10%	N/A	5.00%	5.50%	N/A
November	3.70%	4.20%	N/A	5.10%	5.50%	N/A
December	3.80%	4.10%	N/A	5.10%	5.50%	N/A

Source: Bureau of Labor Statistics
Legend: (P) Preliminary / N/A Not Available

Inflation, which is another area of concern, is projected to spike for both the nation and California because of the wide range and elevated tariff. The Consumer Price Index, which measures inflation, is expected to continue to rise for the rest of 2025 and peak at 3.6% in the first quarter of 2026.

The 2025-26 Enacted State Budget reflected a downgraded economic growth and revenue forecast in anticipation of the effect of broad-based tariffs. The lower revenue forecast alongside expenditure growth, mostly from Medi-Cal, resulted in a General Fund deficit of $12 billion. The State addressed the budget shortfall from a combination of reductions, borrowing, and fund shifts in solutions. While ongoing school programs were protected from cuts in the current year, the education budget has worsened just like the state budget since January. Proposition 98 revised levels decreased by $3.6 billion across the three-year budget window. Proposition 98 is a voter-approved measure that guarantees minimum annual funding to K-12 schools and community colleges determined by formulas that link Proposition 98 funding to the state's economic condition. The decrease in the tax revenue projection in anticipation of slow economic growth lowered the minimum guarantee by $3.6 billion. A lower guarantee can potentially affect LAUSD and other school districts in the state as it creates a lower baseline for future years potentially leading to future cuts in programs. A weak economy and revenue shortfall can also force the state to make tough decisions such as suspending the guarantee, delaying payments, or drawing from reserves. In fact, the 2025-26 Enacted Budget included deferral of $1.9 billion in Local Control Funding Formula (LCFF) funding from June 2026 to July 2026, and depletion of the Proposition 98 Rainy Day Fund to zero balance by 2025-26.

While the District is estimated to be balanced in 2025-26 and 2026-27, 2027-28 is projected to have a negative ending balance without a fiscal stabilization plan. The District is anticipated to have a structural deficit whereby in-year expenditures exceed in-year revenues. The rising operating costs are outpacing the annual cost-of-living adjustment (COLA) applied to LCFF, Special Education base funding, and other state programs and exacerbated by revenue impact of enrollment decline. The District is in a declining enrollment and the decline is projected to continue through the long term. For the fiscal year 2025-26, actual enrollment decreased by 3.37% or 13,551 students from prior year.

The economic outlook also intersects with the district's infrastructure condition. As of June 30, 2025, the district's school buildings range in age from 3 to 115 years. The age of these facilities highlights ongoing maintenance.

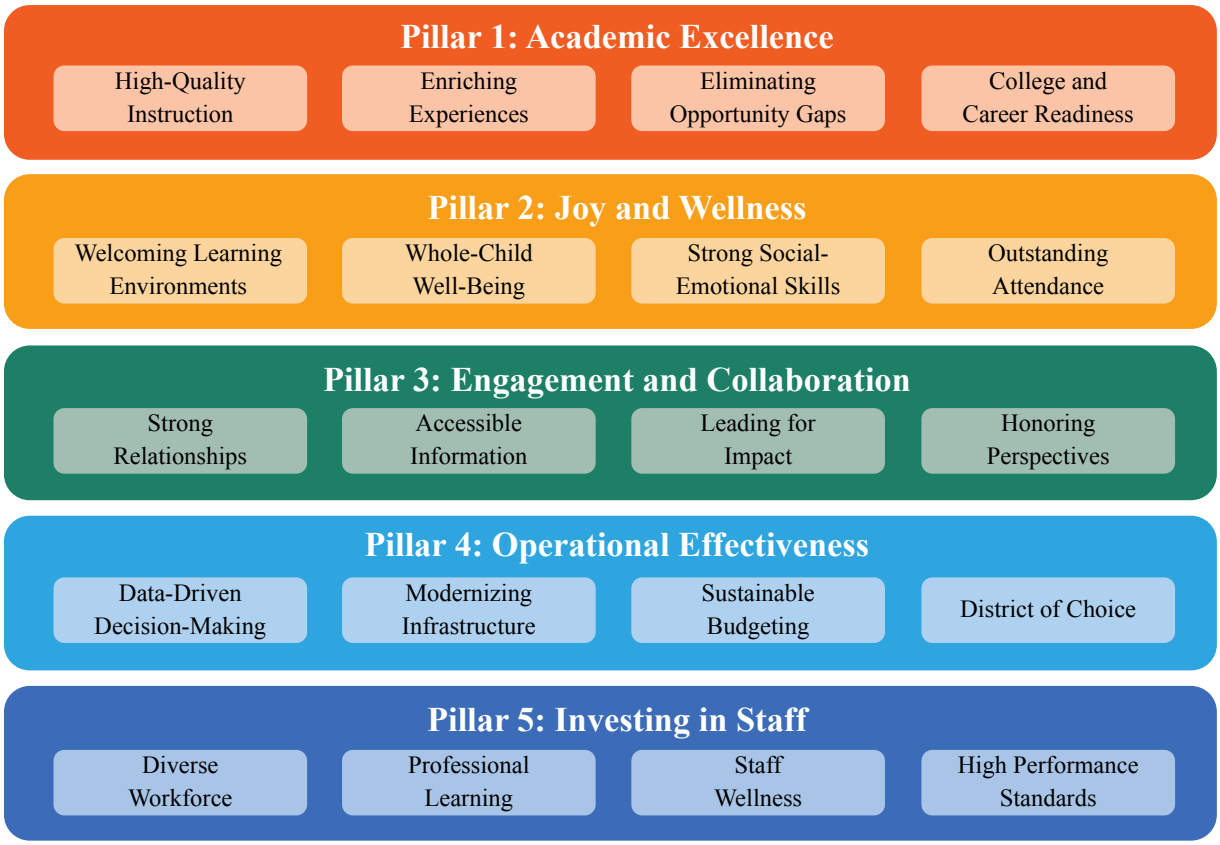
The Legislative Analyst's Office (LAO) released in November 2025 its annual estimate and analysis of the state's fiscal condition in anticipation of the 2026-27 budget process. LAO reports an anticipated budget shortfall of $18 billion in 2026-27. While revenues are estimated to increase mostly from the stock market's enthusiasm for artificial intelligence technology, higher statewide expenditures together with the constitutional requirements

of Proposition 98 and Proposition 2 add $5 billion to the $13 billion deficit estimated for 2026-27 at the time of the 2025-26 Enacted State Budget. In addition, deficits between $15 billion and $25 billion would continue through 2028-29. Proposition 98 minimum guarantee for 2026-27 is estimated at $117.8 billion, an increase of $3.2 billion from the $114.6 billion per the 2025-26 Enacted State Budget. The LAO expects most of the increase will be used to fund the estimated COLA of 2.51% projected to cost $2.5 billion, leaving minimal room for new commitments. The Governor has a mandatory deadline of January 10, 2026, to submit a balanced Fiscal Year 2026-27 budget proposal to the Legislature.

Superintendent's Strategic Plan

In June 2021, the Board of Education approved a set of four goals outlining expected student outcomes by 2026. These goals establish a clear expectation of excellence and growth in four 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 was 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 inspiring approaches that best serve students, as well as the proven work of educators, school leaders, and support staff. Strategies included in this plan constantly evolve and adapt to exemplify the best in public education. Instead of standing alone, these elements are intended to be interconnected, influencing and supporting one another. While the priorities and strategies may be categorized in a particular area, each piece works together in a coherent system to provide an exceptional education program to ensure all students graduate ready for the world.



The District is entering the final year of the 2022–26 Strategic Plan and is encouraged by the progress made through thoughtful implementation and a shared vision for students. The District is proud of the growth shown across key measures of success and remains committed to continuing this important work. The District looks forward to the development of the next Strategic Plan which will follow the same collaborative approach, with strong engagement from stakeholders, Board Members, District staff, and educational partners.

Financial Information

The District maintains internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use and disposition. These controls also enable the District to maintain accurate records for preparing financial statements and ensuring accountability for its 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.

Blended Component Units

This ACFR includes the financial activities of the blended component units of the District. A *blended component unit* is a legally separate organization that is so closely related to the primary government that, for financial-reporting purposes, it is treated as though it were part of the District. As required by criteria established by the Governmental Accounting Standards Board (GASB), blended component unit balances and transactions are included within the District's financial statements, rather than shown separately. See the Notes to Basic Financial Statements for more information.

Financial Results

When unaudited actuals were reported for fiscal year 2024-25, the general fund unassigned/unappropriated balance was $2.0 billion. The final audited unassigned/unappropriated balance improved slightly to $2.1 billion.

The District's total net position improved from a deficit last year of $2.4 billion to a deficit this year of $2.1 billion, an improvement of $0.3 billion. Net Position is total assets plus deferred outflows of resources minus total liabilities minus deferred inflows of resources. This deficit net position includes pension liabilities for retirement plans totaling $7.1 billion and other postemployment benefit (OPEB) liabilities totaling $8.2 billion.

For the fiscal year ended June 30, 2025, the District's combined ending fund balances across all funds decreased $0.5 billion from $10.2 billion to $9.7 billion. The general fund ending balance was $5.1 billion. This ending balance

includes $711 million in reserves for economic uncertainties as well as $1.4 billion in assigned and $2.1 billion in unassigned balances, of which the total was 37% of general fund expenditures. This was an improvement from unaudited actuals of $635 million.

The proprietary (internal service) funds reported a negative net position of $27 million as of June 30, 2025, an increase of $24 million from fiscal year 2023-24, primarily due to increases in contributions and investment income. In fiscal year 2024-25, the District formed its own captive insurance company, the Los Angeles Unified School District Insurance Company, LLC (Captive). The District established the Captive to manage and control escalating insurance costs, enhance the management of risk, and improve the District's financial stability.

Long-term liabilities increased by $1.3 billion primarily due to issuance of new general obligation (GO) bonds and offset by a reduction in Certificates of Participation (COPs).

Audit Results

The auditor issued an unmodified or clean opinion again this year. This is the best opinion possible and states the auditors believe our financial present fairly, in all material respects, the financial statements in the audit report.

There were 4 federal program findings and 14 state compliance findings. Eleven of the findings were repeated from last year. Total questioned costs were $47.8 million.

There were three noteworthy findings. First, $44.3 million of the total questioned costs resulted from the District not meeting the minimum required expenditure on classroom compensation (Current Expense Formula). The District spent 54.5% on classroom compensation while the Education Code §41372 requires unified school districts to spend 55% on classroom compensation. The District has implemented a process aligned with parameters provided by the California Department of Education that includes manual adjustments to the calculation for programs that are not intended for classroom expenditures, resulting in an improved expense ratio from 47% in fiscal year 2023-24 to 54.5% this year. Consistent with prior years, the District plans to request a waiver to the requirement. The District also anticipates that its fiscal stabilization plan will increase the ratio of classroom compensation in future years.

The second finding involved $2.1 million of questioned costs for Home-to-School Transportation. Employee time related to indirect costs was incorrectly charged to the Home-to-School Transportation program. The District will strengthen controls over time reporting, approvals, and cost allocations to ensure compliance going forward.

The third finding of note related to proper documentation of Proposition 28 – Arts & Music expenditures. The District lacked supporting documentation for work performed by employees, or the documentation was inadequate. The District will strengthen its controls over documentation of expenditures. Please refer to Other Independent Auditor Reports beginning on page 241 for more detail on these and other findings.

The District remains fully committed to compliance with Federal and State regulations, focusing on improving our internal controls, record keeping, and compliance with all program requirements.

Acknowledgments

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

Respectfully submitted,

Alberto M. Carvalho
Superintendent of Schools

Prepared by:



Saman Bravo-Karimi
Chief Financial Officer

BOARD OF EDUCATION

as of December 15, 2025

Scott M. Schmerelson, President
Board District 3

Sherlett Hendy Newbill
Board District 1

Dr. Rocio Rivas
Board District 2

Nick Melvoin
Board District 4

Karla Griego
Board District 5

Kelly Gonez
Board District 6

Tanya Ortiz Franklin
Board District 7

PRINCIPAL SCHOOL DISTRICT OFFICIALS

Alberto M. Carvalho
Superintendent of Schools

Pedro Salcido
Deputy Superintendent, Business Services and Operations

Saman Bravo-Karimi
Chief Financial Officer
(Effective September 17, 2025)

Christopher Mount-Benites
Chief Financial Officer
(August 5, 2024 to July 31, 2025)

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

Dr. Kurt E. John
Deputy Chief Financial Officer
(Effective July 14, 2025)

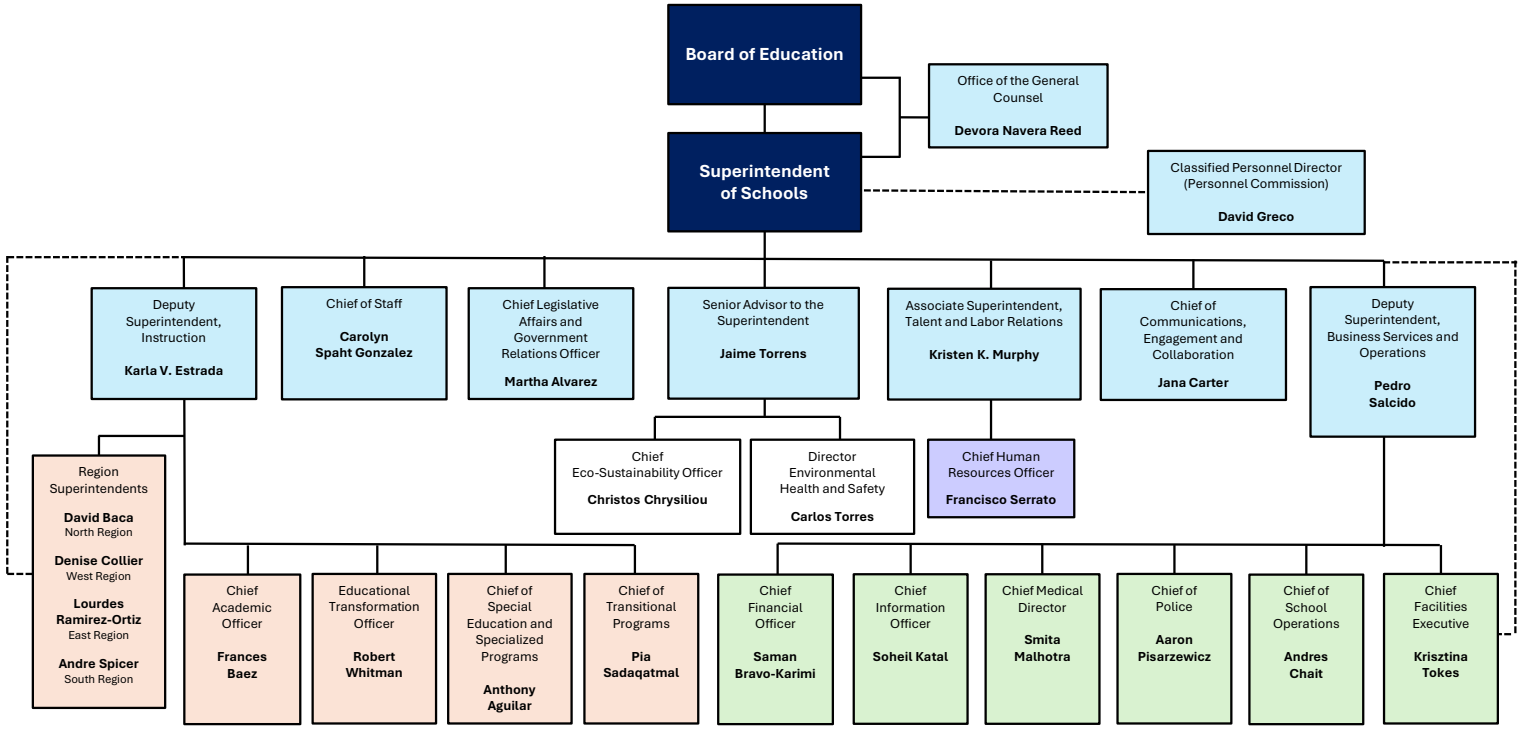
Nolberto Delgadillo
Deputy Chief Financial Officer
(July 23, 2024 to June 30, 2025)

Ernie Thomas
Controller

Region Officials
as of December 15, 2025

	Region Superintendent	Administrator of Instruction	Administrator of Operations	Administrator of Parent & Community Engagement
North	David Baca	Dr. Alma Flores Mylene Keipp	Jose Razo	Laura Fuentes Dr. Jeremiah Gonzalez
South	Andre Spicer	Rafael Balderas Dr. Afia Hemphill	Mira Pranata	Ursula Martin
East	Dr. Lourdes Ramirez-Ortiz	Cristina Munoz Daniel Gettinger	Gilberto Martinez	Megan Guerrero
West	Denise Collier	Dr. Dechele Byrd Andrew Jenkins	Dr. Blanca Esquivel	Crystal Dukes

2025-26 Los Angeles Unified School District Organization Chart



As of December 15, 2025

FINANCIAL SECTION



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SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
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Independent Auditor's Report

To The Honorable Board of Education
Los Angeles Unified School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Los Angeles Unified School District** (the District) as of and for the year ended June 30, 2025, 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, 2025, 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(r) to the basic financial statements, on July 1, 2024, the District adopted the new accounting and disclosure requirements of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. 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 7 to 16 and the required supplementary information on pages 78 to 87 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, the state and federal compliance information section on pages 225 to 233, and the schedule of expenditures of federal awards and related notes on pages 234 through 237 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, statistical section, the state and federal compliance information section on pages 193 to 223, and the other information section 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 15, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Simpson & Simpson

Los Angeles, California
December 15, 2025

Management's Discussion and Analysis (Unaudited)

The following is a discussion and analysis of the Los Angeles Unified School District (District) financial performance for the year ended June 30, 2025. Use this section in conjunction with the District's basic financial statements. Comparative data is presented for this report.

Highlights

Government-wide Statements

Net Position- The District's total net position improved from a deficit last year of $2.4 billion to a deficit this year of $2.1 billion, an improvement of $0.3 billion. This deficit net position includes pension liabilities for retirement plans totaling $7.1 billion and other postemployment benefit (OPEB) liabilities totaling $8.2 billion.

Fund Statements

Governmental Funds- For the fiscal year ended June 30, 2025, the District's combined ending fund balances decreased $0.5 billion from $10.2 billion to $9.7 billion. The general fund assigned and unassigned fund balances, including reserve for economic uncertainties, was $4.2 billion, or 37% of total general fund expenditures.

Proprietary Funds- The proprietary (internal service) funds reported a negative net position of $27 million as of June 30, 2025, an increase of $24 million from fiscal year 2023-24, primarily due to increases in contributions and investment income. In fiscal year 2024-25, the District formed its own captive insurance company, the Los Angeles Unified School District Insurance Company, LLC.

Long-Term Debt

Long-term liabilities increased by $1.3 billion primarily due to issuance of new general obligation (GO) bonds and offset by a reduction in Certificates of Participation (COPs).

Overview of the Financial Statements

The focus of this report is on reporting for the District as a whole and on the most significant individual funds. This report presents a comprehensive view of the District's financial activities and makes it easier to compare the performance of the District to that of other districts. The Financial Section of this report presents the District's financial position and activities in five parts:

- MD&A (this part)
- The basic financial statements and notes to basic financial statements
- Required supplementary information
- Other supplementary information presenting combining statements and schedules
- Statistical and economic data

The basic financial statements include government-wide financial statements, fund financial statements, and notes to financial statements, which provide more detailed information to supplement the basic financial statements.

Reporting on the District as a Whole

The *Government-wide Financial Statements* are designed to present an overall picture of the financial position of the District. These statements consist of the statement of net position and the statement of activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. This means that all the current year's revenues and expenses are included, regardless of when cash is received or paid, producing a view of financial position similar to that presented by most private sector companies.

(Continued)

Management's Discussion and Analysis (Unaudited)

The Los Angeles Unified School District Insurance Company, LLC (Captive), although legally separate, functions for all practical purposes as a department of the District, as a blended component unit, and therefore has been included as an integral part of the primary government.

The *Statement of Net Position* combines and consolidates the government's current financial resources with capital assets and long-term obligations. This statement includes all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources.

Net position represents one measure of the District's financial health.

Other indicators of the District's financial health include economic trends affecting the District's future revenues such as enrollment trends and the state's revenue economic outlook.

The *Statement of Activities* focuses on both the gross and net cost of various activities (governmental, business-type and component units). These costs are paid by the District's revenues. This statement summarizes the cost of providing (or the subsidy provided by) specific government services and includes all current year revenues and expenses. 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 for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide Statement of Net position and the Statement of Activities typically divide activities into three columns: governmental activities, business-type activities and discrete component units. However, the District only has governmental activities.

The government-wide financial statements can be found on pages 18-19 of this report.

Reporting on the District's Most Significant Funds

Fund Financial Statements provide additional detail about the District's financial position and activities. Some information presented in the fund financial statements differs from the government-wide financial statements due to the perspective and basis of accounting used. Funds are presented on the fund-level statements as major or nonmajor based on criteria set by the Governmental Accounting Standards Board (GASB). A fund is a separate accounting entity with a self-balancing set of accounts. The District uses funds to keep track of sources of funding and spending related to specific activities.

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.

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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Governmental Funds. A majority of the District's activity is reported in governmental funds. Reporting of these funds focuses on the flow of money into and out of the funds and the amounts remaining at fiscal year-end for future spending.

(Continued)

Management's Discussion and Analysis (Unaudited)

Governmental funds are accounted for using the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash. The governmental fund financial statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. This information helps determine the level of resources available for the District's programs. The reconciliations following the fund financial statements explain the differences between the governmental activities column reported on the government-wide statement of net position and the government-wide statement of activities and the governmental funds reported on the fund financial statements. The general fund, district bonds fund, and bond interest and redemption fund are reported as major governmental funds.

The District's major governmental funds are: General, Capital Projects (District Bonds) and Debt Service (Bond Interest and Redemption). The District's other governmental (nonmajor) funds are: Student Activity, Adult Education, Child Development, Cafeteria, Tax Override, Capital Services, Building, Capital Facilities Account, County School Facilities Bonds, Special Reserve - Community Redevelopment Agency, Special Reserve, Special Reserve - FEMA - Earthquake, and Special Reserve - FEMA - Hazard Mitigation. See notes to basic financial statements for further information.

Data from the other governmental (nonmajor) funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of 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 this budget.

The governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary Funds (Internal Service Funds). When the District charges customers for services it provides, these activities are generally reported in proprietary funds. Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. There are two types of Proprietary funds, internal service funds and enterprise funds. The District does not have any enterprise funds. The goal of internal service funds is to measure and recover the full cost of providing goods or services through fees or charges, normally on a break-even basis, including the cost of capital assets used in providing the service.

The District's internal service funds are: health and welfare fund, workers compensation fund, liability self insurance fund, and captive insurance company. These funds provide services on a cost reimbursement basis to other funds of the District.

The District's internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund financial statements for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The proprietary fund financial statements can be found on pages 25-27 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire 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 28-75 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligations to provide pension

(Continued)

and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 77-87.

The *Combining Statements* referred to earlier in connection with nonmajor governmental funds, internal service funds and pension (and other employee benefit) trust funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 93-128 of this report.

Financial Analysis of the District as a Whole (Government-wide)

Net Position. Total assets of the District were $30.2 billion, an increase of $0.9 billion or 3% from fiscal year 2023-24. Total liabilities of the District were $32.1 billion, an increase of $0.8 billion or 3% from fiscal year 2023-24. Cash and investments remained constant at $11.7 billion. There was a $0.9 billion increase in investments primarily due to investments made by the District's newly formed Captive insurance company.

The District's bonded indebtedness was $13 billion, which included new issuances of $2 billion in District bonds to finance new construction and other projects, refinance prior bonds, and defease $218 million of Certificates of Participation. Net position was negative $2.1 billion in fiscal year 2024-25, an increase of $0.3 billion.

Of the District's net position, $4 billion was net investment in capital assets, while $5.3 billion was restricted for programmatic operations of the District and debt service. Unrestricted net position was negative $11.4 billion.

Summary Statements of Net Position (in thousands)
As of June 30, 2025 and 2024:

	Governmental Activities	
	2025	**2024**
Assets:		
Current Assets	$ 13,094,526	$ 13,034,889
Capital Assets, net	17,134,840	16,325,227
Total Assets	30,229,366	29,360,116
Deferred Outflows of Resources	5,235,439	5,711,320
Liabilities:		
Current Liabilities	1,994,293	1,822,894
Long-term Liabilities	14,772,491	13,508,101
Net Pension Liability	7,134,030	6,942,831
Net Other Postemployment Benefits Liability	8,206,284	8,991,231
Total Liabilities	32,107,098	31,265,057
Deferred Inflows of Resources	5,481,118	6,170,197
Net Position:		
Net investment in capital assets	3,954,536	3,969,958
Restricted for:		
Debt service	1,630,496	1,330,967
Program activities	3,698,160	4,136,934
Unrestricted	(11,406,603)	(11,801,677)
Total Net Position	$ (2,123,411)	$ (2,363,818)

Changes in Net Position. The District's net position for fiscal year 2024-25 increased by $0.3 billion. The District earned program revenues of $3.4 billion and general revenues of $8.5 billion, for total revenues of $11.9 billion, a decrease of $1.7 billion or 12% from fiscal year 2023-24. The major components of this decrease were operating

(Continued)

Management's Discussion and Analysis (Unaudited)

grants and contributions, which had a decrease of $1.1 billion, and state aid not restricted to a specific purpose, with a decrease of $348 million.

The expenses of the District were $11.7 billion, a decrease of $0.02 billion, down 0.2% from fiscal year 2023-24. The expense fluctuations in governmental activities are largely attributable to a $0.4 billion decrease in business support services, $0.3 billion decrease in interest expense, an increase of $0.3 billion in student support services, an increase of $0.1 billion in instructional staff support services, and an increase of $0.1 billion in instruction. The financial analysis of the District's funds will further explain the results for changes in the District's financial condition.

Summary Statements of Changes in Net Position (in thousands)
Year ended June 30, 2025 and 2024:

	Governmental Activities	
	2025	**2024**
Revenues:		
Program Revenues:		
Charges for services	$ 124,486	$ 153,569
Operating grants and contributions	3,100,225	4,245,151
Capital grants and contributions	197,365	202,694
Total Program Revenues	3,422,076	4,601,414
General Revenues:		
Property taxes levied for general purposes	2,218,283	2,150,106
Property taxes levied for debt service	1,283,303	1,185,977
Property taxes levied for community redevelopment	63,463	60,653
State aid not restricted to specific purpose	4,237,524	4,585,386
Grants, entitlements, and contributions not restricted to specific programs	186,850	188,281
Unrestricted investment earnings	361,049	284,570
Miscellaneous	172,436	554,812
Total General Revenues	8,522,908	9,009,785
Total Revenues	11,944,984	13,611,199
Expenses:		
Instruction	5,198,631	5,072,381
Support Services:		
Support services – students	990,405	733,509
Support services – instructional staff	979,709	859,470
Support services – general administration	102,060	143,193
Support services – school administration	672,791	682,625
Support services – business	450,863	838,188
Operation and maintenance of plant services	1,062,417	982,270
Student transportation services	241,064	198,150
Data processing services	173,292	156,909
Operation of non-instructional services	732,470	680,183
Facilities acquisition and construction services	131,385	172,218
Other uses	13,851	8,786
Interest expense	334,837	603,781
Depreciation – unallocated	620,802	592,808
Total Expenses	11,704,577	11,724,471
Changes in Net Position	240,407	1,886,728
Net Position – Beginning of Year	(2,363,818)	(4,250,546)
Net Position – End of Year	$ (2,123,411)	$ (2,363,818)

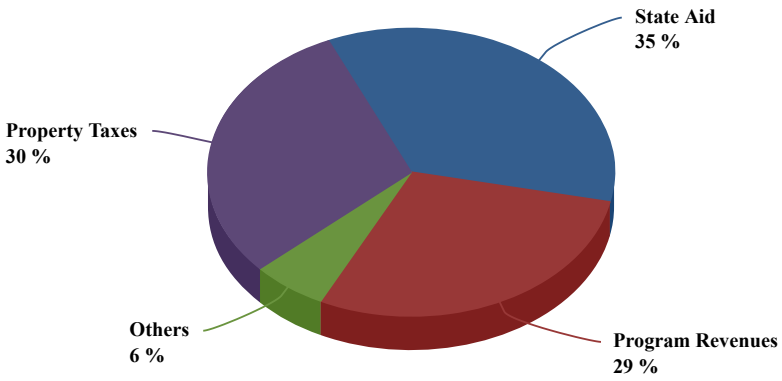
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Management's Discussion and Analysis (Unaudited)

Governmental Activities. Governmental activities program revenue was $3.4 billion, including charges for services of $124 million, operating grants and contributions of $3.1 billion and capital grants and contributions of $197 million. Total revenues decreased by $1.7 billion in fiscal year 2024-25 primarily due to decreased operating grants and contributions and state aid not restricted to a specific purpose. Governmental activities expenses were $11.7 billion. All functions of governmental activities in the government-wide statement of activities have a net cost, except the operation of non-instructional services and facilities acquisition and construction services which had slight surpluses. The instruction, support services, operation and maintenance of plant services, and student transportation functions account for 83% of governmental activities expenses. The state aid and property taxes provide the primary source of funding, which when added to program revenues, support the payment of governmental services.

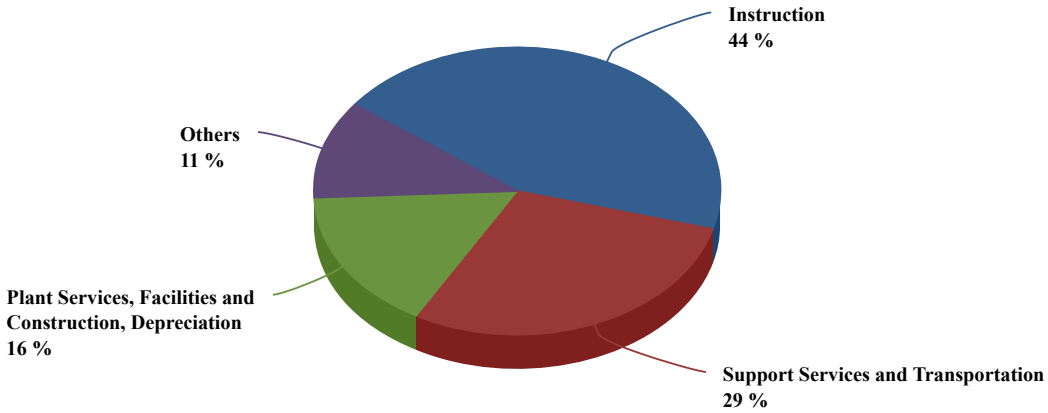
The following graph shows that state aid, property taxes, and operating grants and contributions are the main revenue sources of the District.

Revenue sources of the District



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

Expenses of the District



(Continued)

Management's Discussion and Analysis (Unaudited)

Financial Analysis of the District's Funds

Governmental Funds

As of June 30, 2025, total governmental funds reported fund balances of $9.7 billion. The general fund reported a $5.1 billion fund balance, 53% of the total overall fund balance. The District bonds (capital) fund increased $473 million as a result of issuing $1.8 billion in bonds offset by $1.2 billion in capital outlay.

General Fund

The fund balance for the general fund as of June 30, 2025, was $5.1 billion, a decrease of $1.3 billion from fiscal year 2023-24. The restricted and nonspendable portion of the fund balance is $940 million and $1.4 billion assigned. The unassigned portion of the fund balance was $2.8 billion, which includes $711 million in the reserve for economic uncertainties. Contributing to the fund balance were decreases in federal revenues of $1.4 billion and local control funding formula sources of $280 million. Spending for salaries and benefits increased $549 million. COVID-19 related federal revenues decreased $897 million.

Proprietary Funds (Internal Service Funds)

Proprietary funds (Internal Service Funds) reported a negative net position of $27 million in fiscal year 2024-25, an increase of $24 million from fiscal year 2023-24. In fiscal year 2024-25, the District formed its own captive insurance company, the Los Angeles Unified School District Insurance Company, LLC (Captive). The Captive provides coverage to the District for workers' compensation and liability. In fiscal year 2024-25, the District transferred liabilities for historical losses to the Captive for workers' compensation, general liability, and automobile liability through purchases of loss portfolio transfer policies.

Health and Welfare Benefits Fund. The net position for fiscal year 2024-25 totaled $129 million, an increase of $131 million from fiscal year 2023-24. In-District premiums increased by $333 million for fiscal year 2024-25. Premiums and claims expenses increased by $84 million compared to fiscal year 2023-24. Cash increased by $101 million in fiscal year 2024-25.

Workers' Compensation Self Insurance. The net position for fiscal year 2024-25 totaled $285 million, a decrease of $67 million from fiscal year 2023-24. In-District premiums decreased by $34 million for fiscal year 2024-25. Premiums and claims expenses increased by $112 million compared to fiscal year 2023-24. Cash decreased from $709 million to $98 million primarily due to the purchase of loss portfolio transfer policies which transferred the claims liabilities to the Captive and the initial capital investment in the Captive. The current and noncurrent estimated liability for self-insurance claims was reduced to zero. Other assets of $150 million is the fund's initial capital investment in the Captive.

Liability Self Insurance Fund. The net position for fiscal year 2024-25 totaled a deficit of $693 million, a decrease of $292 million from last fiscal year. The current and noncurrent estimated liability for self-insurance claims increased to $907 million, up from $725 million in the prior fiscal year as a result of additional estimated claims. Other assets of $50 million is the fund's initial capital investment in the Captive. The District transferred liabilities for historical losses to the Captive for general liability and automobile liability through purchases of loss portfolio transfer policies. Outstanding liabilities at the end of fiscal year 2024-25 for sexual molestation claims that occurred on/before June 30, 2024, remain in the fund and were not transferred to Captive. The District intends to fund these liabilities using judgment obligation bonds.

(Continued)

Management's Discussion and Analysis (Unaudited)

Los Angeles Unified School District Insurance Company, LLC or Captive. The Captive was formed in fiscal year 2024-25. The Captive provides coverage to the District for workers' compensation, general liability, and automobile liability, including loss portfolio transfer policies which provide coverage for prior claims. Outstanding liabilities at the end of fiscal year 2024-25 for sexual molestation claims that occurred on/before June 30, 2024, remain in the liability self-insurance fund and were not transferred to the Captive. The Captive received an initial capital investment of $200 million from the workers' compensation fund and liability self-insurance fund.

General Fund Budgetary Highlights

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

Modified Final Budget vs. Original Final Budget

The District's Original Final Budget is based on assumptions from the State's May Revision Budget, while the Modified Final Budget is based not only on the State's Enacted Budget, but also on all other known State budgetary changes and changes to the District's priority of program implementations and/or planned expenditures since the Original Final Budget. Differences between the 2024-25 General Fund Original Final Budget and the Modified Final Budget resulted in a lower budgeted ending balance by $0.8 billion, to $3.8 billion from $4.6 billion. Adjustments to the Original Final Budget included an increase in the beginning balance of almost $0.1 billion, an increase in budgeted revenues and financing sources of $1.0 billion, and an increase in budgeted expenditures and other financing uses of $1.9 billion.

The increase in the beginning balance of almost $0.1 billion between the Original Final Budget and Modified Final Budget was to reflect the actual ending balance as of June 30, 2024, as opposed to the estimated June 30, 2024, ending balance. The net increase in budgeted revenues and other financing sources of $1.0 billion was mostly due to the recording of interfund transfer in for Special Reserve Fund for Other Than Capital Outlay Projects from General Fund of $0.6 billion, recognition of fire insurance proceeds of nearly $0.1 billion, bigger State's on-behalf contribution to the California State Teachers' Retirement System (CalSTRS) of almost $0.1 billion and the implementation of new grants of $0.2 billion.

The increase in budgeted expenditures and other financing uses of $1.9 billion was mostly attributable to the program implementation of Learning Recovery Emergency Block Grant (LREBG) and Expanded Learning Opportunities Program (ELOP) of $0.6 billion and $0.4 billion, respectively, as well as the recording of the interfund transfer out from General Fund to Special Reserve Fund for Other Than Capital Outlay Projects of $0.6 billion.

Actual vs. Modified Final Budget

The beginning balance remained the same for both the Actual and the Modified Final Budget. There is a minimal negative variance in revenues and other financing sources between the Actual and Modified Final Budget.

The positive variance of $1.4 billion in expenditures and other financing uses between the Actual and the Modified Final Budget was mostly from school carryover accounts. The unspent portion of these accounts shall carry over into the next fiscal year for further program implementation and/or to pay future obligations. The largest decreases in expenditure were in Books and Supplies ($1.1 billion), Capital Outlay ($0.1 billion) and Certificated Salaries ($0.1 billion).

(Continued)

Management's Discussion and Analysis (Unaudited)

Differences between the Actual and Modified Final Budget resulted in a higher ending balance of $1.3 billion, from $3.8 billion to $5.1 billion.

Capital Assets and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to $17.1 billion (net of accumulated depreciation), an 5.0% increase from prior year. The investment in capital assets includes sites, improvement of sites, buildings and improvements, equipment, construction in progress, lease assets and subscription assets, net of any related accumulated depreciation. The increase is primarily due to comprehensive and major modernization projects, heating, ventilation, and air conditioning (HVAC) projects, improvement at school sites, Cyber and Campus Security projects, School Network System Upgrades, and increase in subscription assets.

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

	Governmental Activities	
	2025	2024
Sites	$ 3,101,510	$ 3,101,510
Improvement of sites	359,326	333,225
Buildings and improvements	9,138,015	9,102,846
Equipment	456,410	383,687
Construction in progress	3,940,166	3,302,103
Lease assets	68,524	50,174
Subscription assets	70,889	51,682
Total	$ 17,134,840	$ 16,325,227

Additional information on the District's capital assets can be found in Note 7 on page 43 of this report.

Debt Administration

Long-term obligations. At the close of the current fiscal year, the District's total long-term obligations amounted to $30.1 billion. Of this, $12.7 billion consists of debt to be repaid through voter-approved property taxes. The total long-term obligations increased by $670.6 million during the fiscal year, primarily due to issuance of new general obligation (GO) bonds net of repayment of Certificates of Participation (COPs).

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

	Governmental Activities	
	2025	2024
General Obligation (GO) Bonds	$ 12,698,852	$ 11,651,806
Certificates of Participation (COPs)	240,202	511,478
Lease Obligations	70,998	51,824
Subscription-based Information Technology Agreements	51,058	43,514
Liability for Compensated Absences	136,856	108,995
Liability for Other Employee Benefits	20,662	24,177
Self-insurance Claims	1,547,987	1,113,152
Net Pension Liability	7,134,030	6,942,831
Other Postemployment Benefits (OPEB)	8,206,284	8,991,231
Arbitrage Payable	5,876	3,155
Total	$ 30,112,805	$ 29,442,163

(Continued)

Management's Discussion and Analysis (Unaudited)

Long-Term Credit Ratings

Below are the District's long-term credit ratings as of June 30, 2025 from the rating agencies that carry ratings on all or some of the District's outstanding GO bonds and COPs:

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

State statutes limit the issuance of general obligation bond debt by a unified school district if the outstanding general obligation bonds are more than 2.5% of its total taxable property. The debt limitation for the District as of June 30, 2025, is $24.3 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 through 14 on pages 65-71 of this report.

Requests for Information

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

Basic Financial Statements:



Los Angeles Unified School District
Statement of Net Position
June 30, 2025
(in thousands)

	Governmental Activities
Assets:	
Cash	$ 9,779,976
Cash held by trustee	1,045,467
Investments	919,556
Lease receivable	13,274
Property taxes receivable	141,286
Accounts receivable, net	845,124
Accrued interest receivable	81,668
Prepaids	6,532
Inventories	53,932
Accounts receivable, non current	985
Other assets	206,726
Total Current Assets	13,094,526
Capital assets:	
Sites	3,101,510
Improvement of sites	982,886
Buildings and improvements	18,738,727
Equipment	2,907,341
Construction in progress	3,940,166
Lease assets	90,547
Subscription assets	152,762
Less accumulated depreciation	(12,779,099)
Total Capital Assets, Net of Depreciation	17,134,840
Total Assets	30,229,366
Deferred Outflows of Resources	5,235,439
Liabilities:	
Vouchers and accounts payable	578,284
Contracts payable	114,257
Accrued payroll	605,726
Accrued interest	259,814
Other payables	258,720
Unearned revenue	107,539
Tax and revenue anticipation notes and related interest payable	69,953
Total Current Liabilities:	1,994,293
Long-term Liabilities:	
Portion due within one year	2,132,911
Portion due after one year	12,639,580
Net pension liability	7,134,030
Net other post-employment liabilities	8,206,284
Total Liabilities	32,107,098
Deferred Inflows of Resources	5,481,118
Net Position:	
Net investments in capital assets	3,954,536
Restricted for:	
Debt service	1,630,496
Program activities	3,698,160
Unrestricted	(11,406,603)
Total Net Position	$ (2,123,411)

See accompanying notes to basic financial statements.

Los Angeles Unified School District
Statement of Activities
For Fiscal Year Ended June 30, 2025
(in thousands)

Functions/programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental activities:					
Instruction	$ 5,198,631	$ 21,711	$ 1,170,790	$ -	$ (4,006,130)
Support Services – students	990,405	1,163	199,338	-	(789,904)
Support Services – instructional staff	979,709	61	412,666	-	(566,982)
Support Services – general administration	102,060	-	(203)	-	(102,263)
Support Services – school administration	672,791	-	166,661	-	(506,130)
Support Services – business	450,863	13,958	142,057	-	(294,848)
Operation and maintenance of plant services	1,062,417	6,233	128,285	-	(927,899)
Student transportation services	241,064	-	13,157	-	(227,907)
Data processing services	173,292	-	(97)	-	(173,389)
Operation of non-instructional services	732,470	1,634	740,039	-	9,203
Facilities acquisition and construction services*	131,385	79,726	119,187	120,689	188,217
Other uses	13,851	-	2,109	-	(11,742)
Interest expense	334,837	-	6,236	76,676	(251,925)
Depreciation – unallocated**	620,802	-	-	-	(620,802)
Total Governmental Activities	$ 11,704,577	$ 124,486	$ 3,100,225	$ 197,365	$ (8,282,501)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					2,218,283
Property taxes, levied for debt service					1,283,303
Property taxes, levied for community redevelopment					63,463
State aid not restricted to specific purpose					4,237,524
Grants, entitlements, and contributions not restricted to specific programs					186,850
Unrestricted investment earnings					361,049
Miscellaneous					172,436
Total General Revenues					8,522,908
Change in Net Position					240,407
Net Position – Beginning of Year					(2,363,818)
Net Position – End of Year					$ (2,123,411)

* 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, 2025
(in thousands)

	General Fund	District Bonds	Bond Interest and Redemption	Other Governmental	Total Governmental
Assets:					
Cash	$ 5,432,230	$ 1,832,669	$ 1,287,209	$ 782,915	$ 9,335,023
Cash held by trustee	260,284	-	461,235	323,948	1,045,467
Investments	-	-	-	13,363	13,363
Lease receivable	11,183	-	-	2,091	13,274
Taxes receivable	-	-	141,286	-	141,286
Accounts receivable – net	514,775	-	-	125,692	640,467
Accrued interest receivable	55,473	16,228	-	4,426	76,127
Prepaids	12,642	23	-	10,809	23,474
Inventories	35,308	-	-	18,624	53,932
Other assets	-	-	-	35	35
Total Assets	6,321,895	1,848,920	1,889,730	1,281,903	11,342,448
Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 6,321,895	$ 1,848,920	$ 1,889,730	$ 1,281,903	$ 11,342,448
Liabilities and Fund Balances:					
Vouchers and accounts payable	$ 354,061	$ 50,159	$ -	$ 52,118	$ 456,338
Contracts payable	3,831	108,312	-	2,114	114,257
Accrued payroll	574,124	10,220	-	25,250	609,594
Other payables	193,593	14,067	-	7,428	215,088
Unearned revenue	22,479	-	-	27,318	49,797
Tax and revenue anticipation notes and related interest payable	69,953	-	-	-	69,953
Total Liabilities	1,218,041	182,758	-	114,228	1,515,027
Deferred Inflows of Resources:					
Property taxes	-	-	142,978	-	142,978
Leases	11,183	-	-	2,091	13,274
Total Deferred Inflows of Resources	11,183	-	142,978	2,091	156,252
Fund Balances:					
Nonspendable	50,875	519	-	29,448	80,842
Restricted, reported in:					
Major governmental funds	889,614	1,665,643	1,746,752	-	4,302,009
Special revenue funds	-	-	-	444,696	444,696
Debt service funds	-	-	-	581	581
Capital projects funds	-	-	-	669,742	669,742
Assigned, reported in:					
Major governmental funds	1,373,616	-	-	-	1,373,616
Special revenue funds	-	-	-	16,278	16,278
Capital projects funds	-	-	-	4,839	4,839
Unassigned:					
Reserved for economic uncertainties	710,567	-	-	-	710,567
Unassigned	2,067,999	-	-	-	2,067,999
Total Fund Balances	5,092,671	1,666,162	1,746,752	1,165,584	9,671,169
Total Liabilities, Deferred Inflows of Resources and Fund balances	$ 6,321,895	$ 1,848,920	$ 1,889,730	$ 1,281,903	$ 11,342,448

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, 2025
(in thousands)

Total Fund Balances – Governmental Funds	$	9,671,169
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 $29,913,939 and the accumulated depreciation is $12,779,099.		17,134,840
Prepaid subscription software expenditures are reported as subscription assets in the governmental activities		(16,971)
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.		135,082
Federal subsidies for debt service expenditures are recognized in the governmental funds only when the corresponding interest expenditure is recognized.		7,897
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.		985
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.		(26,586)
Long-term liabilities, including bonds and lease payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		(13,480,025)
Deferred outflow/inflow of resources – refunding charges are not reported in the governmental funds.		(96,346)
Proportionate share of net pension liability and related deferred inflow/outflow of resources are not reported in the governmental funds.		(4,990,529)
Net other post-employment benefits liability and related deferred inflow/outflow of resources are not reported in the governmental funds.		(10,462,927)
Total Net Position – Governmental Activities	$	(2,123,411)

See accompanying notes to basic financial statements.

Los Angeles Unified School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025
(in thousands)

	General Fund	District Bonds	Bond Interest and Redemption	Other Governmental	Total Governmental
Revenues:					
Local Control Funding Formula sources	$ 6,455,802	$ -	$ -	$ -	$ 6,455,802
Federal revenues	741,902	-	25,963	431,711	1,199,576
Other state revenues	1,864,198	-	3,163	628,610	2,495,971
Other local revenues	615,210	75,425	1,301,269	251,515	2,243,419
Total Revenues	9,677,112	75,425	1,330,395	1,311,836	12,394,768
Expenditures:					
Current:					
Certificated salaries	4,088,493	-	-	135,130	4,223,623
Classified salaries	1,620,262	52,554	-	259,183	1,931,999
Employee benefits	3,154,151	29,133	-	272,482	3,455,766
Books and supplies	460,338	5,966	-	224,716	691,020
Services and other operating expenditures	1,646,174	23,538	-	41,410	1,711,122
Capital outlay	148,032	1,166,119	-	220,353	1,534,504
Debt service					
Debt service – principal	30,627	64	718,320	31,233	780,244
Debt service – bond issuance cost	-	-	840	-	840
Debt service – bond, COPs, and capital leases interest	2,864	8	424,444	22,136	449,452
Other outgo	7,387	-	-	2,327	9,714
Transfers of indirect costs – interfund	(39,278)	-	-	39,278	-
Total Expenditures	11,119,050	1,277,382	1,143,604	1,248,248	14,788,284
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,441,938)	(1,201,957)	186,791	63,588	(2,393,516)
Other Financing Sources (Uses):					
Transfers in	622,682	129,864	-	291,162	1,043,708
Transfers out	(642,767)	(255,469)	-	(145,472)	(1,043,708)
Payment to refunded COPs escrow agent	-	-	-	(238,932)	(238,932)
Capital leases	3,540	497	-	20,960	24,997
Proceeds from sale of capital assets	97,252	-	-	-	97,252
Proceeds from SBITAs	31,969	-	-	8,220	40,189
Proceeds from sale of bonds	-	1,800,000	-	-	1,800,000
Premium on bonds issued	-	-	136,306	-	136,306
Premium on refunding bonds issued	-	-	22,274	-	22,274
Payment to refunded bond escrow agent	-	-	(269,779)	-	(269,779)
Proceed from refunding bonds	-	-	248,345	-	248,345
Total Other Financing Sources (Uses)	112,676	1,674,892	137,146	(64,062)	1,860,652
Net Changes in Fund Balances	(1,329,262)	472,935	323,937	(474)	(532,864)
Fund Balances, July 1, 2024	6,421,933	1,193,227	1,422,815	1,166,058	10,204,033
Fund Balances, June 30, 2025	$ 5,092,671	$ 1,666,162	$ 1,746,752	$ 1,165,584	$ 9,671,169

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
For the Year Ended June 30, 2025
(in thousands)

Net Changes in Fund Balances – Governmental Funds	$	(532,864)
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.		796,215
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.		(819,482)
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.		(4,105)
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.		23,583
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).		(24,090)
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.		(39,602)
Some expenses, including legal settlements and rebatable arbitrage, are recognized in the government wide statements as soon as the underlying event has occurred but not until due and payable in the governmental funds.		(2,721)
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.		23,907
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.		(843)
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.		6,205
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.		260,839
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.		553,365
Change in Net Position of Governmental Activities	$	240,407

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
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local Control Funding Formula sources	$ 6,447,314	$ 6,453,642	$ 6,455,802	$ 2,160
Federal revenues	862,804	928,396	741,902	(186,494)
Other state revenues	1,694,670	1,897,796	1,864,198	(33,598)
Other local revenues	402,548	457,491	615,210	157,719
Total Revenues	9,407,336	9,737,325	9,677,112	(60,213)
Expenditures:				
Current:				
Certificated salaries	4,185,707	4,157,190	4,088,493	68,697
Classified salaries	1,574,129	1,632,283	1,620,262	12,021
Employee benefits	3,069,825	3,166,153	3,154,151	12,002
Books and supplies	1,196,808	1,604,587	460,338	1,144,249
Services and other operating expenditures	1,069,259	1,647,740	1,646,174	1,566
Capital outlay	104,250	246,488	148,032	98,456
Debt service				
Debt service – principal	-	33,000	30,627	2,373
Debt service – bond, COPs, and capital leases interest	-	3,000	2,864	136
Other outgo	6,930	9,333	7,387	1,946
Transfers of indirect costs – interfund	(43,357)	(22,020)	(39,278)	17,258
Total Expenditures	11,163,551	12,477,754	11,119,050	1,358,704
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,756,215)	(2,740,429)	(1,441,938)	1,298,491
Other Financing Sources (Uses):				
Transfers in	30,000	622,682	622,682	-
Contributions	-	1,619	-	(1,619)
Transfers out	(50,171)	(642,849)	(642,767)	82
Capital leases	-	-	3,540	3,540
Proceeds from sale of capital assets	10	97,252	97,252	-
Proceeds from SBITAs	-	-	31,969	31,969
Total Other Financing Sources (Uses)	(20,161)	78,704	112,676	33,972
Net Changes in Fund Balances	(1,776,376)	(2,661,725)	(1,329,262)	1,332,463
Fund Balances, July 1, 2024	6,356,924	6,421,933	6,421,933	-
Fund Balances, June 30, 2025	$ 4,580,548	$ 3,760,208	$ 5,092,671	$ 1,332,463

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, 2025
(in thousands)

Assets:	
Current:	
Cash	$ 444,953
Investments	906,193
Accounts receivable – net	204,656
Accrued interest and dividends receivable	5,539
Prepaids	31
Other assets	206,691
Total Current Assets	1,768,063
Total Assets	1,768,063
Deferred Outflows of Resources	5,819
Liabilities:	
Current:	
Vouchers and accounts payable	121,946
Accrued payroll	1,335
Other payables	42,721
Unearned Revenue	57,743
Estimated liability for self-insurance claims	768,733
Total Current Liabilities	992,478
Noncurrent:	
Estimated liability for self-insurance claims	779,254
Net other postemployment benefits liability	10,550
Net pension liability	12,901
Total Noncurrent Liabilities	802,705
Total Liabilities	1,795,183
Deferred Inflows of Resources	5,285
Net Position:	
Unrestricted	(26,586)
Total Net Position	$ (26,586)

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
For the Year Ended June 30, 2025
(in thousands)

Operating Revenues:		
In-District premiums	$	2,857,052
Others		11,570
Total Operating Revenues		2,868,622
Operating Expenses:		
Classified salaries		8,475
Employee benefits		6,402
Supplies		243
Premiums and claims expenses		2,913,004
Claims administration		17,007
Other contracted services		2,286
Total Operating Expenses		2,947,417
Operating Income (Loss)		(78,795)
Nonoperating Revenues (Expenses):		
Investment income		102,844
Miscellaneous expense		(142)
Total Nonoperating Revenues (Expenses)		102,702
Changes in Net Position		23,907
Total Net Position, July 1, 2024		(50,493)
Total Net Position, June 30, 2025	$	(26,586)

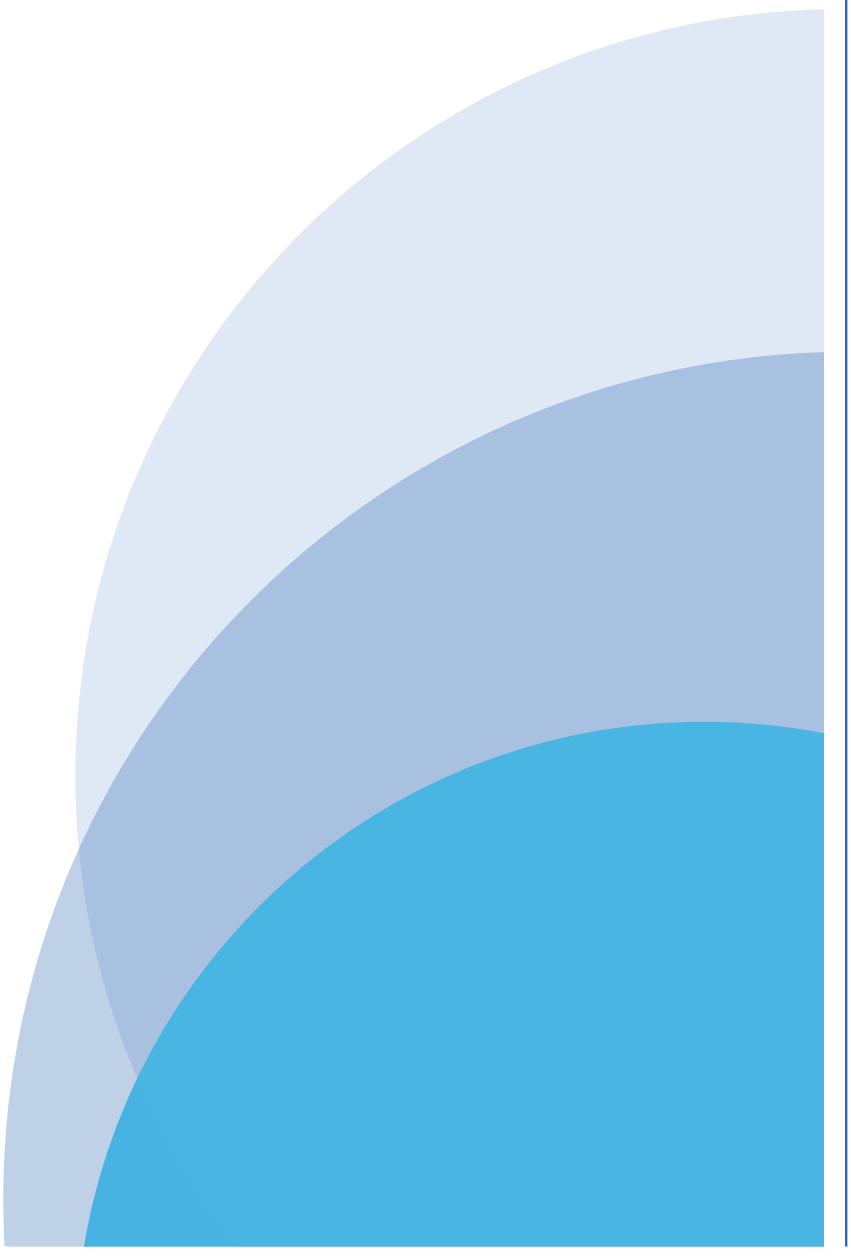
See accompanying notes to basic financial statements.

Los Angeles Unified School District
Statement of Cash Flows
Proprietary Funds
Governmental Activities – Internal Service Funds
For the Year Ended June 30, 2025
(in thousands)

Cash Flows from Operating Activities:	
Cash payments to employees for services	$ (13,108)
Cash payments for goods and services	(2,640,249)
Receipts from assessment to other funds	2,857,052
Receipts from other operating revenue	11,570
Net Cash Provided (Used) by Operating Activities	215,265
Cash Flows from Non-Capital Financing Activities:	
Loan from other funds	(30,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	(30,000)
Cash Flows from Investing Activities:	
Earnings on investments	(798,782)
Net Cash Provided by Investing Activities	(798,782)
Net Decrease in Cash and Cash Equivalents	(613,517)
Cash and Cash Equivalents, July 1	1,058,470
Cash and Cash Equivalents, June 30	$ 444,953
Reconciliation of Operating Income to Net Cash Used by Operating Activities:	
Operating Income (Loss)	$ (78,795)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Net increase (decrease) in pension and other postemployment benefits expense from actuarial valuation	1,491
Change in Assets: Decrease (Increase)	
Accounts receivable	(141,717)
Prepaids	13,880
Other assets	(200,526)
Change in Liabilities: Increase (Decrease)	
Vouchers and accounts payable	105,141
Accrued payroll	278
Other payables	22,935
Unearned Revenue	57,743
Estimated liability for self-insurance claims – current	388,494
Estimated liability for self-insurance claims – noncurrent	46,341
Total Adjustments	294,060
Net Cash Provided (Used) by Operating Activities	$ 215,265

See accompanying notes to basic financial statements.

Notes to Basic Financial Statements



Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

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

(a) Reporting Entity

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

The District's Annual Comprehensive 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.

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(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 are supported by taxes, intergovernmental revenues, and other revenues, whereas business-type activities which are primarily supported by fees for service provided. 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.

Fund financial statements are reported for governmental funds and proprietary funds. Governmental fund financial statements include: balance sheet; statement of revenues, expenditures, and change in fund balances; and statement of revenues, expenditures, and change in fund balances - budget and actual. Proprietary fund financial statements include: statement of net position; statement of revenues, expenses, and changes in fund net position; and statement of cash flows. Major individual governmental funds are reported as separate columns in the fund financial statements on pages 20 and 22. Nonmajor funds are aggregated in a single column.

(c) Measurement Focus and Basis of Accounting

The government-wide financial statements, proprietary fund statements and trust fund statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. 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 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 this 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 both measurable and available to finance expenditures of the fiscal period to accrual.

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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.

(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 2024-25:

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. The Special Reserve Fund for Other Than Capital Outlay Projects (Fund 17) is authorized by Education Code Section 42840 to accumulate General Fund monies for general operating purposes other than capital outlay. The California School Accounting Manual notes that this fund does not meet the GASB Statement No. 54 definition of a special revenue fund and functions effectively as an extension of the General Fund. Accordingly, for presentation in these financial statements, Fund 17 has been combined with the General Fund.

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

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in the Election of 2008; and Building Account - Measure RR, established to account for bond proceeds received by the passage of such measure in the Election of 2020 - and Building Account - Measure US, established to account for bond proceeds received by the passage of such measure in the Election of 2024.

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

Other Governmental Funds

The District has the following nonmajor governmental funds:

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

Debt Service Funds – Debt Service Funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for the repayment of general long-term debt principal and interest. The District maintains the following nonmajor Debt Service Funds: Tax Override and Capital Services. The Bond Interest and Redemption Fund is reported separately as a major fund in fiscal year 2024-25.

Capital Projects Funds – Capital Projects Funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities and equipment other than those financed by the General and Special Revenue Funds. The District maintains the following nonmajor Capital Projects Funds: Building, Capital Facilities Account, County School Facilities Bonds, Special Reserve – Community Redevelopment Agency, Special Reserve, Special Reserve – FEMA – Earthquake, and Special Reserve – FEMA – Hazard Mitigation. The District Bond Funds (Measure K, Measure R, Measure Y, Measure Q, Measure RR, and Measure US) is reported as a single major fund in fiscal year 2024-25.

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.

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

Los Angeles Unified Captive Insurance Fund - The Los Angeles Unified Captive Insurance Fund is a proprietary fund used to account for the Los Angeles Unified School District's Insurance Company, LLC's captive insurance. The captive insurance company was established in June 2024. Beginning October 2024, the District transferred funds for capital contributions, loss portfolio transfers, and premiums. Captive provides coverage for general liability, automobile liability and workers' compensation.

(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 object and by 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

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some cash deposits with various banking institutions for collection clearing, check clearing, or revolving fund purposes. The District also maintains deposit accounts held by various trustees for the acquisition or construction of capital assets, for the repayment of long-term debts, and for the payment of other postemployment benefits.

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

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

(h) Short-term Interfund Receivables/Payables

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

(i) Inventories and Prepaid Items

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

Prepaid items in governmental funds are reported using the consumption method. Under this method, the initial payment for goods or services is recorded as an asset, and the related expenditure or expense is recognized over the periods in which the benefits are consumed. Prepaid balances are offset by non-spendable fund balance in the governmental funds to indicate that these amounts are not available for appropriation.

(j) Capital Assets

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

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

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

(k) Contracts Payable

Contracts payable includes only the portion applicable to work completed and unpaid as of June 30, 2025.

(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, in implementation of GASB 101, has reported a liability in the government-wide statements for current year sick leave benefits earned to be paid in future years based on average district-wide annual sick leave payments to employees per year. 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.

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Notes to Basic Financial Statements

(m) Pensions

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

(n) Long-term Obligations

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

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

(o) Fund Balance

The fund balance of the District's governmental funds is classified in accordance with GASB Statement No. 54. Please refer to Note 16 fund Balances on page 73.

Fund Balance Spending Order- When both restricted and unrestricted resources are available for use, the District considers restricted resources to be used first. When expenditures are incurred for purposes for which amounts in any of the unrestricted classifications (committed, assigned, or unassigned) could be used, the District applies committed resources first, followed by assigned resources, and then unassigned resources.

(p) 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 2024-25, the District received $1.8 billion of local property taxes, $1.0 billion of EPA, and $3.7 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

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bridge the gap between current funding levels and the new LCFF target levels. As of 2023-24, the LCFF is funded at target for the District. Funding is calculated based on data reported by each LEA including pupil attendance, local revenue, and other demographic factors, in accordance with the LCFF. Allocations are made through the Principal Apportionment system.

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

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

Another funding component to the total LCFF is the Education Protection Account (EPA). The EPA provides LEAs with general purpose state aid funding pursuant to Proposition 30, The Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012. Proposition 30 temporarily increases the state's sales tax rate for all taxpayers until the end of 2016 and the personal income tax rates for upper-income taxpayers until the end of 2018. Proposition 55 was passed on November 8, 2016, extending the temporary personal income tax increases enacted in 2012 by 12 years. A portion of the revenues generated by the measure's temporary tax increases is deposited into the EPA which is used to support increased school funding.

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

(q) 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.

(r) New Accounting Pronouncements

For the fiscal year ended June 30, 2025, the District implemented GASB issued Statement No. 101, Compensated Absences which supersedes GASB Statement 16 Accounting for Compensated Absences, effective for fiscal years beginning after December 15, 2023. The updated standard addresses accounting and government-wide financial reporting of compensated absences and associated salary-related payments including certain defined contributions pension and defined contribution other postemployment benefits

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(OPEB). Please refer to the footnote which describes the change in the accounting policy for Compensated Absences: Note 1*(l)*

Implementation requires the District to recognize an allowance for compensated sick leave benefit which has been earned, unused, and is more than likely to be used. Whereas the prior standard the District did not accrue a liability for unused sick leave since accumulated sick leave is not a vested benefit. Current year adoption impact is an increase of $27.8M to Accrued Payroll Liabilities and Compensation Absence expenditures in the government-wide financial statements.

The change in accounting principle affect to the June 30, 2024, fiscal year government-wide financials is shown in column: Change in Accounting Principle GASB 101 Implementation: Accrued Sick Leave. There was no material effect on the beginning net position from the implementation of this standard.

For the fiscal year ended June 30, 2025, the District implemented GASB issued Statement No. 102, Certain Risk Disclosures, effective for fiscal years beginning after June 15, 2024. The standard provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. GASB 102 requirements apply only to note disclosure and do not have any effect on beginning net position. The District implemented GASB 102 and evaluated their concentrations and constraints, but did not have any events that required disclosure.

(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.

As an interim financing mechanism, the District issued the following TRANs in fiscal year 2024-25:

-TRANs Series A in the amount of $54,563,613.00, issued on November 22, 2024

-TRANs Series B in the amount of $1,362,475.87, issued on January 30, 2025

-TRANs Series C in the amount of $14,026,452.50, issued on March 27, 2025

The TRANs were issued to fund, on an interim basis, the District's obligations under certain court-ordered judgments related to AB218 and similar claims before such obligations could be refinanced into long-term obligations. The TRANs were refinanced into long-term obligations of the District on July 9, 2025, when the District issued Judgement Obligation Bonds (JOBs) to refund the TRANs as well as District obligations under certain court-ordered judgements related to AB218 or similar claims. See Note 18 relating to the District's issuance of JOBs.

(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

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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 $13,480,025 difference are as follows (in thousands):

Bonds payable	$	(12,698,852)
Certificates of Participation (COPs)		(240,202)
Arbitrage		(5,876)
Lease obligations		(70,998)
Liability for compensated absences		(133,607)
Liability for other employee benefits		(18,707)
Subscription-based Information Technology Arrangements (SBITAs)		(51,058)
Accrued interest		(259,814)
Other		(911)
Adjustment to reduce total fund balances – governmental funds to arrive at net position – governmental activities	$	(13,480,025)

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *total net changes in fund balances – governmental funds* and *changes in net position of governmental activities* as reported in the accompanying government-wide statement of activities. One element of that reconciliation explains that "Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense." Moreover, in the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital asset sold. The details of this $796,215 difference are as follows (in thousands):

Capital related expenditures	$	1,534,504
Cost of the capital assets sold		(32,536)
Depreciation expense		(705,753)
Net adjustment to decrease net changes in total fund balances – governmental funds to arrive at changes in net position – governmental activities	$	796,215

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

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reductions to liabilities in the statement of net position." The details of this $819,482 difference are as follows (in thousands):

Debt issued or incurred:	
General Obligation (GO) Bonds	$ (2,048,345)
Certificates of Participation (COPs)	-
Lease Obligations	(24,997)
Subscription based information technology arrangements (SBITAs)	(40,189)
Principal repayments:	
GO Bonds	718,320
COPs	28,550
Lease Obligations	5,823
SBITAs	32,645
Payments to escrow agent for refunding:	
Deposit to Escrow Fund for Refunding COPs	238,932
Deposit to Escrow Fund for Refunding GO Bonds	269,779
Net adjustment to increase net changes in total fund balances – governmental funds to arrive at changes in net position – governmental activities	$ (819,482)

(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 $1.91 billion.

(5) Cash and Investments

Cash and investments as of June 30, 2025, are classified in the accompanying basic financial statements as follows (in thousands):

Statement of net position:	
Cash	$ 9,779,976
Investments	919,556
Cash held by trustee	1,045,467
Total cash and investments	$ 11,744,999

Cash and investments as of June 30, 2025, consist of the following (in thousands):

Cash on hand (cafeteria change funds)	$ 26
Deposits with financial institutions and Los Angeles County Pool	10,825,417
Investments	919,556
Total cash and investments	$ 11,744,999

Deposits with financial institutions include: (1) cash in the Los Angeles County Pooled Surplus Investment Fund with fair market adjustment ($9,617.5 million); (2) cash held by fiscal agents or trustees ($1,045.5 million); (3) cash deposited with various other financial institutions for insurance funds and imprest funds of schools and offices ($127.3 million); and (4) cash in the Student Body Fund ($35.1 million).

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Notes to Basic Financial Statements

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.

The authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from the website at https://ttc.lacounty.gov/.

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

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

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, 2025, 69.87% of District funds in the County PSI Fund does not exceed one year. The weighted Average Days to Maturity of its portfolio was 556 days. In addition, variable-rate notes that comprised 0.05% of the County PSI Fund and other investments portfolio are tied to periodic coupon resets eliminating interest-rate risk by repricing back to par value at each reset date.

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

(Continued)

less than A-1/A from Standard & Poor's (S&P), P-1/A from Moody's Investors Service (Moody's), or F-1/A from Fitch Ratings (Fitch). The Local Agency Investment 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, 2025, 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.

(Continued)

(6) Receivables/Payables

Receivables by Fund at June 30, 2025, consist of the following (in thousands):

	General	Other Governmental	Internal Service Funds	Total
Accrued grants and entitlements	$ 413,898	$ 12,028	$ -	$ 425,926
Other	100,877	113,664	204,656	$ 419,197
Total Accounts Receivable, Net	$ 514,775	$ 125,692	$ 204,656	$ 845,123

Payables by Fund at June 30, 2025 consist of the following (in thousands):

	General	District Bonds	Other Governmental	Internal Service Funds	Total
Vouchers and accounts	$ 354,061	$ 50,159	$ 52,118	$ 121,946	$ 578,284
Contracts	3,831	108,312	2,114	-	114,257
Accrued payroll	574,124	10,220	25,250	1,335	610,929
Other	193,593	14,067	7,428	42,721	257,809
Total payables	$ 1,125,609	$ 182,758	$ 86,910	$ 166,002	$ 1,561,279

(7) Capital Assets

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

	Balance, June 30, 2024	Increases	Decreases	Balance, June 30, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Sites	$ 3,101,510	$ -	$ -	$ 3,101,510
Construction in progress	3,302,103	1,353,660	(715,597)	3,940,166
Total capital assets, not being depreciated	6,403,613	1,353,660	(715,597)	7,041,676
Capital assets, being depreciated:				
Improvement of sites	937,907	62,753	(17,774)	982,886
Buildings and improvements	18,207,631	580,492	(49,396)	18,738,727
Equipment	2,739,378	179,044	(11,081)	2,907,341
Lease Assets	65,550	24,997	-	90,547
Subscription Assets	97,036	62,553	(6,827)	152,762
Total capital assets, being depreciated	22,047,502	909,839	(85,078)	22,872,263
Less accumulated depreciation for:				
Improvement of sites	(604,682)	(31,641)	12,763	(623,560)
Buildings and improvements	(9,104,785)	(524,945)	29,018	(9,600,712)
Equipment	(2,355,691)	(106,001)	10,761	(2,450,931)
Lease Assets	(15,376)	(6,647)	-	(22,023)
Subscription Assets	(45,354)	(36,519)	-	(81,873)
Total accumulated depreciation	(12,125,888)	(705,753)	52,542	(12,779,099)
Total capital assets, being depreciated, net	9,921,614	204,086	(32,536)	10,093,164
Governmental activities capital assets, net	$ 16,325,227	$ 1,557,746	$ (748,133)	$ 17,134,840

(Continued)

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

Governmental activities:	
Facilities Acquisition and construction	$ 620,802
Data processing services	23,599
Instruction	21,693
Operation and maintenance of plant services	10,901
Student transportation services	10,525
Support services - business	10,431
Support services - instructional staff	4,603
Operation of noninstructional services	1,353
Support services - school administration	947
Support services - students	889
Support services - general administration	10
Total depreciation expense – governmental activities	$ 705,753

(8) Deferred Outflows and Inflows of Resources

The District elects to present deferred outflows and deferred inflows related to differences between projected and actual earnings separately. District's deferred outflows and inflows of resources as of June 30, 2025, are comprised of the following (in thousands):

	Deferred Outflows	Deferred Inflows
Debt refunding charges	$ 11,894	$ 108,239
Lease - GASB 87	-	13,274
Pension and OPEB contributions subsequent to measurement date	1,572,611	-
Difference in contribution	63,231	65,749
Unamortized differences between projected and actual earnings on plan investments	933,890	868,424
Unamortized differences between expected and actual experience	659,921	1,114,845
Unamortized differences arising from changes of assumptions	993,111	2,813,873
Unamortized differences arising from change in proportion of net pension liability	688,275	238,237
Unamortized differences arising from change in proportion of deferred outflow	308,693	4,782
Unamortized differences arising from change in proportion of deferred inflow	3,813	253,695
Total	$ 5,235,439	$ 5,481,118

(Continued)

(9) Retirement, Termination and Other Postemployment Benefit Plans

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

Retirement Plans

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

The District's total net pension liability at June 30, 2025, is summarized in the following table (in thousands):

CalPERS - Safety Plan	$	129,652
CalPERS - Miscellaneous Plan		2,921,828
CalSTRS		4,082,550
Total	$	7,134,030

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

Safety Plan

Plan Description and Benefits Provided

The District contributes to an agent multiple-employer plan for 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, 2025, are summarized as follows:

	Safety	
Hiring date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.00% @ 50	2.70% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age: minimum	50	57
Monthly benefit, as a % of eligible compensation	3.00%	2.70%
Required employee contribution rates	9.00%	14.75%
Required employer contribution rates	64.58%	64.58%

(Continued)

Employees Covered

At June 30, 2025, the following employees were covered by the benefit terms for the Safety Plan:

	Safety
Inactive employees or beneficiaries currently receiving the benefits	447
Inactive employees entitled to, but not yet receiving benefits	222
Active employees	229
Total	898

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, 2025, the contributions to the Safety Plan amounted to $19.1 million.

Net Pension Liability

The District's net pension liability for the Safety Plan of $129.7 million at June 30, 2025, 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, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability of the Safety Plan is shown on the next page.

(Continued)

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuations were determined using the following actuarial assumptions:

	Safety
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023, to June 30, 2024
Actuarial cost method	Entry-Age Normal in accordance with the requirements of GASB 68
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90%
Mortality rate table [1]	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

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

Change of Assumptions

There were no assumption changes in 2023 or 2024.

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, unless the liability impact is deemed to be material by the plan actuary.

Discount Rate

The discount rate used to measure the total pension liability of the Safety Plan was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected

(Continued)

compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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

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

[a] An expected inflation of 2.30% used for this period.

[b] Figures are based on the 2021 Asset Liability Management study.

Changes in the Net Pension Liability

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

	Safety		
	Increase / (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2024	$ 522,419	$ 394,452	$ 127,967
Changes recognized for the measurement period:			
Service cost	8,185	-	8,185
Interest on the total pension liability	36,282	-	36,282
Differences between expected and actual experience	11,986	-	11,986
Contributions from the employer	-	14,754	(14,754)
Contributions from employees	-	2,827	(2,827)
Net investment income	-	37,508	(37,508)
Benefit payments, including refunds of employee contributions	(25,330)	(25,330)	-
Administrative expense	-	(321)	321
Net changes	31,123	29,438	1,685
Balance at June 30, 2025	$ 553,542	$ 423,890	$ 129,652

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

(Continued)

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

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

	Safety		
	1.00% Decrease (5.90%)	Current Discount Rate (6.90%)	1.00% Increase (7.90%)
District's net pension liability	$ 207,161	$ 129,652	$ 66,537

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2025, the District recognized pension expense of $23.3 million for the Safety Plan. As of June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to pensions (Safety Plan) as follows (in thousands).

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,807	$ -
Net difference between projected and actual earnings on pension plan investments	6,225	-
District contributions subsequent to the measurement date	19,138	-
Total	$ 33,170	$ -

The amounts above are net of outflows and inflows recognized in fiscal year 2024-25.

The $19.1 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 pension

(Continued)

liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows (in thousands):

	Safety
Year ended June 30	Deferred Outflows / (Inflows) of Resources
2026	$ 5,930
2027	11,854
2028	(1,632)
2029	(2,120)

Payable to the Pension Plan

The District's contribution for all members to the Safety Plan for the fiscal year ended June 30, 2025, 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, 2025.

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, 2025, are summarized as follows:

	Miscellaneous	
Hiring date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.00% @ 55	2.00% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age: minimum	50	52
Monthly benefit, as a % of eligible compensation	1.10%	1.00%
Required employee contribution rates	7.00%	8.00%
Required employer contribution rates	27.05%	27.05%

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

(Continued)

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, 2025, the contributions to the Miscellaneous Plan amounted to $476.3 million.

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

At June 30, 2025, the District reported a net pension liability of $2.9 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, 2024, 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, 2023, rolled forward to June 30, 2024, using standard update procedures. The District's proportion of the net pension liability was based on the 2023-24 fiscal year employer contributions calculated by CalPERS. At June 30, 2024, the District's proportion rate was 8.175506%.

For the year ended June 30, 2025, the District recognized pension expense of $536.4 million for the Miscellaneous Plan. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions (Miscellaneous Plan) from the following sources (in thousands):

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 241,340	$ 19,998
Difference between projected and actual earnings on pension plan investments	235,781	134,529
Change of assumption	61,761	-
Change in NPL proportion	96,363	11,915
Change in proportion of deferred outflow	-	4,782
Change in proportion of deferred inflow	3,813	-
Difference in contribution	8,338	84
District contributions subsequent to the measurement date	476,345	-
Total	$ 1,123,741	$ 171,308

The $476.3 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, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows (in thousands):

	Miscellaneous
Year ended June 30	Deferred Outflows / (Inflows) of Resources
2026	$ 165,562
2027	288,498
2028	57,940
2029	(35,912)

(Continued)

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	Entry-Age Actuarial Cost Method
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90%
Mortality rate table [1]	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

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

Change of Assumptions

There were no assumption changes in 2023 or 2024.

Discount Rate

The discount rate used to measure the total pension liability of the Miscellaneous Plan was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

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

(a) An expected inflation of 2.30% used for this period.
(b) Figures are based on the 2021 Asset Liability Management study.

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 3.9 years as of June 30, 2024. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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

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

	Miscellaneous		
	1.00% Decrease (5.90%)	Current Discount Rate (6.90%)	1.00% Increase (7.90%)
District's proportionate share of the net pension liability	$ 4,340,400	$ 2,921,828	$ 1,749,975

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).

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Payable to the Pension Plan

The District's contribution for all members to the Miscellaneous Plan for the fiscal year ended June 30, 2025, 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, 2025.

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

Plan Description and Benefits Provided

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

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

The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	CalSTRS	
Hiring date	**On or before December 31, 2012**	**On or after January 1, 2013**
Benefit formula	2.00% @ 60	2.00% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age: minimum	50 (30 years of service credit) or 55 (5 years of service credit)	55 (5 years of service credit)
Monthly benefit, as a % of eligible compensation	1.10% - 2.40%	1.16% - 2.40%
Required employee contribution rates	10.25%	10.205%
Required employer contribution rates	19.10%	19.10%

Contributions

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

CALSTRS Funding Plan enacted by Chapter 47, Statutes of 2014 (Assembly Bill 1469 - Bonta) is projected to fully fund the CalSTRS Defined Benefit (DB) Program in 21 years through incremental shared contribution among CalSTRS members, employers, and the State of California. Contribution increases will be phased in over several years with the first increases taking effect on July 1, 2014. Effective July 1, 2020, the Board

(Continued)

cannot adjust the employer rate by more than 1% in a fiscal year, and the increase to the contribution rate above the 8.25% base contribution rate cannot exceed 12% for a maximum of 20.25%. The Board has limited authority to adjust state contribution rates annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure.

In May 2024, the Board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2024-25 for a total employer contribution rate of 19.10%.

For the year ended June 30, 2025, the contributions to the CalSTRS' TRF amounted to $785.1 million.

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

At June 30, 2025, the District reported a net pension liability of $4.1 billion for its proportionate share of the CalSTRS net pension liability. The net pension liability was measured as of June 30, 2024, 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 2023-24 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, 2024, the District's proportion was 5.929%.

For the year ended June 30, 2025, the District recognized pension revenue of $108.6 million. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	CalSTRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 410,774	$ 162,012
Difference between projected and actual earnings	691,884	730,299
Change of assumption	15,885	271,938
Change in NPL proportion	591,912	226,322
Change in proportion of deferred outflow	308,693	-
Change in proportion of deferred inflow	-	253,695
Difference in contribution	54,893	65,665
District contributions subsequent to the measurement date	785,093	-
Total	$ 2,859,134	$ 1,709,931

The $785.1 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 pension

(Continued)

liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense as follows:

Year ended June 30	CalSTRS Deferred Outflows / (Inflows) of Resources
2026	$ (191,367)
2027	347,807
2028	25,002
2029	23,739
2030	92,316
Thereafter	66,613

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, 2023, and rolling forward the total pension liability to June 30, 2024. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation date	June 30, 2023
Experience study [1]	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return [2]	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Post-retirement benefit increases	2.00% simple for defined benefit (annually) maintain 85% purchasing power level for defined benefit, not applicable for defined benefit supplement/cash balance benefit programs

[1] Both a five-year period (July 1, 2017–June 30, 2022) and 15-year period were considered in the 2024 experience study; however, assumptions were primarily based on the results of the 15-year study. Additional information is available in the 2024 experience analysis report available at CalSTRS.com.

[2] Net of investment expenses, but gross of administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability of the CalSTRS' TRF was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumes that contributions from plan members and employers are made at statutory contribution rates. Projected inflows from investment earnings assumes the long-term investment rate of return of 7.10% and assumes that contributions, benefit payments, and administrative expenses occur mid-year. Based on those assumptions, the CalSTRS' TRF fiduciary net pension 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, gross of administrative expenses, was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of 2.75% inflation assumption and are derived from

(Continued)

best-estimate ranges of 20- to 30-year geometrically linked expected returns. These 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 2024 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. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

	CalSTRS		
Asset Class/Strategy	Assumed Asset Allocation	Long-Term Expected Rate of Return [1]	Long-Term Expected Real Rate of Return [1,2]
Public equity	38.00%	8.00%	5.25%
Real estate	15.00	6.80	4.05
Private equity	14.00	9.50	6.75
Fixed income	14.00	5.20	2.45
Risk mitigating strategies	10.00	5.00	2.25
Inflation sensitive	7.00	6.40	3.65
Cash/liquidity	2.00	2.80	0.05
	100.00%		

[1] 20- to 30-year geometric average.

[2] Real rates of return are net of assumed 2.75% inflation.

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, 2024. 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	$ 7,082,843	$ 4,082,550	$ 1,392,841

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.

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Payable to the Pension Plan

The District's contribution for all members to the CalSTRS' TRF for the fiscal year ended June 30, 2025, 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, 2025.

(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, 2025, there are 60,001 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, 2025, the District recognized pension expense of $7.3 million. The District does not have any forfeited amounts.

The District's contributions for all members for the fiscal years ended June 30, 2025, 2024, and 2023 were in accordance with the required contributions.

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

Postemployment Benefits – Health and Welfare for Retirees

Plan Description

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

a) Those hired prior to March 11, 1984, must have served a minimum of five consecutive qualifying years immediately prior to retirement.

b) Those hired from March 11, 1984, through June 30, 1987, must have served a minimum of 10 consecutive qualifying years immediately prior to retirement.

(Continued)

c) Those hired from July 1, 1987, through May 31, 1992, must have served a minimum of 15 consecutive qualifying years immediately prior to retirement, or served 10 consecutive qualifying years immediately prior to retirement plus an additional previous 10 years which are not consecutive.

d) Those hired from June 1, 1992, through February 28, 2007, must have at least 80 years combined total of qualifying service and age. For those employees that have a break in service, this must include 10 consecutive years immediately prior to retirement.

e) Those hired from March 1, 2007, through March 31, 2009, must have at least 80 years combined total of qualifying service and age. In addition, the employee must have 15 consecutive years of qualifying service immediately prior to retirement.

f) Those hired on or after April 1, 2009, except School Police, must have at least 85 years combined total of qualifying service and age. In addition, the employee must have a minimum of 25 consecutive years of qualifying service immediately prior to retirement.

g) School Police (sworn personnel) hired on or after April 1, 2009, must have at least 80 years combined total of qualifying service and age. In addition, the employee must have a minimum of 20 consecutive years of qualifying service immediately prior to retirement.

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

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

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

a) Be eligible for active health care benefits at the date of retirement.

b) Retire in accordance with the eligibility rules of the applicable retirement system (CalSTRS or CalPERS).

c) Receive a monthly pension payment from the state retirement system (CalSTRS or CalPERS).

d) Comply with the Medicare requirements of the District plans. Lack of Medicare does not impact dental or vision coverage.

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

Employees Covered

As of June 30, 2025, the following current and former employees were covered by the benefit terms under the District's OPEB Plan:

Active employees	62,290
Inactive employees or beneficiaries currently receiving the benefits	40,143
Inactive employees entitled to, but not yet receiving benefits	149
Total	102,582

(Continued)

Notes to Basic Financial Statements

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 2024-25, the District contributed a total of $292 million to the OPEB Plan.

Net OPEB Liability

The District's net OPEB liability of $8.2 billion at June 30, 2025, 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, 2024, actuarial valuation report (dated July 2025). The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2024
Measurement date	June 30, 2024
Actuarial cost method	Entry Age Normal Cost
Discount rate	4.50%
Payroll growth	2.80% per annum
Salary increases	2000-2019 CalPERS Experience Study
Investment rate of return	6.40%
Mortality rate	Based on the Pub-2010 headcount-weighted tables for general employees, teachers and safety employees, with generational future improvement scale MP-2021
Pre-retirement turnover [1]	Turnover rates used in the most recent CalSTRS valuation and developed in the 2000-2019 CalPERS Experience Study, as applicable.
Healthcare trend rate	Non-Medicare Advantage Plans Pre-65 (6.87% - 4.50%); Post 65 (11.16% - 4.50%) Medicare Advantage Plans Post 65 Kaiser (7.55% - 4.50%); Anthem PPO (14.10% - 4.50%); Health Net/Anthem EPO (7.55% - 4.50%) Dental & Vision - 5.00%

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

Changes of Assumptions

During the measurement period ended June 30, 2024, the following assumptions were changed from the prior valuation:

(Continued)

a) Assets - $819,462,741 as of June 30, 2024, measurement date.

b) Municipal Bond Rate - 3.63% as of June 30, 2024 (3.65% as of June 30, 2023), based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

c) Contributions - Ad hoc additional pre-funding contribution schedules currently include $40 million for fiscal year ended June 30, 2025, $142.6 million for fiscal year ended June 30, 2026 through fiscal year ended June 30, 2030, and $140 million for all future fiscal years.

d) Expected Return on Assets - 6.40% as of June 30, 2024 (6.20% as of June 30, 2023), per District's revised expectation for CalPERS' CERBT Strategy 1 asset allocation.

e) Discount Rate - 4.50% as of June 30, 2024 (3.80% as of June 30, 2023), after reassessment based on updated assets and municipal bond rate as of June 30, 2024.

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, 2047. This results in a single equivalent rate of 4.50% (rounded down to 10 basis points) as of July 1, 2024, which reflects the assumed asset return until asset depletion and municipal bond rates thereafter. The municipal bond rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index and the rate was 3.63% as of July 1, 2024.

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

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

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

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

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

(Continued)

Changes in the OPEB Liability

The changes, from July 1, 2023 through June 30, 2024, in the net OPEB liability for the plan are as follows (in thousands):

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Beginning Balance, June 30, 2024 (Based on 6/30/2023 Measurement Date)	$ 9,491,121	$ 499,890	$ 8,991,231
Changes recognized for the fiscal year			
Service cost	318,654	-	318,654
Interest on the total OPEB liability	368,144	-	368,144
Changes of assumptions	(906,330)	-	(906,330)
Benefit payments	(245,842)	(245,842)	-
Contributions – employer	-	490,142	(490,142)
Net investment income	-	75,596	(75,596)
Other expenses – administrative expense	-	(323)	323
Net changes	(465,374)	319,573	(784,947)
Ending Balance, June 30, 2025 (Based on 6/30/2024 Measurement Date)	$ 9,025,747	$ 819,463	$ 8,206,284

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, 2025 (in thousands):

	1.00% Decrease (3.50%)	Current Discount Rate (4.50%)	1.00% Increase (5.50%)
Net OPEB liability	$9,541,801	$8,206,284	$7,108,205

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 fiscal year ended June 30, 2025 (in thousands):

	1.00% Decrease	Trend Rate	1.00% Increase
Net OPEB liability	$6,853,582	$8,206,284	$9,933,022

(Continued)

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

For the fiscal year ended June 30, 2025, the District recognized a decrease in OPEB expense of $553.2 million. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual earnings on OPEB plan investments	$ -	$ 3,596
Changes of assumptions	915,465	2,541,935
Difference between expected and actual experience	-	932,835
District contributions subsequent to the measurement date	292,035	-
Total	$ 1,207,500	$ 3,478,366

The table below lists the amortization bases included in the deferred outflows/inflows as of June 30, 2025 (in thousands):

Date		Period		Balance		Annual
Established	Type of Base	Original	Remaining	Original	Remaining	Amortization
6/30/2024	Asset (gain)/loss	5.00	4.00	$ (37,153)	$ (29,722)	$ (7,431)
6/30/2024	Assumptions	8.11	7.11	(906,330)	(794,576)	(111,755)
6/30/2023	Liability (gain)/loss	7.95	5.95	(234,984)	(175,869)	(29,558)
6/30/2023	Asset (gain)/loss	5.00	3.00	(1,526)	(915)	(305)
6/30/2023	Assumptions	7.95	5.95	377,218	282,320	47,449
6/30/2022	Asset (gain)/loss	5.00	2.00	110,605	44,242	22,121
6/30/2022	Assumptions	7.44	4.44	(2,240,059)	(1,336,810)	(301,083)
6/30/2021	Liability (gain)/loss	7.78	3.78	(1,143,508)	(555,586)	(146,981)
6/30/2021	Asset (gain)/loss	5.00	1.00	(86,000)	(17,200)	(17,200)
6/30/2021	Assumptions	7.78	3.78	(93,876)	(45,611)	(12,066)
6/30/2020	Asset (gain)/loss	5.00	0.00	16,664	-	3,333
6/30/2020	Assumptions	7.16	2.16	2,098,757	633,145	293,123
6/30/2019	Liability (gain)/loss	7.25	1.25	(1,167,998)	(201,379)	(161,103)
6/30/2019	Assumptions	7.25	1.25	(1,965,158)	(338,820)	(271,056)
6/30/2018	Assumptions	7.33	0.33	(580,167)	(26,120)	(79,150)
6/30/2017	Assumptions	7.50	0.00	(2,061,247)	-	(137,417)
	Total charges				$ (2,562,901)	$ (909,079)

The $292 million reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026.

(Continued)

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

Year ended June 30	Deferred Outflows / (Inflows) of Resources
2026	$ (721,965)
2027	(354,526)
2028	(514,830)
2029	(526,434)
2030	(226,340)
Thereafter	(218,806)

(10) Risk Management

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

Captive

The District operates a captive insurance program which provides the ability to manage its risks more cost-effectively than with traditional commercial insurance. This formalized risk financing structure allows the District to retain control over claim management, reduce premium costs, as well as insurance expenses over time. The captive insurance program supports the District's goal of allocating more resources directly to educational programs by reducing the financial volatility and administrative costs associated with effective risk management.

Excess Insurance

Excess insurance has been purchased for physical property loss damages, which provides $500 million limit above a $25 million Self-Insured Retention (SIR) effective July 1st, 2025. Commercial excess insurance has been purchased for the Sexual and Molestation Liability (SML) line of coverage.

Owner Controlled Insurance Program (OCIP)

The District implemented an Owner Controlled Insurance Program (OCIP) covering new construction, renovations and modernizations. Under the OCIP, the District provides general liability, workers' compensation, pollution, and excess liability. General Liability has an SIR of $0.5 million and limit of $2 million. Workers' Compensation has an SIR of $0.5 million and limit of $1 million. The Excess Liability program is underwritten by eight major carriers offering up to $75 million. Additionally, six different carriers provide coverage for special bonded projects with limits based on the value of the project. These policies have an SIR of up to $50,000.

Pollution

Pollution liability insurance coverage has been procured for the construction program. The policy protects contractors and the District from losses resulting from pollution liability-related incidents occurring during

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construction. The policy provides optional coverage to ensure that site cleanup cost overruns are not borne by the District. The limits of coverage on the cleanup cost-cap policy are variable by specific project.

Liability

Liabilities for loss and loss adjustment expenses under school operations workers' compensation and general liability are based on the estimated present value of the ultimate cost of settling the claims including the accumulation of estimates for losses reported prior to the balance sheet date, estimates of losses incurred but not reported, and estimates of expenses for investigating and adjusting reported and unreported losses. Such liabilities are estimates of the future expected settlements and are based upon analysis of historical patterns of the number of claims incurred and their values. Individual reserves are continuously monitored and reviewed and as settlements are made, or reserves adjusted, differences are reflected in current operations.

The District's Internal Service Funds reported an increase in net position of $23.9 million for the fiscal year ended June 30, 2025, reflecting an increase from a negative net position of $50.5 million to a negative net position of $26.6 million. The increase is primarily due to an increase in in-district premiums for the Health and Welfare Benefits Fund and the Captive Insurance Program.

Changes in the reported liabilities since July 1, 2023, are summarized as follows (in thousands):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2024-2025				
Health and welfare benefits	$ 30,694	$ 316,630	$ (315,146)	$ 32,178
Workers' compensation self-insurance	357,059	(357,318)	259	-
Liability self-insurance	725,399	238,565	(56,866)	907,098
Captive insurance	-	796,878	(188,167)	608,711
Total	$ 1,113,152	$ 994,755	$ (559,920)	$ 1,547,987
2023-2024				
Health and welfare benefits	$ 21,743	$ 311,592	$ (302,641)	$ 30,694
Workers' compensation self-insurance	359,148	86,039	(88,128)	357,059
Liability self-insurance	275,712	577,036	(127,349)	725,399
Total	$ 656,603	$ 974,667	$ (518,118)	$ 1,113,152

(11) Certificates of Participation

The District has entered into Certificates of Participation (COPs) for the acquisition of the new administration building, warehouse, school sites, relocatable classroom buildings, furniture and equipment; modernization, rehabilitation and repair of certain facilities; replacement of the legacy financial and procurement systems; automation of certain business processes; cybersecurity improvements, upgrades of the campus security and

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student information systems, and modernization of enrollment and student support applications. The COPs outstanding as of June 30, 2025, are as follows (in thousands):

COP Issue	Sale Date	Original Principal Amount	Outstanding June 30, 2025	Interest Rates to Maturity		Final Maturity
				Min	Max	
2020A Refunding	10/27/2020	$ 28,390	$ 19,445	2.250%	5.000%	2034
2022 Refunding	8/30/2022	73,730	56,970	3.095	3.095	2030
2023 Series A	8/31/2023	384,260	148,595	5.000	5.000	2038
			$ 225,010*			

* The total amount shown above excludes net unamortized premium of $15.2 million.

(12) Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2025 (in thousands):

	Balance, June 30, 2024	Additions	Deductions	Other Changes**	Balance, June 30, 2025	Due Within One Year	Interest Expense
General Obligation Bonds*	$ 11,651,806	$ 2,048,345	$ (983,678)	$ (17,621)	$ 12,698,852	$ 1,307,537	$ 345,188
Certificates of Participation*	511,478	-	(246,580)	(24,696)	240,202	21,107	16,260
Lease obligations	51,824	24,997	(5,823)	-	70,998	3,853	1,880
Liability for compensated absences	108,995	145,073	(120,461)	-	133,607	8,248	-
Liability for other employee benefits	24,177		(5,470)	-	18,707	989	-
Self-Insurance claims (Note 10)	1,113,152	994,755	(559,920)	-	1,547,987	768,733	-
SBITAs Liability	43,514	40,189	(32,645)		51,058	17,241	1,250
Arbitrage Rebate	3,155	2,721	-	-	5,876	-	-
Total	$ 13,508,101	$ 3,256,080	$ (1,954,577)	$ (42,317)	$ 14,767,287	$ 2,127,708	$ 364,578

* The amounts shown above include unamortized premiums and discounts.

** Premium on bonds and premium and discount amortization.

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

Year Ending June 30	General Obligation Bonds		Capital Lease Obligations/ Certificates of Participation		Other Loans	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2026	$ 1,163,950	$ 511,495	$ 18,810	$ 9,706	$ -	$ 1,182,760	$ 521,201
2027	1,048,015	493,665	19,600	8,915	-	1,067,615	502,580
2028	727,255	434,906	20,430	8,090	-	747,685	442,996
2029	679,765	400,528	21,280	7,228	-	701,045	407,756
2030	622,885	369,466	20,390	6,372	-	643,275	375,838
2031-2035	3,669,325	1,345,000	70,990	21,141	-	3,740,315	1,366,141
2036-2040	1,490,265	719,718	53,510	5,518	-	1,543,775	725,236
2041-2045	1,503,565	357,325	-	-	-	1,503,565	357,325
2046-2050	840,380	81,285	-	-	-	840,380	81,285
	$ 11,745,405	$ 4,713,388	$ 225,010	$ 66,970	$ -	$ 11,970,415	$ 4,780,358

(Continued)

Notes to Basic Financial Statements

The General Obligation (GO) Bonds outstanding balance as of June 30, 2025, consists of the following (in thousands):

Bond Issue	Sale Date	Original Principal Amount	Outstanding June 30, 2025	Interest Rates to Maturity		Final Maturity
				Min	Max	
Election of 2005, H (2009)	10/15/2009	$ 318,800	$ 318,800 [a]	1.540%	1.540%	2025
Election of 2005, J-1 (2010) [b]	5/6/2010	190,195	190,195 [a]	5.981	5.981	2027
Election of 2005, J-2 (2010) [b]	5/6/2010	100,000	100,000 [a]	5.720	5.720	2027
2015A Refunding	5/28/2015	326,045	15,940	5.000	5.000	2025
Election of 2008, A (2016)	4/5/2016	648,955	111,145	3.500	4.000	2040
2016A Refunding	4/5/2016	577,400	70,575	5.000	5.000	2026
2016B Refunding	9/15/2016	500,855	498,240	2.000	5.000	2032
2017A Refunding	5/25/2017	1,080,830	508,180	4.000	5.000	2027
Election of 2005, Series M-1 (2018)	3/8/2018	117,005	98,345	3.000	5.250	2042
Election of 2008, Series B-1 (2018)	3/8/2018	1,085,440	918,175	4.000	5.250	2042
2019A Refunding	5/29/2019	594,605	419,240	3.000	5.000	2034
Series RYQ (2020)	4/30/2020	942,940	721,930	4.000	5.000	2044
2020A Refunding	10/6/2020	302,000	275,230	3.000	5.000	2033
Measure Q, Series C (2020)	11/10/2020	1,057,060	822,255	3.000	5.000	2045
2021A Refunding	4/29/2021	196,310	144,260	4.000	5.000	2032
Series RYRR (2021)	11/10/2021	494,140	403,450	2.625	5.000	2046
2021B Refunding	11/10/2021	48,855	47,015	1.245	1.888	2028
Series QRR (2022)	11/22/2022	500,000	424,270	5.000	5.250	2047
Series QRR (2023)	11/7/2023	850,000	782,955	5.000	5.250	2048
2024A Refunding	4/30/2024	2,974,945	2,932,155	5.000	5.000	2034
Series QRR (2024)	10/8/2024	1,100,000	994,705	4.000	5.250	2049
Election of 2024, US Series A-2 (2025)	5/13/2025	29,645	29,645	4.532	4.532	2025
Election of 2024, US Series A-1 (2025)	5/13/2025	430,780	430,780	5.000	5.000	2049
Election of 2024, US Series B (2025)	5/13/2025	239,575	239,575	4.382	4.432	2028
2025A Refunding	5/13/2025	248,345	248,345	5.000	5.000	2040
			$ 11,745,405*			

* The total amount shown above excludes unamortized premium and discount of $953.4 million

(a) Includes accumulated set-aside deposits for Qualified School Construction Bonds totaling $461.24 million representing $260.56 million for Election of 2005, H (2009) (Tax Credit Bonds) and $200.68 million for Election of 2005, J-1 and J-2 (2010) (Federally Taxable Direct Subsidy Bonds)

(b) Issues as qualified school construction bonds, a taxable bond program in which federal government initially subsidized interest as if such bonds bore interest at the applicable federal rate for such bonds of 5.72% per annum.

In September 2024, the District successfully sold $1.1 billion of new money Bonds on September 25th. The General Obligation Bonds, Series QRR (2024) ("the 2024 Bonds") were issued to finance school facilities projects and included $525 million of Measure Q Bonds and $575 million of Measure RR Bonds. The sale was also the District's fourth issuance of Sustainability Bonds. The 2024 Bonds were sold at a true interest cost of 3.72% over 25 years, and the transaction closed on October 8, 2024.

In April 2025, the District successfully sold $948.345 million of General Obligation Bonds on April 22nd and 23rd, 2025 ("the 2025 Bonds"). The 2025 Bonds consisted of Election of 2024, General Obligation Bonds, US Series A-1, A-2, & B, and the 2025 General Obligation Refunding Bonds, Series A. The 2025 Bonds were issued to

(Continued)

finance new school projects, refinance outstanding obligations, and generate taxpayer savings. Specifically, $460.425 million of Series A-1 and A-2 Bonds were issued for new projects under Measure US, $239.575 million of Series B Bonds were issued on a taxable basis to refinance 59.5% of the District's 2023 Certificates of Participation, and $248.345 million of Refunding Bonds were issued on a tax-exempt basis to refund certain maturities of prior bonds resulting in taxpayer savings. The 2025 Bonds were sold at a true interest cost of 4.24% with final maturities extending to July 1, 2049. The transaction closed successfully on May 13, 2025. In aggregate, the Series B and Refunding Bonds reduced nominal debt service by $60.2 million, with an economic gain of $12.7 million. As of June 30, 2025, the $483.245 million of defeased debt remained outstanding.

The arbitrage rebate payable balance reflects amounts due to the United States Treasury in order to comply with Internal Revenue Code Section 148(f). When the District issues tax-exempt debt, Internal Revenue Service (IRS) regulations limit the yield that the District can earn on the bond proceeds. If the District earns an amount in excess of the bond yield and does not qualify for a spending exception, the District must remit the excess earnings to the United States Treasury. Payments equal to 90% of the calculated excess earnings are due on each fifth anniversary of a bond's issuance date. When a bond issue is retired, all of the remaining excess earnings must be remitted.

Debt Liquidation

Payments on the General Obligation Bonds and Certificates of Participation are made by the Debt Service Funds and General Funds, respectively. The employee benefits liability for retirement bonus and early retirement incentive are all paid out of the General Fund, while the compensated absences portion will be liquidated from different governmental funds and proprietary funds. In fiscal year 2025, approximately 93% of compensated absences has been paid by the General Fund, 6% by the District Bonds Fund, and 1% by the proprietary funds.

The self-insurance claims and other postemployment benefits will generally be liquidated through the internal service funds which will 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, while the Cafeteria Fund carries 5%; no other individual fund is charged more than 3% of the total amount.

(13) Leases

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

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

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

(Continued)

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

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

The District has not made any variable payments that were not included in the lease liability. The District has not made any commitments prior to lease term dates. There have not been any impairment losses or related changes in lease liability.

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

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

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

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

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

The District has not received any variable payments that were not included in the lease receivable.

<u>The District as Lessee</u>

The District, as a lessee, has entered into lease agreements involving buildings, parking lots, antenna spaces, and computer equipment. The beginning balance of the lease liability was recorded in the amount of $52 million. During the year, the District entered into new agreements for an addition of $25 million. The fiscal year 2024-25 amortization was $6 million. As of June 30, 2025, the total value of the lease liability was $71 million. As of June 30, 2025, the total value of the right-to-use asset was recorded at a cost of $91 million with accumulated depreciation of $22 million.

(Continued)

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

Year Ending June 30	Principal	Interest	Total
2026	$ 3,853	$ 1,880	$ 5,733
2027	3,231	1,758	4,989
2028	3,435	1,629	5,064
2029	3,634	1,492	5,126
2030	3,931	1,345	5,276
2031 - 2035	8,353	5,240	13,593
2036 - 2040	3,792	4,638	8,430
2041 - 2045	4,347	4,044	8,391
2046 - 2050	3,275	3,594	6,869
2051 - 2055	3,632	3,237	6,869
2056 - 2060	4,028	2,842	6,870
2061 - 2065	4,467	2,403	6,870
2066 - 2070	4,953	1,916	6,869
2071 - 2075	5,493	1,376	6,869
2076 - 2080	6,091	778	6,869
2081 - 2085	4,483	154	4,637
	$ 70,998	$ 38,326	$ 109,324

The District as Lessor

The District, as a lessor, has entered into lease agreements involving building spaces, office spaces, and parking lots. Total initial lease receivable was recorded in the amount of $14 million. The District recognized a total of $0.7 million in lease revenue and $0.3 million in interest revenue during the fiscal year 2024-25. Also, the District has a deferred inflow of resources associated with leases that will be recognized over the lease term. As of June 30, 2025, the balance of the deferred inflow of resources was $13 million.

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

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

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

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

(Continued)

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

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

The District has not made any variable payments that were not included in the SBITA liability. The District has not made any commitments prior to SBITA term dates.

The District monitors changes in circumstances that would require a remeasurement of the SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. For the fiscal year 2024-25 no adjustment was recognized.

The District has entered into subscription agreements involving remote learning platforms, student information systems, records management systems, email services, eBooks, cloud storage, data backup, and enterprise resource planning software. The beginning balance of the subscription liability was recorded in the amount of $44 million. During the year, the District entered into new agreements for an addition of $40 million and terminated some agreements for a reduction of $7 million. The fiscal year 2024-25 amortization was $26 million. As of June 30, 2025, the total value of the subscription liability was $51 million. As of June 30, 2025, the total value of the right-to-use asset was recorded at a cost of $153 million with accumulated depreciation of $82 million.

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

Year Ending June 30	Principal	Interest	Total
2026	$ 17,241	$ 1,250	$ 18,491
2027	16,958	734	17,692
2028	11,111	238	11,349
2029	5,748	27	5,775
	$ 51,058	$ 2,249	$ 53,307

(Continued)

Notes to Basic Financial Statements

(15) Interfund Transfers

(a) Interfund Receivables/Payables (Due to/from Other Funds)

Interfund receivables/payables are eliminated on the government-wide statement of net position but are reported on the fund financial statements. These consist of borrowings between funds to cover temporary cash insufficiencies and permit payment of obligations. Interfund receivables and payables at June 30, 2025 are as follows (in thousands):

From	To	Purpose	Amount
General Fund	General Fund – Special Reserve	Transfer of Balance	$ 592,525
General Fund	Building Fund – Measure Q	Reimbursement of capital expenditures	97
General Fund	Building Fund – Measure RR	Reimbursement of capital expenditures	54
General Fund	Special Reserve Fund	Debt Service	44
General Fund	Capital Services	Debt Service	50,047
Building Fund – Measure R	Building Fund – Measure Q	Reimbursement of capital expenditures	521
Building Fund – Measure K	Building Fund – Measure Q	Reimbursement of capital expenditures	1,550
Building Fund – Measure K	Building Fund – Measure RR	Reimbursement of capital expenditures	187
Building Fund – Measure Y	Building Fund – Measure Q	Reimbursement of capital expenditures	6,412
Building Fund – Measure Y	Building Fund – Measure RR	Reimbursement of capital expenditures	44
Building Fund – Measure Q	General Fund	Reimbursement of capital expenditures	72
Building Fund – Measure Q	Adult Fund	Reimbursement of capital expenditures	8
Building Fund – Measure Q	Building Fund – Measure RR	Reimbursement of capital expenditures	5,050
Building Fund – Measure Q	County School Facilities – Prop 47	Reimbursement of capital expenditures	1
Building Fund – Measure Q	Special Reserve Fund	Reimbursement of capital expenditures	2,000
Building Fund – Measure RR	General Fund	Reimbursement of capital expenditures	56
Building Fund – Measure RR	Building Fund – Measure R	Reimbursement of capital expenditures	83
Building Fund – Measure RR	Building Fund – Measure Q	Reimbursement of capital expenditures	553
Building Fund – Measure US	Special Reserve Fund	Debt Service	238,932
County School Facilities – Prop 47	Building Fund – Measure K	Reimbursement of capital expenditures	20
County School Facilities – Prop 47	Building Fund – Measure Q	Reimbursement of capital expenditures	91,319
County School Facilities – Prop 47	Building Fund – Measure RR	Reimbursement of capital expenditures	21,261
Special Reserve Fund – CRA	General Fund	Reimbursement of expenditures	30,000
Special Reserve Fund	General Fund	Reimbursement of capital expenditures	29
Special Reserve Fund	Building Fund – Measure R	Reimbursement of capital expenditures	1,605
Special Reserve Fund	Building Fund	Reimbursement of capital expenditures	130
Special Reserve Fund	Building Fund – Measure K	Reimbursement of capital expenditures	1,025
Special Reserve Fund	Building Fund – Measure Q	Reimbursement of capital expenditures	24
Special Reserve Fund	Building Fund – Measure RR	Reimbursement of capital expenditures	59
Total			$ 1,043,708

(Continued)

(16) Fund Balances

The following is a summary of nonspendable, restricted, assigned, and unassigned fund balances at June 30, 2025 (in thousands):

	General	District Bonds	Bond Interest and Redemption	Nonmajor Governmental
Nonspendable:				
Revolving cash and imprest funds	$ 2,925	$ 496	$ -	$ 15
Inventories	35,308	-	-	18,624
Prepaids	12,642	23	-	10,809
Total Nonspendable Balances	50,875	519	-	29,448
Restricted for:				
Child Nutrition: School Programs	-	-	-	260,082
Child Development	-	-	-	1,936
Child Development - Other State	-	-	-	98,508
FEMA Public Assistance Funds	1	-	-	591
CA Learning Communities for School Success Program	17,402	-	-	-
A-G Completion Improvement Grant	23,381	-	-	-
Educator Effectiveness	36,661	-	-	-
Arts, Music, & Instructional Block Grant	243,222	-	-	-
Special Education	3,297	-	-	-
Special Education: Early Education Individuals with Exceptional Needs (Infant Program)	3,300	-	-	-
Classified Employee Professional Development Block Grant	795	-	-	-
County School Facilities	-	-	-	32,054
Capital Facilities	-	-	-	97,229
LCFF Equity Multiplier	45,658	-	-	-
Literacy Coaches & Reading Specialist Grant	74,844	-	-	-
Child Nutrition: Kitchen Infrastructure	51,660	-	-	-
Adult Education	-	-	-	20,517
Adult Education - Other State	-	-	-	11,809
Calworks	-	-	-	4,239
Debt Service Reserve	-	-	1,746,752	-
District Bonds	-	1,665,643	-	-
Dual Enrollment Opportunities	7,658	-	-	-
Expanded Learning Opportunities Program	157,145	-	-	-
Other Federal	11,890	-	-	-
Other Local	100,976	-	-	-
Other State	13,493	-	-	-
Proposition 28 Arts and Music	51,771	-	-	-
Special Reserve - Other Local	-	-	-	327,984
Special Reserve - FEMA Other State	-	-	-	1,988
Student Activity Funds	-	-	-	47,605
Tax Override	-	-	-	457
Special Reserve - Community Redevelopment Agency	-	-	-	209,896
Capital Services	-	-	-	124
Golden State Pathways Program	45,280	-	-	-
California Learning Communities for School Success Program	1,110	-	-	-
Restricted Maintenance Account	70	-	-	-
Total Restricted Balances	889,614	1,665,643	1,746,752	1,115,019
Assigned to:				
Subsequent year expenditures	1,373,616	-	-	21,117
Unassigned:				
Reserved for economic uncertainties	710,567	-	-	-
Unassigned	2,067,999	-	-	-
Total Fund Balances	$ 5,092,671	$ 1,666,162	$ 1,746,752	$ 1,165,584

(Continued)

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

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

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

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

Unassigned fund balances represent all other spendable amounts.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and then 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 1% 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 that may be developed to restore reserve balances.

(Continued)

(17) Contingencies and Commitments

(a) General

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

(b) Grants

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

(c) Construction Contracts

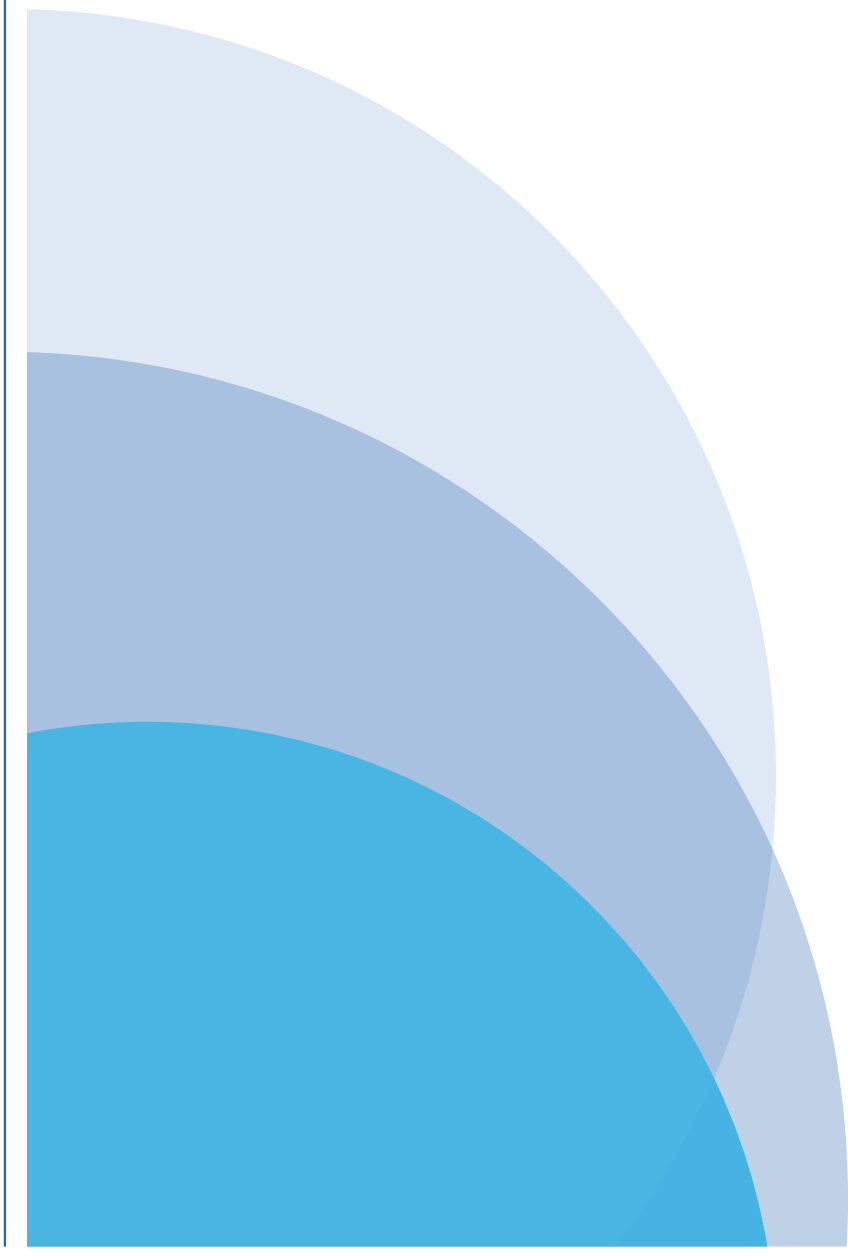
The District has entered into various contracts for the construction of facilities throughout the campuses. During fiscal year 2024-25 the District entered into approximately 195 contracts with a combined value of $720.7 million. The durations of the contracts range from 45 days to five years.

(18) Subsequent Events

In June 2025, Moody's Investor Services and Fitch Ratings assigned credit ratings to the District's Judgment Obligation Bonds (JOBs), Series 2025A at Aa3 and AA-, respectively. The District then sold $308.15 million JOBs on July 1, 2025 with a true interest cost of 5.14% over 15 years. The JOBs were issued as a long-term financing mechanism to refund the District's TRANs Series A, Series B, and Series C (see note 2 relating to the District issuance of TRANs) as well as District obligations under certain court-ordered judgments related to AB 218 or similar claims. The transaction closed on July 9, 2025.

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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, 2025
(Dollar amounts in thousands)
(Unaudited)

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

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

Los Angeles Unified School District
Schedule of Contributions
For the Year Ended June 30, 2025

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

See accompanying independent auditor's report.

(Continued)

2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 291,399	$ 437,026	$ 450,849	$ 294,791	$ 318,654
330,177	271,654	243,430	337,814	368,144
-	(1,143,508)	-	(234,984)	-
-	-	-	-	-
2,098,757	(93,876)	(2,240,059)	377,218	(906,330)
(221,166)	(231,192)	(231,063)	(235,929)	(245,842)
2,499,167	(759,896)	(1,776,843)	538,910	(465,374)
8,989,783	11,488,950	10,729,054	8,952,211	9,491,121
$ 11,488,950	$ 10,729,054	$ 8,952,211	$ 9,491,121	$ 9,025,747
$ 221,166	$ 231,192	$ 231,063	$ 235,929	$ 490,142
14,563	117,080	(72,625)	30,185	75,596
(221,166)	(231,192)	(231,063)	(235,929)	(245,842)
(205)	(240)	(264)	(235)	(323)
14,358	116,840	(72,889)	29,950	319,573
411,631	425,989	542,829	469,940	499,890
425,989	542,829	469,940	499,890	819,463
$ 11,062,961	$ 10,186,225	$ 8,482,271	$ 8,991,231	$ 8,206,284
3.71%	5.06%	5.25%	5.27%	9.08%
$ 4,174,000	$ 4,192,000	$ 4,307,000	$ 4,614,000	$ 4,743,000
265.04%	242.99%	196.94%	194.87%	173.02%

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, 2025
(Dollar amounts in thousands)
(Unaudited)

	2015-2016	2016-2017	2017-2018	2018-2019
Total pension liability				
Service cost	$ 8,240	$ 8,861	$ 10,331	$ 10,073
Interest on total pension liability	23,128	25,394	26,815	27,428
Differences between expected and actual experience	(4,558)	11,191	(1,831)	(2,039)
Changes of assumptions	(5,860)	-	23,771	(11,622)
Changes of benefits terms	-	-	-	-
Benefit payments, including refunds of employee contributions	(12,853)	(13,653)	(14,041)	(15,498)
Net change in total pension liability	8,097	31,793	45,045	8,342
Total pension liability – beginning	315,053	323,150	354,943	399,988
Total pension liability – ending (a)	$ 323,150	$ 354,943	$ 399,988	$ 408,330
Plan fiduciary net position				
Contributions – employer	$ 9,347	$ 8,701	$ 9,711	$ 10,746
Contributions – employee	2,825	3,064	3,352	3,291
Net investment income/(loss) (net of administrative expenses)	5,185	1,196	28,500	22,418
Benefit payments	(12,853)	(13,653)	(14,041)	(15,498)
Plan to plan resource movement	1	(3)	(15)	(176)
Net change in plan fiduciary net position	4,505	(695)	27,507	20,781
Plan fiduciary net position – beginning	248,959	253,464	252,769	280,276
Plan fiduciary net position – ending (b)	253,464	252,769	280,276	301,057
Net pension liability – ending (a) - (b)	$ 69,686	$ 102,174	$ 119,712	$ 107,273
Plan fiduciary net position as a percentage of the total pension liability	78.44%	71.21%	70.07%	73.73%
Covered – employee payroll	$ 27,384	$ 31,786	$ 33,239	$ 33,381
Net pension liability as percentage of covered – employee payroll	254.48%	321.45%	360.16%	321.36%

See accompanying independent auditor's report.

(Continued)

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 10,054	$ 11,066	$ 10,479	$ 9,325	$ 8,345	$ 8,185
28,862	30,547	32,058	32,354	34,206	36,282
(1,660)	536	(2,306)	(12,925)	7,911	11,986
-	-	-	11,355	-	-
-	211	-	-	-	-
(16,060)	(17,165)	(18,587)	(21,132)	(23,385)	(25,330)
21,196	25,195	21,644	18,977	27,077	31,123
408,330	429,526	454,721	476,365	495,342	522,419
$ 429,526	$ 454,721	$ 476,365	$ 495,342	$ 522,419	$ 553,542
$ 12,751	$ 14,619	$ 14,984	$ 14,583	$ 15,153	$ 14,754
3,505	3,348	2,936	2,307	2,517	2,827
19,647	15,665	76,690	(31,572)	23,062	37,187
(16,060)	(17,165)	(18,587)	(21,132)	(23,385)	(25,330)
(307)	(164)	-	-	-	-
19,536	16,303	76,023	(35,814)	17,347	29,438
301,057	320,593	336,896	412,919	377,105	394,452
320,593	336,896	412,919	377,105	394,452	423,890
$ 108,933	$ 117,825	$ 63,446	$ 118,237	$ 127,967	$ 129,652
74.64%	74.09%	86.68%	76.13%	75.50%	76.58%
$ 33,097	$ 34,582	$ 29,289	$ 31,588	$ 36,077	$ 38,615
329.14%	340.72%	216.62%	374.31%	354.71%	335.76%

See accompanying independent auditor's report.

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, 2025
(Dollar amounts in thousands)
(Unaudited)

	2015-2016	2016-2017	2017-2018	2018-2019
Actuarially determined contribution	$ 10,397	$ 11,392	$ 11,057	$ 12,992
Contributions in relation to the actuarially determined contributions	(10,397)	(11,392)	(11,057)	(12,992)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 42,476	$ 43,788	$ 43,799	$ 46,849
Contributions as a percentage of covered-employee payroll	24.48%	26.02%	25.24%	27.73%

Notes to Schedule:

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

Valuation date	6/30/2013	6/30/2014	6/30/2015	6/30/2016
Actuarial cost method	Entry Age Normal 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	Market Value of Assets	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	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	Varies by entry age and service
Payroll growth	3.00%	3.00%	3.00%	3.00%
Investment rate of return	7.50%	7.50%	7.50%	7.50%
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 2014 CalPERS Experience Study.	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	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.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 20 years of projected on-going mortality improvements using Scale BB published by the Society of Actuaries.

See accompanying independent auditor's report.

(Continued)

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 14,611	$ 13,900	$ 12,215	$ 12,359	$ 14,210	$ 19,138
(14,611)	(13,900)	(12,215)	(12,359)	(14,210)	(19,138)
$ -	$ -	$ -	$ -	$ -	$ -
$ 45,139	$ 34,583	$ 29,289	$ 31,588	$ 36,077	$ 38,615
32.37%	40.19%	41.71%	39.13%	39.39%	49.56%
6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Level Percent of Payroll	Level Percent of Payroll	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Market Value of Assets	Market Value of Assets	Market Value of Assets	Market Value of Assets	Market Value of Assets	Market Value of Assets
2.63% compounded annually	2.50% compounded annually	2.50% compounded annually	2.50% compounded annually	2.30% compounded annually	2.30% compounded annually
Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service	Varies by entry age and service
2.90%	2.75%	2.75%	2.75%	2.80%	2.80%
7.25%	7.00%	7.00%	7.00%	6.80%	6.80%
The probabilities of retirement are based on the 2017 CalPERS Experience Study.	The probabilities of retirement are based on the 2017 CalPERS Experience Study.	The probabilities of retirement are based on the 2017 CalPERS Experience Study.	The probabilities of retirement are based on the 2017 CalPERS Experience Study.	The probabilities of retirement are based on the 2017 CalPERS Experience Study.	The probabilities of retirement are based on the 2021 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 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.

See accompanying independent auditor's report.

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, 2025
(Dollar amounts in thousands)
(Unaudited)

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

	2015-2016	2016-2017	2017-2018	2018-2019
District's proportion of the net pension liability	8.7047%	8.3405%	8.1507%	7.9678%
District's proportionate share of the net pension liability	$ 1,283,081	$ 1,647,254	$ 1,945,775	$ 2,124,474
District's covered-employee payroll	$ 1,016,759	$ 1,078,634	$ 1,108,784	$ 1,116,870
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	126.19%	152.72%	175.49%	190.22%
Plan fiduciary net position as a percentage of the total pension liability	79.43%	73.90%	71.87%	70.85%

2. Schedule of District Contributions

	2015-2016	2016-2017	2017-2018	2018-2019
Contractually required				
District contributions	$ 119,193	$ 144,467	$ 166,342	$ 205,346
Contributions in relation to the contractually required contribution	119,193	144,467	166,342	205,346
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 1,078,634	$ 1,108,784	$ 1,116,870	$ 1,228,585
Contributions as a percentage of covered-employee payroll	11.05%	13.03%	14.89%	16.71%

Notes to Schedule:

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

Valuation date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	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.
Asset valuation method	Market value of Assets	Market value of Assets	Market value of Assets	Market value of Assets
Inflation	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service
Investment rate of return	7.50%	7.50%	7.50%	7.15%
Retirement age	CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study
Mortality	The probabilities of mortality are based on the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the 6/30/09 Valuation. Post-retirement mortality rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010.	The probabilities of mortality are based on the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the 6/30/15 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.	The probabilities of mortality are based on the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the 6/30/15 Valuation. Post-retirement mortality rates include 20 years of projected on-going mortality improvements using Scale BB published by the Society of Actuaries.

See accompanying independent auditor's report.

(Continued)

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
8.0858%	7.8905%	7.8531%	7.8184%	7.7465%	8.1755%
$ 2,356,549	$ 2,421,053	$ 1,596,877	$ 2,690,237	$ 2,804,142	$ 2,921,828
$ 1,228,585	$ 1,221,081	$ 1,256,381	$ 1,449,675	$ 1,595,725	$ 1,808,927
191.81%	198.27%	127.10%	185.58%	175.73%	161.52%
70.05%	70.00%	80.97%	69.76%	69.96%	72.29%

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 224,546	$ 243,447	$ 286,190	$ 357,900	$ 438,819	$ 476,345
224,546	243,447	286,190	357,900	438,819	476,345
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,221,081	$ 1,256,381	$ 1,449,675	$ 1,595,725	$ 1,808,927	$ 1,882,457
18.39%	19.38%	19.74%	22.43%	24.26%	25.30%

6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Entry Age Normal Level Percent of Payroll	Entry Age Normal Level Percent of Payroll	Entry Age Normal Level Dollar	Entry Age Normal Level Dollar	Entry Age Normal Level Dollar	Entry Age Normal Level Dollar
Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.	Varies depending on the nature of the change in the unfunded liabilities.
Market value of Assets	Market value of Assets	Market value of Assets	Market value of Assets	Market value of Assets	Market value of Assets
2.63%	2.50%	2.50%	2.30%	2.30%	2.30%
Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service	Varies by entry age and duration of service
7.15%	7.15%	7.15%	6.90%	6.80%	6.80%
CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study	CalPERS Experience Study	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 15 years of projected on-going mortality improvements using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of projected on-going mortality improvements using 90 percent of Scale MP 2016 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include fully generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include fully generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries.	Based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include fully generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries.	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.

See accompanying independent auditor's report.

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, 2025
(Dollar amounts in thousands)
(Unaudited)

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

	2015-2016	2016-2017	2017-2018	2018-2019
District's proportion of the net pension liability	5.9320%	5.5890%	5.3050%	5.1840%
District's proportionate share of the net pension liability	$ 3,993,660	$ 4,520,439	$ 4,906,064	$ 4,764,511
District's covered-employee payroll	$ 2,771,643	$ 2,834,892	$ 2,865,305	$ 2,833,461
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	144.09%	159.46%	171.22%	168.15%
Plan fiduciary net position as a percentage of the total pension liability	74.02%	70.04%	69.46%	70.99%

2. Schedule of District Contributions

	2015-2016	2016-2017	2017-2018	2018-2019
Contractually required				
District contributions	$ 302,716	$ 358,073	$ 407,198	$ 483,163
Contributions in relation to the contractually required contribution	302,716	358,073	407,198	483,163
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,834,892	$ 2,865,305	$ 2,833,461	$ 3,052,549
Contributions as a percentage of covered-employee payroll	10.68%	12.50%	14.37%	15.83%

Notes to Schedule:

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

Valuation date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	32 years	31 years	30 years	29 years
Asset valuation method	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value
Inflation	3.00%	3.00%	2.75%	2.75%
Salary increases	3.75%	3.75%	3.50%	3.50%
Investment rate of return	7.50%	7.50%	7.25%	7.10%
Retirement age	Experience Tables	Experience Tables	Experience Tables	Experience Tables
Mortality	RP-2000 Series Table	RP-2000 Series 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

See accompanying independent auditor's report.

(Continued)

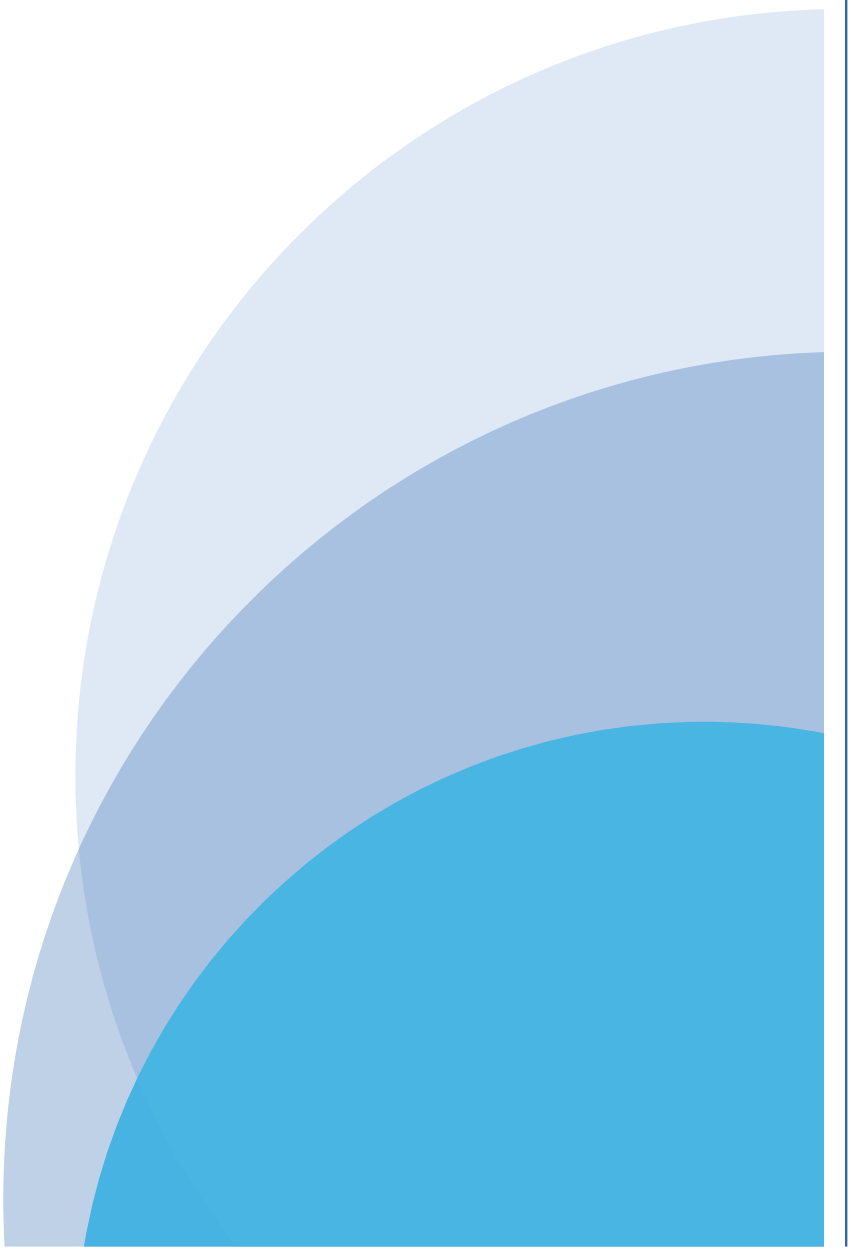
2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
5.3820%	5.4030%	5.5680%	5.4970%	5.1330%	5.9290%
$ 4,980,791	$ 5,396,309	$ 2,651,352	$ 3,921,933	$ 4,010,722	$ 4,082,550
$ 3,052,549	$ 2,825,924	$ 3,093,726	$ 3,385,125	$ 3,342,646	$ 4,062,578
163.17%	190.96%	85.70%	115.86%	119.99%	100.49%
72.56%	71.82%	87.21%	81.20%	80.62%	83.55%

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 508,985	$ 497,701	$ 563,921	$ 663,868	$ 740,659	$ 785,093
508,985	497,701	563,921	663,868	740,659	785,093
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,825,924	$ 3,093,726	$ 3,385,125	$ 3,342,646	$ 4,062,578	$ 3,733,871
18.01%	16.09%	16.66%	19.86%	18.23%	21.03%

6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Entry Age Normal Level Percent of Payroll	Entry Age Normal Level Percent of Payroll	Entry Age Normal Level Percent of Payroll	Entry Age Normal Level Percent of Payroll	Entry Age Normal Level Percent of Payroll	Entry Age Normal Level Percent of Payroll
28 years	27 years	26 years	25 years	24 years	23 years
Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value	Expected Value with 33% adjustment to Market Value
2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
7.10%	7.10%	7.10%	7.00%	7.00%	7.00%
Experience Tables	Experience Tables	Experience Tables	Experience Tables	Experience Tables	Experience Tables
110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table	110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table	110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table	110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table	110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table	Base year of 2023, and projected improvement based on the MP-2021 Ultimate Projection Scale

See accompanying independent auditor's report.

Supplementary Information



Los Angeles Unified School District
District Bonds Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local revenues	$ 42,218	$ 42,218	$ 75,425	$ 33,207
Total Revenues	42,218	42,218	75,425	33,207
Expenditures:				
Current:				
Classified salaries	161,512	142,302	52,554	89,748
Employee benefits	82,224	71,054	29,133	41,921
Books and supplies	-	89,695	5,966	83,729
Services and other operating expenditures	939	115,024	23,538	91,486
Capital outlay	1,081,919	2,472,340	1,166,119	1,306,221
Debt service				
Debt service – principal	-	90	64	26
Debt service – bond, COPs, and capital leases interest	-	8	8	-
Total Expenditures	1,326,594	2,890,513	1,277,382	1,613,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,284,376)	(2,848,295)	(1,201,957)	1,646,338
Other Financing Sources (Uses):				
Transfers in	-	129,897	129,864	(33)
Transfers out	-	(255,493)	(255,469)	24
Capital leases	-	-	497	497
Proceeds from sale of bonds	1,000,000	1,800,000	1,800,000	-
Total Other Financing Sources (Uses)	1,000,000	1,674,404	1,674,892	488
Net Changes in Fund Balances	(284,376)	(1,173,891)	472,935	1,646,826
Fund Balances, July 1, 2024	1,285,059	1,193,227	1,193,227	-
Fund Balances, June 30, 2025	$ 1,000,683	$ 19,336	$ 1,666,162	$ 1,646,826

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
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal revenues	$ 69,549	$ 69,549	$ 25,963	$ (43,586)
Other state revenues	-	-	3,163	3,163
Other local revenues	1,113,665	1,113,665	1,301,269	187,604
Total Revenues	1,183,214	1,183,214	1,330,395	147,181
Expenditures:				
Debt service				
Debt service – principal	473,800	718,320	718,320	-
Debt service – bond issuance cost	-	840	840	-
Debt service – bond, COPs, and capital leases interest	724,845	479,485	424,444	55,041
Total Expenditures	1,198,645	1,198,645	1,143,604	55,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,431)	(15,431)	186,791	202,222
Other Financing Sources (Uses):				
Premium on bonds issued	-	-	136,306	136,306
Premium on refunding bonds issued	-	-	22,274	22,274
Payment to refunded bond escrow agent	-	(269,779)	(269,779)	-
Proceed from refunding bonds	-	269,779	248,345	(21,434)
Total Other Financing Sources (Uses)	-	-	137,146	137,146
Net Changes in Fund Balances	(15,431)	(15,431)	323,937	339,368
Fund Balances, July 1, 2024	1,241,645	1,422,815	1,422,815	-
Fund Balances, June 30, 2025	$ 1,226,214	$ 1,407,384	$ 1,746,752	$ 339,368

See accompanying independent auditor's report.

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Debt Service Funds

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

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

Capital Projects Funds

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

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

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

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.

(Continued)

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.

Los Angeles Unified School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025
(in thousands)

	Special Revenue Fund				
	Student Activity	Adult Education	Child Development	Cafeteria	Total Special Revenue Fund
Assets:					
Cash	$ 35,117	$ 48,562	$ 115,012	$ 204,539	$ 403,230
Investments	13,363	-	-	-	13,363
Accounts receivable – net	258	11,384	32,621	72,312	116,575
Accrued interest receivable	-	-	1,093	-	1,093
Prepaids	-	22	1,757	-	1,779
Inventories	4,593	-	-	14,031	18,624
Other assets	35	-	-	-	35
Total Assets	53,366	59,968	150,483	290,882	554,699
Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 53,366	$ 59,968	$ 150,483	$ 290,882	$ 554,699
Liabilities and Fund Balances:					
Vouchers and accounts payable	$ -	$ 5,763	$ 4,595	$ 5,391	$ 15,749
Contracts payable	-	81	104	-	185
Accrued payroll	-	5,275	10,189	9,002	24,466
Other payables	1,168	1,037	1,947	1,437	5,589
Unearned revenue	-	1	26,378	939	27,318
Total Liabilities	1,168	12,157	43,213	16,769	73,307
Deferred Inflows of Resources	-	-	-	-	-
Fund Balances:					
Nonspendable	4,593	37	1,757	14,031	20,418
Restricted	47,605	36,565	100,444	260,082	444,696
Assigned	-	11,209	5,069	-	16,278
Total Fund Balances	52,198	47,811	107,270	274,113	481,392
Total Liabilities, Deferred Inflows of Resources and Fund balances	$ 53,366	$ 59,968	$ 150,483	$ 290,882	$ 554,699

See accompanying independent auditor's report.

Los Angeles Unified School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025
(in thousands)

	Debt Service Fund		
	Tax Override	Capital Services	Total Debt Service Fund
Assets:			
Cash	$ 453	$ 95	$ 548
Cash held by trustee	-	28	28
Accrued interest receivable	4	1	5
Total Assets	457	124	581
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	$ 457	$ 124	$ 581
Liabilities and Fund Balances:			
Total Liabilities	-	-	-
Deferred Inflows of Resources	-	-	-
Fund Balances:			
Restricted	457	124	581
Total Fund Balances	457	124	581
Total Liabilities, Deferred Inflows of Resources and Fund balances	$ 457	$ 124	$ 581

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025
(in thousands)

	Capital Projects Fund							
	Building	Capital Facilities Account	County School Facilities Bonds	Special Reserve - Community Redevelopment Agency	Special Reserve	Special Reserve - FEMA - Earthquake	Special Reserve - FEMA - Hazard Mitigation	Total Capital Projects Fund
Assets:								
Cash	$ 4,423	$ 89,524	$ 32,259	$ 208,046	$ 41,891	$ 2,759	$ 235	$ 379,137
Cash held by trustee	-	-	-	-	323,920	-	-	323,920
Lease receivable	26	-	-	-	2,065	-	-	2,091
Accounts receivable – net	-	8,942	-	-	175	-	-	9,117
Accrued interest receivable	45	719	350	1,879	308	25	2	3,328
Prepaids	-	-	-	-	9,030	-	-	9,030
Total Assets	4,494	99,185	32,609	209,925	377,389	2,784	237	726,623
Deferred Outflows of Resources	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 4,494	$ 99,185	$ 32,609	$ 209,925	$ 377,389	$ 2,784	$ 237	$ 726,623
Liabilities and Fund Balances:								
Vouchers and accounts payable	$ 36	$ 313	$ 48	$ -	$ 35,972	$ -	$ -	$ 36,369
Contracts payable	2	1,421	27	-	479	-	-	1,929
Accrued payroll	14	46	-	25	699	-	-	784
Other payables	19	176	480	4	1,160	-	-	1,839
Total Liabilities	71	1,956	555	29	38,310	-	-	40,921
Deferred Inflows of Resources:	26	-	-	-	2,065	-	-	2,091
Fund Balances:								
Nonspendable	-	-	-	-	9,030	-	-	9,030
Restricted	-	97,229	32,054	209,896	327,984	2,579	-	669,742
Assigned	4,397	-	-	-	-	205	237	4,839
Total Fund Balances	4,397	97,229	32,054	209,896	337,014	2,784	237	683,611
Total Liabilities, Deferred Inflows of Resources and Fund balances	$ 4,494	$ 99,185	$ 32,609	$ 209,925	$ 377,389	$ 2,784	$ 237	$ 726,623

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025
(in thousands)

	Total Nonmajor Governmental Funds
Assets:	
Cash	$ 782,915
Cash held by trustee	323,948
Investments	13,363
Lease receivable	2,091
Accounts receivable – net	125,692
Accrued interest receivable	4,426
Prepaids	10,809
Inventories	18,624
Other assets	35
Total Assets	1,281,903
Deferred Outflows of Resources	-
Total Assets and Deferred Outflows of Resources	$ 1,281,903
Liabilities and Fund Balances:	
Vouchers and accounts payable	$ 52,118
Contracts payable	2,114
Accrued payroll	25,250
Other payables	7,428
Unearned revenue	27,318
Total Liabilities	114,228
Deferred Inflows of Resources:	2,091
Fund Balances:	
Nonspendable	29,448
Restricted	1,115,019
Assigned	21,117
Total Fund Balances	1,165,584
Total Liabilities, Deferred Inflows of Resources and Fund balances	$ 1,281,903

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2025
(in thousands)

	Special Revenue Fund				
	Student Activity	Adult Education	Child Development	Cafeteria	Total Special Revenue Fund
Revenues:					
Federal revenues	$ -	$ 14,408	$ 12,613	$ 404,324	$ 431,345
Other state revenues	-	151,382	242,679	115,706	509,767
Other local revenues	40,099	3,983	7,014	8,924	60,020
Total Revenues	40,099	169,773	262,306	528,954	1,001,132
Expenditures:					
Current:					
Certificated salaries	-	72,866	62,264	-	135,130
Classified salaries	-	24,817	75,074	156,678	256,569
Employee benefits	-	47,289	82,817	140,895	271,001
Books and supplies	30,612	7,426	10,159	176,339	224,536
Services and other operating expenditures	7,928	16,822	8,342	1,992	35,084
Capital outlay	141	4,288	1,193	110	5,732
Debt service					
Debt service – principal	-	447	110	-	557
Debt service – bond, COPs, and capital leases interest	-	85	7	-	92
Other outgo	-	2,327	-	-	2,327
Transfers of indirect costs – interfund	-	7,078	14,136	18,064	39,278
Total Expenditures	38,681	183,445	254,102	494,078	970,306
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,418	(13,672)	8,204	34,876	30,826
Other Financing Sources (Uses):					
Transfers in	-	8	-	-	8
Proceeds from SBITAs	-	2,443	206	-	2,649
Total Other Financing Sources (Uses)	-	2,451	206	-	2,657
Net Changes in Fund Balances	1,418	(11,221)	8,410	34,876	33,483
Fund Balances, July 1, 2024	50,780	59,032	98,860	239,237	447,909
Fund Balances, June 30, 2025	$ 52,198	$ 47,811	$ 107,270	$ 274,113	$ 481,392

See accompanying independent auditor's report.

Los Angeles Unified School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2025
(in thousands)

	Debt Service Fund		
	Tax Override	Capital Services	Total Debt Service Fund
Revenues:			
Other local revenues	$ 23	$ 192	$ 215
Total Revenues	23	192	215
Expenditures:			
Debt service			
Debt service – principal	-	28,550	28,550
Debt service – bond, COPs, and capital leases interest	-	21,633	21,633
Total Expenditures	-	50,183	50,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	23	(49,991)	(49,968)
Other Financing Sources (Uses):			
Transfers in	-	50,047	50,047
Total Other Financing Sources (Uses)	-	50,047	50,047
Net Changes in Fund Balances	23	56	79
Fund Balances, July 1, 2024	434	68	502
Fund Balances, June 30, 2025	$ 457	$ 124	$ 581

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2025
(in thousands)

	Capital Projects Fund							
	Building	Capital Facilities Account	County School Facilities Bonds	Special Reserve - Community Redevelopment Agency	Special Reserve	Special Reserve - FEMA - Earthquake	Special Reserve - FEMA - Hazard Mitigation	Total Capital Projects Fund
Revenues:								
Federal revenues	$ -	$ -	$ -	$ -	$ 366	$ -	$ -	$ 366
Other state revenues	-	-	118,823	-	20	-	-	118,843
Other local revenues	1,263	81,684	1,752	72,004	34,432	115	30	191,280
Total Revenues	1,263	81,684	120,575	72,004	34,818	115	30	310,489
Expenditures:								
Current:								
Classified salaries	1,307	591	-	283	433	-	-	2,614
Employee benefits	777	334	-	148	222	-	-	1,481
Books and supplies	112	10	-	-	58	-	-	180
Services and other operating expenditures	1,770	1,037	(8)	15	3,512	-	-	6,326
Capital outlay	82	22,874	13,933	-	177,418	-	314	214,621
Debt service								
Debt service – principal	-	-	-	-	2,126	-	-	2,126
Debt service – bond, COPs, and capital leases interest	-	-	-	-	411	-	-	411
Total Expenditures	4,048	24,846	13,925	446	184,180	-	314	227,759
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,785)	56,838	106,650	71,558	(149,362)	115	(284)	82,730
Other Financing Sources (Uses):								
Transfers in	130	-	1	-	240,976	-	-	241,107
Transfers out	-	-	(112,600)	(30,000)	(2,872)	-	-	(145,472)
Payment to refunded COPs escrow agent	-	-	-	-	(238,932)	-	-	(238,932)
Capital leases	-	-	-	-	20,960	-	-	20,960
Proceeds from SBITAs	-	-	-	-	5,571	-	-	5,571
Total Other Financing Sources (Uses)	130	-	(112,599)	(30,000)	25,703	-	-	(116,766)
Net Changes in Fund Balances	(2,655)	56,838	(5,949)	41,558	(123,659)	115	(284)	(34,036)
Fund Balances, July 1, 2024	7,052	40,391	38,003	168,338	460,673	2,669	521	717,647
Fund Balances, June 30, 2025	$ 4,397	$ 97,229	$ 32,054	$ 209,896	$ 337,014	$ 2,784	$ 237	$ 683,611

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2025
(in thousands)

	Total Nonmajor Governmental Funds
Revenues:	
Federal revenues	$ 431,711
Other state revenues	628,610
Other local revenues	251,515
Total Revenues	1,311,836
Expenditures:	
Current:	
Certificated salaries	135,130
Classified salaries	259,183
Employee benefits	272,482
Books and supplies	224,716
Services and other operating expenditures	41,410
Capital outlay	220,353
Debt service	
Debt service – principal	31,233
Debt service – bond, COPs, and capital leases interest	22,136
Other outgo	2,327
Transfers of indirect costs – interfund	39,278
Total Expenditures	1,248,248
Excess (Deficiency) of Revenues Over (Under) Expenditures	63,588
Other Financing Sources (Uses):	
Transfers in	291,162
Transfers out	(145,472)
Payment to refunded COPs escrow agent	(238,932)
Capital leases	20,960
Proceeds from SBITAs	8,220
Total Other Financing Sources (Uses)	(64,062)
Net Changes in Fund Balances	(474)
Fund Balances, July 1, 2024	1,166,058
Fund Balances, June 30, 2025	$ 1,165,584

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Special Revenue Fund - Student Activity Special Revenue
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local revenues	$ 30,235	$ 38,679	$ 40,099	$ 1,420
Total Revenues	30,235	38,679	40,099	1,420
Expenditures:				
Current:				
Books and supplies	24,493	79,550	30,612	48,938
Services and other operating expenditures	4,652	8,629	7,928	701
Capital outlay	194	147	141	6
Total Expenditures	29,339	88,326	38,681	49,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	896	(49,647)	1,418	51,065
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	896	(49,647)	1,418	51,065
Fund Balances, July 1, 2024	52,471	50,780	50,780	-
Fund Balances, June 30, 2025	$ 53,367	$ 1,133	$ 52,198	$ 51,065

See accompanying independent auditor's report.

Los Angeles Unified School District
Special Revenue Fund - Adult Education
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal revenues	$ 19,015	$ 14,317	$ 14,408	$ 91
Other state revenues	143,315	149,189	151,382	2,193
Other local revenues	3,117	3,311	3,983	672
Total Revenues	165,447	166,817	169,773	2,956
Expenditures:				
Current:				
Certificated salaries	77,967	76,946	72,866	4,080
Classified salaries	23,626	25,598	24,817	781
Employee benefits	47,300	47,320	47,289	31
Books and supplies	11,258	35,825	7,426	28,399
Services and other operating expenditures	2,931	23,896	16,822	7,074
Capital outlay	-	4,828	4,288	540
Debt service				
Debt service – principal	-	535	447	88
Debt service – bond, COPs, and capital leases interest	-	85	85	-
Other outgo	-	2,330	2,327	3
Transfers of indirect costs – interfund	9,105	8,486	7,078	1,408
Total Expenditures	172,187	225,849	183,445	42,404
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,740)	(59,032)	(13,672)	45,360
Other Financing Sources (Uses):				
Transfers in	-	-	8	8
Proceeds from SBITAs	-	-	2,443	2,443
Total Other Financing Sources (Uses)	-	-	2,451	2,451
Net Changes in Fund Balances	(6,740)	(59,032)	(11,221)	47,811
Fund Balances, July 1, 2024	47,179	59,032	59,032	-
Fund Balances, June 30, 2025	$ 40,439	$ -	$ 47,811	$ 47,811

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Special Revenue Fund - Child Development
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal revenues	$ 17,105	$ 12,610	$ 12,613	$ 3
Other state revenues	216,223	229,891	242,679	12,788
Other local revenues	160	181	7,014	6,833
Total Revenues	233,488	242,682	262,306	19,624
Expenditures:				
Current:				
Certificated salaries	62,270	68,716	62,264	6,452
Classified salaries	75,714	78,800	75,074	3,726
Employee benefits	79,963	82,975	82,817	158
Books and supplies	44,830	40,277	10,159	30,118
Services and other operating expenditures	4,748	8,414	8,342	72
Capital outlay	-	1,300	1,193	107
Debt service				
Debt service – principal	-	200	110	90
Debt service – bond, COPs, and capital leases interest	-	7	7	-
Transfers of indirect costs – interfund	15,870	16,584	14,136	2,448
Total Expenditures	283,395	297,273	254,102	43,171
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,907)	(54,591)	8,204	62,795
Other Financing Sources (Uses):				
Transfers in	-	14	-	(14)
Proceeds from SBITAs	-	-	206	206
Total Other Financing Sources (Uses)	-	14	206	192
Net Changes in Fund Balances	(49,907)	(54,577)	8,410	62,987
Fund Balances, July 1, 2024	93,030	98,860	98,860	-
Fund Balances, June 30, 2025	$ 43,123	$ 44,283	$ 107,270	$ 62,987

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Special Revenue Fund - Cafeteria
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal revenues	$ 363,353	$ 402,674	$ 404,324	$ 1,650
Other state revenues	111,333	114,535	115,706	1,171
Other local revenues	4,745	8,532	8,924	392
Total Revenues	479,431	525,741	528,954	3,213
Expenditures:				
Current:				
Classified salaries	154,926	156,773	156,678	95
Employee benefits	136,542	141,097	140,895	202
Books and supplies	188,007	189,306	176,339	12,967
Services and other operating expenditures	4,771	3,602	1,992	1,610
Capital outlay	-	220	110	110
Transfers of indirect costs – interfund	18,382	18,078	18,064	14
Total Expenditures	502,628	509,076	494,078	14,998
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,197)	16,665	34,876	18,211
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	(23,197)	16,665	34,876	18,211
Fund Balances, July 1, 2024	218,220	239,237	239,237	-
Fund Balances, June 30, 2025	$ 195,023	$ 255,902	$ 274,113	$ 18,211

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Special Revenue Funds - Total
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal revenues	$ 399,473	$ 429,601	$ 431,345	$ 1,744
Other state revenues	470,871	493,615	509,767	16,152
Other local revenues	38,257	50,703	60,020	9,317
Total Revenues	908,601	973,919	1,001,132	27,213
Expenditures:				
Current:				
Certificated salaries	140,237	145,662	135,130	10,532
Classified salaries	254,266	261,171	256,569	4,602
Employee benefits	263,805	271,392	271,001	391
Books and supplies	268,588	344,958	224,536	120,422
Services and other operating expenditures	17,102	44,541	35,084	9,457
Capital outlay	194	6,495	5,732	763
Debt service				
Debt service – principal	-	735	557	178
Debt service – bond, COPs, and capital leases interest	-	92	92	-
Other outgo	-	2,330	2,327	3
Transfers of indirect costs – interfund	43,357	43,148	39,278	3,870
Total Expenditures	987,549	1,120,524	970,306	150,218
Excess (Deficiency) of Revenues Over (Under) Expenditures	(78,948)	(146,605)	30,826	177,431
Other Financing Sources (Uses):				
Transfers in	-	14	8	(6)
Proceeds from SBITAs	-	-	2,649	2,649
Total Other Financing Sources (Uses)	-	14	2,657	2,643
Net Changes in Fund Balances	(78,948)	(146,591)	33,483	180,074
Fund Balances, July 1, 2024	410,900	447,909	447,909	-
Fund Balances, June 30, 2025	$ 331,952	$ 301,318	$ 481,392	$ 180,074

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Debt Service Funds - Tax Override
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local revenues	$ -	$ -	$ 23	$ 23
Total Revenues	-	-	23	23
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	23	23
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	-	-	23	23
Fund Balances, July 1, 2024	429	434	434	-
Fund Balances, June 30, 2025	$ 429	$ 434	$ 457	$ 23

See accompanying independent auditor's report.

Los Angeles Unified School District
Debt Service Funds - Capital Services
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local revenues	$ 1	$ 1	$ 192	$ 191
Total Revenues	1	1	192	191
Expenditures:				
Debt service				
Debt service – principal	28,563	28,550	28,550	-
Debt service – bond, COPs, and capital leases interest	21,631	21,633	21,633	-
Total Expenditures	50,194	50,183	50,183	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,193)	(50,182)	(49,991)	191
Other Financing Sources (Uses):				
Transfers in	50,171	50,114	50,047	(67)
Total Other Financing Sources (Uses)	50,171	50,114	50,047	(67)
Net Changes in Fund Balances	(22)	(68)	56	124
Fund Balances, July 1, 2024	23	68	68	-
Fund Balances, June 30, 2025	$ 1	$ -	$ 124	$ 124

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Debt Service Funds - Total
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local revenues	$ 1	$ 1	$ 215	$ 214
Total Revenues	1	1	215	214
Expenditures:				
Debt service				
Debt service – principal	28,563	28,550	28,550	-
Debt service – bond, COPs, and capital leases interest	21,631	21,633	21,633	-
Total Expenditures	50,194	50,183	50,183	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,193)	(50,182)	(49,968)	214
Other Financing Sources (Uses):				
Transfers in	50,171	50,114	50,047	(67)
Total Other Financing Sources (Uses)	50,171	50,114	50,047	(67)
Net Changes in Fund Balances	(22)	(68)	79	147
Fund Balances, July 1, 2024	452	502	502	-
Fund Balances, June 30, 2025	$ 430	$ 434	$ 581	$ 147

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Capital Projects Funds - Building
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local revenues	$ 1,353	$ 1,353	$ 1,263	$ (90)
Total Revenues	1,353	1,353	1,263	(90)
Expenditures:				
Current:				
Classified salaries	822	1,791	1,307	484
Employee benefits	486	801	777	24
Books and supplies	-	200	112	88
Services and other operating expenditures	-	2,000	1,770	230
Capital outlay	7,434	3,743	82	3,661
Total Expenditures	8,742	8,535	4,048	4,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,389)	(7,182)	(2,785)	4,397
Other Financing Sources (Uses):				
Transfers in	-	130	130	-
Total Other Financing Sources (Uses)	-	130	130	-
Net Changes in Fund Balances	(7,389)	(7,052)	(2,655)	4,397
Fund Balances, July 1, 2024	7,389	7,052	7,052	-
Fund Balances, June 30, 2025	$ -	$ -	$ 4,397	$ 4,397

See accompanying independent auditor's report.

Los Angeles Unified School District
Capital Projects Funds - Capital Facilities Account
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local revenues	$ 87,353	$ 87,353	$ 81,684	$ (5,669)
Total Revenues	87,353	87,353	81,684	(5,669)
Expenditures:				
Current:				
Classified salaries	780	781	591	190
Employee benefits	345	345	334	11
Books and supplies	78	92	10	82
Services and other operating expenditures	31,493	31,478	1,037	30,441
Capital outlay	81,905	95,048	22,874	72,174
Total Expenditures	114,601	127,744	24,846	102,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,248)	(40,391)	56,838	97,229
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	(27,248)	(40,391)	56,838	97,229
Fund Balances, July 1, 2024	27,248	40,391	40,391	-
Fund Balances, June 30, 2025	$ -	$ -	$ 97,229	$ 97,229

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Capital Projects Funds - County School Facilities Bonds
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget		Actual	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues:				
Other state revenues	$ 91,289	$ 178,091	$ 118,823	$ (59,268)
Other local revenues	6,911	7,082	1,752	(5,330)
Total Revenues	98,200	185,173	120,575	(64,598)
Expenditures:				
Current:				
Classified salaries	-	1	-	1
Services and other operating expenditures	-	31	(8)	39
Capital outlay	128,802	110,545	13,933	96,612
Total Expenditures	128,802	110,577	13,925	96,652
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,602)	74,596	106,650	32,054
Other Financing Sources (Uses):				
Transfers in	-	1	1	-
Transfers out	-	(112,600)	(112,600)	-
Total Other Financing Sources (Uses)	-	(112,599)	(112,599)	-
Net Changes in Fund Balances	(30,602)	(38,003)	(5,949)	32,054
Fund Balances, July 1, 2024	30,602	38,003	38,003	-
Fund Balances, June 30, 2025	$ -	$ -	$ 32,054	$ 32,054

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Capital Projects Funds - Special Reserve – Community Redevelopment Agency
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local revenues	$ 66,119	$ 66,119	$ 72,004	$ 5,885
Total Revenues	66,119	66,119	72,004	5,885
Expenditures:				
Current:				
Classified salaries	300	437	283	154
Employee benefits	109	158	148	10
Books and supplies	186	-	-	-
Services and other operating expenditures	15,932	15,932	15	15,917
Capital outlay	184,573	187,930	-	187,930
Total Expenditures	201,100	204,457	446	204,011
Excess (Deficiency) of Revenues Over (Under) Expenditures	(134,981)	(138,338)	71,558	209,896
Other Financing Sources (Uses):				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	(30,000)	(30,000)	(30,000)	-
Net Changes in Fund Balances	(164,981)	(168,338)	41,558	209,896
Fund Balances, July 1, 2024	164,981	168,338	168,338	-
Fund Balances, June 30, 2025	$ -	$ -	$ 209,896	$ 209,896

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Capital Projects Funds - Special Reserve
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal revenues	$ -	$ 366	$ 366	$ -
Other state revenues	-	20	20	-
Other local revenues	23,754	26,855	34,432	7,577
Total Revenues	23,754	27,241	34,818	7,577
Expenditures:				
Current:				
Classified salaries	5,467	6,142	433	5,709
Employee benefits	2,815	3,175	222	2,953
Books and supplies	-	60	58	2
Services and other operating expenditures	11,718	53,961	3,512	50,449
Capital outlay	459,111	421,211	177,418	243,793
Debt service				
Debt service – principal	-	2,126	2,126	-
Debt service – bond, COPs, and capital leases interest	-	411	411	-
Total Expenditures	479,111	487,086	184,180	302,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	(455,357)	(459,845)	(149,362)	310,483
Other Financing Sources (Uses):				
Transfers in	-	240,976	240,976	-
Transfers out	-	(2,872)	(2,872)	-
Payment to refunded COPs escrow agent	-	(238,932)	(238,932)	-
Capital leases	-	-	20,960	20,960
Proceeds from SBITAs	-	-	5,571	5,571
Total Other Financing Sources (Uses)	-	(828)	25,703	26,531
Net Changes in Fund Balances	(455,357)	(460,673)	(123,659)	337,014
Fund Balances, July 1, 2024	455,357	460,673	460,673	-
Fund Balances, June 30, 2025	$ -	$ -	$ 337,014	$ 337,014

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Capital Projects Funds - Special Reserve – FEMA – Earthquake
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local revenues	$ -	$ -	$ 115	$ 115
Total Revenues	-	-	115	115
Expenditures:				
Capital outlay	2,446	2,468	-	2,468
Total Expenditures	2,446	2,468	-	2,468
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,446)	(2,468)	115	2,583
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	(2,446)	(2,468)	115	2,583
Fund Balances, July 1, 2024	2,645	2,669	2,669	-
Fund Balances, June 30, 2025	$ 199	$ 201	$ 2,784	$ 2,583

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Capital Projects Funds - Special Reserve – FEMA – Hazard Mitigation
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local revenues	$ -	$ -	$ 30	$ 30
Total Revenues	-	-	30	30
Expenditures:				
Capital outlay	762	521	314	207
Total Expenditures	762	521	314	207
Excess (Deficiency) of Revenues Over (Under) Expenditures	(762)	(521)	(284)	237
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	(762)	(521)	(284)	237
Fund Balances, July 1, 2024	762	521	521	-
Fund Balances, June 30, 2025	$ -	$ -	$ 237	$ 237

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Capital Projects Funds - Total
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2025
(in thousands)

	Budget			Variance with Final Budget – Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal revenues	$ -	$ 366	$ 366	$ -
Other state revenues	91,289	178,111	118,843	(59,268)
Other local revenues	185,490	188,762	191,280	2,518
Total Revenues	276,779	367,239	310,489	(56,750)
Expenditures:				
Current:				
Classified salaries	7,369	9,152	2,614	6,538
Employee benefits	3,755	4,479	1,481	2,998
Books and supplies	264	352	180	172
Services and other operating expenditures	59,143	103,402	6,326	97,076
Capital outlay	865,033	821,466	214,621	606,845
Debt service				
Debt service – principal	-	2,126	2,126	-
Debt service – bond, COPs, and capital leases interest	-	411	411	-
Total Expenditures	935,564	941,388	227,759	713,629
Excess (Deficiency) of Revenues Over (Under) Expenditures	(658,785)	(574,149)	82,730	656,879
Other Financing Sources (Uses):				
Transfers in	-	241,107	241,107	-
Transfers out	(30,000)	(145,472)	(145,472)	-
Payment to refunded COPs escrow agent	-	(238,932)	(238,932)	-
Capital leases	-	-	20,960	20,960
Proceeds from SBITAs	-	-	5,571	5,571
Total Other Financing Sources (Uses)	(30,000)	(143,297)	(116,766)	26,531
Net Changes in Fund Balances	(688,785)	(717,446)	(34,036)	683,410
Fund Balances, July 1, 2024	688,984	717,647	717,647	-
Fund Balances, June 30, 2025	$ 199	$ 201	$ 683,611	$ 683,410

See accompanying independent auditor's report.

(Continued)

Internal Service Funds

The Health and Welfare Benefits Fund was established pursuant to Education Code 17566 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 17566 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 17566 to pay claims, excess insurance coverage, administrative costs and related expenditures, and to provide funds for insurance deductible amounts. Property and liability claims are administered for the District by an outside claims administrator.

The Los Angeles Unified Captive Insurance Fund was established by the District to account for Los Angeles Unified School District Captive Insurance Company, LLC a captive insurance company. The Captive was established to manage the District's property and liability programs.

(Continued)

Los Angeles Unified School District
Internal Service Funds
Combining Statement of Net Position
June 30, 2025
(in thousands)

	Health and Welfare Benefits	Workers' Compensation Self-Insurance	Liability Self-Insurance	Los Angeles Unified Captive Insurance	Total
Assets:					
Current:					
Cash	$ 104,231	$ 97,534	$ 127,557	$ 115,631	$ 444,953
Investments	-	-	-	906,193	906,193
Accounts receivable – net	76,102	47,845	69,409	11,300	204,656
Accrued interest and dividends receivable	1,375	466	296	3,402	5,539
Prepaids	-	-	-	31	31
Other assets	6,691	150,000	50,000	-	206,691
Total Current Assets	188,399	295,845	247,262	1,036,557	1,768,063
Total Assets	188,399	295,845	247,262	1,036,557	1,768,063
Deferred Outflows of Resources	2,334	1,189	2,296	-	5,819
Liabilities:					
Current:					
Vouchers and accounts payable	3,415	893	183	117,455	121,946
Accrued payroll	430	259	646	-	1,335
Other payables	14,273	4,906	23,542	-	42,721
Unearned Revenue	-	-	-	57,743	57,743
Estimated liability for self-insurance claims	32,178	-	363,368	373,187	768,733
Total Current Liabilities	50,296	6,058	387,739	548,385	992,478
Noncurrent:					
Estimated liability for self-insurance claims	-	-	543,730	235,524	779,254
Net other postemployment benefits liability	4,477	2,315	3,758	-	10,550
Net pension liability	5,101	2,645	5,155	-	12,901
Total Noncurrent Liabilities	9,578	4,960	552,643	235,524	802,705
Total Liabilities	59,874	11,018	940,382	783,909	1,795,183
Deferred Inflows of Resources	2,224	1,143	1,918	-	5,285
Net Position:					
Unrestricted	128,635	284,873	(692,742)	252,648	(26,586)
Total Net Position	$ 128,635	$ 284,873	$ (692,742)	$ 252,648	$ (26,586)

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
For the Year Ended June 30, 2025
(in thousands)

	Health and Welfare Benefits	Workers' Compensation Self-Insurance	Liability Self-Insurance	Los Angeles Unified Captive Insurance	Total
Operating Revenues:					
In-District premiums	$ 1,485,001	$ 109,655	$ 260,457	$ 1,001,939	$ 2,857,052
Others	11,522	-	29	19	11,570
Total Operating Revenues	1,496,523	109,655	260,486	1,001,958	2,868,622
Operating Expenses:					
Classified salaries	3,065	1,639	3,771	-	8,475
Employee benefits	2,536	1,439	2,427	-	6,402
Supplies	199	34	10	-	243
Premiums and claims expenses	1,357,588	197,660	560,878	796,878	2,913,004
Claims administration	3,743	12,116	1,148	-	17,007
Other contracted services	1,036	432	145	673	2,286
Total Operating Expenses	1,368,167	213,320	568,379	797,551	2,947,417
Operating Income (Loss)	128,356	(103,665)	(307,893)	204,407	(78,795)
Nonoperating Revenues (Expenses):					
Investment income	2,318	36,362	15,837	48,327	102,844
Miscellaneous expense	-	(56)	-	(86)	(142)
Total Nonoperating Revenues (Expenses)	2,318	36,306	15,837	48,241	102,702
Changes in Net Position	130,674	(67,359)	(292,056)	252,648	23,907
Total Net Position, July 1, 2024	(2,039)	352,232	(400,686)	-	(50,493)
Total Net Position, June 30, 2025	$ 128,635	$ 284,873	$ (692,742)	$ 252,648	$ (26,586)

See accompanying independent auditor's report.

Los Angeles Unified School District
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2025
(in thousands)

	Health and Welfare Benefits	Workers' Compensation Self-Insurance	Liability Self-Insurance	Los Angeles Unified Captive Insurance	Total
Cash Flows from Operating Activities:					
Cash payments to employees for services	$ (4,898)	$ (2,700)	$ (5,510)	$ -	$ (13,108)
Cash payments for goods and services	(1,362,153)	(762,240)	(490,883)	(24,973)	(2,640,249)
Receipts from assessment to other funds	1,485,001	109,655	260,457	1,001,939	2,857,052
Receipts from other operating revenue	11,522	-	29	19	11,570
Net Cash Provided (Used) by Operating Activities	129,472	(655,285)	(235,907)	976,985	215,265
Cash Flows from Non-Capital Financing Activities:					
Loan from other funds	(30,000)	-	-	-	(30,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	(30,000)	-	-	-	(30,000)
Cash Flows from Investing Activities:					
Earnings on investments	1,660	43,616	17,296	(861,354)	(798,782)
Net Cash Provided by Investing Activities	1,660	43,616	17,296	(861,354)	(798,782)
Net Increase (Decrease) in Cash and Cash Equivalents	101,132	(611,669)	(218,611)	115,631	(613,517)
Cash and Cash Equivalents, July 1	3,099	709,203	346,168	-	1,058,470
Cash and Cash Equivalents, June 30	$ 104,231	$ 97,534	$ 127,557	$ 115,631	$ 444,953
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	$ 128,356	$ (103,665)	$ (307,893)	$ 204,407	$ (78,795)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Net increase (decrease) in pension and other postemployment benefits expense from actuarial valuation	611	329	551	-	1,491
Change in Assets: Decrease (Increase)					
Accounts receivable	(13,163)	(47,845)	(69,409)	(11,300)	(141,717)
Prepaids	13,911	-	-	(31)	13,880
Other assets	(526)	(150,000)	(50,000)	-	(200,526)
Change in Liabilities: Increase (Decrease)					
Vouchers and accounts payable	(5,444)	(554)	(6,316)	117,455	105,141
Accrued payroll	92	48	138	-	278
Other payables	4,151	3,461	15,323	-	22,935
Unearned Revenue	-	-	-	57,743	57,743
Estimated liability for self-insurance claims – current	1,484	(99,402)	113,225	373,187	388,494
Estimated liability for self-insurance claims – noncurrent	-	(257,657)	68,474	235,524	46,341
Total Adjustments	1,116	(551,620)	71,986	772,578	294,060
Net Cash Provided (Used) by Operating Activities	$ 129,472	$ (655,285)	$ (235,907)	$ 976,985	$ 215,265

See accompanying independent auditor's report.

Capital Assets Used in the Operation of Governmental Funds



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Los Angeles Unified School District
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
June 30, 2025 and 2024
(in thousands)

	2024-2025	2023-2024
Governmental Funds Capital Assets:		
Sites	$ 3,101,510	$ 3,101,510
Improvement of sites	982,886	937,907
Building and improvements	18,738,727	18,207,631
Equipment	2,907,341	2,739,378
Construction in progress	3,940,166	3,302,103
Lease assets	90,547	65,550
Subscription assets	152,762	97,036
Total Governmental Funds Capital Assets	$ 29,913,939	$ 28,451,115
Investments in Governmental Funds Capital Assets by Source:		
From revenues of:		
General Fund	$ 2,162,348	$ 2,049,147
Special Revenue Funds:		
Adult Education Fund	64,944	60,742
Cafeteria Fund	47,214	47,162
Child Development Fund	22,770	19,837
Deferred Maintenance Fund	17,760	18,485
Student Body Fund	2,647	2,517
Capital Projects Funds:		
Building Fund	36,262	36,179
Building Fund – Bond Proceeds	1,726,742	1,733,964
Building Fund – Measure K	3,497,212	3,483,520
Building Fund – Measure R	3,801,527	3,805,477
Building Fund – Measure Y	2,961,013	2,953,759
Building Fund – Measure Q	3,886,540	3,306,428
Building Fund – Measure RR	797,967	373,217
Building Fund – Measure US	117	-
State School Building Lease – Purchase Fund	1,026,293	1,026,576
Special Reserve Fund	1,754,406	1,569,653
Special Reserve Fund – FEMA – Earthquake	17,283	17,283
Special Reserve Fund – FEMA – Hazard Mitigation	5,613	5,300
Special Reserve Fund – CRA	24,563	24,563
Capital Facilities Fund	1,414,404	1,391,530
County School Facilities Bonds Fund	831,279	831,449
County School Facilities Bonds Fund – Prop 47	1,791,194	1,668,732
County School Facilities Bonds Fund – Prop 55	1,950,364	1,952,118
County School Facilities Bonds Fund – Prop 1D	333,103	333,103
Contributions from outside source - MTA	6,018	6,018
Investment in general capital assets prior to July 1, 1983*	1,734,356	1,734,356
Total Governmental Funds Capital Assets	$ 29,913,939	$ 28,451,115

* Source information not available for capital assets acquired prior to July 1, 1983.

See accompanying independent auditor's report.

Los Angeles Unified School District
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes in Capital Assets by Source
For the Year Ended June 30, 2025
(in thousands)

	Sites	Improvement of Sites
Balances, July 1, 2024	$ 3,101,510	$ 937,907
Additions:		
Capital outlay from:		
General Fund	-	-
Adult Education Fund	-	-
Cafeteria Fund	-	-
Child Development Fund	-	-
Special Revenue-Student Activity Fund	-	-
Building Fund	-	-
Building Fund – Measure K	-	-
Building Fund – Measure R	-	-
Building Fund – Measure Y	-	-
Building Fund – Measure Q	-	-
Building Fund - Measure RR	-	-
Building Fund - Measure US	-	-
Special Reserve Fund	-	-
Special Reserve Fund-FEMA-Hazard Mitigation	-	-
Capital Facilities Fund	-	-
County School Facilities Bonds Fund – Prop 47	-	-
Completed Projects	-	62,753
Subtotals	-	62,753
Deductions:		
Vehicle disposal	-	-
Return to salvage	-	-
Others	-	17,770
Total Deductions	-	17,770
Reclassifications	-	(4)
Net Increase	-	44,979
Balances, June 30, 2025	$ 3,101,510	$ 982,886

See accompanying independent auditor's report.

(Continued)

Building and Improvements	Equipment	Construction in Progress	Lease assets	Subscription assets	Total
$ 18,207,631	$ 2,739,378	$ 3,302,103	$ 65,550	$ 97,036	$ 28,451,115
738	43,194	57,391	3,539	40,421	145,283
-	1,092	624	-	2,486	4,202
-	111	-	-	-	111
-	35	162	-	2,735	2,932
-	141	-	-	-	141
-	-	82	-	-	82
-	-	17,632	-	-	17,632
-	(2)	3,366	-	-	3,364
-	-	15,569	-	-	15,569
-	-	598,459	-	-	598,459
-	-	424,252	498	-	424,750
-	-	117	-	-	117
-	61,385	86,293	20,960	16,911	185,549
-	-	313	-	-	313
-	-	22,874	-	-	22,874
-	-	126,526	-	-	126,526
579,754	73,088	(715,595)	-	-	-
580,492	179,044	638,065	24,997	62,553	1,547,904
-	6,980	-	-	-	6,980
-	3,182	-	-	-	3,182
49,396	923	2	-	6,827	74,918
49,396	11,085	2	-	6,827	85,080
-	4	-	-	-	-
531,096	167,963	638,063	24,997	55,726	1,462,824
$ 18,738,727	$ 2,907,341	$ 3,940,166	$ 90,547	$ 152,762	$ 29,913,939

See accompanying independent auditor's report.

Los Angeles Unified School District
Long-Term Obligations
Schedule of Changes in Long-Term Obligations
For the Year Ended June 30, 2025
(in thousands)

	General Obligation Bonds	Certificates of Participation	Lease obligations	Subscription
Balances, July 1, 2024	$ 11,651,806	$ 511,478	$ 51,824	$ 43,514
Additions:				
Debt issuance	2,048,345	-	24,997	40,189
Premium on debt issue	-	-	-	-
Refund charges amortization	-	-	-	-
Discount amortization	-	-	-	-
Vacation earned	-	-	-	-
Retirement bonus	-	-	-	-
Early retirement incentive	-	-	-	-
Self-insurance claims	-	-	-	-
Pollution remediation obligation	-	-	-	-
Pension expense	-	-	-	-
Annual required contribution	-	-	-	-
Arbitrage accrual	-	-	-	-
Legal settlements	-	-	-	-
Total Additions	2,048,345	-	24,997	40,189
Deductions:				
Principal repayments	983,678	246,580	5,823	32,645
Refunding charges	-	-	-	-
Premium amortization and other	17,621	24,696	-	-
Unamortized charges - refunding	-	-	-	-
Vacation used	-	-	-	-
Retirement bonus paid	-	-	-	-
Early retirement incentive paid	-	-	-	-
Self-insurance claims paid	-	-	-	-
Pension income and contribution	-	-	-	-
Investment earnings	-	-	-	-
OPEB contributions	-	-	-	-
Arbitrage adjustment	-	-	-	-
Legal settlements	-	-	-	-
Total Deductions	1,001,299	271,276	5,823	32,645
Balances, June 30, 2025	$ 12,698,852	$ 240,202	$ 70,998	$ 51,058

See accompanying independent auditor's report.

(Continued)

Liability for Compensated Absences	Liability for Other Employee Benefits	Self-Insurance Claims	Net Pension Liability	Other Postemployment Benefits (OPEB)	Arbitrage Payable	Total
$ 108,995	$ 24,177	$ 1,113,152	$ 6,942,831	$ 8,991,231	$ 3,155	$ 29,442,163
-	-	-	-	-	-	2,113,531
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
145,073	-	-	-	-	-	145,073
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	994,755	-	-	-	994,755
-	-	-	-	-	-	-
-	-	-	4,383,870	-	-	4,383,870
-	-	-	-	687,120	-	687,120
-	-	-	-	-	2,721	2,721
-	-	-	-	-	-	-
145,073	-	994,755	4,383,870	687,120	2,721	8,327,070
-	-	-	-	-	-	1,268,726
-	-	-	-	-	-	-
-	-	-	-	-	-	42,317
-	-	-	-	-	-	-
120,461	-	-	-	-	-	120,461
-	5,470	-	-	-	-	5,470
-	-	-	-	-	-	-
-	-	559,920	-	-	-	559,920
-	-	-	4,192,671	-	-	4,192,671
-	-	-	-	-	-	-
-	-	-	-	1,472,067	-	1,472,067
-	-	-	-	-	-	-
-	-	-	-	-		-
120,461	5,470	559,920	4,192,671	1,472,067	-	7,661,632
$ 133,607	$ 18,707	$ 1,547,987	$ 7,134,030	$ 8,206,284	$ 5,876	$ 30,107,601

See accompanying independent auditor's report.

Los Angeles Unified School District
Long-Term Obligations
Schedule of Certificates of Participation
For the Year Ended June 30, 2025
(in thousands)

Date of Issue	Interest Rate	Maturity Date	Balance Original Issue	Outstanding* July 1, 2024	Issued* This Year	Redeemed** Current Year	Amortization of Premium/ Discount	Outstanding* June 30, 2025
2020A Refunding Certificates of Participation:								
10/27/2020	5.000	10/01/2024	$ 2,405	$ 2,432	$ -	$ 2,405	$ 27	$ -
10/27/2020	5.000	10/01/2025	2,520	2,655	-	-	108	2,547
10/27/2020	5.000	10/01/2026	2,650	2,892	-	-	107	2,785
10/27/2020	5.000	10/01/2027	2,790	3,138	-	-	106	3,032
10/27/2020	5.000	10/01/2028	2,920	3,374	-	-	105	3,269
10/27/2020	5.000	10/01/2029	1,275	1,509	-	-	43	1,466
10/27/2020	5.000	10/01/2030	1,340	1,620	-	-	43	1,577
10/27/2020	5.000	10/01/2031	1,405	1,729	-	-	42	1,687
10/27/2020	4.000	10/01/2032	1,465	1,695	-	-	26	1,669
10/27/2020	4.000	10/01/2033	1,520	1,755	-	-	23	1,732
10/27/2020	2.250	10/01/2034	1,560	1,560	-	-	-	1,560
2020A Refunding Certificates of Participation			$ 21,850	$ 24,359	$ -	$ 2,405	$ 630	$ 21,324
2022 Refunding Certificates of Participation:								
08/30/2022	3.095	10/01/2024	8,510	8,510	-	8,510	-	0
08/30/2022	3.095	10/01/2025	8,775	8,775	-	-	-	8,775
08/30/2022	3.095	10/01/2026	9,050	9,050	-	-	-	9,050
08/30/2022	3.095	10/01/2027	9,335	9,335	-	-	-	9,335
08/30/2022	3.095	10/01/2028	9,630	9,630	-	-	-	9,630
08/30/2022	3.095	10/01/2029	9,935	9,935	-	-	-	9,935
08/30/2022	3.095	10/01/2030	10,245	10,245	-	-	-	10,245
2022 Refunding Certificates of Participation			$ 65,480	$ 65,480	$ -	$ 8,510	$ -	$ 56,970
2023A Certificates of Participation								
8/31/2023	5.000	10/01/2024	17,635	17,706	-	17,635	71	0
8/31/2023	5.000	10/01/2025	18,540	18,938	-	11,025	366	7,547
8/31/2023	5.000	10/01/2026	19,490	20,262	-	11,590	596	8,076
8/31/2023	5.000	10/01/2027	20,490	21,684	-	12,185	854	8,645
8/31/2023	5.000	10/01/2028	21,545	23,162	-	12,815	1,109	9,238
8/31/2023	5.000	10/01/2029	22,645	24,714	-	13,465	1,380	9,869
8/31/2023	5.000	10/01/2030	23,810	26,333	-	14,160	1,651	10,522
8/31/2023	5.000	10/01/2031	25,030	28,061	-	14,885	1,956	11,220
8/31/2023	5.000	10/01/2032	26,315	29,806	-	15,650	2,229	11,927
8/31/2023	5.000	10/01/2033	27,660	31,499	-	16,450	2,430	12,619
8/31/2023	5.000	10/01/2034	29,080	32,875	-	17,295	2,384	13,196
8/31/2023	5.000	10/01/2035	30,570	34,351	-	18,180	2,361	13,810
8/31/2023	5.000	10/01/2036	32,140	35,836	-	19,115	2,296	14,425
8/31/2023	5.000	10/01/2037	33,790	37,378	-	20,095	2,219	15,064
8/31/2023	5.000	10/01/2038	35,520	39,036	-	21,120	2,166	15,750
2023A Certificates of Participation			$ 384,260	$ 421,641	$ -	$ 235,665	$ 24,068	$ 161,908
Grand Total			$ 471,590	$ 511,480	$ -	$ 246,580	$ 24,698	$ 240,202

* Includes Premium and Discount

** Principal Payment

See accompanying independent auditor's report.

STATISTICAL SECTION



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The Statistical Section of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Financial trends

These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources.

Debt capacity

These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and economic information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the audited annual financial reports for the applicable year.

Los Angeles Unified School District
Statement of Net Position
Last Ten Fiscal Years
(in thousands)
(Unaudited)

	2015-2016	2016-2017	2017-2018
Assets:			
Cash and cash equivalents	$ 5,244,042	$ 5,365,626	$ 6,563,390
Investments	-	-	-
Lease receivable	-	-	-
Property taxes receivable	69,579	75,828	83,385
Accounts receivable, net	335,631	343,927	250,809
Accrued interest receivable	12,661	21,153	29,156
Prepaids	56,468	50,291	51,146
Unamortized issuance costs	-	-	-
Inventories	25,766	29,089	30,057
Accounts receivable, non current	21,367	17,809	12,750
Other assets	5,456	5,801	6,116
Capital assets:			
Sites	3,095,481	3,099,156	3,098,633
Improvement of sites	605,232	624,641	650,130
Buildings and improvements	15,347,779	15,548,165	15,948,292
Equipment	1,949,320	2,095,426	2,192,122
Construction in progress	586,058	633,113	805,149
Lease assets	-	-	-
Subscription assets	-	-	-
Less accumulated depreciation	(7,042,981)	(7,660,563)	(8,309,086)
Total Capital Assets, Net of Depreciation	14,540,889	14,339,938	14,385,240
Total Assets	20,311,859	20,249,462	21,412,049
Deferred Outflows of Resources	1,296,094	2,002,875	3,362,207
Liabilities:			
Vouchers and accounts payable	200,320	242,907	264,548
Contracts payable	30,261	37,222	80,281
Accrued payroll	223,924	225,589	267,087
Accrued interest	250,659	229,924	260,256
Other payables	139,476	153,609	114,762
Unearned revenue	14,246	69,319	71,197
Tax and revenue anticipation notes and related interest payable	-	-	-
Long-term liabilities:			
Portion due within one year	815,752	777,559	753,258
Portion due after one year	18,002,450	18,283,028	11,580,092
Net Pension Liability	5,346,427	6,269,867	6,971,551
Net other post-employment liabilities	-	-	14,968,510
Total Liabilities	25,023,515	26,289,024	35,331,542
Deferred Inflows of Resources	1,169,948	1,061,445	3,311,115
Net Position:			
Net investment in capital assets	4,815,146	4,981,898	4,349,896
Restricted	1,123,542	775,953	1,337,942
Unrestricted	(10,524,198)	(10,855,983)	(19,556,239)
Total Governmental Activities			
Total Net Position	$ (4,585,510)	$ (5,098,132)	$ (13,868,401)

See accompanying independent auditor's report.

(Continued)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 5,998,956	$ 5,888,487	$ 6,663,086	$ 7,877,134	$ 10,397,207	$ 11,664,087	$ 10,825,443
-	-	13,800	14,079	14,335	13,735	919,556
-	-	-	13,719	14,590	13,935	13,274
76,398	94,544	112,274	124,465	109,754	111,498	141,286
413,397	969,991	1,600,075	816,458	1,185,590	1,042,251	845,124
27,462	14,758	11,607	17,870	88,532	106,040	81,668
55,012	61,720	76,663	68,871	21,957	18,847	6,532
-	-	-	-	-	-	-
29,502	42,328	56,888	51,613	52,972	56,455	53,932
8,500	15,826	17,902	4,598	3,708	1,829	985
5,045	3,035	5,445	4,892	4,844	6,212	206,726
3,099,629	3,100,133	3,100,360	3,100,671	3,101,518	3,101,510	3,101,510
701,353	764,587	826,805	877,373	896,849	937,907	982,886
16,156,932	16,675,727	17,016,892	17,399,352	17,691,090	18,207,631	18,738,727
2,248,496	2,399,101	2,529,059	2,574,996	2,636,623	2,739,378	2,907,341
1,291,610	1,532,577	1,760,659	2,185,368	2,777,727	3,302,103	3,940,166
-	-	-	62,006	65,532	65,550	90,547
-	-	-	-	55,256	97,036	152,762
(8,976,659)	(9,582,103)	(10,196,177)	(10,819,483)	(11,466,643)	(12,125,888)	(12,779,099)
14,521,361	14,890,022	15,037,598	15,380,283	15,757,952	16,325,227	17,134,840
21,135,633	21,980,711	23,595,338	24,373,982	27,651,441	29,360,116	30,229,366
2,878,171	2,529,761	4,203,087	3,723,083	5,564,111	5,711,320	5,235,439
231,259	269,235	335,789	416,316	485,433	564,104	578,284
109,648	131,353	111,586	116,821	128,594	135,702	114,257
254,106	311,821	453,916	434,673	772,959	582,622	605,726
246,493	254,338	267,691	266,295	265,549	205,539	259,814
194,767	262,745	202,271	218,030	350,045	281,628	258,720
31,234	21,557	112,062	95,335	111,826	53,299	107,539
-	-	-	-	-	-	69,953
770,081	886,997	914,645	1,047,205	981,120	1,249,813	2,132,911
11,035,523	11,490,638	11,745,609	11,591,184	11,428,604	12,258,288	12,639,580
6,996,258	7,446,273	7,935,187	4,311,675	6,730,407	6,942,831	7,134,030
11,180,799	8,578,152	11,062,961	10,186,225	8,482,271	8,991,231	8,206,284
31,050,168	29,653,109	33,141,717	28,683,759	29,736,808	31,265,057	32,107,098
3,296,938	5,385,932	4,416,829	7,572,724	7,729,290	6,170,197	5,481,118
4,442,209	4,450,448	4,791,464	3,614,823	4,141,883	3,969,958	3,954,536
1,269,115	1,397,433	1,805,950	3,602,343	4,833,364	5,467,901	5,328,656
(16,044,626)	(16,376,450)	(16,357,535)	(15,376,584)	(13,225,793)	(11,801,677)	(11,406,603)
$ (10,333,302)	$ (10,528,569)	$ (9,760,121)	$ (8,159,418)	$ (4,250,546)	$ (2,363,818)	$ (2,123,411)

See accompanying independent auditor's report.

Los Angeles Unified School District
Changes in Net Position
Last Ten Fiscal Years
(in thousands)
(Unaudited)

	2015-2016	2016-2017	2017-2018
Expenses:			
Governmental activities:			
Instruction	$ 4,549,775	$ 4,706,660	$ 4,579,527
Support services – students	436,984	470,559	461,769
Support services – instructional staff	535,303	578,634	584,654
Support services – general administration	185,937	61,228	69,037
Support services – school administration	497,149	524,408	512,127
Support services – business	269,496	274,286	226,862
Operation and maintenance of plant services	696,363	802,236	780,229
Student transportation services	183,474	184,337	186,567
Data processing services	34,351	43,810	59,161
Operation of noninstructional services	529,349	549,052	528,292
Facilities acquisition and construction services	189,032	163,239	183,869
Other uses	5,749	6,671	5,224
Interest expense	477,924	455,362	405,430
Interagency disbursements	-	-	-
Depreciation – unallocated	567,830	581,609	622,106
Unfunded OPEB expense – unallocated *	-	-	-
Total Governmental Activities	9,158,716	9,402,091	9,204,854
Program Revenues:			
Charges for services			
Instruction	32,497	34,756	31,612
Support services – students			29
Support services – instructional staff	74	65,355	114
Support services – business	6,546	7,441	8,011
Operation and maintenance of plant services	29,237	26,572	33,011
Operation of noninstructional services	7,883	9,742	9,868
Facilities acquisition and construction services	75,498	90,426	102,550
Total Charges for Services	151,735	234,292	185,195
Operating grants and contributions:			
Instruction	946,289	970,884	818,803
Support services – students	156,442	164,672	148,018
Support services – instructional staff	533,249	211,572	205,514
Support services – general administration	297	301	80
Support services – school administration	53,812	54,000	70,804
Support services – business	54,027	50,667	61,128
Operation and maintenance of plant services	22,741	26,034	25,860
Student transportation services	63	39	1
Data processing services	109	52	26
Operation of noninstructional services	427,292	453,696	458,255
Facilities acquisition and construction services	53,764	51,532	64,317
Other Uses			135
Interest expense	838	1,373	1,658
Total Operating Grants and Contributions	2,248,923	1,984,822	1,854,599
Capital grants and contributions:			
Operation and maintenance of plant services	-	-	-
Facilities acquisition and construction services	47,600	3,651	55,031
Interest expense	68,737	68,664	68,885
Total Capital Grants and Contributions	116,337	72,315	123,916
Total Program Revenues	2,516,995	2,291,429	2,163,710
Net Expenses	(6,641,721)	(7,110,662)	(7,041,144)
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	1,303,559	1,446,985	1,532,320
Property taxes, levied for debt service	759,471	800,528	813,562
Property taxes, levied for community redevelopment	24,866	27,636	31,330
State aid not restricted to specific purpose	3,986,597	4,000,563	3,911,190
Grants, entitlements and contributions not restricted to specific programs	135,969	253,254	213,169
Unrestricted investment earnings	11,634	23,580	35,318
Miscellaneous	3,112	45,494	138,658
Total General Revenues	6,225,208	6,598,040	6,675,547
Change in Net Position	$ (416,513)	$ (512,622)	$ (365,597)

See accompanying independent auditor's report.

(Continued)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 2,470,641	$ 4,559,696	$ 4,692,148	$ 4,714,575	$ 4,558,356	$ 5,072,381	$ 5,198,631
244,374	493,093	605,902	1,134,663	552,649	733,509	990,405
351,137	616,598	745,931	844,210	869,837	859,470	979,709
63,613	130,274	122,422	151,426	115,813	143,193	102,060
258,220	537,280	543,716	614,633	560,724	682,625	672,791
154,490	273,679	401,658	443,287	258,764	838,188	450,863
455,189	795,422	866,231	898,224	898,066	982,270	1,062,417
120,340	197,902	149,066	169,703	172,738	198,150	241,064
33,604	61,805	77,363	108,031	118,973	156,909	173,292
327,121	522,532	475,967	612,394	558,572	680,183	732,470
109,706	143,576	144,969	140,579	165,545	172,218	131,385
4,916	5,584	5,541	5,553	6,970	8,786	13,851
420,863	398,179	411,255	396,253	407,889	603,781	334,837
-	-	-	-	-	-	-
655,465	584,447	585,571	591,051	584,267	592,808	620,802
-	-	-	-	-	-	-
5,669,679	9,320,067	9,827,740	10,824,582	9,829,163	11,724,471	11,704,577
27,442	23,700	17,578	17,171	18,784	20,913	21,711
1,799	1,499	1,367	1,363	997	447	1,163
354	387	337	368	97	85	61
8,659	8,628	9,377	12,790	12,188	12,553	13,958
40,152	34,376	28,955	31,657	32,515	34,464	6,233
9,442	6,778	364	1,524	742	1,196	1,634
83,115	77,064	76,554	92,551	103,028	83,911	79,726
170,963	152,432	134,532	157,424	168,351	153,569	124,486
933,363	904,294	1,482,371	2,536,982	2,808,565	1,876,055	1,170,790
164,215	169,053	312,556	491,303	346,096	444,969	199,338
217,179	224,239	368,912	517,042	682,675	495,811	412,666
148	531	1,595	2,141	(145)	9	(203)
79,367	84,617	110,418	234,947	202,159	228,744	166,661
82,161	60,599	294,471	331,883	229,097	147,627	142,057
35,723	41,445	164,393	146,370	254,002	154,422	128,285
	1,481	14,543	4,985	17,448	10,526	13,157
90	519	105	2,914	3,120	1,712	(97)
465,017	427,026	375,445	681,556	722,469	724,656	740,039
45,795	43,610	37,257	(32,158)	56,972	150,312	119,187
48			82	81	1,614	2,109
1,622	1,581	1,192	(318)	876	8,694	6,236
2,024,728	1,958,995	3,163,258	4,917,729	5,323,415	4,245,151	3,100,225
-	-	-	-	-	-	-
8,274	8,585	77,689	211,206	173,923	89,042	120,689
51,391	69,997	82,494	50,317	49,887	113,652	76,676
59,665	78,582	160,183	261,523	223,810	202,694	197,365
2,255,356	2,190,009	3,457,973	5,336,676	5,715,576	4,601,414	3,422,076
(3,414,323)	(7,130,058)	(6,369,767)	(5,487,906)	(4,113,587)	(7,123,057)	(8,282,501)
1,636,956	1,679,311	1,840,504	1,854,404	2,102,924	2,150,106	2,218,283
880,988	960,402	1,149,309	967,767	1,093,217	1,185,977	1,283,303
36,856	38,758	49,455	48,947	55,694	60,653	63,463
4,020,702	3,974,319	3,815,566	4,183,846	4,491,309	4,585,386	4,237,524
241,481	221,640	188,864	134,647	221,467	188,281	186,850
43,501	34,632	9,253	(144,178)	(23,186)	284,570	361,049
88,938	25,729	37,775	43,249	81,034	554,812	172,436
6,949,422	6,934,791	7,090,726	7,088,682	8,022,459	9,009,785	8,522,908
$ 3,535,099	$ (195,267)	$ 720,959	$ 1,600,776	$ 3,908,872	$ 1,886,728	$ 240,407

See accompanying independent auditor's report.

Los Angeles Unified School District
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(in thousands)
(Unaudited)

	2015-2016	2016-2017	2017-2018
Property Taxes, Levied for:			
General purposes	$ 1,303,559	$ 1,446,985	$ 1,532,320
Debt service	759,471	800,528	813,562
Community redevelopment	24,866	27,636	31,330
Total	$ 2,087,896	$ 2,275,149	$ 2,377,212

See accompanying independent auditor's report.

(Continued)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 1,636,956	$ 1,679,311	$ 1,840,504	$ 1,854,404	$ 2,102,924	$ 2,150,106	$ 2,218,283
880,988	960,402	1,149,309	967,767	1,093,217	1,185,977	1,283,303
36,856	38,758	49,455	48,947	55,694	60,653	63,463
$ 2,554,800	$ 2,678,471	$ 3,039,268	$ 2,871,118	$ 3,251,835	$ 3,396,736	$ 3,565,049

See accompanying independent auditor's report.

Los Angeles Unified School District
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(in thousands)
(Unaudited)

	2015-2016	2016-2017	2017-2018
General Fund:			
Nonspendable	$ 31,055	$ 23,503	$ 27,564
Restricted	182,752	163,054	135,766
Committed	218,300	-	-
Assigned	558,701	783,906	1,057,387
Unassigned	319,373	794,680	790,056
Total General Fund	$ 1,310,181	$ 1,765,143	$ 2,010,773
District Bonds:			
Nonspendable	$ 3,633	$ 3,625	$ 634
Restricted	988,776	684,957	1,477,046
Committed	-	-	-
Assigned	-	4,184	-
Unassigned	-	-	-
Total District Bonds	$ 992,409	$ 692,766	$ 1,477,680
Bond Interest and Redemption Fund:			
Nonspendable	$ -	$ -	$ -
Restricted	781,386	764,293	810,110
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Bond Interest and Redemption Fund	$ 781,386	$ 764,293	$ 810,110
All Other Governmental Funds:			
Nonspendable	$ 7,105	$ 10,689	$ 7,076
Restricted, reported in:			
Special revenue funds	60,188	71,423	81,026
Debt service funds	57,008	57,911	41,031
Capital projects funds	573,254	436,939	389,736
Committed	-	-	-
Assigned, reported in:			
Special revenue funds	6,754	16,815	15,002
Capital projects funds	191,301	245,060	248,927
Unassigned	-	-	-
Total All Other Governmental Funds	$ 895,610	$ 838,837	$ 782,798

See accompanying independent auditor's report.

(Continued)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 27,324	$ 37,672	$ 57,963	$ 48,022	$ 47,514	$ 49,852	$ 50,875
114,558	103,850	199,917	544,332	1,843,005	1,794,588	889,614
174,590	87,626	-	-	2,920,908	2,972,038	-
916,143	1,248,900	1,064,146	1,595,952	510,899	491,522	1,373,616
984,235	571,426	1,533,263	1,140,017	385,925	1,113,933	2,778,566
$ 2,216,850	$ 2,049,474	$ 2,855,289	$ 3,328,323	$ 5,708,251	$ 6,421,933	$ 5,092,671
$ 642	$ 492	$ 619	$ 516	$ 734	$ 601	$ 519
916,651	1,062,525	1,556,335	1,314,621	1,234,840	1,192,626	1,665,643
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 917,293	$ 1,063,017	$ 1,556,954	$ 1,315,137	$ 1,235,574	$ 1,193,227	$ 1,666,162
$ -	$ -	$ -	$ -	$ -	$ -	$ -
849,158	1,042,805	1,224,323	1,174,108	1,305,162	1,422,815	1,746,752
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 849,158	$ 1,042,805	$ 1,224,323	$ 1,174,108	$ 1,305,162	$ 1,422,815	$ 1,746,752
$ 9,126	$ 16,841	$ 24,149	$ 18,699	$ 19,101	$ 17,941	$ 29,448
106,191	114,898	139,869	208,561	284,169	421,068	444,696
33,980	35,150	16,448	13,382	436	502	581
306,708	435,096	407,086	435,508	307,709	709,873	669,742
-	-	-	-	-	-	-
7,961	7,452	8,063	6,354	5,871	8,951	16,278
169,877	13,357	13,187	12,403	10,351	7,774	4,839
-	-	-	(15,374)	(8,192)	(51)	-
$ 633,843	$ 622,794	$ 608,802	$ 679,533	$ 619,445	$ 1,166,058	$ 1,165,584

See accompanying independent auditor's report.

Los Angeles Unified School District
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(in thousands)
(Unaudited)

	2015-2016	2016-2017	2017-2018
Revenues:			
Local Control Funding Formula sources	$ 5,290,155	$ 5,447,548	$ 5,443,510
Federal revenues	994,625	1,046,165	1,023,050
Other state revenues	1,424,119	1,178,392	1,274,469
Other local revenues	1,062,090	1,137,632	1,280,993
Total Revenues	8,770,989	8,809,737	9,022,022
Expenditures:			
Current:			
Certificated salaries	2,924,822	2,958,529	2,926,633
Classified salaries	1,133,842	1,176,172	1,202,253
Employee benefits	1,914,777	2,022,508	2,234,801
Books and supplies	430,787	445,155	511,300
Services and other operating expenditures	909,924	842,393	868,690
Capital outlay	425,474	422,306	713,079
Debt service – principal	434,890	421,353	604,342
Debt service – refunding bond issuance cost	1,079	3,793	1,523
Debt service – bond, COPs, and capital leases interest	521,742	512,016	482,574
Other outgo	5,749	6,671	5,224
Transfers of indirect costs – interfund	-	-	-
Total Expenditures	8,703,086	8,810,896	9,550,419
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,903	(1,159)	(528,397)
Other Financing Sources (Uses):			
Transfers in	237,905	256,371	203,758
Contributions	-	-	-
Transfers out	(242,195)	(256,371)	(203,758)
Capital leases	196	296	112
Issuance of bonds	648,955	-	1,350,000
Premium on bonds issued	82,789	-	198,460
Proceeds from sale of bonds	-	-	-
Discount on bonds issued	-	-	(53)
Issuance of refunding bonds	577,400	1,581,685	-
Premium on refunding bonds issued	100,400	310,714	-
Proceeds on refunding bonds issued	-	-	-
Proceed from refunding bonds	-	-	-
Payment to refunded bonds escrow agent	(676,721)	(1,887,011)	-
Payment to refunding bond escrow agent	-	-	-
Discount on issuance of refunding bonds	-	(1,595)	-
Issuance of COPs	-		-
Premium on COPs issued	-	-	-
Proceeds from COPs issued	-	-	-
Payment to COPs escrow agent	-	-	-
Discount on issuance of COPs	-	-	-
Issuance of refunding COPs	-	-	-
Premium on refunding COPs issued	-	-	-
Payment to refunded COPs escrow agent	-	-	-
Proceeds from refunding COPs	-	-	-
Proceeds from sale of capital assets	-	65,255	-
Proceeds from SBITAs	-	-	-
Insurance proceeds – fire damage	673	13,268	200
Total Other Financing Sources	729,402	82,612	1,548,719
Net Change in Fund Balances	$ 797,305	$ 81,453	$ 1,020,322
Debt Service as a Percentage of Noncapital Expenditures	11.57%	11.17%	12.32%

See accompanying independent auditor's report.

(Continued)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 5,657,590	$ 5,653,439	$ 5,655,895	$ 6,038,208	$ 6,594,216	$ 6,735,477	$ 6,455,802
1,094,851	1,021,893	2,063,500	2,415,719	2,801,462	2,606,575	1,199,576
1,499,271	1,409,754	1,568,252	2,277,902	3,253,449	2,449,386	2,495,971
1,302,791	1,292,928	1,484,230	1,087,467	1,581,180	2,147,324	2,243,419
9,554,503	9,378,014	10,771,877	11,819,296	14,230,307	13,938,762	12,394,768
3,084,818	3,100,561	3,187,481	3,483,265	3,588,469	4,007,130	4,223,623
1,278,034	1,307,510	1,392,461	1,494,200	1,604,632	1,819,373	1,931,999
2,487,879	2,516,310	2,363,528	2,587,568	2,829,314	3,199,511	3,455,766
508,425	439,494	763,249	739,852	873,146	823,446	691,020
913,510	987,460	1,068,458	1,776,004	1,376,406	1,591,851	1,711,122
820,869	978,189	769,204	978,284	1,027,837	1,233,850	1,534,504
420,580	441,887	724,454	606,012	609,741	742,898	780,244
1,303	1,102	2,948	992	-	6,797	840
531,408	503,564	516,632	536,000	530,500	539,780	449,452
4,916	5,584	5,541	5,554	6,970	8,786	9,714
-	-	-	(1)	-	-	-
10,051,742	10,281,661	10,793,956	12,207,730	12,447,015	13,973,422	14,788,284
(497,239)	(903,647)	(22,079)	(388,434)	1,783,292	(34,660)	(2,393,516)
318,097	235,850	604,595	308,754	353,569	169,950	1,043,708
-	-	-	-	-	-	-
(318,097)	(235,850)	(377,595)	(308,754)	(353,569)	(169,950)	(1,043,708)
219	-	-	62,006	3,525	18	24,997
-	-	1,057,060	-	-	-	-
-	121,653	156,670	83,841	35,694	49,829	136,306
-	942,940	-	494,140	500,000	850,000	1,800,000
-	-	-	-	-	-	-
594,605	-	498,310	-	-	-	-
110,325	-	134,937	-	-	363,514	22,274
-	-	-	-	-	2,974,945	-
-	-	-	48,855	-	-	248,345
(703,627)	-	(631,490)	(48,675)	-	-	(269,779)
-	-	-	-	-	(3,331,662)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	41,231	-
-	-	-	-	-	384,260	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	28,390	-	-	-	-
-	-	5,644	-	-	-	-
-	-	(33,594)	-	(73,373)	(201)	(238,932)
-	-	-	-	73,730	-	-
31,500	-	-	-	264	-	97,252
-	-	-	-	48,199	38,327	40,189
-	-	-	-	-	-	-
33,022	1,064,593	1,442,927	640,167	588,039	1,370,261	1,860,652
$ (464,217)	$ 160,946	$ 1,420,848	$ 251,733	$ 2,371,331	$ 1,335,601	$ (532,864)
10.33%	10.17%	12.41%	10.18%	9.99%	10.12%	9.28%

See accompanying independent auditor's report.

Los Angeles Unified School District
Governmental Fund Types
Expenditures and Other Uses by State-Defined Object
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal year	Certificated Salaries	Classified Salaries	Employee Benefits	Books and Supplies	Services and Other Operating Expenses
2015-2016	$ 2,924,822	$ 1,133,842	$ 1,914,777	$ 430,787	$ 909,924
2016-2017	2,958,529	1,176,172	2,022,508	445,155	842,393
2017-2018	2,926,633	1,202,253	2,234,801	511,300	868,690
2018-2019	3,084,818	1,278,034	2,487,879	508,425	913,510
2019-2020	3,100,561	1,307,510	2,516,310	439,494	987,460
2020-2021	3,187,481	1,392,461	2,363,528	763,249	1,068,458
2021-2022	3,483,265	1,494,200	2,587,568	739,852	1,776,004
2022-2023	3,588,469	1,604,632	2,829,314	873,146	1,376,406
2023-2024	4,007,130	1,819,373	3,199,511	823,446	1,591,851
2024-2025	4,223,623	1,931,999	3,455,766	691,020	1,711,122

Notes:
(1) "Other Outgo" includes Tuition for Handicapped Pupils, discount on debt issuance, and payments to debt/refunded debt escrow agent. For fiscal year 2006-07, Charter Schools In-lieu of Taxes was included in total expenditures under object 7280 as Other transfers out. Starting with fiscal year 2007-08, this is presented as reduction of the revenues, as it was presented prior to 2003-04.

See accompanying independent auditor's report.

(Continued)

Capital Outlay	Debt Service	Other Outgo [1]	Transfers of indirect costs – interfund	Operating Transfers Out	Payment to Refunded COPs Escrow Agent	Payment to Refunding Bond Escrow Agent	Payment to Refunded Bond Escrow Agent	Discount on bonds issued	Discount on refunding bonds issued	Total Expenditures and Other Uses
$ 425,474	$ 957,711	$ 5,749	$ -	$ 242,195	$ -	$ -	$ 676,721	$ -	$ -	$ 9,622,002
422,306	937,162	6,671	-	256,371	-	-	1,887,011	-	1,595	10,955,873
713,079	1,088,439	5,224	-	203,758	-	-	-	53	-	9,754,230
820,869	953,291	4,916	-	318,097	-	-	703,627	-	-	11,073,466
978,189	946,553	5,584	-	235,850	-	-	-	-	-	10,517,511
769,204	1,244,034	5,541	-	377,595	33,594	-	631,490	-	-	11,836,635
978,284	1,143,004	5,554	-	308,753	-	-	48,675	-	-	12,565,159
1,027,837	1,140,241	6,970	-	353,569	73,373	-	-	-	-	12,873,957
1,233,850	1,289,475	8,786	-	169,950	201	3,331,662	-	-	-	17,475,235
1,534,504	1,230,536	9,714	-	1,043,708	238,932	-	269,779	-	-	16,340,703

See accompanying independent auditor's report.

Los Angeles Unified School District
Governmental Fund Types
Expenditures and Other Uses by Goal and Function
Last Ten Fiscal Years
(in thousands)
(Unaudited)

	2015-2016	2016-2017	2017-2018
Instructional Goals:			
General education	$ 3,695,363	$ 3,801,983	$ 4,027,251
Special education	1,485,132	1,553,992	1,611,808
Others	38,579	32,750	36,084
	5,219,074	5,388,725	5,675,143
Noninstructional Goals:			
Community services	6,389	5,826	5,967
Child care services	3,559	1,278	936
	9,948	7,104	6,903
Support Services	1,571,145	1,565,628	1,542,050
Facilities Acquisition	568,326	537,476	861,245
Food Services	370,591	367,113	370,709
Other Outgo:			
Debt service	957,711	937,162	1,088,439
All other outgo	925,207	2,152,665	209,741
	1,882,918	3,089,827	1,298,180
Total Expenditures and Other Uses	$ 9,622,002	$ 10,955,873	$ 9,754,230

See accompanying independent auditor's report.

(Continued)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 4,342,305	$ 4,365,548	$ 4,587,496	$ 5,083,421	$ 5,650,022	$ 6,288,195	$ 6,725,503
1,725,573	1,725,782	1,654,774	1,675,148	1,812,407	2,015,795	2,209,483
39,679	35,878	25,451	19,868	19,149	25,252	33,099
6,107,557	6,127,208	6,267,721	6,778,437	7,481,578	8,329,242	8,968,085
5,789	5,395	2,693	3,961	4,224	5,125	5,279
2,509	2,191	1,816	1,935	692	714	1,077
8,298	7,586	4,509	5,896	4,916	5,839	6,356
1,657,581	1,764,932	2,033,549	2,733,544	2,273,590	2,525,424	2,484,324
952,512	1,041,772	883,778	1,095,655	1,119,259	1,342,572	1,588,564
367,587	384,596	353,585	444,753	411,114	466,596	494,777
953,291	946,553	1,244,034	1,143,004	1,140,241	1,289,475	1,230,536
1,026,640	244,864	1,049,459	363,870	443,259	3,516,087	1,568,061
1,979,931	1,191,417	2,293,493	1,506,874	1,583,500	4,805,562	2,798,597
$ 11,073,466	$ 10,517,511	$ 11,836,635	$ 12,565,159	$ 12,873,957	$ 17,475,235	$ 16,340,703

See accompanying independent auditor's report.

Los Angeles Unified School District
Governmental Fund Types
Revenues by Source (SACS Report Categories)
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal year	Local Control Funding Formula Sources	Federal	Other State	Other Local	Other Financing Sources	Total
2015-2016	$ 5,290,155	$ 994,625	$ 1,424,119	$ 1,062,090	$ 1,648,318	$ 10,419,307
2016-2017	5,447,548	1,046,165	1,178,392	1,137,632	2,227,589	11,037,326
2017-2018	5,443,510	1,023,050	1,274,469	1,280,993	1,752,530	10,774,552
2018-2019	5,657,590	1,094,851	1,499,271	1,302,791	1,054,746	10,609,249
2019-2020	5,653,439	1,021,893	1,409,754	1,292,928	1,300,443	10,678,457
2020-2021	5,655,895	2,063,500	1,568,252	1,484,230	2,485,606	13,257,483
2021-2022	6,038,208	2,415,719	2,277,902	1,087,467	997,596	12,816,892
2022-2023	6,594,216	2,801,462	3,253,449	1,581,180	1,014,981	15,245,288
2023-2024	6,735,477	2,606,575	2,449,386	2,147,324	4,872,074	18,810,836
2024-2025	6,455,802	1,199,576	2,495,971	2,243,419	3,413,071	15,807,839

See accompanying independent auditor's report.

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

Fiscal Year	Secured*	Unsecured*	Total Assessed Value	Total District Tax Rates	Increase (Decrease) Over Preceding Year		Total A.D.A.**	Assessed Value per Unit of A.D.A.
					Amount	Rate		
2015-2016	$ 546,807,059	$ 23,362,405	$ 570,169,464	1.129709	$ 37,235,257	6.99%	503,367	$ 1,133
2016-2017	581,473,213	24,495,794	605,969,007	1.131096	35,799,543	6.28	491,856	1,232
2017-2018	619,162,082	25,342,665	644,504,747	1.122192	38,535,740	6.36	478,591	1,347
2018-2019	665,355,078	27,377,547	692,732,625	1.123226	48,227,878	7.48	454,010	1,526
2019-2020	710,954,606	28,442,486	739,397,092	1.125520	46,664,467	6.74	454,905 (acd)	1,625 (a)
2020-2021	759,004,740	28,679,271	787,684,011	1.139929	48,286,919	6.53	454,905 (bd)	1,732 (b)
2021-2022	790,822,215	27,581,052	818,403,267	1.113228	30,719,256	3.90	380,938	2,148
2022-2023	848,435,713	29,196,328	877,632,041	1.121072	59,228,774	7.24	384,471	2,283
2023-2024	898,345,149	31,634,928	929,980,077	1.124219	52,348,036	5.96	381,327	2,439
2024-2025	940,379,767	32,489,350	972,869,117	1.128018	42,889,040	4.61	371,712	2,617

* Source: Los Angeles County Auditor-Controller "Taxpayers' Guide." Taxes which constitute a lien on real property are referred to as "secured".
Almost all real property taxes are secured. Most personal property taxes are "unsecured." Some taxes on personal property may also be secured to the real property of the assessee, upon request and subject to certain conditions.

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

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

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

(c) Adjusted for fiscal year 2019-20 audit finding.

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

See accompanying independent auditor's report.

Los Angeles County
Property Tax Rates – All Direct and Overlapping Governments
(Per $100 of assessed value)
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal Year	Unified Bonds	Total Schools Tax	State-Wide for All Agencies	Total District Tax	Metropolitan Water District	City of Los Angeles District No.1
2015-2016	0.129709	0.129709	1.000000	1.129709	0.003500	0.023030
2016-2017	0.131096	0.131096	1.000000	1.131096	0.003500	0.021297
2017-2018	0.122192	0.122192	1.000000	1.122192	0.003500	0.021345
2018-2019	0.123226	0.123226	1.000000	1.123226	0.003500	0.023107
2019-2020	0.125520	0.125520	1.000000	1.125520	0.003500	0.018084
2020-2021	0.139929	0.139929	1.000000	1.139929	0.003500	0.016538
2021-2022	0.113228	0.113228	1.000000	1.113228	0.003500	0.014721
2022-2023	0.121072	0.121072	1.000000	1.121072	0.003500	0.016066
2023-2024	0.124219	0.124219	1.000000	1.124219	0.003500	0.011448
2024-2025	0.128018	0.128018	1.000000	1.128018	0.007000	0.013312

Source: Los Angeles County Auditor-Controller "Taxpayers' Guide."
City of Los Angeles Annual Comprehensive Financial Report

See accompanying independent auditor's report.

Los Angeles
Largest Local Secured Taxpayers
Current Year and Nine Years Ago
(in thousands)
(Unaudited)

	2025			2016		
Rank	Property Owner	Assessed Valuation	% of Total [1]	Property Owner	Assessed Valuation	% of Total [2]
1	Universal Studios LLC	$ 3,331,466	0.35%	Douglas Emmett LLC	$ 2,625,138	0.48%
2	Rexford Industrial Realty LP	2,487,368	0.26	Universal Studios	2,197,547	0.40
3	Douglas Emmett LLC	2,236,389	0.24	Essex Portfolio LP	1,591,894	0.29
4	Essex Portfolio LP	1,571,129	0.17	FSP South Flower Street Associates LLC	868,880	0.16
5	CP Propco LLC	1,506,046	0.16	Anheuser Busch Inc	793,569	0.15
6	Next Century Partners LLC	1,171,681	0.12	Rochelle H. Sterling	712,249	0.13
7	Century City Mall LLC	1,157,925	0.12	One Hundred Towers LLC	620,886	0.12
8	FSP South Flower Street	1,023,788	0.11	Trizec 333 LA LLC	606,847	0.11
9	CJDB LLC	986,350	0.10	Tishman Speyer Archstone Smith	588,816	0.11
10	Rochelle H. Sterling	916,473	0.10	Maguire Partners 355 S. Grand LLC	567,527	0.11
11	Hanjin International Corp.	902,051	0.10	Olympic and Georgia Partners LLC	542,458	0.10
12	Anheuser Busch Commercial	854,732	0.09	Paramount Pictures Corp.	541,103	0.10
13	One Hundred Towers LLC	730,171	0.08	LA Live Properties LLC	516,146	0.09
14	Trizec 333 LA LLC	715,039	0.08	Hines REIT West LA Portfolio LP	513,256	0.09
15	Onni Wilshire Courtyard LLC	686,810	0.07	Century City Mall LLC	511,256	0.09
16	Maguire Partners 355 S. Grand LLC	668,709	0.07	Palment Flower Street Properties	507,788	0.09
17	BRE HH Property Owner LLC	663,572	0.07	Westfield Topanga Owner LP	503,054	0.09
18	Olympic and Georgia Partners LLC	635,728	0.07	Maquire Properties 555 W. Fifth	498,040	0.09
19	Tishman Speyer Archstone Smith	635,580	0.07	Taubman-Beverly Center	489,044	0.09
20	LA Live Properties LLC	596,201	0.06	Realco Intermediary LLC	479,702	0.09
		$ 23,477,208	2.49%		$ 16,275,200	2.98%

[1] 2024-25 Local Secured Assessed Valuation Rate Net: $940,264,352

[2] 2015-16 Local Secured Assessed Valuation Rate Net: $546,676,783

Source: California Municipal Statistics, Inc.

See accompanying independent auditor's report.

Property Tax Levies and Collections
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal Year	Total Tax Levy	ERAF Funds [1]	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections [2]	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
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
2022-2023	2,670,569	298,516	2,916,949	98.24	124,633	3,041,582	102.44
2023-2024	2,873,873	288,669	3,099,401	98.00	65,920	3,165,321	100.09
2024-2025	3,043,885	286,576	3,229,683	96.97	65,917	3,295,600	98.95

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

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

See accompanying independent auditor's report.

Los Angeles Unified School District
LCFF Per Unit of Average Daily Attendance
Last Ten Fiscal Years
(Unaudited)

	LCFF Adjusted Base Grant per ADA			
Fiscal Year	**Grades K - 3**	**Grades 4 - 6**	**Grades 7 - 8**	**Grades 9 - 12**
2015-2016	$ 7,820.00	$ 7,189.00	$ 7,403.00	$ 8,801.00
2016-2017	7,820.00	7,189.00	7,403.00	8,801.00
2017-2018	7,941.00	7,301.00	7,518.00	8,939.00
2018-2019	8,235.00	7,571.00	7,796.00	9,269.00
2019-2020	8,503.00	7,818.00	8,050.00	9,572.00
2020-2021	8,503.00	7,818.00	8,050.00	9,572.00
2021-2022	8,935.00	8,215.00	8,458.00	10,057.00
2022-2023	10,119.00	9,304.00	9,580.00	11,391.00
2023-2024	10,951.00	10,069.00	10,367.00	12,327.00
2024-2025	11,068.00	10,177.00	10,478.00	12,460.00

See accompanying independent auditor's report.

Los Angeles Unified School District
Governmental Fund Types
Schedule of Revenues and Other Sources, Expenditures and Other Uses
by State-Defined Object
Last Ten Fiscal Years
(in thousands)
(Unaudited)

	2015-2016		2016-2017	
	Amount	Percent	Amount	Percent
Revenues and other sources:				
Local control funding formula sources	$ 5,290,155	50.77%	$ 5,447,548	49.36%
Federal revenues	994,625	9.55	1,046,165	9.48
Other state revenues	1,424,119	13.67	1,178,392	10.68
Other local revenues	1,062,090	10.19	1,137,632	10.31
Operating transfers in	237,905	2.28	256,371	2.32
Proceeds from issuance of bonds	648,955	6.23	-	-
Premium on bonds issued	82,789	0.80	-	-
Proceeds from refunding bonds issued	577,400	5.54	1,581,685	14.33
Premium on refunding bonds issued	100,400	0.96	310,714	2.82
State school facilities apportionments	-	-	-	-
Proceeds from Refunding Cert. of Participation [1]	-	-	-	-
Proceeds from Certificates of Participation (COPs)/	-	-	-	-
Long-term Capital Lease [1]	196	-	296	-
Issuance of refunding COPs	-	-	-	-
Premium on COPs issued	-	-	-	-
Proceeds from CA Energy Commission loan	-	-	-	-
Proceeds from Sullivan Canyon sale	-	-	-	-
Proceeds from Ramona HS/Palisades Charter (2012)	-	-	-	-
Proceeds from sale of surplus property	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of capital assets	-	-	65,255	0.59
Proceeds from SBITAs	-	-	-	-
Proceeds from refunding COPs	-	-	-	-
Insurance proceeds – landslide and fire damage	673	0.01	13,268	0.11
Children Center facilities fund	-	-	-	-
Total Revenues and Other Sources	$ 10,419,307	100.00%	$ 11,037,326	100.00%
Expenditures and other uses:				
Current:				
Certificated salaries	$ 2,924,822	30.40%	$ 2,958,529	27.00%
Classified salaries	1,133,842	11.78	1,176,172	10.74
Employee benefits	1,914,777	19.90	2,022,508	18.46
Books and supplies	430,787	4.48	445,155	4.06
Services and other operating expenditures	909,924	9.46	842,393	7.69
Capital outlay	425,474	4.42	422,306	3.85
Debt service	957,711	9.95	937,162	8.57
Other outgo [2]	5,749	0.06	6,671	0.06
Operating transfers out	242,195	2.52	256,371	2.34
Discount on issuance of refunding bonds	-	-	1,595	0.01
Discount on issuance of COPs	-	-	-	-
Payment to refunded bond escrow agent	676,721	7.03	1,887,011	17.22
Payment to refunded COPs escrow agent	-	-	-	-
Transfers of indirect costs – interfund	-	-	-	-
Contributions	-	-	-	-
Total Expenditures and Other Uses	$ 9,622,002	100.00%	$ 10,955,873	100.00%

[1] The 2007-08 COPs proceeds were used to finance certain acquisition, development and installation of information technology systems of the District.
[2] "Other outgo" includes other tuition and transfer of apportionment to another district. For fiscal year 2006-07, Charter Schools 'In-lieu of Taxes was included in total expenditures under object 7280 as Other transfers out. Starting with fiscal year 2007-08, this is presented as reduction of the revenues.

See accompanying independent auditor's report.

(Continued)

2017-2018		2018-2019		2019-2020	
Amount	Percent	Amount	Percent	Amount	Percent
$ 5,443,510	50.52%	$ 5,657,590	53.33%	$ 5,653,439	52.94%
1,023,050	9.50	1,094,851	10.32	1,021,893	9.57
1,274,469	11.83	1,499,271	14.13	1,409,754	13.20
1,280,993	11.89	1,302,791	12.28	1,292,928	12.11
203,758	1.89	318,097	3.00	235,850	2.21
1,350,000	12.53	-	-	-	-
198,460	1.84	-	-	121,653	1.14
-	-	594,605	5.60	-	-
-	-	110,325	1.04	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
112	-	219	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	942,940	8.83
-	-	31,500	0.30	-	-
-	-	-	-	-	-
-	-	-	-	-	-
200	-	-	-	-	-
-	-	-	-	-	-
$ 10,774,552	100.00%	$ 10,609,249	100.00%	$ 10,678,457	100.00%
$ 2,926,633	30.00%	$ 3,084,818	27.86%	$ 3,100,561	29.48%
1,202,253	12.33	1,278,034	11.54	1,307,510	12.43
2,234,801	22.91	2,487,879	22.47	2,516,310	23.92
511,300	5.24	508,425	4.59	439,494	4.18
868,690	8.91	913,510	8.25	987,460	9.39
713,079	7.31	820,869	7.41	978,189	9.30
1,088,439	11.16	953,291	8.61	946,553	9.00
5,224	0.05	4,916	0.05	5,584	0.06
203,758	2.09	318,097	2.87	235,850	2.24
53	-	-	-	-	-
-	-	-	-	-	-
-	-	703,627	6.35	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 9,754,230	100.00%	$ 11,073,466	100.00%	$ 10,517,511	100.00%

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Governmental Fund Types
Schedule of Revenues and Other Sources, Expenditures and Other Uses
by State-Defined Object
Last Ten Fiscal Years
(in thousands)
(Unaudited)

	2020-2021		2021-2022	
	Amount	Percent	Amount	Percent
Revenues and other sources:				
Local control funding formula sources	$ 5,655,895	42.66%	$ 6,038,208	47.11%
Federal revenues	2,063,500	15.56	2,415,719	18.85
Other state revenues	1,568,252	11.83	2,277,902	17.77
Other local revenues	1,484,230	11.20	1,087,467	8.48
Operating transfers in	604,595	4.56	308,754	2.41
Proceeds from issuance of bonds	1,057,060	7.97	-	-
Premium on bonds issued	156,670	1.18	83,841	0.65
Proceeds from refunding bonds issued	498,310	3.76	48,855	0.38
Premium on refunding bonds issued	134,937	1.02	-	-
State school facilities apportionments	-	-	-	-
Proceeds from Refunding Cert. of Participation [1]	-	-	-	-
Proceeds from Certificates of Participation (COPs)/	-	-	-	-
Long-term Capital Lease [1]	-	-	62,006	0.49
Issuance of refunding COPs	28,390	0.22	-	-
Premium on COPs issued	5,644	0.04	-	-
Proceeds from CA Energy Commission loan	-	-	-	-
Proceeds from Sullivan Canyon sale	-	-	-	-
Proceeds from Ramona HS/Palisades Charter (2012)	-	-	-	-
Proceeds from sale of surplus property	-	-	-	-
Proceeds from sale of bonds	-	-	494,140	3.86
Proceeds from sale of capital assets	-	-	-	-
Proceeds from SBITAs	-	-	-	-
Proceeds from refunding COPs	-	-	-	-
Insurance proceeds – landslide and fire damage	-	-	-	-
Children Center facilities fund	-	-	-	-
Total Revenues and Other Sources	$ 13,257,483	100.00%	$ 12,816,892	100.00%
Expenditures and other uses:				
Current:				
Certificated salaries	$ 3,187,481	26.93%	$ 3,483,265	27.72%
Classified salaries	1,392,461	11.76	1,494,200	11.89
Employee benefits	2,363,528	19.97	2,587,568	20.59
Books and supplies	763,249	6.45	739,852	5.89
Services and other operating expenditures	1,068,458	9.03	1,776,004	14.13
Capital outlay	769,204	6.50	978,284	7.79
Debt service	1,244,034	10.51	1,143,004	9.10
Other outgo [2]	5,541	0.04	5,554	0.04
Operating transfers out	377,595	3.19	308,753	2.46
Discount on issuance of refunding bonds	-	-	-	-
Discount on issuance of COPs	-	-	-	-
Payment to refunded bond escrow agent	631,490	5.34	48,675	0.39
Payment to refunded COPs escrow agent	33,594	0.28	-	-
Transfers of indirect costs – interfund	-	-	-	-
Contributions	-	-	-	-
Total Expenditures and Other Uses	$ 11,836,635	100.00%	$ 12,565,159	100.00%

See accompanying independent auditor's report.

(Continued)

2022-2023		2023-2024		2024-2025	
Amount	Percent	Amount	Percent	Amount	Percent
$ 6,594,216	43.25%	$ 6,735,477	35.81%	$ 6,455,802	40.84%
2,801,462	18.38	2,606,575	13.86	1,199,576	7.59
3,253,449	21.34	2,449,386	13.02	2,495,971	15.79
1,581,180	10.37	2,147,324	11.42	2,243,419	14.19
353,569	2.32	169,950	0.90	1,043,708	6.60
-	-	-	-	-	-
35,694	0.23	49,829	0.26	136,306	0.86
-	-	2,974,945	15.82	248,345	1.57
-	-	363,514	1.93	22,274	0.14
-	-	-	-	-	-
-	-	-	-	-	-
-	-	384,260	2.04	-	-
3,525	0.03	18	-	24,997	0.16
-	-	-	-	-	-
-	-	41,231	0.22	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
500,000	3.28	850,000	4.52	1,800,000	11.39
264	-	-	-	97,252	0.62
48,199	0.32	38,327	0.20	40,189	0.25
73,730	0.48	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 15,245,288	100.00%	$ 18,810,836	100.00%	$ 15,807,839	100.00%
$ 3,588,469	27.87%	$ 4,007,130	22.93%	$ 4,223,623	25.85%
1,604,632	12.46	1,819,373	10.41	1,931,999	11.82
2,829,314	21.98	3,199,511	18.31	3,455,766	21.15
873,146	6.78	823,446	4.71	691,020	4.23
1,376,406	10.69	1,591,851	9.11	1,711,122	10.47
1,027,837	7.98	1,233,850	7.06	1,534,504	9.39
1,140,241	8.86	1,289,475	7.38	1,230,536	7.53
6,970	0.06	8,786	0.05	9,714	0.06
353,569	2.75	169,950	0.97	1,043,708	6.39
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,331,662	19.07	269,779	1.65
73,373	0.57	201	-	238,932	1.46
-	-	-	-	-	-
-	-	-	-	-	-
$ 12,873,957	100.00%	$ 17,475,235	100.00%	$ 16,340,703	100.00%

See accompanying independent auditor's report.

Los Angeles Unified School District
Governmental Fund Types
Schedule of Revenues and Other Sources, Expenditures and Other Uses by State-Defined Object
Last Ten Fiscal Years (in thousands)
(Unaudited)

[1] Table below shows Detail of Operating transfers out (in thousands):

From	To	2015-2016	2016-2017	2017-2018
General	Adult Education	$ 2	$ 10,619	$ 39
General	Cafeteria	21,657	3,772	1,067
General	Child Development	29,944	31,161	24,832
General	Capital Services	33,725	33,099	25,657
General	Special Reserve	-	-	189
General	General Fund – Special Reserve	-	-	-
General	Building – Measure K	227	46	-
General	Building – Measure Q	-	37	2,114
General	Building – Measure R	16	-	8
General	Building – Measure Y	33	-	688
General	Building – Measure RR	-	-	-
General	Health & Welfare	4,290	-	-
Adult Education	General	902	-	15
Adult Education	Building – Bond Proceeds	1	-	-
Adult Education	Building – Measure R	1	-	-
Child Development	General	-	-	-
Capital Services	General	-	-	-
Building	Building – Measure R	440	-	-
Building	Building – Measure K	-	-	-
Building	Building – Measure Q	-	-	-
Health and Welfare	General	-	-	-
State School Building Lease – Purchase	Special Reserve	-	-	-
State School Building Lease – Purchase	Building – Measure K	-	-	-
State School Building Lease – Purchase	Building – Measure Y	-	-	626
Special Reserve	General	-	67	196
Special Reserve	Adult Education	903	-	-
Special Reserve	Capital Services	-	1	11
Special Reserve	Capital Facilities	-	-	-
Special Reserve	Building Fund	-	-	-
Special Reserve	Building – Bond Proceeds	-	-	-
Special Reserve	Building – Measure K	2	226	-
Special Reserve	Building – Measure Q	-	20	652
Special Reserve	Building – Measure R	557	2	7,715
Special Reserve	Building – Measure Y	2,467	35	273
Special Reserve	Building – Measure RR	-	-	-
Special Reserve	County School Facilities Bonds – Prop 47	275	80	-
Special Reserve – CRA	General	30,000	-	-
Special Reserve – CRA	Capital Services	-	20,000	20,001
Special Reserve – CRA	Building – Measure K	-	115	-
Special Reserve – CRA	Building – Measure R	-	5	-
Capital Facilities	General	-	-	-
Capital Facilities	Capital Services	9,573	9,571	9,529

See accompanying independent auditor's report.

(Continued)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 440	$ 690	$ 4,340	$ 36	$ -	$ -	$ -
1,173	1,023	136	-	-	-	-
22,320	21,754	17,125	877	-	-	-
16,061	24,242	16,093	13,265	14,821	25,024	50,047
-	-	-	-	335	4	44
-	-	-	-	-	-	592,525
13	-	51	-	-	14	-
15	3,096	198	51	290	10	97
360	-	-	175	85	-	-
15	-	222	-	25	-	-
-	-	-	-	4	-	54
-	-	-	-	-	-	-
-	-	6	22	-	-	-
-	-	-	7	-	-	-
-	-	-	-	-	-	-
150	-	14	-	-	-	-
-	-	675	-	357	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1	-
-	-	-	-	-	55	-
-	-	227,000	-	-	-	-
-	-	-	-	12,169	-	-
-	12	-	-	-	-	-
-	-	-	-	-	-	-
130	127	-	-	20	1,990	29
-	-	-	-	-	-	-
25	11	320	-	-	-	-
-	9	-	-	-	-	-
-	-	-	-	-	-	130
-	-	-	5	-	-	-
543	218	205	-	-	1,146	1,025
1,373	713	2,825	12,479	332	2,011	24
707	478	48	452	919	1	1,605
1,584	632	-	786	10	1,981	-
-	-	-	-	-	-	59
372	660	-	-	-	-	-
-	-	-	45,000	30,000	30,000	30,000
20,000	20,000	20,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1	-
-	-	-	-	-	-	-

See accompanying independent auditor's report.

(Continued)

Governmental Fund Types
Schedule of Revenues and Other Sources, Expenditures and Other Uses by State-Defined Object
Last Ten Fiscal Years (in thousands)
(Unaudited)

[1] Table below shows Detail of Operating transfers out (in thousands):

From	To	2015-2016	2016-2017	2017-2018
Capital Facilities	Special Reserve	$ -	$ -	$ -
Capital Facilities	Building – Measure K	299	55	-
Capital Facilities	Building – Measure R	1,915	-	249
Capital Facilities	Building – Measure Y	18,410	-	268
Capital Facilities	Building – Measure Q	-	-	43
Capital Facilities	County School Facilities Bonds – Prop 47	37	-	699
Building – Bond Proceeds	General	-	837	-
Building – Bond Proceeds	Building – Measure R	4,000	-	-
Building – Bond Proceeds	Building – Measure Y	-	-	10
Building – Bond Proceeds	Building – Measure Q	-	-	-
Building – Bond Proceeds	County School Facilities Bonds – Prop 47	455	1,089	3,713
Building – Measure K	General	-	292	-
Building – Measure K	Special Reserve	-	-	527
Building – Measure K	Building – Measure R	3,627	218	129
Building – Measure K	Building – Measure Y	6,445	17	416
Building – Measure K	Building – Measure Q	-	-	7,896
Building – Measure K	Building – Measure RR	-	-	-
Building – Measure K	County School Facilities Bonds – Prop 47	528	178	529
Building – Measure Q	General	19,976	10,187	18,552
Building – Measure Q	Adult Education	-	-	-
Building – Measure Q	Cafeteria	-	484	-
Building – Measure Q	Building – Bond Proceeds	-	-	-
Building – Measure Q	Building – Measure K	3	518	3
Building – Measure Q	Building – Measure R	234	4,380	480
Building – Measure Q	Building – Measure Y	95	4	444
Building – Measure Q	Building – Measure R	-	-	-
Building – Measure Q	Building – Measure RR	-	-	-
Building – Measure Q	County School Facilities Bonds – Prop 47	-	-	118
Building – Measure Q	Capital Facilities	-	-	-
Building – Measure Q	Special Reserve	4	458	1,572
Building – Measure R	General	222	541	280
Building – Measure R	Special Reserve	1,797	606	-
Building – Measure R	Building – Bond Proceeds	1	55	-
Building – Measure R	Building – Measure K	416	622	6
Building – Measure R	Building – Measure Y	799	37	494
Building – Measure R	Building – Measure Q	-	16	3
Building – Measure R	Building – Measure RR	-	-	-
Building – Measure R	County School Facilities Bonds – Prop 47	734	3,155	427
Building – Measure Y	General	103	3,195	69
Building – Measure Y	Adult Education	-	-	-
Building – Measure Y	Cafeteria	35	-	-
Building – Measure Y	Special Reserve	952	-	11
Building – Measure Y	Special Reserve - CRA	4	-	-

See accompanying independent auditor's report.

(Continued)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ -	$ -	$ -	$ 4	$ -	$ -	$ -
419	443	-	81	-	-	-
-	-	-	150	137	-	-
490	-	39	6	-	-	-
33,836	9,662	97,315	54,064	-	-	-
60	-	19	-	-	-	-
-	-	-	-	-	-	-
-	534	-	61	-	-	-
-	-	-	-	-	-	-
7,147	-	8	1,925	213	-	-
56	252	-	2	-	-	-
-	-	-	-	-	-	-
113	-	12	-	-	-	-
208	-	393	446	-	1	-
6,144	2	341	10	-	-	-
95,094	6,315	13	52	-	3	1,550
-	-	-	-	-	2	187
1,185	19	1	76	14,231	-	-
4,654	1,871	17,259	72	348	244	72
-	-	-	-	-	-	8
-	-	-	-	-	-	-
-	1	-	-	-	-	-
666	601	50	24	13	1,035	-
701	35	15	575	14	17	-
164	559	90	24	-	14	-
-	-	-	-	-	2	-
-	-	-	-	-	-	5,050
38	51	26,307	-	-	1	1
-	3,030	5,000	-	-	-	-
5	98	76	1,622	20	-	2,000
28	53	-	1,380	-	12	-
-	-	-	82	-	-	-
-	-	-	-	-	-	-
619	-	-	4,891	18	120	-
197	5	3	222	-	-	-
15,454	29,991	45,646	56,962	21,982	1	521
-	-	-	-	-	1	-
795	539	13	64	90	-	-
417	93	52	99	-	-	-
-	-	-	-	-	1	-
-	-	-	-	-	-	-
-	-	11	-	-	-	-
-	-	-	-	-	-	-

See accompanying independent auditor's report.

(Continued)

Governmental Fund Types
Schedule of Revenues and Other Sources, Expenditures and Other Uses by State-Defined Object
Last Ten Fiscal Years (in thousands)
(Unaudited)

[1] Table below shows Detail of Operating transfers out (in thousands):

From	To	2015-2016	2016-2017	2017-2018
Building – Measure Y	Building – Measure K	$ 295	$ 599	$ 53
Building – Measure Y	Building – Measure R	144	46	58
Building – Measure Y	Building – Measure Q	-	-	2,549
Building – Measure Y	Building – Measure RR	-	-	-
Building – Measure Y	County School Facilities Bonds – Prop 47	48	1,037	1,495
Building – Measure RR	General	-	-	-
Building – Measure RR	Building – Measure R	-	-	-
Building – Measure RR	Building – Measure Q	-	-	-
Building – Measure US	Special Reserve	-	-	-
County School Facilities Bonds – Prop 47	General	6	2,180	6
County School Facilities Bonds – Prop 47	Special Reserve	100	1	-
County School Facilities Bonds – Prop 47	Capital Facilities	247	6,718	-
County School Facilities Bonds – Prop 47	Building – Bond Proceeds	43	2,018	2,794
County School Facilities Bonds – Prop 47	Building – Measure K	25,657	74,710	46,123
County School Facilities Bonds – Prop 47	Building – Measure R	13,059	14,011	6,729
County School Facilities Bonds – Prop 47	Building – Measure Y	6,490	18,914	12,765
County School Facilities Bonds – Prop 47	Building – Measure Q	-	337	636
County School Facilities Bonds – Prop 47	Building – Measure RR	-	-	-
		$ 242,195	$ 256,371	$ 203,758

See accompanying independent auditor's report.

(Continued)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
$ 105	$ 2	$ 2,296	$ 90	$ -	$ 158	$ -
276	49	1,556	235	-	133	-
558	89,162	43,433	27,992	5,509	9	6,412
-	-	-	-	-	38	44
626	271	101	370	8	-	-
-	-	-	-	10,324	99	56
-	-	-	125	153	245	83
-	-	-	3,061	1,252	20	553
-	-	-	-	-	-	238,932
1	-	-	-	-	-	-
-	-	-	-	-	-	-
-	54	1	244	-	1,649	-
4,283	371	-	-	-	-	-
21,420	11,126	69,461	18,034	1,072	26	20
6,682	2,426	497	4,354	171	183	-
6,491	2,112	87	1,593	-	-	-
43,884	2,458	5,242	56,607	238,647	103,698	91,319
-	-	-	-	-	-	21,261
$ 318,097	$ 235,850	$ 604,595	$ 308,754	$ 353,569	$ 169,950	$ 1,043,708

See accompanying independent auditor's report.

Los Angeles Unified School District
Schedule of Direct and Overlapping Bonded Debt
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

Government	Percentage Applicable [1]	Amount Applicable
Direct:		
Los Angeles Unified School District		
General Obligation Bonds	100.000%	$ 11,745,405
Certificates of Participation	100.000%	225,010
		11,970,415
Overlapping: [2]		
Los Angeles County General Fund Obligations	46.285%	1,405,508
Los Angeles County Superintendent of Schools Certificates of Participation	46.285%	1,079
Pasadena Area Community College District	0.001%	1
Santa Clarita Landscaping and Streetlighting Zones A and B	0.003%	-
Metropolitan Water District	23.740%	4,073
Los Angeles Community College District	81.856%	4,026,910
Pasadena Area Community College District Certificates of Participation	0.001%	-
City of Los Angeles	99.945%	1,024,201
City of Los Angeles General Fund and Obligations	99.945%	1,211,695
Other City General Fund and Pension Obligation Bonds	Various	529,767
Los Angeles County Sanitation District Nos. 1, 2, 4, 5, 8, 9, 16 and 23 Authorities	Various	-
City Community Facilities Districts	100.000%	58,875
Other City and Special District 1915 Act Bonds	99.983-100	17,808
Other Cities	Various	17,086
City of Los Angeles Redevelopment Agency (Successor Agency)	100.000%	216,065
Other Redevelopment Agencies	Various	156,643
Total Overlapping		8,669,711
Total Gross Direct and Overlapping Debt		20,640,126[2]
Less:		
Los Angeles Unified School District General Obligation Bonds		
Election of 2005, Series J (2010) Qualified School Construction Bonds:		
Election of 2005, Series H (2009) Qualified School Construction Bonds:		
Amount accumulated in Interest and Sinking Fund and Set Asides for Repayment		461,235[3]
City supported obligations		204
Total Net Direct and Overlapping Debt		$ 20,178,687

[1] The percentage of overlapping debt applicable to the school district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the school district divided by the overlapping district's total taxable assessed value.

[2] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

[3] Set aside amount through fiscal year 2024-25.

Source: California Municipal Statistics, Inc.

See accompanying independent auditor's report.

Los Angeles Unified School District
Ratio of Annual Debt Service for General Bonded Debt and Certificates of Participation (COPs) to Total General Governmental Expenditures
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service [1]	Total General Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures
2015-2016	$ 434,051	$ 516,725	$ 950,776	$ 9,622,002	9.88%
2016-2017	420,616	511,967	932,583	10,955,873	8.51
2017-2018	603,822	482,535	1,086,357	9,754,230	11.14
2018-2019	420,105	531,381	951,486	11,073,466	8.59
2019-2020	441,495	503,553	945,048	10,517,511	8.99
2020-2021	724,281	516,621	1,240,902	11,836,635	10.48
2021-2022	601,380	534,926	1,136,306	12,565,159	9.04
2022-2023	588,757	528,481	1,117,238	12,873,957	8.68
2023-2024	648,470	538,659	1,187,129	17,475,235	6.79
2024-2025	746,870	446,077	1,192,947	16,340,703	7.30

[1] Payments for General Obligation Bonds and COPs, excluding fees paid in other cities, bond issuance, and other costs.

See accompanying independent auditor's report.

Los Angeles County
Ratio of Outstanding Debt to Assessed Value and Outstanding Debt Per Capita
Last Ten Fiscal Years
(Dollars in thousands except Outstanding Debt per Capita)
(Unaudited)

Fiscal Year	Population Los Angeles Unified School District[1]	Total Assessed Value [2]	Outstanding Debt		
			General Obligation Bonds	Certificates of Participation	Total Outstanding Debt
2015-2016	4,741,738	$ 570,169,464	$ 10,457,615	$ 266,131	$ 10,723,746
2016-2017	4,772,208	605,969,007	9,815,110	235,510	10,050,620
2017-2018	4,753,445	644,504,747	10,604,150	195,975	10,800,125
2018-2019	4,746,546	692,732,625	10,106,450	180,545	10,286,995
2019-2020	4,725,640	739,397,092	10,624,010	164,430	10,788,440
2020-2021	4,583,874	787,684,010	10,864,555	130,970	10,995,525
2021-2022	4,549,060	818,403,267	10,770,060	120,710	10,890,770
2022-2023	4,513,937	877,632,041	10,704,725	97,870	10,802,595
2023-2024	4,608,452	929,980,077	10,723,385	471,590	11,194,975
2024-2025	N/A	972,869,117	11,745,405	225,010	11,970,415

Sources:

[1] U.S. Census Bureau. "Total Population." American Community Survey, DP05 ACS 1-year estimates Demographics and Housing Estimates, All Geographies, Unified School Districts, Los Angeles Unified School District, One year estimates.

[2] Los Angeles County Auditor-Controller "Taxpayers' Guide"

N/A denotes not available. The U.S. Census has released data for 2024, and data for 2025 is unavailable as the year is still in progress.

See accompanying independent auditor's report.

(Continued)

Ratio of Outstanding Debt to Assessed Value	Outstanding Debt per Capita
1.8808%	$ 2,262
1.6586	2,106
1.6757	2,272
1.4850	2,167
1.4591	2,283
1.3959	2,399
1.3307	2,394
1.2309	2,393
1.2038	2,429
1.2304	N/A

See accompanying independent auditor's report.

Los Angeles Unified School District
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal Year	Debt Limit	Total Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Amount of Debt Applicable to Debt Limit as a Percentage of Debt Limit
2015-2016	$ 14,254,237	$ 10,457,615	$ 3,796,622	73.36%
2016-2017	15,149,225	9,815,110	5,334,115	64.79
2017-2018	16,112,619	10,604,150	5,508,469	65.81
2018-2019	17,318,316	10,106,450	7,211,866	58.36
2019-2020	15,149,225	10,624,010	4,525,215	70.13
2020-2021	19,692,100	10,864,555	8,827,545	55.17
2021-2022	20,460,082	10,770,060	9,690,022	52.64
2022-2023	21,940,801	10,704,725	11,236,076	48.79
2023-2024	23,249,502	10,723,385	12,526,117	46.12
2024-2025	24,321,728	11,745,405	12,576,323	48.29

Computation of Legal Debt Margin for Fiscal Year Ended June 30, 2025

Assessed valuation (net taxable)	$ 970,386,631
Plus exempt property	2,482,486
Total Assessed Valuation	972,869,117
Debt limit – 2.5% of Assessed Valuation per Education Code Section 15106 [1]	24,321,728
Bonded Debt:	
General Obligation Bonds	11,745,405
Legal Debt Margin (bonded debt) [2]	$ 12,576,323

[1] Converted rate from 10% of 25% of full cash value (2.5%) to 2.5% of 100% of full cash value (2.5%).
[2] The amount shown above excluded net unamortized premium of $979.1 million.

Source: Los Angeles County Auditor-Controller "Taxpayers' Guide"

See accompanying independent auditor's report.

Los Angeles County
Demographic Statistics
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal Year	Population City of Los Angeles [a,b]	Population Los Angeles Unified School District [c]	Population County of Los Angeles [a,b]	School Enrollment County of Los Angeles [d]	School Enrollment Los Angeles Unified School District*	Unemployment Rate County of Los Angeles[e]
2015-2016**	4,031	4,742	10,241	1,523	574	6.0%
2016-2017	3,946	4,772	10,107	1,511	560	4.9
2017-2018	3,955	4,753	10,108	1,493	544	5.0
2018-2019	3,940	4,747	10,067	1,464	529	4.6
2019-2020	3,898	4,726	10,014	1,437	516	17.7
2020-2021	3,880	4,584	9,966	1,390	508	10.0
2021-2022	3,823	4,549	9,870	1,337	461	5.0
2022-2023	3,808	4,514	9,834	1,314	462	5.1
2023-2024	3,820	4,608	9,849	1,298	455	6.1
2024-2025	3,835	N/A	9,877	1,276	450	5.9

* District's Statistical Records – September Norm Day Enrollment for Fiscal Year

** 2015-2016 Data is from 2015-16 LAUSD Annual Comprehensive Financial Report

N/A: Data is Not Available at the time report is being prepared or published as the 2025 year has not yet concluded

Sources:

(a) State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2021-2025, with 2020 Census Benchmark. Sacramento, California, May 2025. (As of April 2020 and January of each fiscal year)

(b) State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2001-2020, with 2010 and 2020 Census Benchmarks. Sacramento, California, May 2025. (As of April 2020 and January of each fiscal year)

(c) U.S. Census Bureau. "Total Population." American Community Survey, DP05 ACS 1-Year Estimates Demographics and Housing Estimates, All Geographies, Unified School Districts, Los Angeles Unified School District

(d) California State Department of Education, DataQuest Enrollment, Multi-Year Summary, Los Angeles County

(e) California Employment Development Department, Labor Market Information Division

See accompanying independent auditor's report.

Los Angeles County
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2025			2016		
Rank	Employer	Employees	Percentage of Total County Employment [1]	Employer	Employees	Percentage of Total County Employment [2]
1	Kaiser Permanente	47,897	1.01%	Kaiser Permanente	32,784	0.68%
2	University of Southern California	25,741	0.54	Northrop Grumman Corp.	20,500	0.42
3	Cedars-Sinai	18,087	0.38	Boeing Co.	16,510	0.34
4	Northrop Grumman Corp.	16,600	0.35	Kroger Co.	14,000	0.29
5	The Walt Disney Co.	13,400	0.28	Vons	13,603	0.28
6	NBC Universal	13,000	0.27	University of Southern California	12,604	0.26
7	UPS	12,000	0.25	Target	12,441	0.26
8	Providence	11,500	0.24	Bank of America Corp	11,000	0.23
9	The Home Depot	11,000	0.23	The Home Depot	10,000	0.21
10	Target	11,000	0.23	AT&T, Inc.	9,770	0.2
	Total	180,225	3.78%	Total	153,212	3.17%

[1] Based on Los Angeles County Employment of 4,742,300 (data as of June)
[2] Based on 2015-16 LAUSD Annual Comprehensive Financial Report, LA County Employment count of 4,844,700

Sources:
Los Angeles Business Journal, “The List”, August 25, 2025
California Employment Development Department http://www.labormarketinfo.edd.ca.gov, August 15, 2025 report

See accompanying independent auditor’s report.



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Los Angeles Unified School District
Average Daily Attendance
Annual Report
Last Ten Fiscal Years
(Unaudited)

	2015-2016	2016-2017	2017-2018	2018-2019
District:				
Kindergarten-Grade 3	158,998.06	155,262.38	149,197.07	141,934.03
Grades 4-6	111,544.08	109,051.67	107,018.53	100,538.16
Grades 7-8	65,595.68	64,118.24	62,336.66	60,529.29
Grades 9-12	127,103.24	121,861.09	119,450.52	111,755.74
Total District	463,241.06	450,293.38	438,002.78	414,757.22
County:				
Kindergarten-Grade 3	-	-	-	-
Grades 4-6	1.23	-	-	-
Grades 7-8	3.18	2.71	2.42	3.70
Grades 9-12	489.84	417.13	354.29	339.53
Total County	494.25	419.84	356.71	343.23
Affiliated Charter Schools:				
Kindergarten-Grade 3	15,866.33	15,792.20	15,305.84	13,313.03
Grades 4-6	10,545.58	10,552.33	10,481.51	9,222.72
Grades 7-8	6,000.47	6,037.96	5,923.43	5,770.32
Grades 9-12	7,219.75	8,760.14	8,521.18	10,603.83
Total Affiliated Charter Schools	39,632.13	41,142.63	40,231.96	38,909.90
Total Average Daily Attendance	503,367.44	491,855.85	478,591.45	454,010.35

* 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.

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

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

(c) The 2023-2024 ADA is updated due to audit findings (S-2024-001, S-2024-003, S-2024-004, and S-2024-009) and reflect final Nonpublic Schools ADA.

See accompanying independent auditor's report.

(Continued)

2019-2020	2020-2021*	2021-2022	2022-2023	2023-2024	2024-2025
139,028.46	139,028.46	111,075.81	113,587.76[a]	113,827.57[c]	111,850.43
99,037.56	99,037.56	82,974.91	83,254.76[a]	81,619.06[c]	79,162.96
60,142.80	60,142.80	49,804.14	49,026.74[a]	49,027.56[c]	47,983.49
115,393.98	115,393.98	101,703.61	102,786.71[a]	100,904.64[c]	97,449.78
413,602.80	413,602.80	345,558.47	348,655.97[a]	345,378.83[c]	336,446.66
-	-	-	-	-	-
-	-	-	0.19	-	-
2.14	2.14	1.79	1.27	2.87	2.07
359.98	359.98	335.28	348.76	360.61	367.66
362.12	362.12	337.07	350.22	363.48	369.73
13,473.52	13,473.52	11,198.11	11,723.47[b]	11,995.56[c]	11,901.94
9,714.50	9,714.50	8,254.14	8,298.40	8,317.16	8,063.27
6,925.51	6,925.51	5,887.65	5,749.23	5,470.49	5,380.89
10,826.92	10,826.92	9,702.86	9,694.05[b]	9,801.83	9,549.34
40,940.45	40,940.45	35,042.76	35,465.15	35,585.04	34,895.44
454,905.37	454,905.37	380,938.30	384,471.34	381,327.35	371,711.83

See accompanying independent auditor's report.

Los Angeles Unified School District
Full-Time Equivalent District Employees by Function
Last Ten Fiscal Years
(Unaudited)

	2015-2016	2016-2017	2017-2018	2018-2019
Governmental Activities:				
Instruction	39,442	39,269	38,094	37,975
Support services – students	3,479	3,520	3,543	3,619
Support services – instructional staff	3,463	3,489	3,567	3,551
Support services – general administration	206	212	208	213
Support services – school administration	4,122	4,200	4,283	4,362
Support services – business	1,548	1,580	1,362	1,349
Operation and maintenance of plant services	6,853	7,072	7,036	6,955
Student transportation services	1,034	1,037	1,000	995
Data processing services	239	240	285	307
Operation of noninstructional services	2,984	3,020	2,974	3,065
Facilities acquisition and construction services	1,156	1,070	1,044	1,030
Total Governmental Activities	64,526	64,709	63,396	63,421

See accompanying independent auditor's report.

(Continued)

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
37,671	37,156	39,165	40,040	38,541	37,990
3,806	4,042	5,525	5,896	5,925	5,486
4,795	5,109	7,360	7,849	6,712	6,642
219	220	227	99	219	214
4,362	4,338	4,760	5,102	5,294	4,792
1,256	1,312	1,655	1,326	1,399	1,255
6,630	6,632	7,556	5,051	6,948	6,598
1,222	1,167	1,087	395	1,369	1,402
341	377	473	374	486	533
3,107	3,289	3,310	3,336	5,538	5,765
953	915	965	919	1,013	899
64,362	64,557	72,083	70,387	73,444	71,576

See accompanying independent auditor's report.

Los Angeles Unified School District
Capital Assets by Function
Last Ten Fiscal Years
(Unaudited)

	2015-2016	2016-2017	2017-2018	2018-2019
Governmental Activities:				
Instruction	$ 344,855	$ 346,654	$ 344,872	$ 350,677
Support services – students	4,596	4,653	4,653	4,653
Support services – instructional staff	68,658	68,723	68,781	69,180
Support services – general administration	4,124	4,124	4,167	4,167
Support services – school administration	72,168	72,300	72,453	73,027
Support services – business	58,726	59,026	59,157	60,785
Operation and maintenance of plant services	155,181	158,134	154,516	153,322
Student transportation services	94,379	116,843	126,561	127,974
Data processing services	550,014	550,531	555,567	561,611
Operation of noninstructional services	36,346	36,414	36,604	36,233
Facilities acquisition and construction services	20,194,823	20,583,099	21,266,995	22,056,391
Total Governmental Activities	$ 21,583,870	$ 22,000,501	$ 22,694,326	$ 23,498,020

See accompanying independent auditor's report.

(Continued)

2019-2020 (As Restated)	2020-2021 (As Restated)	2021-2022	2022-2023	2023-2024	2024-2025
$ 416,582	$ 419,260	$ 421,381	$ 434,541	$ 453,564	$ 456,394
4,717	4,717	4,762	5,780	5,789	12,328
69,430	69,571	71,109	83,594	91,549	88,487
4,172	4,172	4,172	4,172	4,185	4,217
73,655	74,229	74,281	75,411	75,529	78,119
61,818	61,804	72,822	89,291	96,078	117,130
153,477	156,325	215,651	220,726	224,397	231,980
127,796	138,677	140,305	152,627	156,819	169,071
570,104	572,423	574,059	600,522	626,509	652,965
38,140	38,453	38,774	40,449	44,707	49,898
22,953,950	23,693,795	24,582,450	25,517,482	26,671,989	28,053,350
$ 24,473,841	$ 25,233,426	$ 26,199,766	$ 27,224,595	$ 28,451,115	$ 29,913,939

See accompanying independent auditor's report.

Los Angeles Unified School District
Miscellaneous Statistical Data
Last Ten Fiscal Years
(Unaudited)

Fiscal Year:	July 1 – June 30	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Enrollment by Level:	Elementary (grades TK-5/6)	257,930	249,902	239,939	227,521	216,501
(As of September)	Middle/Junior High (grades 6-8)	83,066	77,224	72,591	68,244	64,866
	Senior High (grades 9-12)	114,479	108,876	105,581	100,915	96,687
	Magnet Schools/Centers (grades TK-12)	70,151	75,605	80,459	87,425	94,136
	Special Education Schools (grades TK-12)	2,439	2,268	2,212	2,154	2,185
	Total K-12 Enrollment	528,065	513,875	500,782	486,259	474,375
	Community Adult Schools and Centers	32,926	33,371	31,320	30,676	30,093
	Total Enrollment	560,991	547,246	532,102	516,935	504,468
	Early Education Centers	12,722	12,507	12,014	12,396	11,851
	Independent Charter Schools	107,142	111,648	112,492	112,485	113,586
Student-Teacher Ratio & Cost per Student:	Student Enrollment	573,713	559,753	544,116	529,331	516,319
	Teaching Staff	27,765	27,448	26,907	26,673	26,527
	Student-Teacher Ratio[1]	20.66 : 1	20.39 : 1	20.22 : 1	19.85 : 1	19.46 : 1
	Total Primary Government Expense (in thousands)	9,158,716	9,402,091	9,204,854	5,669,679	9,320,067
	Cost Per Student	15,964	16,797	16,917	10,711	18,051
Percent of Free & Reduced Students in Lunch Program:	Elementary	85.08%	84.93%	85.20%	95.88%	96.18%
	Secondary	85.60	80.98	81.67	96.87	96.68
	Total	85.24	83.71	84.04	96.21	96.35
Number of Teachers by Education Level:	Bachelor's Degree (BD)	470	602	644	690	678
	BD + 14 semester units	359	383	411	440	454
	BD + 28 semester units	1,109	1,151	1,113	1,121	1,139
	BD + 42 semester units	2,001	1,935	1,898	1,882	1,940
	BD + 56 semester units	2,162	2,192	2,102	2,070	2,121
	BD + 70 semester units	2,280	2,275	2,220	2,194	2,157
	BD + 84 semester units	2,314	2,232	2,161	2,113	2,082
	BD + 98 semester units	5,677	5,247	4,883	4,635	4,403
	BD + 98 semester units + 15-19 years of service	6,582	6,033	5,411	4,788	4,217
	BD + 98 semester units + 20-24 years of service	2,926	3,494	4,091	4,602	5,059
	BD + 98 semester units + 25-29 years of service	1,276	1,337	1,427	1,621	1,643
	BD + 98 semester units + 30 or more years of service	609	567	546	517	634
	Total	27,765	27,448	26,907	26,673	26,527
	Master's Degree	12,297	12,296	12,164	12,218	12,309
	Doctorate Degree	526	502	499	479	473
Average Teacher Pay by Education Level:	Bachelor's Degree (BD)	$ 49,580	$ 48,867	$ 48,209	$ 50,788	$ 51,360
	BD + 14 semester units	52,527	52,601	52,393	54,761	54,367
	BD + 28 semester units	57,188	56,878	56,478	59,549	59,301
	BD + 42 semester units	60,472	60,713	60,418	63,598	63,138
	BD + 56 semester units	64,732	64,948	64,730	67,906	67,555
	BD + 70 semester units	69,121	69,339	69,084	72,955	72,320
	BD + 84 semester units	73,457	73,989	73,547	77,507	77,146
	BD + 98 semester units	78,196	78,878	78,656	82,959	82,391
	BD + 98 semester units + 15-19 years of service	81,989	82,801	82,801	87,843	87,843
	BD + 98 semester units + 20-24 years of service	82,616	83,434	83,434	88,515	88,515
	BD + 98 semester units + 25-29 years of service	84,802	85,641	85,641	90,857	90,857
	BD + 98 semester units + 30 or more years of service	86,231	87,085	87,085	92,389	92,389
	Master's Degree [2]	584	584	584	584	584
	Doctorate Degree [2]	1,168	1,168	1,168	1,168	1,168

[1] Overall enrolled students to overall teaching staff.
[2] Amount in addition to Bachelor's Degree pay.
[3] In response to the COVID 19 pandemic, the District provided free meals for all students as part of the Nationwide Child Nutrition Waivers
Source: District's Records

See accompanying independent auditor's report.

(Continued)

Miscellaneous Statistical Data
Last Ten Fiscal Years (Continued)
(Unaudited)

Fiscal Year:	July 1 – June 30	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Enrollment by Level:	Elementary (grades TK-5/6)	202,813	187,545	183,976	179,176	176,335
(As of September)	Middle/Junior High (grades 6-8)	61,015	57,850	55,699	53,295	51,474
	Senior High (grades 9-12)	95,210	93,841	91,660	88,370	84,949
	Magnet Schools/Centers (grades TK-12)	95,629	89,127	88,892	89,444	87,796
	Special Education Schools (grades TK-12)	2,297	1,959	2,049	2,056	2,007
	Total K-12 Enrollment	456,964	430,322	422,276	412,341	402,561
	Community Adult Schools and Centers	43,734	25,208	32,427	36,329	40,447
	Total Enrollment	500,698	455,530	454,703	448,670	443,008
	Early Education Centers	7,222	5,510	7,678	6,566	6,781
	Independent Charter Schools	114,431	112,358	110,461	109,747	108,563
Student-Teacher Ratio & Cost per Student:	Student Enrollment	507,920	461,040	462,381	455,236	449,789
	Teaching Staff	26,490	26,749	22,689	26,977	26,766
	Student-Teacher Ratio[1]	19.17 : 1	17.24 : 1	20.38 : 1	16.87 : 1	16.80 : 1
	Total Primary Government Expense (in thousands)	9,827,740	10,824,582	9,829,163	11,724,471	11,704,577
	Cost Per Student	19,349	23,479	21,258	25,755	26,022
Percent of Free & Reduced Students in Lunch Program:	Elementary	100.00%[3]	100.00%[3]	93.21%	91.23%	93.07%
	Secondary	100.00[3]	100.00[3]	95.06	91.15	93.07
	Total	100.00[3]	100.00[3]	93.93	91.20	93.07
Number of Teachers by Education Level:	Bachelor's Degree (BD)	647	1,098	1,268	1,260	1,092
	BD + 14 semester units	533	525	484	624	594
	BD + 28 semester units	1,282	1,475	1,478	1,673	1,517
	BD + 42 semester units	1,966	2,149	2,001	2,309	2,162
	BD + 56 semester units	2,144	2,215	1,823	2,301	2,293
	BD + 70 semester units	2,156	2,154	1,779	2,273	2,332
	BD + 84 semester units	2,021	2,023	1,511	1,956	1,994
	BD + 98 semester units	4,300	4,016	2,918	3,875	4,109
	BD + 98 semester units + 15-19 years of service	3,716	3,406	2,542	2,853	2,576
	BD + 98 semester units + 20-24 years of service	5,110	4,602	3,573	3,674	3,372
	BD + 98 semester units + 25-29 years of service	1,947	2,418	2,632	3,284	3,707
	BD + 98 semester units + 30 or more years of service	668	668	680	895	1,018
	Total	26,490	26,749	22,689	26,977	26,766
	Master's Degree	12,360	12,259	10,356	12,482	12,734
	Doctorate Degree	475	452	346	414	450
Average Teacher Pay by Education Level:	Bachelor's Degree (BD)	$ 52,409	$ 53,772	$ 56,079	$ 60,295	$ 65,294
	BD + 14 semester units	53,419	56,808	59,785	62,995	68,545
	BD + 28 semester units	58,706	60,608	63,831	68,469	74,706
	BD + 42 semester units	62,559	65,110	69,226	74,392	80,655
	BD + 56 semester units	67,368	70,223	74,561	80,408	86,919
	BD + 70 semester units	72,121	75,304	80,385	86,433	92,941
	BD + 84 semester units	76,704	80,102	85,977	92,060	99,170
	BD + 98 semester units	81,792	85,336	91,424	98,411	105,858
	BD + 98 semester units + 15-19 years of service	87,844	92,235	98,803	106,360	114,515
	BD + 98 semester units + 20-24 years of service	88,515	92,940	99,558	107,005	115,208
	BD + 98 semester units + 25-29 years of service	90,857	95,400	102,192	109,714	118,118
	BD + 98 semester units + 30 or more years of service	92,389	97,008	103,915	111,550	120,050
	Master's Degree [2]	584	584	584	584	584
	Doctorate Degree [2]	1,168	1,168	1,168	1,168	1,168

[1] Overall enrolled students to overall teaching staff.
[2] Amount in addition to Bachelor's Degree pay.
[3] In response to the COVID 19 pandemic, the District provided free meals for all students as part of the Nationwide Child Nutrition Waivers
Source: District's Records

See accompanying independent auditor's report.

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Los Angeles Unified School District
Organization Structure
For the Year Ended June 30, 2025
(Unaudited)

Date Established: LAUSD was formed in 1854 as the Common Schools for the City of Los Angeles and became a unified school district in 1960. LAUSD is the granting authority in fiscal year 2024-25 for Affiliated Charter Schools and Independent Charter Schools listed in the succeeding pages and the date established for each can be found in the second to the last column.

Geographical Location: The Los Angeles Unified School District is a political subdivision of the State of California. It is located in the western section of Los Angeles County and includes most of the City of Los Angeles, all the Cities of Gardena, Huntingon Park, Lomita, Maywood, San Fernando, Vernon, and West Hollywood, and portions of the Cities of Bell, Bell Gardens, Beverly Hills, Carson, Commerce, Cudahy, Culver City, Hawthorne, Inglewood, Long Beach, Los Angeles, Lynwood, Montebello, Monterey Park, Rancho Palos Verdes, Santa Clarita, South Gate, and Torrance, in addition to considerable unincorporated territories devoted to homes and industry. The District did not have any changes in its school boundaries in FY2025.

Geographical Area: 710 square miles

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

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

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

Name	Title
Albert M. Carvalho	Superintendent of Schools
Pedro Salcido	Deputy Superintendent, Business Services & Operations
Karla Estrada	Deputy Superintendent, Instruction
Kristen Murphy	Associate Superintendent, Talent & Labor Relations
Carolyn Spaht Gonzalez	Chief of Staff
Martha Alvarez	Chief Legal Affairs & Government Relations Officer
Jana Carter	Chief Communication, Engagement & Collaboration Officer
David Greco	Classified Personnel Director
Jason Geanakopoulos	Labor Relations Director, Interim
Francisco Serrato	Chief Human Resources Officer
Frances Baez	Chief Academic Officer
Anthony Aguilar	Chief of Special Education, Equity and Access
Robert Whitman	Educational Transformation Officer
Pia Sadaqatmal	Chief of Transitional Programs
Saman Bravo-Karimi	Chief Financial Officer
Kurt John	Deputy Chief Financial Officer
Soheil Katal	Chief Information Officer
Smita Malhotra	Chief Medical Director
Aaron Pisarzewicz	Chief of Police
Andres Chait	Chief School Operations Officer
Krisztina Tokes	Chief Facilities Executive
Jaime Torrens	Senior Advisor to the Superintendent
Devora Navera Reed	General Counsel

See accompanying independent auditor's report.

Los Angeles Unified School District
Organization Structure (Continued)
Year Ended June 30, 2025
(Unaudited)

Fiscal Year:	July 1 – June 30				
Number of Schools:	(As of October)	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**
	Elementary Schools	436	434	435	436
	Middle/Junior High Schools	78	78	78	79
	Senior High Schools	87	87	87	87
	Options Schools	53	59	59	59
	Special Education Schools	13	12	12	11
	Home and Hospital*	-	-	-	1
	Magnet Schools	66	67	67	66
	Magnet Centers	255	262	264	267
	Community Adult Schools	1	2	2	2
	Regional Occupational Centers	7	7	7	7
	Skills Centers	2	2	2	2
	Early Education Centers	87	87	87	87
	Infant Centers	4	4	4	4
	California State Preschools	89	89	81	81
	Primary School Centers	18	18	18	18
	Multi-level Schools	28	30	29	27
	Total Schools and Centers	1,224	1,238	1,232	1,234
	Independent Charter Schools	227	224	221	218

*In fiscal year 2024-25, Berenice Carlson Home Hospital was reclassified from Special Education School to Home and Hospital.

See accompanying independent auditor's report.

Los Angeles Unified School District
Schedule of Charter Schools - Affiliated
For the Year Ended June 30, 2025
(Unaudited)

	School	Location Code	State Charter No.	CDS Code	Date Established	Included in the District Audit
1	Alfred B. Nobel Charter Middle School	8272	1480	19 64733 6061543	06/12/12	Yes
2	Beckford Charter for Enriched Studies	2335	1344	19 64733 6015986	05/24/11	Yes
3	Calabash Charter Academy	2704	1345	19 64733 6016240	05/24/11	Yes
4	Calvert Charter for Enriched Studies	2712	1585	19 64733 6016265	05/14/13	Yes
5	Canyon Charter Elementary	2795	226	19 64733 6016323	06/28/93	Yes
6	Carpenter Community Charter	2822	1235	19 64733 6016356	06/15/10	Yes
7	Castlebay Lane Charter	2881	1477	19 64733 6071435	06/05/12	Yes
8	Chatsworth Charter High	8583	1581	19 64733 1931708	05/14/13	Yes
9	Colfax Charter Elementary	3164	1041	19 64733 6016562	07/08/08	Yes
10	Community Magnet Charter Elementary	2741	957	19 64733 6094726	08/28/07	Yes
11	Dearborn Elementary Charter Academy	3377	1481	19 64733 6016729	06/12/12	Yes
12	Dixie Canyon Community Charter	3438	1469	19 64733 6016778	06/12/12	Yes
13	Dr. Theodore T. Alexander Jr Science Center	5111	604	19 64733 0102491	10/28/03	Yes
14	El Oro Way Charter for Enriched Studies	3545	1466	19 64733 6016869	06/12/12	Yes
15	Emerson Community Charter	8123	1688	19 64733 6057988	06/10/14	Yes
16	Enadia Way Technology Charter	3610	1474	19 64733 0117036	06/05/12	Yes
17	Encino Charter Elementary	3616	1471	19 64733 6016935	06/12/12	Yes
18	Gaspar de Portola Charter Middle	8107	2074	19 64733 6061584	05/07/19	Yes
19	George Ellery Hale Charter Academy	8169	1346	19 64733 6061477	05/24/11	Yes
20	Grover Cleveland Charter High	8590	1571	19 64733 1931864	05/14/13	Yes
21	Hamlin Charter Academy	4349	1472	19 64733 6017438	06/12/12	Yes
22	Haynes Charter for Enriched Studies	4473	1470	19 64733 6017529	06/12/12	Yes
23	Hesby Oaks Leadership Charter	4521	1468	19 64733 0112060	06/05/12	Yes
24	Justice Street Academy Charter	4692	1487	19 64733 6017693	06/12/12	Yes
25	Kenter Canyon Elementary Charter	4699	227	19 64733 6017701	07/01/95	Yes
26	Knollwood Preparatory Academy	4762	1486	19 64733 6017743	06/05/12	Yes
27	Lockhurst Drive Charter Elementary	4887	1478	19 64733 6017891	06/12/12	Yes
28	Louis Armstrong Middle	8238	1473	19 64733 6058150	06/12/12	Yes
29	Marquez Charter	5164	228	19 64733 6018063	06/28/93	Yes
30	Nestle Avenue Charter	5452	1465	19 64733 6018287	06/12/12	Yes
31	Open Charter Magnet	5889	12	19 64733 6097927	07/01/93	Yes
32	Palisades Charter Elementary	5959	229	19 64733 6018634	11/01/98	Yes
33	Paul Revere Charter Middle	8356	225	19 64733 6058267	04/13/94	Yes
34	Plainview Academic Charter Academy	6096	1435	19 64733 6018725	04/17/12	Yes
35	Pomelo Community Charter	6140	1347	19 64733 6018774	05/24/11	Yes
36	Reseda Charter High	8814	2005	19 64733 1937226	05/01/18	Yes
37	Riverside Drive Charter	6315	1362	19 64733 6018923	08/30/11	Yes
38	Serrania Avenue Charter for Enriched Studies	6606	1484	19 64733 6019111	06/12/12	Yes
39	Sherman Oaks Elementary Charter	6699	1348	19 64733 6019186	05/24/11	Yes
40	Superior Street Elementary	7007	1476	19 64733 6019392	06/12/12	Yes
41	Sylmar Charter High	8878	1834	19 64733 1938554	05/10/16	Yes
42	Taft Charter High	8880	1580	19 64733 1938612	05/14/13	Yes
43	Topanga Elementary Charter	7198	230	19 64733 6019525	09/02/95	Yes
44	Topeka Charter School for Advanced Studies	7201	1475	19 64733 6019533	06/12/12	Yes
45	University High School Charter	8886	2006	19 64733 1938885	06/05/18	Yes
46	Van Gogh Charter	7422	1479	19 64733 6019673	06/05/12	Yes

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Schedule of Charter Schools - Affiliated
For the Year Ended June 30, 2025
(Unaudited)

School	Location Code	State Charter No.	CDS Code	Date Established	Included in the District Audit
47 Welby Way Charter Elementary School and Gifted Ability Magnet	7637	1349	19 64733 6019855	05/24/11	Yes
48 Westwood Charter Elementary	7740	31	19 64733 6019939	07/26/93	Yes
49 Wilbur Charter for Enriched Academics	7774	1482	19 64733 6019954	06/05/12	Yes
50 Woodlake Elementary Community Charter	7877	1483	19 64733 6020036	06/05/12	Yes
51 Woodland Hills Elementary Charter for Enriched Studies	7890	1485	19 64733 6020044	06/12/12	Yes

See accompanying independent auditor's report.

Los Angeles Unified School District
Schedule of Fiscally Independent Charter Schools
For the Year Ended June 30, 2025
(Unaudited)

	School	Location Code	State Charter no.	CDS Code	Date Established	Included in the District Audit
1	Academia Moderna	2156	1101	19 64733 0120097	4/14/2009	No
2	Accelerated	2015	45	19 64733 6112536	11/01/93	No
3	Accelerated Charter Elementary (ACES)	2013	539	19 64733 0100743	03/25/03	No
4	Alain Leroy Locke College Preparatory Academy	8087	1050	19 64733 0118588	09/11/07	No
5	Alliance Cindy and Bill Simon Technology Academy High	7759	1161	19 64733 0121285	10/20/09	No
6	Alliance College-Ready Middle Academy 12	5202	1533	19 64733 0128058	02/12/13	No
7	Alliance College-Ready Middle Academy 4	5160	1096	19 64733 0120030	04/14/09	No
8	Alliance College-Ready Middle Academy 8	5200	1531	19 64733 0128033	02/12/13	No
9	Alliance Collins Family College-Ready High	8647	718	19 64733 0108936	01/11/05	No
10	Alliance Dr. Olga Mohan High School	8823	790	19 64733 0111500	03/07/06	No
11	Alliance Gertz-Ressler Richard Merkin 6-12 Complex	8626	645	19 64733 0106864	04/27/04	No
12	Alliance Jack H. Skirball Middle	8115	779	19 64733 0111518	03/07/06	No
13	Alliance Judy Ivie Burton Technology Academy High	8646	714	19 64733 0108894	04/12/05	No
14	Alliance Kory Hunter Middle	5199	1532	19 64733 0128041	02/12/13	No
15	Alliance Leichtman-Levine Family Foundation Environmental Science High	8215	929	19 64733 0117606	02/12/13	No
16	Alliance Marc & Eva Stern Math and Science (CA State Univ. L.A. Campus)	8826	788	19 64733 0111658	03/07/06	No
17	Alliance Margaret M. Bloomfield Technology Academy High	7686	1356	19 64733 0124941	06/07/11	No
18	Alliance Marine - Innovation and Technology 6-12 Complex	7591	1738	19 64733 0132084	12/09/14	No
19	Alliance Morgan McKinzie High	8214	928	19 64733 0116509	05/08/07	No
20	Alliance Ouchi-O'Donovan 6-12 Complex	8825	784	19 64733 0111641	03/07/06	No
21	Alliance Patti And Peter Neuwirth Leadership Academy	8824	789	19 64733 0111492	03/07/06	No
22	Alliance Piera Barbaglia Shaheen Health Services Academy	8213	927	19 64733 0117598	05/08/07	No
23	Alliance Renee and Meyer Luskin Academy High	7694	1343	19 64733 0124891	05/24/11	No
24	Alliance Susan and Eric Smidt Technology High	7684	1163	19 64733 0123133	10/20/09	No
25	*Alliance Ted K. Tajima High* *	7685	1164	19 64733 0123141	10/20/09	No
26	Alliance Tennenbaum Family Technology High (Public School Choice-PSC)	7760	1162	19 64733 0121293	10/20/09	No
27	Alliance Virgil Roberts Leadership Academy	5201	1530	19 64733 0128009	02/12/13	No
28	Anahuacalmecac International University Preparatory of North America	5277	1685	19 64733 0132928	02/12/13	No
29	Animo Ellen Ochoa Charter Middle	5182	1286	19 64733 0123992	01/04/11	No
30	Animo Florence-Firestone Charter Middle	7582	1794	19 64733 0134023	01/12/16	No
31	Animo Jackie Robinson High	8818	793	19 64733 0111583	03/07/06	No
32	Animo James B. Taylor Charter Middle	5183	1287	19 64733 0124008	01/04/11	No
33	Animo Jefferson Charter Middle	5981	1216	19 64733 0122481	04/06/10	No
34	Animo Legacy Charter Middle School (Clay Campus) (PSC)	5181	1288	19 64733 0124016	01/04/11	No
35	Animo Mae Jemison Charter Middle	5217	1624	19 64733 0129270	11/12/13	No
36	Animo Pat Brown	8504	649	19 64733 0106849	04/13/04	No
37	Animo Ralph Bunche Charter High	8817	781	19 64733 0111575	03/07/06	No
38	Animo South Los Angeles Charter	8505	602	19 64733 0102434	10/28/03	No
39	Animo Venice Charter High	8503	648	19 64733 0106831	04/13/04	No
40	Animo Watts College Preparatory Academy	8822	783	19 64733 0111625	03/07/06	No
41	Ararat Charter	7757	1156	19 64733 0121079	09/22/09	No

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(Continued)

Los Angeles Unified School District
Schedule of Fiscally Independent Charter Schools
For the Year Ended June 30, 2025
(Unaudited)

	School	Location Code	State Charter No.	CDS Code	Date Established	Included in the District Audit
42	Arts In Action Community Charter	2258	1218	19 64733 0123158	04/20/10	No
43	Arts in Action Community Middle School	7583	1806	19 64733 0134205	02/09/16	No
44	Aspire Centennial College Preparatory Academy	5194	1436	19 64733 0126797	04/17/12	No
45	Aspire Firestone Academy (PSC)	2161	1214	19 64733 0122622	04/20/10	No
46	Aspire Gateway Academy Charter (PSC)	2162	1213	19 64733 0122614	04/20/10	No
47	Aspire Inskeep Academy Charter (PSC)	2255	1332	19 64733 0124800	04/05/11	No
48	Aspire Juanita Tate Academy Charter (PSC)	2254	1331	19 64733 0124792	04/05/11	No
49	Aspire Junior Collegiate Academy	2266	1551	19 64733 0114884	01/15/13	No
50	Aspire Pacific Academy	7733	1230	19 64733 0122721	05/18/10	No
51	Aspire Slauson Academy Charter (PSC)	2253	1330	19 64733 0124784	04/05/11	No
52	Aspire Titan Academy	2268	1550	19 64733 0120477	01/15/13	No
53	Bert Corona Charter	8054	654	19 64733 0106872	05/11/04	No
54	Bert Corona Charter High	7598	1724	19 64733 0132126	11/18/14	No
55	Birmingham Community Charter High	8557	1119	19 64733 1931047	07/01/09	No
56	California Creative Learning Academy	4985	827	19 64733 0112235	06/13/06	No
57	California Creative Learning Academy Middle School	5261	1960	19 64733 0137463	01/09/18	No
58	Camino Nuevo Charter Academy 2 (Kayne Siart)	5987	1231	19 64733 0122861	05/18/10	No
59	Camino Nuevo Charter Academy 4 (Cisneros) (PSC)	2251	1334	19 64733 0124826	04/05/11	No
60	Camino Nuevo Charter Academy (Burlington)	2017	293	19 64733 6117667	11/09/99	No
61	Camino Nuevo Elementary School 3 (Eisner) (PSC)	2157	1212	19 64733 0122564	04/20/10	No
62	Camino Nuevo High 2 (Dalzell Lance)	7624	1540	19 64733 0127910	03/19/13	No
63	CATCH Prep Charter High, Inc.	8654	570	19 64733 0101659	05/13/03	No
64	Center for Advanced Learning	3284	937	19 64733 0115139	06/12/07	No
65	Central City Value	8719	534	19 64733 0100800	02/25/03	No
66	CHAMPS - Charter HS of Arts-Multimedia & Performing	8586	712	19 64733 0108878	02/08/05	No
67	CHIME Institute's Schwarzenegger Community	2020	417	19 64733 6119531	02/08/05	No
68	Citizens of the World Charter School East Valley	2487	2081	19 64733 0140749	05/07/19	No
69	Citizens of the World Charter School Hollywood	2160	1200	19 64733 0122556	03/23/10	No
70	Citizens of the World Charter School Mar Vista (Gateway)	2262	1414	19 64733 0126193	02/07/12	No
71	Citizens of the World Charter School Silver Lake	2260	1413	19 64733 0126177	02/07/12	No
72	Citizens of the World Charter School West Valley	2466	2082	19 64733 0139832	05/07/19	No
73	City Language Immersion Charter	2271	1538	19 64733 0127886	01/15/13	No
74	Collegiate Charter High School of Los Angeles	7594	1722	19 64733 0131821	11/18/14	No
75	*Crete Academy**	7550	1854	19 64733 0135616	11/15/16	No
76	Crown Preparatory Academy	5983	1187	19 64733 0121848	03/02/10	No
77	Discovery Charter Preparatory #2	8605	949	19 64733 0115253	06/28/07	No
78	Downtown Value	4765	448	19 64733 6119903	12/11/01	No
79	Ednovate - Brio College Prep	7555	1843	19 64733 0135723	04/12/16	No
80	Ednovate - East College Prep	7595	1702	19 64733 0132282	06/10/14	No
81	Ednovate - Esperanza College Prep	7556	1842	19 64733 0135715	04/12/16	No
82	Ednovate - South LA College Prep	5279	2087	19 64733 0140129	04/02/19	No
83	Ednovate - USC Hybrid High College Prep	7672	1401	19 64733 0125864	12/06/11	No
84	Ednovate - Encore Arts and Media College Prep	5988	2086	19 64733 0164780	4/2/2019	No
85	El Camino Real Charter High	8617	1314	19 64733 1932623	03/01/11	No
86	El Rio Community School	2467	2080	19 64733 0140004	05/28/19	No

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Los Angeles Unified School District
Schedule of Fiscally Independent Charter Schools
For the Year Ended June 30, 2025
(Unaudited)

	School	Location Code	State Charter No.	CDS Code	Date Established	Included in the District Audit
87	Equitas Academy 2	5190	1402	19 64733 0126169	01/10/12	No
88	Equitas Academy 3 Charter	2280	1669	19 64733 0129650	3/4/2014	No
89	Equitas Academy 4	7551	1785	19 64733 0133686	09/01/15	No
90	Equitas Academy 5	5265	2040	19 64733 0139121	11/07/17	No
91	Equitas Academy 6	2468	2030	19 64733 0138883	10/23/18	No
92	Equitas Academy Charter	2154	1093	19 64733 0119982	03/24/09	No
93	Everest Value	5220	1638	19 64733 0129858	12/17/13	No
94	Extera Public	2256	1300	19 64733 0124198	02/01/11	No
95	Extera Public School No. 2	2272	1562	19 64733 0128132	01/15/13	No
96	Fenton Avenue Charter	3747	30	19 64733 6017016	07/26/93	No
97	Fenton Charter Leadership Academy	2078	1613	19 64733 0131722	06/18/13	No
98	Fenton Primary Center	3746	911	19 64733 0115048	03/13/07	No
99	Fenton STEM Academy: Elementary Center for Science Technology Engineering and Mathematics	2079	1605	19 64733 0131466	06/18/13	No
100	Gabriella Charter	4034	713	19 64733 0108886	03/08/05	No
101	Gabriella Charter 2	7552	1853	19 64733 0135509	10/18/16	No
102	Girls Athletic Leadership School Los Angeles	7585	1791	19 64733 0133710	04/15/15	No
103	Global Education Academy	2025	934	19 64733 0114967	05/22/07	No
104	Goethe International Charter	2129	1036	19 64733 0117978	07/08/08	No
105	Granada Hills Charter	8681	572	19 64733 1933746	05/13/03	No
106	High Tech LA	8885	537	19 64733 0100677	03/11/03	No
107	High Tech LA Middle	5260	1929	19 64733 0137471	05/09/17	No
108	ICEF Innovation Los Angeles Charter	2125	1037	19 64733 0117952	07/08/08	No
109	ICEF View Park Preparatory Elementary School	2016	190	19 64733 6117048	03/09/99	No
110	ICEF View Park Preparatory High School	8653	543	19 64733 0101196	03/11/03	No
111	ICEF View Park Preparatory Middle School	8460	506	19 64733 6121081	08/13/02	No
112	ICEF Vista Elementary Academy	2127	1039	19 64733 0117937	07/08/08	No
113	ICEF Vista Middle Academy	8004	953	19 64733 0115287	07/10/07	No
114	Ingenium Charter	2133	1157	19 64733 0121137	12/09/14	No
115	Ingenium Charter Middle	5203	1536	19 64733 0127985	02/12/13	No
116	Invictus Leadership Academy	5280	2088	19 64733 0140111	10/15/19	No
117	ISANA Cardinal Academy	2257	1285	19 64733 0123984	12/14/10	No
118	ISANA Himalia Academy	2488	1858	19 77081 0135954	11/24/20	No
119	ISANA Nascent Academy	2925	716	19 64733 0108910	04/12/05	No
120	ISANA Octavia Academy	5985	1232	19 64733 0122655	05/18/10	No
121	ISANA Palmati Academy	5184	1246	19 64733 0123166	06/15/10	No
122	Ivy Academia	4672	619	19 64733 0106351	02/10/04	No
123	*Ivy Bound Academy of Math, Science, and Technology Charter Middle**	8121	936	19 64733 0115113	06/12/07	No
124	James Jordan Middle	8195	734	19 64733 0109884	05/10/05	No
125	KIPP Academy of Innovation	5197	1586	19 64733 0128512	05/14/13	No
126	KIPP Academy of Opportunity	8458	530	19 64733 0101444	02/11/03	No
127	KIPP Comienza Community Prep	2159	1196	19 64733 0121707	03/23/10	No
128	KIPP Corazon Academy	7553	1855	19 64733 0135517	11/15/16	No
129	KIPP Empower Academy	2158	1195	19 64733 0121699	03/23/10	No

* Italicized schools are no longer authorized by LAUSD as of July 1, 2025.

(Continued)

Los Angeles Unified School District
Schedule of Fiscally Independent Charter Schools
For the Year Ended June 30, 2025
(Unaudited)

School	Location Code	State Charter No.	CDS Code	Date Established	Included in the District Audit
130 KIPP Endeavor College Preparatory Charter	5163	1094	19 64733 0120014	04/14/09	No
131 KIPP Ignite Academy	2081	1720	19 64733 0131771	12/09/14	No
132 KIPP Iluminar Academy	2261	1508	19 64733 0127670	11/13/12	No
133 KIPP Los Angeles College Preparatory	8457	531	19 64733 0100867	02/11/03	No
134 KIPP Philosophers Academy	5188	1378	19 64733 0125609	10/04/11	No
135 KIPP Promesa Prep	2080	1721	19 64733 0131797	12/09/14	No
136 KIPP Raices Academy	2043	1010	19 64733 0117903	05/27/08	No
137 KIPP Scholar Academy	5187	1377	19 64733 0125625	10/04/11	No
138 *KIPP Sol Academy**	5189	1379	19 64733 0125641	10/04/11	No
139 KIPP Vida Preparatory Academy	2264	1587	19 64733 0129460	05/14/13	No
140 Larchmont Charter	4783	717	19 64733 0108928	03/23/05	No
141 Learning by Design Charter	7572	1959	19 64733 0137513	02/06/18	No
142 Libertas College Preparatory Charter	5230	1711	19 64733 0131904	08/26/14	No
143 Los Angeles Academy of Arts and Enterprise Charter (LAAAE)	8216	675	19 64733 0110304	08/24/04	No
144 *Los Angeles Leadership Academy**	8756	461	19 64733 1996610	03/12/02	No
145 Los Angeles Leadership Primary Academy	2252	1333	19 64733 0124818	04/05/11	No
146 Magnolia Science Academy 4	8011	986	19 64733 0117622	02/26/08	No
147 Magnolia Science Academy 6	8013	988	19 64733 0117648	02/26/08	No
148 Magnolia Science Academy 7	8014	989	19 64733 0117655	02/26/08	No
149 Magnolia Science Academy Bell- BELL (PSC)	5166	1236	19 64733 0122747	06/15/10	No
150 Math and Science College Preparatory	7674	1412	19 64733 0126136	02/07/12	No
151 Matrix for Success Academy	2458	1961	19 64733 0137562	06/13/17	No
152 Monsenor Oscar Romero Charter Middle	8196	931	19 64733 0114959	05/22/07	No
153 Montague Charter Academy for the Arts and Sciences	5370	115	19 64733 6018204	07/15/96	No
154 Multicultural Learning Center	3550	388	19 64733 6119044	04/17/01	No
155 N.E.W. Academy Canoga Park	5477	592	19 64733 0102483	05/27/03	No
156 N.E.W. Academy of Science and Arts	2023	521	19 64733 0100289	12/10/02	No
157 New Designs Charter	8260	601	19 64733 0102541	10/28/03	No
158 New Designs Charter School-Watts	7770	1120	19 64733 0120071	07/01/09	No
159 New Heights Charter	5583	761	19 64733 0111211	01/31/06	No
160 New Horizons Charter Academy	2263	1567	19 64733 0128371	04/16/13	No
161 New Los Angeles Charter	8015	998	19 64733 0117614	04/22/08	No
162 New Los Angeles Charter Elementary	7581	1788	19 64733 0133702	10/13/15	No
163 New Millennium Secondary	8165	1020	19 64733 0117911	06/10/08	No
164 New Village Girls Academy	8775	791	19 64733 0111484	03/21/06	No
165 Ocean Charter	5962	569	19 64733 0102335	05/13/03	No
166 Oscar De La Hoya Animo Charter High	8827	581	19 64733 0101675	05/13/03	No
167 Our Community School	5902	739	19 64733 0109934	05/24/05	No
168 Pacoima Charter Elementary	5973	583	19 64733 6018642	05/13/03	No
169 Palisades Charter High	8798	37	19 64733 1995836	06/28/93	No
170 Para Los Niños Charter	2615	475	19 64733 6120489	05/14/02	No
171 Para Los Niños Middle	8016	1007	19 64733 0117846	05/13/08	No
172 Port of Los Angeles High	8528	542	19 64733 0107755	02/11/03	No
173 Prepa Tec - Los Angeles	5207	1542	19 64733 0127936	01/15/13	No
174 PUC CALS Charter Middle and Early College High School	8154	331	19 64733 0133298	04/19/05	No

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Los Angeles Unified School District
Schedule of Fiscally Independent Charter Schools
For the Year Ended June 30, 2025
(Unaudited)

School	Location Code	State Charter No.	CDS Code	Date Established	Included in the District Audit
175 PUC Community Charter Elementary	2282	1657	19 64733 0129619	02/11/14	No
176 PUC Community Charter Middle and PUC Community Charter Early College High	8453	213	19 64733 6116750	05/11/99	No
177 PUC Early College Academy for Leaders and Scholars (ECALS) (PSC)	7687	1354	19 64733 0124933	06/21/11	No
178 PUC Excel Charter Academy	2024	798	19 64733 0112201	03/21/06	No
179 PUC Inspire Charter Academy	5221	1626	19 64733 0129593	11/12/13	No
180 PUC Lakeview Charter Academy	8212	603	19 64733 0102442	10/28/03	No
181 PUC Lakeview Charter High	7732	1241	19 64733 0122606	05/18/10	No
182 PUC Milagro Charter	5313	600	19 64733 0102426	12/12/03	No
183 PUC Nueva Esperanza Charter Academy	7779	1092	19 64733 0133280	02/10/09	No
184 PUC Triumph Charter Academy and PUC Triumph Charter High School	8426	797	19 64733 0133272	03/21/06	No
185 PUENTE Charter	2621	473	19 64733 6120471	05/14/02	No
186 Renaissance Arts Academy	8456	579	19 64733 0101683	06/24/03	No
187 Rise Kohyang Elementary	5268	1927	19 64733 0136994	12/05/17	No
188 Rise Kohyang High School	7579	1786	19 64733 0133868	11/10/15	No
189 Rise Kohyang Middle	5177	1315	19 64733 0124222	03/01/11	No
190 Santa Monica Boulevard Community Charter	6548	446	19 64733 6019079	12/11/01	No
191 Scholarship Prep South Bay	5269	2042	19 64733 0139097	11/27/18	No
192 Stella Elementary Charter Academy	2457	1866	19 64733 0137604	01/10/17	No
193 Stella High Charter Academy	8947	826	19 64733 0112508	06/13/06	No
194 Stella Middle Charter Academy	2588	535	19 64733 0100669	03/11/03	No
195 STEM Preparatory Elementary	2451	1925	19 64733 0136986	11/07/17	No
196 Synergy Charter Academy	7029	636	19 64733 0106427	03/23/04	No
197 Synergy Kinetic Academy (PSC)	8018	1014	19 64733 0117895	05/27/08	No
198 Synergy Quantum Academy (PSC)	7692	1299	19 64733 0124560	02/01/11	No
199 TEACH Academy of Technologies	5982	1206	19 64733 0122242	04/06/10	No
200 TEACH Preparatory Mildred S. Cunningham & Edith H. Morris Elementary School	2452	2004	19 64733 0138305	05/01/18	No
201 TEACH Tech Charter High	7608	1658	19 64733 0129627	02/11/14	No
202 University Preparatory Value High	7597	1723	19 64733 0132027	11/18/14	No
203 Valley Charter Elementary	2165	1237	19 64733 0122754	06/15/10	No
204 Valley Charter Middle	5185	1238	19 64733 0122838	06/15/10	No
205 Valley International Preparatory High	7531	1926	19 64733 0137612	12/05/17	No
206 Valor Academy Elementary	7580	1787	19 64733 0133694	11/10/15	No
207 Valor Academy High	7626	1539	19 64733 0127894	03/19/13	No
208 Valor Academy Middle	5162	1095	19 64733 0120022	04/14/09	No
209 Vaughn Next Century Learning Center (Mainland/MIT)	7452	16	19 64733 6019715	07/01/93	No
210 Village Charter Academy	2283	1639	19 64733 0129866	12/17/13	No
211 Vista Charter Middle	5984	1234	19 64733 0122739	05/18/10	No
212 Vista Horizon Global Academy	5270	2043	19 64733 0139089	11/27/18	No
213 Vox Collegiate of Los Angeles	7532	1917	19 64733 0137521	06/13/17	No
214 Wallis Annenberg High	8828	538	19 64733 0100750	03/25/03	No
215 Watts Learning Center	7620	131	19 64733 6114912	06/23/97	No

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Los Angeles Unified School District
Schedule of Fiscally Independent Charter Schools
For the Year Ended June 30, 2025
(Unaudited)

School	Location Code	State Charter No.	CDS Code	Date Established	Included in the District Audit
216 Watts Learning Center Charter Middle	5165	1141	19 64733 0120527	08/25/09	No
217 WISH Academy High	7557	1863	19 64733 0135632	03/08/16	No
218 WISH Community	5252	1627	19 64733 0135921	11/12/13	No

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STATE AND FEDERAL COMPLIANCE INFORMATION

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Los Angeles Unified School District
General Fund
Schedule of Principal Apportionment from the State School Fund
For the Year Ended June 30, 2025
(Unaudited)

	District	Affiliated Charters
Local Control Funding Formula (LCFF)		
LCFF Funded Average Daily Attendance (ADA)		
K-3 ADA	$ 114,677	$ 11,909
4-6 ADA	81,034.53	8,086.88
7-8 ADA	51,537.90	5,406.42
9-12 ADA	103,550.75	9,633.92
Total Funded ADA	350,800.65	35,035.94
Unduplicated Pupil Percentage	86.00%	varies by school
LCFF State Aid		
Base Grant Funding	$ 3,928,897,464	$ 390,793,000
Supplemental Grant Funding	675,770,364	39,405,191
Concentration Grant Funding	791,672,839	17,035,400
Allowance and Add-On Funding		
Add-On (Based on 2012-13 Targeted Instructional Improvement Block Grant)	460,431,314	-
Add-On (Based on 2012-13 Home-to-School Transportation)	84,863,980	-
Economic Recovery Target	-	990,310
Transition Kindergarten Ratio - Current Year	31,996,031	3,402,822
Transition Kindergarten Ratio - Prior Years	(5,091,751)	(128,004)
Total LCFF Target Entitlement	5,968,540,241	451,498,719
LCFF Funding	5,968,540,241	451,498,719
Local Revenue	1,629,341,458	147,832,050
Gross State Aid (LCFF Funding less Local Revenue)	4,339,198,783	303,666,669
Education Protection Account Entitlement	905,427,109	68,166,943
Net State Aid-Current Year (Gross State Aid less Education Protection Account)	3,433,771,674	235,499,726
State Aid - Prior Years	1,524,830	73,915
Principal apportionments - other state revenues		
Special education		
Current year	434,900,885	-
Prior years	(1,996,253)	-
Other State Apportionments		
Current year	3,961,214	-
Prior years	2,524	-
Total Principal Apportionment from State School Funds	$ 3,872,164,874	$ 235,573,641

See accompanying independent auditor's report.

Los Angeles Unified School District
General Fund
Schedule of Appropriations, Expenditures and Other Uses, and Unexpended Balances
by District Defined Program
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

	Appropriations	Expenditures and Other Uses	Unexpended Balances
Regular program:			
General Program - Schools	$ 6,985,169	$ 5,855,113	$ 1,130,056
General Program - Support Services	1,548,126	1,655,674	(107,548)
General Program - Hourly Intervention/ Remediation	2,000	1,886	114
General Program - Interfund Transfers	642,729	642,661	68
General Program - Options Programs	105,464	95,993	9,471
Special Education - Schools	1,868,406	1,903,842	(35,436)
Special Education - Support Services	141,509	126,592	14,917
Special Education - Extended Session	30,252	34,207	(3,955)
Student Integration - Schools	136,818	139,904	(3,086)
Student Integration - Support Services	45,491	46,421	(930)
ROC/Skill Centers - Support Services	108	1	107
Regional Occupational Programs - Schools	21,580	16,142	5,438
On-going & Major Maintenance - Schools	332,187	323,637	8,550
On-going & Major Maintenance - Support Services	56,371	53,678	2,693
On-going & Major Maintenance - Interfund Transfers	61	61	-
Community Services	1,286	3,473	(2,187)
Reserves and Resources Allocations	22,704	3,605	19,099
Total Regular Program	11,940,261	10,902,890	1,037,371
Specially Funded Programs	1,180,342	858,927	321,415
Total General Fund	$ 13,120,603	$ 11,761,817	$ 1,358,786

See accompanying independent auditor's report.

Los Angeles Unified School District
General Fund
Expenditures and Other Uses by Goal and Function
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

Instruction	$	8,518,812
Support Services		
Supervision of instruction		64,143
Library, media, technology and other instructional resources		56,245
School administration		409,748
Pupil support services		131,117
Pupil transportation		15,883
Data processing services		188,490
Plant maintenance and operations		986,373
Facilities rents and leases		996
Central administration		580,002
Total Support Services		2,432,997
Other Goals		
Community services		5,280
Child care and development services		832
Food services		28,870
Total Other Goals		34,982
Facilities Acquisition and Construction		90,522
Other Outgo		
Debt service		33,491
All other outgo		651,013
Total Other Outgo		684,504
Total Expenditures and Other Uses	$	11,761,817

See accompanying independent auditor's report.

Los Angeles Unified School District
General Fund
Schedule of Current Expense of Education
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

	Total Expense for the Year	Excluded Amounts*	Current Expense of Education	Current Expense of Education per Unit of A.D.A.**
Certificated salaries	$ 4,088,493	$ 453,630	$ 3,634,863	$ 9,788.45
Classified salaries	1,620,262	280,351	1,339,911	3,608.29
Employee benefits (excluding PERS reduction)	3,154,151	316,310	2,837,841	7,642.12
Books, supplies, and equipment replacement	460,338	144,241	316,097	851.23
Services & operating expense and direct support	1,606,896	910,842	696,054	1,874.43
Total	$ 10,930,140	$ 2,105,374	$ 8,824,766	$ 23,764.52

* The excluded amounts relate to Nonagency, Community Services, Food Services, Fringe Benefits to Retirees, and Facilities Acquisition and Construction.

** Annual A.D.A. (Average Daily Attendance) used is 371,342.10. Amounts rounded to nearest cent.

Note: Computation of current expense of education was prepared according to state guidelines.

See accompanying independent auditor's report.

Los Angeles Unified School District
General Fund
Schedule of Special Purpose Revenues, Expenditures, and Restricted Balances
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

	Balances July 1, 2024	Revenues	Expenditures	Contributions	Balances June 30, 2025
Expanded Learning Opportunities Program	$ 362,619	$ 468,194	$ 673,668	$ -	$ 157,145
NCLB: Title I, Part A, Basic Grants	-	434,894	434,894	-	-
NCLB: Title I, Part C, Migrant Ed	-	1,196	905	(291)	-
NCLB: Title I, Migrant Ed Summer Program	-	-	240	240	-
NCLB: Title I, Part B, Even Start Migran	-	-	52	52	-
ESSA: School Improvement Funding for LEA	-	7,252	7,252	-	-
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) III Fund	-	168	168	-	-
COVID-19 ELO ESSER III Fund State Reserve Emergency Needs	-	31	31	-	-
COVID-19 ELO ESSER III Fund State Reserve Learning Loss	-	1,203	1,203	-	-
21st CCLC Rate Increase ESSER III State Reserve	-	(156)	(156)	-	-
Special Ed: IDEA Local Assistance	-	142,100	142,100	-	-
Special Ed: Preschool Grant	-	5,186	4,416	(770)	-
Special Ed: Early Intervention Grant	-	1,178	1,948	770	-
Special Ed: IDEA Mental Health Allocation Plan	-	6,033	6,033	-	-
Special Ed: IDEA Quality Assurance & Focused Monitoring	-	85	85	-	-
Special Ed: Alternative Dispute Resolution	-	7	7	-	-
Department of Rehab: Workability II, Transition Partnership	-	3,237	3,237	-	-
Vocational Programs: Voc & Appl Tech Secondary	-	6,508	6,508	-	-
NCLB: Title II, Part A, Teacher Quality	-	35,244	35,244	-	-
NCLB: Title IV, Part B, 21st Century Com	-	14,075	14,075	-	-
ESSA:T4A Student Support & Acad Enrichment	-	27,047	27,047	-	-
NCLB: Title III, Immigrant Education Pro	-	2,104	2,104	-	-
NCLB: Title III, Limited English Proficiency	-	19,674	19,674	-	-
Indian Education	-	121	121	-	-
Workforce Investment Act (WIA) From Other Agencies	-	1,448	1,448	-	-
NCLB: Title X McKinney-Vento Homeless Assistance	-	254	254	-	-
COVID-19 American Rescue Plan-Homeless Children and Youth	-	117	117	-	-
COVID-19 American Rescue Plan-Homeless Children and Youth II	-	1,936	1,936	-	-
FEMA Public Assistance Funds	1	-	-	-	1
School Mental Health Medi-Cal	14,039	9,861	12,039	-	11,861
Medi-Cal Electronic Health Record Incentive	27	-	-	-	27
Emergency Connectivity	2	-	-	-	2
Other Federal	-	15,233	15,233	-	-
After School Education and Safety (ASES)	-	100,129	100,129	-	-
Child Dev: Universal Pre-Kindergarten (UPK) Planning and Implementation	-	8,756	8,756	-	-
Literacy Coaches and Reading Specialists Program	120,758	-	45,914	-	74,844
Educator Effectiveness	82,833	-	46,172	-	36,661
CA National Board Certified Teacher Incentive Program	-	7,706	7,706	-	-
Lottery: Instructional Materials	-	36,747	36,747	-	-
CA Learning Communities for School Success Program	13,753	16,740	13,091	-	17,402
Golden State Pathways Program	-	45,307	27	-	45,280
Gov's CTE Initiative: Calif Partnership	-	1,616	1,616	-	-
Cal Partnership Acad (CPA): Green & Clean	-	106	106	-	-
Career Technical Education Incentive Grant	-	11,302	11,302	-	-
Strong Workforce Program	-	659	659	-	-
Special Education	4,922	467,152	1,596,327	1,127,550	3,297

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
General Fund
Schedule of Special Purpose Revenues, Expenditures, and Restricted Balances
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

	Balances July 1, 2024	Revenues	Expenditures	Contributions	Balances June 30, 2025
Special Ed: Early Ed Individuals with Exceptional Needs (Infant Program)	26,641	26,982	50,323	-	3,300
Special Ed: Project Workability I	-	936	936	-	-
Special Ed: Mental Health Services	-	31,011	31,011	-	-
Tobacco-Use Prevention Education	-	1,550	1,550	-	-
Arts, Music, and Instructional Block Grant	243,222	-	-	-	243,222
Proposition 28: Arts and Music	29,556	71,924	49,709	-	51,771
Agricultural Vocational Incentive Grants	-	17	17	-	-
Child Nutrition: Kitchen Infrastructure	65,863	-	14,203	-	51,660
California Learning Communities for School Success Program	-	1,400	290	-	1,110
Partnership Academies Program	-	3,636	3,636	-	-
School Bus Emissions Reduction Funds	-	11,880	11,880	-	-
Classified Employee Professional Development Block Grant	1,527	-	732	-	795
Dual Enrollment Opportunities	5,217	3,420	979	-	7,658
Supplementary Programs: Specialized Secondary	-	138	138	-	-
LCFF Equity Multiplier	21,227	32,285	7,854	-	45,658
A-G Completion Improvement Grant	37,660	-	14,279	-	23,381
Classified School Employee Summer Assistance Program	-	14,881	14,881	-	-
Expanded Learning Opportunities Grant	35	-	35	-	-
Expanded Learning Opportunities Grant: Paraprofessional	13	-	13	-	-
Learning Recovery Emergency Block Grant	637,266	-	637,266	-	-
On-Behalf Pension Contributions	-	368,899	368,899	-	-
Census 2020	1	-	-	-	1
Ethnic Studies Program	2,688	-	108	-	2,580
Kids Vaccination Grant	13	-	1	-	12
Teacher Residency Program	-	12,932	5,999	3,977	10,910
CA Farm to Fork Initiative	-	-	14	-	(14)
Other State	-	10,681	10,677	-	4
Ongoing and Major Maintenance Account	-	53	377,689	377,706	70
Medi-Cal LEA Services Provider	(7)	-	82,787	-	(82,794)
Proposition K: Maintenance	-	18	18	-	-
Cal SHAPE Ventilation Program	12,766	-	2,248	-	10,518
Department of Water and Power Pilot Efficiency	5,638	-	1,881	-	3,757
Clean Cities Grant	86	-	-	-	86
Child Health and Disability Prevention Program	210	271	56	-	425
No Kid Hungry - School Breakfast Program	-	34	11	-	23
Medi-Cal Billing Options	105,758	64,639	1,644	-	168,753
B.E.S.T. Behavior Special Education	132	-	-	-	132
Cognitive Behavioral Intervention Therapy	60	-	1	-	59
Construction Contracts	17	-	-	-	17
Certificate of Participation (Acquisition Accounts) Proceeds	45	1	44	-	2
General Obligation Bonds	-	-	29	29	-
Other Local	-	12,127	12,129	-	(2)
Totals	$ 1,794,588	$ 2,570,165	$ 4,984,402	$ 1,509,263	$ 889,614

See accompanying independent auditor's report.

Los Angeles Unified School District
Adult Education Fund
Schedule of Revenues and Other Sources, Expenditures, and Other Uses by Function, and Changes in Fund Balance
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

Revenues and Other Sources:		
Federal revenues	$	14,408
Other state revenues		151,382
Other local revenues		3,983
Transfers in		8
Proceeds from SBITAs		2,443
Total Revenues and Other Sources		172,224
Expenditures and Other Uses:		
Instruction		69,968
Support Services		
Supervision of instruction		44,169
School administration		27,286
Guidance and counseling services		5,702
Other Pupil Services		21
General administration cost transfers		7,078
Plant maintenance and operations		24,971
Facilities acquisition and construction		1,391
Debt Service		532
Transfers Between Agencies		2,327
Total Expenditures and Other Uses		183,445
Excess of Revenues and Other Sources Over Expenditures and Other Uses		(11,221)
Fund Balances, beginning		59,032
Fund Balances, ending	$	47,811

See accompanying independent auditor's report.

Los Angeles Unified School District
Child Development Fund
Schedule of Revenues and Other Sources, Expenditures, and Other Uses by Function, and Changes in Fund Balance
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

Revenues and Other Sources:		
Federal revenues	$	12,613
Other state revenues		242,679
Other local revenues		7,014
Proceeds from SBITAs		206
Total Revenues and Other Sources		262,512
Expenditures and Other Uses:		
Instruction		173,657
Support Services		
Supervision of instruction		4,949
School administration		30,380
Guidance and counseling services		3,208
General administration cost transfers		14,135
Plant maintenance and operations		26,527
Facilities acquisition and construction		1,129
Debt Service		117
Total Expenditures and Other Uses		254,102
Excess of Revenues and Other Sources Over Expenditures and Other Uses		8,410
Fund Balances, beginning		98,860
Fund Balances, ending	$	107,270

See accompanying independent auditor's report.



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Los Angeles Unified School District
All Funds
Schedule of Fund Balances
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

	General Fund	District Bonds	Bond Interest and Redemption	Student Activity	Adult Education	Child Development
Nonspendable:						
Revolving and imprest funds	$ 2,925	$ 496	$ -	$ -	$ 15	$ -
Inventories	35,308	-	-	4,593	-	-
Prepaids	12,642	23	-	-	22	1,757
Total Nonspendable	50,875	519	-	4,593	37	1,757
Restricted	889,614	1,665,643	1,746,752	47,605	36,565	100,444
Committed	-	-	-	-	-	-
Assigned	1,373,616	-	-	-	11,209	5,069
Unassigned:						
Reserved for economic uncertainties	710,567	-	-	-	-	-
Unassigned	2,067,999	-	-	-	-	-
Total Unassigned	2,778,566	-	-	-	-	-
Restricted net position	-	-	-	-	-	-
Unrestricted net position	-	-	-	-	-	-
Total Fund Balances/Net Position	$ 5,092,671	$ 1,666,162	$ 1,746,752	$ 52,198	$ 47,811	$ 107,270

See accompanying independent auditor's report.

(Continued)

Cafeteria	Tax Override	Capital Services	Building	Capital Facilities Account	County School Facilities Bonds	Special Reserve - Community Redevelopment Agency	Special Reserve	Special Reserve - FEMA - Earthquake
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14,031	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,030	-
14,031	-	-	-	-	-	-	9,030	-
260,082	457	124	-	97,229	32,054	209,896	327,984	2,579
-	-	-	-	-	-	-	-	-
-	-	-	4,397	-	-	-	-	205
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$ 274,113	$ 457	$ 124	$ 4,397	$ 97,229	$ 32,054	$ 209,896	$ 337,014	$ 2,784

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
All Funds
Schedule of Fund Balances
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

	Special Reserve - FEMA - Hazard Mitigation	Health and Welfare Benefits	Workers' Compensation Self-Insurance	Liability Self-Insurance	Los Angeles Unified Captive Insurance
Nonspendable:					
Revolving and imprest funds	$ -	$ -	$ -	$ -	$ -
Inventories	-	-	-	-	-
Prepaids	-	-	-	-	-
Total Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	
Committed	-	-	-	-	
Assigned	237	-	-	-	
Unassigned:					
Reserved for economic uncertainties	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Unassigned	-	-	-	-	-
Restricted net position	-	-	-	-	-
Unrestricted net position	-	128,635	284,873	(692,742)	252,648
Total Fund Balances/Net Position	$ 237	$ 128,635	$ 284,873	$ (692,742)	$ 252,648

See accompanying independent auditor's report.



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Los Angeles Unified School District
All Funds
Schedule of Revenues and Other Financing Sources
For the Year Ended June 30, 2025
(in thousands)
(Unaudited)

	SACS Object Code	General Fund	District Bonds	Bond Interest and Redemption	Special Revenue Funds: Student Activity	Special Revenue Funds: Adult Education
Local Control Funding Formula (LCFF) Sources:						
Principal Apportionment:						
State Aid - Current Year	8011	$ 3,669,271	$ -	$ -	$ -	$ -
Education Protection Account Entitlement	8012	973,594	-	-	-	-
State Aid - Prior Years	8019	1,599	-	-	-	-
Tax Relief Subventions:						
Homeowners' Exemptions	8021	6,151	-	-	-	-
Other Subventions/In-lieu of Taxes	8029	13,041	-	-	-	-
County & District Taxes:						
Secured Roll Taxes	8041	1,637,464	-	-	-	-
Unsecured Roll Taxes	8042	51,696	-	-	-	-
Prior Years' Taxes	8043	39,914	-	-	-	-
Supplemental Taxes	8044	29,552	-	-	-	-
Education Revenue Augmentation Fund (ERAF)	8045	286,576	-	-	-	-
Community Redevelopment Funds	8047	153,465	-	-	-	-
Penalties/Int. - Delinquent LCFF Taxes	8048	426	-	-	-	-
LCFF Transfers:						
Transfer to Charter In Lieu Property Taxes	8096	(441,110)	-	-	-	-
Property Taxes Transfers	8097	34,163	-	-	-	-
Total LCFF Sources		6,455,802	-	-	-	-
Federal Revenues:						
Special Education Entitlement	8181	142,100	-	-	-	-
Special Education Discretionary Grant	8182	12,489	-	-	-	-
Child Nutrition Programs	8220	-	-	-	-	-
Donated Food Commodities	8221	-	-	-	-	-
Forest Reserve Funds	8260	22	-	-	-	-
FEMA	8281	4,060	-	-	-	-
Interagency Contracts Between LEAs	8285	1,278	-	-	-	-
NCLB Title I Part A, Basic Grants Low Income and Neglected	8290	434,894	-	-	-	-
NCLB Title I Part D, Local Delinquent Programs	8290	-	-	-	-	-
NCLB Title II Part A, Teacher Quality	8290	35,244	-	-	-	-
NCLB Title III, Limited English Proficient	8290	19,674	-	-	-	-
Other No Child Left Behind	8290	14,329	-	-	-	-
Every Student Succeeds Act (ESSA)	8290	34,299	-	-	-	-
Elementary and Secondary School Emergency Relief (ESSER)	8290	1,246	-	-	-	-
Vocational & Applied Technology Education	8290	6,508	-	-	-	1,251
JTPA/WIA	8290	-	-	-	-	-
Other Federal Revenue	8290	35,759	-	25,963	-	13,157
Total Federal Revenues		741,902	-	25,963	-	14,408

See accompanying independent auditor's report.

(Continued)

Special Revenue Funds			Debt Service Funds		
Child Development	Cafeteria	Total	Tax Override	Capital Services	Total
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	382,495	382,495	-	-	-
-	21,823	21,823	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,251	-	-	-
-	-	-	-	-	-
12,613	6	25,776	-	-	-
12,613	404,324	431,345	-	-	-

See accompanying independent auditor's report.

(Continued)

All Funds
Schedule of Revenues and Other Financing Sources (Continued)
Year Ended June 30, 2025
(in thousands)
(Unaudited)

		Capital Projects Funds				
	SACS Object Code	Building	Capital Facilities Account	County School Facilities Bonds	Special Reserve - Community Redevelopment Agency	Special Reserve
Local Control Funding Formula (LCFF) Sources:						
Principal Apportionment:						
State Aid - Current Year	8011	$ -	$ -	$ -	$ -	$ -
Education Protection Account Entitlement	8012	-	-	-	-	-
State Aid - Prior Years	8019	-	-	-	-	-
Tax Relief Subventions:						
Homeowners' Exemptions	8021	-	-	-	-	-
Other Subventions/In-lieu of Taxes	8029	-	-	-	-	-
County & District Taxes:						
Secured Roll Taxes	8041	-	-	-	-	-
Unsecured Roll Taxes	8042	-	-	-	-	-
Prior Years' Taxes	8043	-	-	-	-	-
Supplemental Taxes	8044	-	-	-	-	-
Education Revenue Augmentation Fund (ERAF)	8045	-	-	-	-	-
Community Redevelopment Funds	8047	-	-	-	-	-
Penalties/Int. - Delinquent LCFF Taxes	8048	-	-	-	-	-
LCFF Transfers:						
Transfer to Charter In Lieu Property Taxes	8096	-	-	-	-	-
Property Taxes Transfers	8097	-	-	-	-	-
Total LCFF Sources		-	-	-	-	-
Federal Revenues:						
Special Education Entitlement	8181	-	-	-	-	-
Special Education Discretionary Grant	8182	-	-	-	-	-
Child Nutrition Programs	8220	-	-	-	-	-
Donated Food Commodities	8221	-	-	-	-	-
Forest Reserve Funds	8260	-	-	-	-	-
FEMA	8281	-	-	-	-	366
Interagency Contracts Between LEAs	8285	-	-	-	-	-
NCLB Title I Part A, Basic Grants Low Income and Neglected	8290	-	-	-	-	-
NCLB Title I Part D, Local Delinquent Programs	8290	-	-	-	-	-
NCLB Title II Part A, Teacher Quality	8290	-	-	-	-	-
NCLB Title III, Limited English Proficient	8290	-	-	-	-	-
Other No Child Left Behind	8290	-	-	-	-	-
Every Student Succeeds Act (ESSA)	8290	-	-	-	-	-
Elementary and Secondary School Emergency Relief (ESSER)	8290	-	-	-	-	-
Vocational & Applied Technology Education	8290	-	-	-	-	-
JTPA/WIA	8290	-	-	-	-	-
Other Federal Revenue	8290	-	-	-	-	-
Total Federal Revenues		-	-	-	-	366

See accompanying independent auditor's report.

(Continued)

Capital Projects Funds		
Special Reserve - FEMA - Earthquake	Special Reserve - FEMA - Hazard Mitigation	Total
$ -	$ -	$ -
-	-	-
-	-	-
-	-

All Funds
Schedule of Revenues and Other Financing Sources (Continued)
Year Ended June 30, 2025
(in thousands)
(Unaudited)

	SACS Object Code	Internal Service Funds: Health and Welfare Benefits	Workers' Compensation Self-Insurance	Liability Self-Insurance	Los Angeles Unified Captive Insurance	Total
Local Control Funding Formula (LCFF) Sources:						
Principal Apportionment:						
State Aid - Current Year	8011	$ -	$ -	$ -	$ -	$ -
Education Protection Account Entitlement	8012	-	-	-	-	-
State Aid - Prior Years	8019	-	-	-	-	-
Tax Relief Subventions:						
Homeowners' Exemptions	8021	-	-	-	-	-
Other Subventions/In-lieu of Taxes	8029	-	-	-	-	-
County & District Taxes:						
Secured Roll Taxes	8041	-	-	-	-	-
Unsecured Roll Taxes	8042	-	-	-	-	-
Prior Years' Taxes	8043	-	-	-	-	-
Supplemental Taxes	8044	-	-	-	-	-
Education Revenue Augmentation Fund (ERAF)	8045	-	-	-	-	-
Community Redevelopment Funds	8047	-	-	-	-	-
Penalties/Int. - Delinquent LCFF Taxes	8048	-	-	-	-	-
LCFF Transfers:						
Transfer to Charter In Lieu Property Taxes	8096	-	-	-	-	-
Property Taxes Transfers	8097					-
Total LCFF Sources		-	-	-	-	-
Federal Revenues:						
Special Education Entitlement	8181	-	-	-	-	-
Special Education Discretionary Grant	8182	-	-	-	-	-
Child Nutrition Programs	8220	-	-	-	-	-
Donated Food Commodities	8221	-	-	-	-	-
Forest Reserve Funds	8260	-	-	-	-	-
FEMA	8281	-	-	-	-	-
Interagency Contracts Between LEAs	8285	-	-	-	-	-
NCLB Title I Part A, Basic Grants Low Income and Neglected	8290	-	-	-	-	-
NCLB Title I Part D, Local Delinquent Programs	8290	-	-	-	-	-
NCLB Title II Part A, Teacher Quality	8290	-	-	-	-	-
NCLB Title III, Limited English Proficient	8290	-	-	-	-	-
Other No Child Left Behind	8290	-	-	-	-	-
Every Student Succeeds Act (ESSA)	8290	-	-	-	-	-
Elementary and Secondary School Emergency Relief (ESSER)	8290	-	-	-	-	-
Vocational & Applied Technology Education	8290	-	-	-	-	-
JTPA/WIA	8290	-	-	-	-	-
Other Federal Revenue	8290	-	-	-	-	-
Total Federal Revenues		-	-	-	-	-

See accompanying independent auditor's report.

(Continued)

	Total
$	3,669,271
	973,594
	1,599
	6,151
	13,041
	1,637,464
	51,696
	39,914
	29,552
	286,576
	153,465
	426
	(441,110)
	34,163
	6,455,802
$	142,100
	12,489
	382,495
	21,823
	22
	4,426
	1,278
	434,894
	-
	35,244
	19,674
	14,329
	34,299
	1,246
	7,759
	-
	87,498
	1,199,576

See accompanying independent auditor's report.

(Continued)

All Funds
Schedule of Revenues and Other Financing Sources (Continued)
Year Ended June 30, 2025
(in thousands)
(Unaudited)

	SACS Object Code	General Fund	District Bonds	Bond Interest and Redemption	Special Revenue Funds: Student Activity	Special Revenue Funds: Adult Education
Other State Revenues:						
Spec. Ed. Master Plan:						
Current Year	8311	$ 438,862	$ -	$ -	$ -	$ -
Prior Years	8319	(1,994)	-	-	-	-
All Other State Apportionments - Current Year	8311	-	-	-	-	-
Child Nutrition Programs	8520	-	-	-	-	-
School Facilities Apportionments	8545	-	-	-	-	-
Mandated Costs Reimbursements	8550	17,856	-	-	-	-
Lottery - Unrestricted and Instructional Materials	8560	113,463	-	-	-	-
Voted Indebtedness Levies Homeowners' Exemptions	8571	-	-	3,163	-	-
Adult Education Block Grant	8590	-	-	-	-	138,249
Expanded Learning Opportunities Program (ELOP)	8590	468,194	-	-	-	-
After School Education and Safety (ASES)	8590	100,129	-	-	-	-
Drug/Alcohol/Tobacco Funds	8590	1,550	-	-	-	-
Special Education	8590	23,018	-	-	-	-
Specialized Secondary	8590	138	-	-	-	-
State Preschool	8590	-	-	-	-	-
All Other State Revenue	8590	702,982	-	-	-	13,133
Total Other State Revenues		1,864,198	-	3,163	-	151,382
Other Local Revenues:						
County and District Taxes:						
Other Restricted & Voted Indebtedness Levies:						
Secured Roll	8611	-	-	1,156,459	-	-
Unsecured Roll	8612	-	-	40,332	-	-
Prior Years' Taxes	8613	-	-	26,004	-	-
Supplemental Taxes	8614	-	-	22,516	-	-
Community Redevelopment Funds not Subject to Revenue LCFF Deductions	8625	-	-	-	-	-
Penalties and Interest from Delinquent Non-LCFF Taxes	8629	-	-	5,040	-	-
Sales:						
Sale of Equipment/Supplies	8631	953	-	-	-	-
Food Service Sales	8634	-	-	-	-	-
Leases and Rentals	8650	29,043	-	-	-	72
Interest	8660	222,458	65,663	41,808	-	1,339
Net Increase (Decrease) in the Fair Value of Investments	8662	129,723	8,655	8,903	-	195
Fees and Contracts:						
Adult Education Fees	8671	-	-	-	-	606
Non-Resident Students	8672	-	-	-	-	-
Child Development Parent Fees	8673	-	-	-	-	-
In-District Premiums/Contributions	8674	-	-	-	-	-
Interagency Service Fees	8677	478	-	-	-	-
Mitigation/Developer Fees	8681	-	-	-	-	-
All Other Fees and Contracts	8689	43,222	-	-	-	-
All Other Local Revenue	8699	189,333	1,107	207	40,099	1,771
Tuition	8710				-	-
Total Other Local Revenues		615,210	75,425	1,301,269	40,099	3,983
Subtotal - Revenues		9,677,112	75,425	1,330,395	40,099	169,773

See accompanying independent auditor's report.

(Continued)

Special Revenue Funds			Debt Service Funds		
Child Development	Cafeteria	Total	Tax Override	Capital Services	Total
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	115,128	115,128	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	138,249	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
228,472	-	228,472	-	-	-
14,207	578	27,918	-	-	-
242,679	115,706	509,767	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,634	1,634	-	-	-
-	-	72	-	-	-
5,169	5,097	11,605	17	193	210
1,701	2,170	4,066	6	(1)	5
-	-	606	-	-	-
-	-	-	-	-	-
113	-	113	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31	23	41,924	-	-	-
-	-	-	-	-	-
7,014	8,924	60,020	23	192	215
262,306	528,954	1,001,132	23	192	215

See accompanying independent auditor's report.

(Continued)

All Funds
Schedule of Revenues and Other Financing Sources (Continued)
Year Ended June 30, 2025
(in thousands)
(Unaudited)

		Capital Projects Funds				
	SACS Object Code	Building	Capital Facilities Account	County School Facilities Bonds	Special Reserve - Community Redevelopment Agency	Special Reserve
Other State Revenues:						
Spec. Ed. Master Plan:						
Current Year	8311	$ -	$ -	$ -	$ -	$ -
Prior Years	8319	-	-	-	-	-
All Other State Apportionments - Current Year	8311	-	-	-	-	-
Child Nutrition Programs	8520	-	-	-	-	-
School Facilities Apportionments	8545	-	-	118,823	-	-
Mandated Costs Reimbursements	8550	-	-	-	-	-
Lottery - Unrestricted and Instructional Materials	8560	-	-	-	-	-
Voted Indebtedness Levies Homeowners' Exemptions	8571	-	-	-	-	-
Adult Education Block Grant	8590	-	-	-	-	-
Expanded Learning Opportunities Program (ELOP)	8590	-	-	-	-	-
After School Education and Safety (ASES)	8590	-	-	-	-	-
Drug/Alcohol/Tobacco Funds	8590	-	-	-	-	-
Special Education	8590	-	-	-	-	-
Specialized Secondary	8590	-	-	-	-	-
State Preschool	8590	-	-	-	-	-
All Other State Revenue	8590	-	-	-	-	20
Total Other State Revenues		-	-	118,823	-	20
Other Local Revenues:						
County and District Taxes:						
Other Restricted & Voted Indebtedness Levies:						
Secured Roll	8611	-	-	-	-	-
Unsecured Roll	8612	-	-	-	-	-
Prior Years' Taxes	8613	-	-	-	-	-
Supplemental Taxes	8614	-	-	-	-	-
Community Redevelopment Funds not Subject to Revenue LCFF Deductions	8625	-	-	-	63,463	-
Penalties and Interest from Delinquent Non-LCFF Taxes	8629	-	-	-	-	-
Sales:						
Sale of Equipment/Supplies	8631	-	-	-	-	-
Food Service Sales	8634	-	-	-	-	-
Leases and Rentals	8650	835	-	-	-	(44)
Interest	8660	241	2,264	2,337	7,207	18,617
Net Increase (Decrease) in the Fair Value of Investments	8662	187	(588)	(585)	1,334	583
Fees and Contracts:						
Adult Education Fees	8671	-	-	-	-	-
Non-Resident Students	8672	-	-	-	-	-
Child Development Parent Fees	8673	-	-	-	-	-
In-District Premiums/Contributions	8674	-	-	-	-	-
Interagency Service Fees	8677	-	-	-	-	-
Mitigation/Developer Fees	8681	-	80,008	-	-	-
All Other Fees and Contracts	8689	-	-	-	-	-
All Other Local Revenue	8699	-	-	-	-	15,276
Tuition	8710	-	-	-	-	-
Total Other Local Revenues		1,263	81,684	1,752	72,004	34,432
Subtotal - Revenues		1,263	81,684	120,575	72,004	34,818

See accompanying independent auditor's report.

(Continued)

Capital Projects Funds		
Special Reserve - FEMA - Earthquake	Special Reserve - FEMA - Hazard Mitigation	Total
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	-	118,823
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	20
-	-	118,843
-	-	-
-	-	-
-	-	-
-	-	-
-	-	63,463
-	-	-
-	-	-
-	-	-
-	-	791
105	14	30,785
11	16	958
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	80,008
-	-	-
(1)	-	15,275
-		-
115	30	191,280
115	30	310,489

See accompanying independent auditor's report.

(Continued)

All Funds
Schedule of Revenues and Other Financing Sources (Continued)
Year Ended June 30, 2025
(in thousands)
(Unaudited)

	SACS Object Code	Internal Service Funds: Health and Welfare Benefits	Workers' Compensation Self-Insurance	Liability Self-Insurance	Los Angeles Unified Captive Insurance	Total
Other State Revenues:						
Spec. Ed. Master Plan:						
Current Year	8311	$ -	$ -	$ -	$ -	$ -
Prior Years	8319	-	-	-	-	-
All Other State Apportionments - Current Year	8311	-	-	-	-	-
Child Nutrition Programs	8520	-	-	-	-	-
School Facilities Apportionments	8545	-	-	-	-	-
Mandated Costs Reimbursements	8550	-	-	-	-	-
Lottery - Unrestricted and Instructional Materials	8560	-	-	-	-	-
Voted Indebtedness Levies Homeowners' Exemptions	8571	-	-	-	-	-
Adult Education Block Grant	8590	-	-	-	-	-
Expanded Learning Opportunities Program (ELOP)	8590	-	-	-	-	-
After School Education and Safety (ASES)	8590	-	-	-	-	-
Drug/Alcohol/Tobacco Funds	8590	-	-	-	-	-
Special Education	8590	-	-	-	-	-
Specialized Secondary	8590	-	-	-	-	-
State Preschool	8590	-	-	-	-	-
All Other State Revenue	8590	-	-	-	-	-
Total Other State Revenues		-	-	-	-	-
Other Local Revenues:						
County and District Taxes:						
Other Restricted & Voted Indebtedness Levies:						
Secured Roll	8611	-	-	-	-	-
Unsecured Roll	8612	-	-	-	-	-
Prior Years' Taxes	8613	-	-	-	-	-
Supplemental Taxes	8614	-	-	-	-	-
Community Redevelopment Funds not Subject to Revenue LCFF Deductions	8625	-	-	-	-	-
Penalties and Interest from Delinquent Non-LCFF Taxes	8629	-	-	-	-	-
Sales:						
Sale of Equipment/Supplies	8631	-	-	-	-	-
Food Service Sales	8634	-	-	-	-	-
Leases and Rentals	8650	-	-	-	-	-
Interest	8660	4,848	10,629	5,312	32,212	53,001
Net Increase (Decrease) in the Fair Value of Investments	8662	(2,530)	25,733	10,525	16,115	49,843
Fees and Contracts:						
Adult Education Fees	8671	-	-	-	-	-
Non-Resident Students	8672	-	-	-	-	-
Child Development Parent Fees	8673	-	-	-	-	-
In-District Premiums/Contributions	8674	1,485,001	109,655	260,457	1,001,939	2,857,052
Interagency Service Fees	8677	-	-	-	-	-
Mitigation/Developer Fees	8681	-	-	-	-	-
All Other Fees and Contracts	8689	-	-	-	-	-
All Other Local Revenue	8699	11,522	-	29	19	11,570
Tuition	8710	-	-	-	-	-
Total Other Local Revenues		1,498,841	146,017	276,323	1,050,285	2,971,466
Subtotal - Revenues		1,498,841	146,017	276,323	1,050,285	2,971,466

See accompanying independent auditor's report.

(Continued)

	Total
$	438,862
	(1,994)
	-
	115,128
	118,823
	17,856
	113,463
	3,163
	138,249
	468,194
	100,129
	1,550
	23,018
	138
	228,472
	730,920
	2,495,971
	1,156,459
	40,332
	26,004
	22,516
	63,463
	5,040
	953
	1,634
	29,906
	425,530
	202,153
	606
	-
	113
	2,857,052
	478
	80,008
	43,222
	259,416
	-
	5,214,885
	15,366,234

See accompanying independent auditor's report.

(Continued)

All Funds
Schedule of Revenues and Other Financing Sources (Continued)
Year Ended June 30, 2025
(in thousands)
(Unaudited)

	SACS Object Code	General Fund	District Bonds	Bond Interest and Redemption	Special Revenue Funds: Student Activity	Special Revenue Funds: Adult Education
Other Financing Sources:						
Interfund Transfers In:						
From General Fund to Child Development Fund	8911	$ -	$ -	$ -	$ -	$ -
From Special Reserve Fund	8912	30,000	-	-	-	-
County School Facilities Bonds Fund	8913	-	-	-	-	-
From General Fund to Cafeteria Fund	8916	-	-	-	-	-
Other Authorized Interfund Transfer In	8919	592,682	129,864	-	-	8
Subtotal, Interfund Transfers In		622,682	129,864	-	-	8
Other Sources:						
Proceeds from Sale of Bonds	8951	-	1,800,000	-	-	-
Proceeds from Sale/Lease-Purchase of Lands/ Buildings	8953	97,252	-	-	-	-
Proceeds from Capital Leases	8972	3,540	497	-	-	-
Proceeds from SBITAs	8974	31,969	-	-	-	2,443
All Other Financing Sources	8979	-	-	406,925	-	-
Subtotal, Other Sources		132,761	1,800,497	406,925	-	2,443
Total Other Financing Sources		755,443	1,930,361	406,925	-	2,451
Total Revenues and Other Financing Sources		$ 10,432,555	$ 2,005,786	$ 1,737,320	$ 40,099	$ 172,224

See accompanying independent auditor's report.

(Continued)

Special Revenue Funds			Debt Service Funds		
Child Development	Cafeteria	Total	Tax Override	Capital Services	Total
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8	-	50,047	50,047
-	-	8	-	50,047	50,047
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
206	-	2,649	-	-	-
-	-	-	-	-	-
206	-	2,649	-	-	-
206	-	2,657	-	50,047	50,047
$ 262,512	$ 528,954	$ 1,003,789	$ 23	$ 50,239	$ 50,262

See accompanying independent auditor's report.

(Continued)

All Funds
Schedule of Revenues and Other Financing Sources (Continued)
Year Ended June 30, 2025
(in thousands)
(Unaudited)

		Capital Projects Funds				
	SACS Object Code	Building	Capital Facilities Account	County School Facilities Bonds	Special Reserve - Community Redevelopment Agency	Special Reserve
Other Financing Sources:						
Interfund Transfers In:						
From General Fund to Child Development Fund	8911	$ -	$ -	$ -	$ -	$ -
From Special Reserve Fund	8912	-	-	-	-	-
County School Facilities Bonds Fund	8913	-	-	1	-	-
From General Fund to Cafeteria Fund	8916	-	-	-	-	-
Other Authorized Interfund Transfer In	8919	130	-	-	-	240,976
Subtotal, Interfund Transfers In		130	-	1	-	240,976
Other Sources:						
Proceeds from Sale of Bonds	8951	-	-	-	-	-
Proceeds from Sale/Lease-Purchase of Lands/ Buildings	8953	-	-	-	-	-
Proceeds from Capital Leases	8972	-	-	-	-	20,960
Proceeds from SBITAs	8974	-	-	-	-	5,571
All Other Financing Sources	8979	-	-	-	-	-
Subtotal, Other Sources		-	-	-	-	26,531
Total Other Financing Sources		130	-	1	-	267,507
Total Revenues and Other Financing Sources		$ 1,393	$ 81,684	$ 120,576	$ 72,004	$ 302,325

See accompanying independent auditor's report.

(Continued)

Capital Projects Funds		
Special Reserve - FEMA - Earthquake	Special Reserve - FEMA - Hazard Mitigation	Total
$ -	$ -	$ -
-	-	-
-	-	1
-	-	-
-	-	241,106
-	-	241,107
-	-	-
-	-	-
-	-	20,960
-	-	5,571
-	-	-
-	-	26,531
-	-	267,638
$ 115	$ 30	$ 578,127

See accompanying independent auditor's report.

(Continued)

All Funds
Schedule of Revenues and Other Financing Sources (Continued)
Year Ended June 30, 2025
(in thousands)
(Unaudited)

	SACS Object Code	Internal Service Funds: Health and Welfare Benefits	Workers' Compensation Self-Insurance	Liability Self-Insurance	Los Angeles Unified Captive Insurance	Total
Other Financing Sources:						
Interfund Transfers In:						
From General Fund to Child Development Fund	8911	$ -	$ -	$ -	$ -	$ -
From Special Reserve Fund	8912	-	-	-	-	-
County School Facilities Bonds Fund	8913	-	-	-	-	-
From General Fund to Cafeteria Fund	8916	-	-	-	-	-
Other Authorized Interfund Transfer In	8919	-	-	-	-	-
Subtotal, Interfund Transfers In		-	-	-	-	-
Other Sources:						
Proceeds from Sale of Bonds	8951	-	-	-	-	-
Proceeds from Sale/Lease-Purchase of Lands/Buildings	8953	-	-	-	-	-
Proceeds from Capital Leases	8972	-	-	-	-	-
Proceeds from SBITAs	8974	-	-	-	-	-
All Other Financing Sources	8979	-	-	-	-	-
Subtotal, Other Sources		-	-	-	-	-
Total Other Financing Sources		-	-	-	-	-
Total Revenues and Other Financing Sources		$ 1,498,841	$ 146,017	$ 276,323	$ 1,050,285	$ 2,971,466

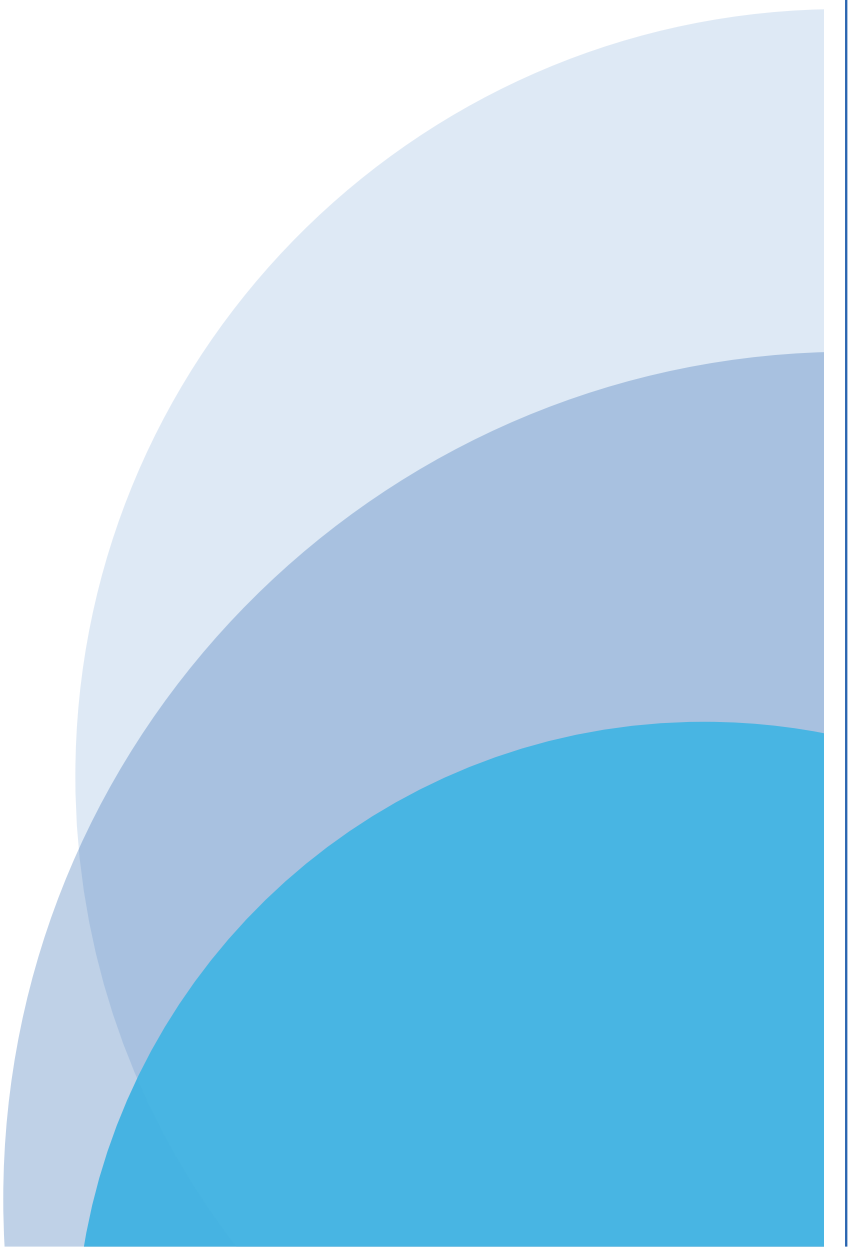
See accompanying independent auditor's report.

(Continued)

	Total
$	-
	30,000
	1
	-
	1,013,707
	1,043,708
	1,800,000
	97,252
	24,997
	40,189
	406,925
	2,369,363
	3,413,071
$	18,779,305

See accompanying independent auditor's report.

State and Federal Compliance Supplementary Information



Los Angeles Unified School District
Schedule of Average Daily Attendance
For the Year Ended June 30, 2025

	Second Period Report	Annual Report	Audited Second Period Report	Audited Annual Report
District				
Kindergarten-Grade 3	111,765.61	111,850.43	111,751.27	111,837.86
Grades 4-6	79,202.88	79,162.96	79,202.74	79,162.85
Grades 7-8	48,065.90	47,983.49	48,064.82	47,982.45
Grades 9-12	98,304.64	97,449.78	98,304.07	97,449.25
Total District	337,339.03	336,446.66	337,322.90	336,432.41
County				
Kindergarten-Grade 3	-	-	-	-
Grades 4-6	-	-	-	-
Grades 7-8	1.22	2.07	1.22	2.07
Grades 9-12	376.37	367.66	376.37	367.66
Total County	377.59	369.73	377.59	369.73
Affiliated Charter Schools				
Kindergarten-Grade 3	11,908.72	11,901.94	11,908.69	11,901.82
Grades 4-6	8,086.48	8,063.27	8,086.47	8,063.26
Grades 7-8	5,405.44	5,380.89	5,405.44	5,380.89
Grades 9-12	9,627.48	9,549.34	9,627.40	9,549.28
Total Affiliated Charter Schools	35,028.12	34,895.44	35,028.00	34,895.25
Total Average Daily Attendance	372,744.74	371,711.83	372,728.49	371,697.39

See accompanying independent auditor's report.

Los Angeles Unified School District
Schedule of Average Daily Attendance – Affiliated Charter Schools
For the Year Ended June 30, 2025

	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	-	-	-	-
2	Beckford Charter for Enriched Studies	19 64733 6015986	375.19	374.63	375.19	374.63
3	Calabash Charter Academy	19 64733 6016240	261.77	261.52	261.77	261.52
4	Calvert Charter for Enriched Studies	19 64733 6016265	200.95	201.06	200.95	201.06
5	Canyon Charter Elementary	19 64733 6016323	211.21	207.27	211.21	207.27
6	Carpenter Community Charter	19 64733 6016356	548.73	550.52	548.73	550.52
7	Castlebay Lane Charter	19 64733 6071435	427.09	426.75	427.09	426.75
8	Chatsworth Charter High	19 64733 1931708	-	-	-	-
9	Colfax Charter Elementary	19 64733 6016562	493.61	494.79	493.61	494.71
10	Community Magnet Charter Elementary	19 64733 6094726	249.19	249.21	249.19	249.21
11	Dearborn Elementary Charter Academy	19 64733 6016729	336.48	337.44	336.48	337.44
12	Dixie Canyon Community Charter	19 64733 6016778	428.29	430.39	428.29	430.39
13	Dr. Theodore T. Alexander Jr Science Center	19 64733 0102491	392.59	391.39	392.59	391.39
14	El Oro Way Charter For Enriched Studies	19 64733 6016869	270.49	271.25	270.49	271.25
15	Emerson Community Charter	19 64733 6057988	-	-	-	-
16	Enadia Way Technology Charter	19 64733 0117036	137.50	138.39	137.50	138.39
17	Encino Charter Elementary	19 64733 6016935	356.64	358.08	356.64	358.08
18	Gaspar de Portola Charter Middle	19 64733 6061584	-	-	-	-
19	George Ellery Hale Charter Academy	19 64733 6061477	-	-	-	-
20	Grover Cleveland Charter High	19 64733 1931864	-	-	-	-
21	Hamlin Charter Academy	19 64733 6017438	212.05	212.46	212.05	212.46
22	Haynes Charter For Enriched Studies	19 64733 6017529	249.74	249.54	249.74	249.54
23	Hesby Oaks Leadership Charter	19 64733 0112060	186.27	186.34	186.27	186.34
24	Justice Street Academy Charter	19 64733 6017693	277.17	278.02	277.17	278.02
25	Kenter Canyon Elementary Charter	19 64733 6017701	293.18	292.97	293.03	292.81
26	Knollwood Preparatory Academy	19 64733 6017743	247.73	248.24	247.73	248.24
27	Lockhurst Drive Charter Elementary	19 64733 6017891	281.37	282.66	281.37	282.66
28	Louis Armstrong Middle	19 64733 6058150	-	-	-	-
29	Marquez Charter	19 64733 6018063	163.74	154.36	163.74	154.36
30	Nestle Avenue Charter	19 64733 6018287	261.57	260.77	261.57	260.77
31	Open Charter Magnet	19 64733 6097927	239.60	239.15	239.60	239.15
32	Palisades Charter Elementary	19 64733 6018634	225.03	218.73	224.65	218.31
33	Paul Revere Charter Middle	19 64733 6058267	-	-	-	-
34	Plainview Academic Charter Academy	19 64733 6018725	147.07	147.22	147.07	147.22
35	Pomelo Community Charter	19 64733 6018774	395.67	395.68	395.67	395.68
36	Reseda Charter High	19 64733 1937226	-	-	-	-
37	Riverside Drive Charter	19 64733 6018923	240.27	240.74	240.27	240.74
38	Serrania Avenue Charter School for Enriched Studies	19 64733 6019111	323.73	323.23	323.73	323.23
39	Sherman Oaks Elementary Charter	19 64733 6019186	327.55	326.17	327.55	326.17
40	Superior Street Elementary	19 64733 6019392	297.24	298.70	297.24	298.70
41	Sylmar Charter High	19 64733 1938554	-	-	-	-
42	Taft Charter High	19 64733 1938612	-	-	-	-
43	Topanga Elementary Charter	19 64733 6019525	149.47	150.94	149.47	150.94
44	Topeka Charter School for Advanced Studies	19 64733 6019533	389.92	390.63	389.92	390.63
45	University High School Charter	19 64733 1938885	-	-	-	-
46	Van Gogh Charter	19 64733 6019673	285.90	285.26	285.90	285.26
47	Welby Way Charter Elementary School and Gifted Ability Magnet	19 64733 6019855	444.15	444.17	444.15	444.17
48	Westwood Charter Elementary	19 64733 6019939	447.26	449.23	447.01	449.03
49	Wilbur Charter for Enriched Academics	19 64733 6019954	376.92	378.48	376.92	378.48
50	Woodlake Elementary Community Charter	19 64733 6020036	344.62	343.96	344.62	343.96
51	Woodland Hills Charter Elementary for Enriched Studies	19 64733 6020044	411.77	411.60	411.77	411.60
			11,908.72	11,901.94	11,907.94	11,901.08

See accompanying independent auditor's report.

(Continued)

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
564.66	563.44	564.66	563.44	1,127.61	1,124.00	1,127.61	1,124.00
179.29	179.33	179.29	179.33	-	-	-	-
119.49	119.83	119.49	119.83	-	-	-	-
89.19	89.22	89.19	89.22	-	-	-	-
98.99	96.94	98.99	96.94	-	-	-	-
250.18	250.04	250.18	250.04	-	-	-	-
188.00	187.93	188.00	187.93	-	-	-	-
-	-	-	-	-	-	-	-
232.64	232.76	232.64	232.76	-	-	-	-
151.51	151.77	151.51	151.77	-	-	-	-
143.80	144.08	143.80	144.08	-	-	-	-
166.92	168.14	166.92	168.14	-	-	-	-
170.35	169.77	170.35	169.77	-	-	-	-
129.18	129.02	129.18	129.02	-	-	-	-
133.73	133.51	133.73	133.51	291.12	289.66	291.12	289.66
61.07	60.83	61.07	60.83	-	-	-	-
139.26	138.59	139.26	138.59	-	-	-	-
512.29	511.78	512.29	511.78	865.39	863.93	865.39	863.93
504.57	500.22	504.57	500.22	1,079.37	1,074.45	1,079.37	1,074.45
-	-	-	-	-	-	-	-
79.93	80.13	79.93	80.13	-	-	-	-
95.87	95.87	95.87	95.87	-	-	-	-
154.43	153.79	154.43	153.79	120.90	120.34	120.90	120.34
118.78	119.25	118.78	119.25	-	-	-	-
125.09	123.81	125.08	123.80	-	-	-	-
106.99	106.97	106.99	106.97	-	-	-	-
118.55	117.98	118.55	117.98	-	-	-	-
354.47	352.75	354.47	352.75	733.36	730.07	733.36	730.07
82.70	79.88	82.70	79.88	-	-	-	-
122.35	121.79	122.35	121.79	-	-	-	-
131.25	131.14	131.25	131.14	-	-	-	-
113.07	111.23	112.81	110.89	-	-	-	-
487.92	479.63	487.92	479.63	1,052.06	1,043.04	1,052.06	1,043.04
81.51	81.33	81.51	81.33	-	-	-	-
172.00	172.33	172.00	172.33	-	-	-	-
80.43	80.32	80.43	80.32	135.63	135.40	135.63	135.40
117.84	117.67	117.84	117.67	-	-	-	-
155.16	155.68	155.16	155.68	-	-	-	-
138.63	138.99	138.63	138.99	-	-	-	-
138.91	138.90	138.91	138.90	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
51.51	51.54	51.51	51.54	-	-	-	-
177.25	176.77	177.25	176.77	-	-	-	-
-	-	-	-	-	-	-	-
134.94	134.98	134.94	134.98	-	-	-	-
267.76	267.97	267.76	267.97	-	-	-	-
177.39	178.29	177.39	178.29	-	-	-	-
151.04	151.50	151.04	151.50	-	-	-	-
158.85	159.12	158.85	159.12	-	-	-	-
156.74	156.46	156.74	156.46	-	-	-	-
8,086.48	8,063.27	8,086.21	8,062.92	5,405.44	5,380.89	5,405.44	5,380.89

See accompanying independent auditor's report.

(Continued)

Schedule of Average Daily Attendance – Affiliated Charter Schools (Continued)
Year Ended June 30, 2025

	Name of Affiliated Charter School	CDS Code	Grades 9-12 ADA			
			Total		Classroom-based	
			Second Period Report	Annual Report	Second Period Report	Annual Report
1	Alfred B. Nobel Charter Middle School	19 64733 6061543	-	-	-	-
2	Beckford Charter for Enriched Studies	19 64733 6015986	-	-	-	-
3	Calabash Charter Academy	19 64733 6016240	-	-	-	-
4	Calvert Charter for Enriched Studies	19 64733 6016265	-	-	-	-
5	Canyon Charter Elementary	19 64733 6016323	-	-	-	-
6	Carpenter Community Charter	19 64733 6016356	-	-	-	-
7	Castlebay Lane Charter	19 64733 6071435	-	-	-	-
8	Chatsworth Charter High	19 64733 1931708	1,562.45	1,544.72	1,562.45	1,544.72
9	Colfax Charter Elementary	19 64733 6016562	-	-	-	-
10	Community Magnet Charter Elementary	19 64733 6094726	-	-	-	-
11	Dearborn Elementary Charter Academy	19 64733 6016729	-	-	-	-
12	Dixie Canyon Community Charter	19 64733 6016778	-	-	-	-
13	Dr. Theodore T. Alexander Jr Science Center	19 64733 0102491	-	-	-	-
14	El Oro Way Charter For Enriched Studies	19 64733 6016869	-	-	-	-
15	Emerson Community Charter	19 64733 6057988	-	-	-	-
16	Enadia Way Technology Charter	19 64733 0117036	-	-	-	-
17	Encino Charter Elementary	19 64733 6016935	-	-	-	-
18	Gaspar de Portola Charter Middle	19 64733 6061584	-	-	-	-
19	George Ellery Hale Charter Academy	19 64733 6061477	-	-	-	-
20	Grover Cleveland Charter High	19 64733 1931864	2,476.84	2,461.76	2,476.84	2,461.76
21	Hamlin Charter Academy	19 64733 6017438	-	-	-	-
22	Haynes Charter For Enriched Studies	19 64733 6017529	-	-	-	-
23	Hesby Oaks Leadership Charter	19 64733 0112060	-	-	-	-
24	Justice Street Academy Charter	19 64733 6017693	-	-	-	-
25	Kenter Canyon Elementary Charter	19 64733 6017701	-	-	-	-
26	Knollwood Preparatory Academy	19 64733 6017743	-	-	-	-
27	Lockhurst Drive Charter Elementary	19 64733 6017891	-	-	-	-
28	Louis Armstrong Middle	19 64733 6058150	-	-	-	-
29	Marquez Charter	19 64733 6018063	-	-	-	-
30	Nestle Avenue Charter	19 64733 6018287	-	-	-	-
31	Open Charter Magnet	19 64733 6097927	-	-	-	-
32	Palisades Charter Elementary	19 64733 6018634	-	-	-	-
33	Paul Revere Charter Middle	19 64733 6058267	-	-	-	-
34	Plainview Academic Charter Academy	19 64733 6018725	-	-	-	-
35	Pomelo Community Charter	19 64733 6018774	-	-	-	-
36	Reseda Charter High	19 64733 1937226	984.12	975.52	984.12	975.52
37	Riverside Drive Charter	19 64733 6018923	-	-	-	-
38	Serrania Avenue Charter School for Enriched Studies	19 64733 6019111	-	-	-	-
39	Sherman Oaks Elementary Charter	19 64733 6019186	-	-	-	-
40	Superior Street Elementary	19 64733 6019392	-	-	-	-
41	Sylmar Charter High	19 64733 1938554	1,328.15	1,321.46	1,328.15	1,321.46
42	Taft Charter High	19 64733 1938612	2,024.09	2,004.83	2,024.09	2,004.83
43	Topanga Elementary Charter	19 64733 6019525	-	-	-	-
44	Topeka Charter School for Advanced Studies	19 64733 6019533	-	-	-	-
45	University High School Charter	19 64733 1938885	1,251.83	1,241.05	1,251.83	1,241.05
46	Van Gogh Charter	19 64733 6019673	-	-	-	-
47	Welby Way Charter Elementary School and Gifted Ability Magnet	19 64733 6019855	-	-	-	-
48	Westwood Charter Elementary	19 64733 6019939	-	-	-	-
49	Wilbur Charter for Enriched Academics	19 64733 6019954	-	-	-	-
50	Woodlake Elementary Community Charter	19 64733 6020036	-	-	-	-
51	Woodland Hills Charter Elementary for Enriched Studies	19 64733 6020044	-	-	-	-
			9,627.48	9,549.34	9,627.48	9,549.34

See accompanying independent auditor's report.

(Continued)

Totals			
Total ADA		Classroom-based ADA	
Second Period Report	Annual Report	Second Period Report	Annual Report
1,692.27	1,687.44	1,692.27	1,687.44
554.48	553.96	554.48	553.96
381.26	381.35	381.26	381.35
290.14	290.28	290.14	290.28
310.20	304.21	310.20	304.21
798.91	800.56	798.91	800.56
615.09	614.68	615.09	614.68
1,562.45	1,544.72	1,562.45	1,544.72
726.25	727.55	726.25	727.47
400.70	400.98	400.70	400.98
480.28	481.52	480.28	481.52
595.21	598.53	595.21	598.53
562.94	561.16	562.94	561.16
399.67	400.27	399.67	400.27
424.85	423.17	424.85	423.17
198.57	199.22	198.57	199.22
495.90	496.67	495.90	496.67
1,377.68	1,375.71	1,377.68	1,375.71
1,583.94	1,574.67	1,583.94	1,574.67
2,476.84	2,461.76	2,476.84	2,461.76
291.98	292.59	291.98	292.59
345.61	345.41	345.61	345.41
461.60	460.47	461.60	460.47
395.95	397.27	395.95	397.27
418.27	416.78	418.11	416.61
354.72	355.21	354.72	355.21
399.92	400.64	399.92	400.64
1,087.83	1,082.82	1,087.83	1,082.82
246.44	234.24	246.44	234.24
383.92	382.56	383.92	382.56
370.85	370.29	370.85	370.29
338.10	329.96	337.46	329.20
1,539.98	1,522.67	1,539.98	1,522.67
228.58	228.55	228.58	228.55
567.67	568.01	567.67	568.01
1,200.18	1,191.24	1,200.18	1,191.24
358.11	358.41	358.11	358.41
478.89	478.91	478.89	478.91
466.18	465.16	466.18	465.16
436.15	437.60	436.15	437.60
1,328.15	1,321.46	1,328.15	1,321.46
2,024.09	2,004.83	2,024.09	2,004.83
200.98	202.48	200.98	202.48
567.17	567.40	567.17	567.40
1,251.83	1,241.05	1,251.83	1,241.05
420.84	420.24	420.84	420.24
711.91	712.14	711.91	712.14
624.65	627.52	624.40	627.32
527.96	529.98	527.96	529.98
503.47	503.08	503.47	503.08
568.51	568.06	568.51	568.06
35,028.12	34,895.44	35,027.07	34,894.23

See accompanying independent auditor's report.

Los Angeles Unified School District
Schedule of Instructional Time Offered
For the Year Ended June 30, 2025

Non-Charter Schools Grade Level	Minutes Requirements	2024-25 Actual Minutes Offered [2]	Actual Number of Instructional Days [4]	Credited Instructional Days [4]	Number of Instructional Days Offered	Complied with Instructional Minutes Provisions	Complied with Instructional Days Provisions
Kindergarten	36,000	55,999	176	7	183	Yes	Yes
Grades 1 to 3	50,400	55,999	176	7	183	Yes	Yes
Grades 4 to 6 [1]	54,000	55,999	176	7	183	Yes	Yes
Grades 7 to 8	54,000	66,319	180	3	183	Yes	Yes
Grades 9 to 12	64,800	66,338	180	3	183	Yes	Yes

Affiliated-Charter Schools Grade Level	Minutes Requirements	2024-25 Actual Minutes Offered [3]	Actual Number of Instructional Days [4]	Credited Instructional Days [4]	Number of Instructional Days Offered	Complied with Instructional Minutes Provisions	Complied with Instructional Days Provisions
Kindergarten	36,000	55,980	170	13	183	Yes	Yes
Grades 1 to 3	50,400	55,980	170	13	183	Yes	Yes
Grades 4 to 6 [1]	54,000	55,980	170	13	183	Yes	Yes
Grades 7 to 8	54,000	66,331	174	9	183	Yes	Yes
Grades 9 to 12	64,800	66,351	180	3	183	Yes	Yes

[1] Elementary schools only.

[2] For Non-Charter schools, the following schools offered the instructional minutes displayed in the table above: Alta Loma Elementary, Angeles Mesa Elementary, Gridley-Montanez Dual Language Academy, Los Feliz STEMM Magnet, and Pinewood Elementary (Grades Kindergarten-6), Orville Wright Engineering and Design Magnet (Grades 7-8), and Venice Senior High (Grades 9-12). All other schools exceeded the above instructional minutes.

[3] For Affiliated charter schools, the following schools offered the instructional minutes displayed in the table above: Palisades Charter Elementary (Grades Kindergarten-6), George E Hale Charter Academy (Grades 6-8), and University High School Charter (Grades 9-12). All other affiliated charter schools exceeded the above instructional minutes.

[4] Due to the Eaton Canyon and Palisades fires in January 2025, all District schools, including affiliated charter schools were closed for at least two days. Lanai and Roscomare elementary schools were closed for seven days. Canyon Charter elementary school was closed for 13 days.

LAUSD submitted J-13A forms for all of the closure days and received approval in April 2025.

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

See accompanying independent auditor's report.

Los Angeles Unified School District
Schedule of Financial Trends and Analysis
For the Year Ended June 30, 2025
(in thousands)

	2025-2026 Budgeted	2024-2025 Actual	2023-2024 Actual	2022-2023 Actual	2021-2022 Actual
General Fund:					
Revenues	$ 9,336,869	$ 9,677,112	$ 11,217,682	$ 11,776,524	$ 9,672,924
Other Financing Sources	47,325	755,443	70,691	91,870	108,571
Total Revenues and Other Financing Sources	9,384,194	10,432,555	11,288,373	11,868,394	9,781,495
Expenditures	11,476,282	11,119,050	10,549,639	9,472,906	9,294,057
Other Financing Uses	28,513	642,767	25,052	15,560	14,404
Total Expenditures and Other Financing Uses	11,504,795	11,761,817	10,574,691	9,488,466	9,308,461
Change in Fund Balance	(2,120,601)	(1,329,262)	713,682	2,379,928	473,034
Beginning Fund Balance	4,273,168	6,421,933	5,708,251	3,328,323	2,855,289
Ending Fund Balance	$ 2,152,567	$ 5,092,671	$ 6,421,933	$ 5,708,251	$ 3,328,323
Available Reserves*	$ 1,565,346	$ 2,778,566	$ 1,113,933	$ 385,925	$ 1,140,017
Unassigned Reserve for Economic Uncertainties	$ 115,200	$ 710,567	$ 244,900	$ 238,780	$ 199,860
Unassigned Fund Balance	$ 1,450,146	$ 2,067,999	$ 869,033	$ 147,145	$ 940,157
Available Reserves as a Percentage of Total Expenditures and Other Financing Uses	13.61%	23.62%	10.53%	4.07%	12.25%
Total Long-Term Obligations	$ 28,786,416	$ 30,112,805	$ 29,442,163	$ 27,622,402	$ 27,136,289
Average Daily Attendance (ADA) funded at P-2 excluding regional occupational centers programs and adult programs	373,726	386,287	410,914	433,929	449,937

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 starting 2024-25 and at least 2% of the total General Fund expenditures and other financing uses for prior years.

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.

See accompanying independent auditor's report.

Los Angeles Unified School District
Schedule to Reconcile the Annual Financial Budget Report (SACS)
For the Year Ended June 30, 2025
(in thousands)

	General Fund*	District Bonds	Bond Interest and Redemption	Other Governmental **	Proprietary Funds
June 30, 2025 Unaudited Actual Financial Reports					
Fund Balances	$ 5,034,871	$ 1,662,269	$ 1,744,950	$ 1,160,851	$ 188,920
Adjustments:					
To accrue expenditures	26,150	248	-	(1,083)	(243,503)
To accrue revenue	(171)	1,106	-	-	(23,878)
To adjust Local Control Funding Formula revenue	24,226	-	-	-	-
To adjust unrealized gain/loss per GASB 31	7,595	2,539	1,802	660	51,875
To accrue grant revenues	-	-	-	101	-
To adjust prepaid account	-	-	-	5,055	-
June 30, 2025 Audited Financial Statement					
Fund Balances	$ 5,092,671	$ 1,666,162	$ 1,746,752	$ 1,165,584	$ (26,586)

*The net adjustment in the General Fund includes the following funds:

General Fund (Fund 010)	$ 56,992
General (Fund 170)	808
Total General Funds	$ 57,800

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

Adult Education Fund (Fund 110)	$ 115
Child Development Fund (Fund 120)	(287)
Cafeteria Fund (Fund 130)	283
Building Fund (Fund 212)	6
Capital Facilities Fund (Fund 250)	126
County School Facilities Fund (Fund 351)	45
Special Reserve- CRA (Fund 400)	291
Special Reserve (Fund 401)	4,143
Special Reserve- FEMA Earthquake (Fund 402)	5
Tax Override (Fund 530)	6
Total Other Governmental Funds	$ 4,733

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

See accompanying independent auditor's report.

Notes to Supplementary State Compliance Information
Year Ended June 30, 2025

1. 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.

   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, date established, and indicates whether or not the charter school is included in the District's audit.

See accompanying independent auditor's report.

Los Angeles Unified School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

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		$ 120,329,301	
Child Nutrition School Programs Lunch	10.555	PCA13523/ PCA13524/ PCA13755		170,120,427	
Donated Food Commodities	10.555	Not Available		20,701,605	
Child Nutrition Local Food for Schools	10.555	PCA15708		2,870,423	
Child Nutrition Seamless Summer Food Option	10.559	PCA13004		5,977,176	
Subtotal Expenditures – Child Nutrition Cluster					$ 319,998,932
Child Nutrition Child Care Food Program (CCFP) Claims	10.558	PCA13529/ PCA13393/ PCA13394			48,332,095
Child Nutrition CCFP – Cash in Lieu of Commodities	10.558	PCA13534/ PCA13389			2,794,975
Subtotal Assistance Listing Number 10.558					51,127,070
Child Nutrition Team Nutrition Grants	10.574	PCA15332			5,226
Passed through California Department of Health Services:					
Forest Reserve	10.665	PCA10044		21,766	
Subtotal Expenditures – Forest Service Schools and Road Cluster					21,766
Subtotal Pass-Through Programs					371,152,994
Total U.S. Department of Agriculture					371,152,994
U.S. Department of Defense:					
Reserve Officer Training Corps Vitalization Act	12.unknown	Not Available			1,703,623
Total U.S. Department of Defense					1,703,623
U.S. Department of Labor:					
Passed through Employment Development Department:					
Employment Development Department Trade Act:					
Trade Adjustment Assistance (TAA)	17.245	Various			60,329
Passed through City of Los Angeles:					
Workforce Innovation and Opportunity Act (WIOA) – Worksource Educational Partnership – Adult	17.258	Agreement T-7591		263,680	
WIOA Navigator - Youth Sources	17.259	Agreement T-7479		85,006	
WIOA Navigator - Youth Sources	17.259	Agreement T-7761		410,514	
WIOA – T-1 Youth Source System	17.259	C-146939		1,447,556	
Subtotal Expenditures – WIOA Cluster					2,206,756
Subtotal Pass-Through Programs					2,267,085
Total U.S. Department of Labor					2,267,085
U.S. Department of Education:					
Indian Education Formula Grants to Local Educational Agencies	84.060A	S060A230283			121,157
Mental Health Service Professional (MHSP) Demonstration Grant Program	84.184X	S184X230142			1,972,078
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP):					
GEAR-UP 4 LA	84.334A	P334A190002	$ 625,982		2,897,946
GEAR-UP 4 LA	84.334A	P334A180081	773,071		4,303,208
GEAR-UP 4 LA	84.334A	P334A180080	942,550		3,927,466
Subtotal Assistance Listing Number 84.334A			2,341,603		11,128,620
Subtotal Direct Programs					13,221,855

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

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 California Department of Education:					
WIOA – Adult Basic Ed/ELA	84.002A	PCA14508			$ 7,753,175
WIOA – Ad Ed & Fam Lit/EL – Civics	84.002A	PCA14109			2,210,337
WIOA – Adult Secondary Ed	84.002A	PCA13978			2,433,950
Subtotal Assistance Listing Number 84.002A					12,397,462
Every Student Succeeds Act (ESSA), Title I Part A. Basic	84.010	PCA14329			434,894,337
ESSA, Comprehensive Support & Improvement (CSI)	84.010	PCA15438			7,252,235
Subtotal Assistance Listing Number 84.010					442,146,572
Special Ed: Individual with Disabilities Education (IDEA) Local Assistance, Private School Individual Service Plans	84.027	PCA10115		$ 2,418,088	
Special Ed: IDEA Local Assistance, Part B, Sec. 611, Early Intervening Services	84.027	PCA10119		23,242,762	
Special Ed: IDEA Basic Local Assistance Entitlement	84.027A	24-13379-64733-01		116,438,768	
Special Ed: IDEA Mental Health Allocation Plan	84.027A	24-15197-64733-2A		6,033,008	
Special Ed: IDEA – Supporting Inclusive Practices, Part B – Sec 611	84.027A	PCA13693		84,757	
Special Ed: IDEA – Alternate Dispute Resolution, Part B – Sec 611	84.027A	PCA13007		6,501	
PreSchool Expansion – Staff Development	84.173A	PCA13431		60,005	
Special Ed: IDEA – Preschool Grants, Part B – Sec 619 Private Schools ISPs	84.173A	PCA10116		8,901	
Special Ed: IDEA Preschool Expansion Grant Part B, Sec 619	84.173A	PCA13430		4,347,332	
Special Ed: IDEA – Part B, Sec 619; Preschool Grants Early Intervening Services	84.173	PCA10131		770,145	
Subtotal Expenditures – Special Education Cluster (IDEA)					153,410,267
Carl D. Perkins – Secondary Program, Sec 131	84.048	PCA14894			6,507,561
Carl D. Perkins – Vocational and Technical Education, Sec 132	84.048	PCA14893			1,251,333
Subtotal Assistance Listing Number 84.048					7,758,894
Special Ed-Grants for Infants and Families: Early Intervention Funds – Part C	84.181	PCA23761			1,178,111
Education for Homeless Children & Youth	84.196A	S196A210005/PCA14332			254,052
Twenty-first Century Learning Centers	84.287C	PCA14349	$ 1,009,398		2,761,876
Twenty-first Century Learning Centers	84.287C	PCA14535	8,608,566		10,651,938
Twenty-first Century Learning Centers	84.287C	PCA14603/14765/15651 2A			287,299
Subtotal Assistance Listing Number 84.287C			9,617,964		13,701,113
ESSA Title III, English Learner Student Program	84.365	PCA14346			19,674,315
Title III, Immigrant Student	84.365	PCA15146			2,104,181
Loyola Marymount University (LMU) Purposeful Engagement in Academic Rigor and Language Learning (PEARLL) Project	84.365Z	FED#T365Z210143/ C#21079A			115,683
Subtotal Assistance Listing Number 84.365/Z					21,894,179
ESSA Title II, Part A, Supporting Effective Instruction	84.367	PCA14341			35,243,905
ESSA Title IV, Part A, Student Support and Academic Enrichment Grant Program	84.424A	PCA15396			27,046,679
COVID-19 ARP Act - Homeless Children and Youth (ARP-HCY) Program	84.425	PCA15564			117,296
COVID-19 ARP-HCY II Program	84.425	PCA15566			1,936,005
COVID-19 ELO ESSER III Fund State Reserve Emergency Needs	84.425U	PCA15620			30,616
COVID-19 ELO ESSER III Fund State Reserve Learning Loss	84.425U	PCA15621			1,203,164
COVID-19 ARP Act ESSER III Fund	84.425U	PCA15559/15651			11,741
Subtotal Assistance Listing Number 84.425/U					3,298,822

See accompanying independent auditor's report.

(Continued)

Los Angeles Unified School District
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

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			$ 904,055
Title I – Migrant Ed – Summer	84.011	PCA10005			239,706
Title I – Migrant Ed – School Readiness	84.011	PCA10144			51,759
Subtotal Assistance Listing Number 84.011					1,195,520
Passed through California Department of Rehabilitation:					
We Can Work	84.126	Agreement 32032			584,950
Rehab − Transition Partnership Program/Trans Part-Greater LA	84.126	Agreement 32038			2,652,425
Subtotal Assistance Listing Number 84.126					3,237,375
Passed through Digital Education Project:					
American History and Civics Education National Activities (AHC-NA)	84.422B	Not Available			3,765
Subtotal Pass-Through Programs					722,766,716
Total U.S. Department of Education					735,988,571
U.S. Department of Health and Human Services:					
CDCP-School Based HIV/STD Prevention	93.079	6NU87PS004357-05-02; 1NU87DP000016-01-00			440,085
Subtotal Direct Program					440,085
Passed through County of Los Angeles:					
Student 360 Health Heluna	93.354	1 NU90TP922183-01			22,620
Maternal, Infant, and Early Childhood Home Visiting Program	93.870	PH-003967			832,667
Children's Health Outreach Enrollment, Utilization, and Retention Services	93.778	PH-004987			82,840
Passed through California Department of Social Services:					
California Department of Social Services Refugee Program Bureau	93.566	RSI22-LAUSD A-1; PHI Agreement No. 0615-AR72582			716,348
Passed through California Department of Education:					
Early Education: Federal General Child Care and Development (CCTR)	93.575	PCA15136		$ 10,418,929	
CCTR Programs Administered by California Department of Social Services (CDSS)	93.575	PCA15641		10,772,744	
Child Care and Development Programs Administered by CDSS	93.596	PCA10163		1,866,344	
Subtotal Expenditures – Child Care Development Fund (CCDF) Cluster					23,058,017
Passed through Baldwin Park Unified School District:					
Early Head Start	93.600	PCA15291		256,983	
Subtotal Expenditures – Head Start Cluster					256,983
Subtotal Pass-Through Programs					24,969,475
Total U.S. Department of Health and Human Services					25,409,560
U.S. Department of Homeland Security:					
Passed through California Governor's Office of Emergency Services:					
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	4482-DR; 4683-DR & 4699-DR			205,485
Disaster Grants-Public Assistance (Presidentially Declared Disasters) Testing and Vaccination	97.036	FEMA-4482-DR-CA			4,060,042
Subtotal Assistance Listing Number 97.036					4,265,527
Hazard Mitigation Grant Program	97.039	4610-DR - PL0568			160,805
Subtotal Pass-Through Programs					4,426,332
Total U.S. Department of Homeland Security					4,426,332
Total Expenditures of Federal Awards			$ 11,959,567	$ 498,952,721	$ 1,140,948,165

See accompanying independent auditor's report.

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

(1) General

The accompanying schedule of expenditures of federal awards (Schedule) presents the expenditures of all federal financial assistance programs of the Los Angeles Unified School District (District). The District's reporting entity is defined in the notes to the District's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

(2) Basis of Accounting

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

(3) Indirect Cost Rate

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

(4) Noncash Assistance

Included in the Schedule is (Assistance Listing (AL) #10.555) $20,701,605 of donated food commodities received from the U.S. Department of Agriculture, passed-through California Department of Education, during the year ended June 30, 2025.

See accompanying independent auditor's report.

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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, 2025, 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 15, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items FS-2025-001 and FS-2025-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

District's Response to Findings

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

Purpose of This Report

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

Simpson & Simpson

Los Angeles, California
December 15, 2025

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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, 2025. 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 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, 2025.

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; 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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 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-2025-001, F-2025-002, and F-2025-003. 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 responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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-2025-001, F-2025-002, and F-2025-003 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item F-2025-002 to be a significant deficiency.

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 responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Simpson & Simpson

Los Angeles, California
December 15, 2025

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

To The Honorable Board of Education
Los Angeles Unified School District

Report on Compliance

Opinion

We have audited the **Los Angeles Unified School District's** (the District) compliance with the requirements specified in the *2024-25 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, 2025.

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, 2025.

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 *2024-25 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 *2024-25 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 *2024-25 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 *2024-25 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:

2024-25 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
D. Independent Study	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	N/A (1)
K. Gann Limit Calculation	Yes

2024-25 K-12 Audit Guide Procedures	Procedures Performed
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A (2)
N. Middle or Early College High Schools or Programs	Yes
O. K-3 Grade Span Adjustment	N/A (3)
Q. Apprenticeship: Related and Supplemental Instruction	Yes
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A (4)
TT. Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study Course Based	N/A (5)
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunity Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunity Program	Yes
EZ. Transitional Kindergarten	N/A (3)
FZ. Kindergarten Continuance	Yes
Charter Schools:	
AA. Attendance	Yes
BB. Mode of Instruction	Yes
CC. Nonclassroom-Based Instruction/Independent Study	No (6)
DD. Determination of Funding for Nonclassroom-Based Instruction	No (6)
EE. Annual Instructional Minutes – Classroom Based	Yes
FF. Charter School Facility Grant Program	N/A (7)

(1) We did not perform any procedures related to the Early Retirement Incentive Program because the District did not offer early retirement incentives during the fiscal year.

(2) We did not perform any procedures related to Juvenile Court Schools because the District does not offer this program.

(3) Pursuant to Executive Order N-6-25, local educational agencies within Los Angeles County shall not be required to comply with audit procedures related to the K–3 Grade Span Adjustment or the Transitional Kindergarten programs for the applicable audit period. Accordingly, Procedure O – K-3 Grade Span Adjustment and Procedure EZ – Transitional Kindergarten, as outlined in the State Audit Guide, are not applicable to the District.

(4) The District's Board of Education did not elect to operate as a school District of Choice.

(5) The District does not have any Independent Study Course Based Programs; therefore, we did not perform any testing related to this requirement.

(6) The District's Average Daily Attendance generated from Nonclassroom-Based Instruction/Independent Study for Charter Schools fell under the materiality level stipulated in the *2024-25 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.

(7) 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-2025-001 through S-2025-014.

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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items S-2025-006, S-2025-007, S-2025-008, S-2025-009, S-2025-010, and S-2025-011 that we consider to be significant deficiencies.

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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Accordingly, this report is not suitable for any other purpose.

Los Angeles, California
December 15, 2025

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements?	No

Federal Awards

Internal control deficiencies over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	Yes

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2025

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

Assistance Listing Number	Name of Federal Program	Opinion
10.553/10.555/10.559	U.S. Department of Agriculture – Child Nutrition Cluster	Unmodified
10.558	U.S. Department of Agriculture – Child and Adult Care Food 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
84.424A	U.S. Department of Education – Student Support and Academic Enrichment (Title IV, Part A of the ESEA)	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:	$3,422,844
• Auditee qualified as low risk auditee	No

State Awards

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

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

Finding – FS-2025-001 Server Vulnerability Management (Significant Deficiency)

State Audit Guide Finding Code: 30000

Criteria

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

- NIST SP 800-53 Revision 5, "Security and Privacy Controls for Federal Information Systems and Organizations; RA-5 "Vulnerability Monitoring and Scanning"

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

CA-5 "Plan of Action and Milestones"

Develop a plan of action and milestones for the system to document the planned remediation actions of the organization to correct weaknesses or deficiencies noted during the assessment of the controls and to reduce or eliminate known vulnerabilities in the system; and

Update existing plan of action and milestones based on the findings from control assessments, independent audits or reviews, and continuous monitoring activities.

- ISO27001 Standard; A.12.6 "Technical Vulnerability Management":

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

- LAUSD Vulnerability Management Policy - BUL-129101.1: Section IV. Critical Vulnerabilities:

Critical security patches must be installed as soon as reasonably possible, but no later than 30 days after discovery unless approved by the Director of IT Security. Vulnerabilities rated as high are [to be] mitigated within 60 days.

The following are recent advancements in the District's vulnerability management evidenced during our fieldwork:

- The appointment of a CISO (Chief Information Security Officer) and Deputy CISO.
- The establishment of a vulnerability and patch management program as prescribed by the District's Vulnerability Management Policy (BUL-129101.1) .
- Vulnerability risk assessment, mitigation and tracking processes that include maintaining a Vulnerability Log designed to track risk mitigation activities for unpatched vulnerabilities.
- Implementation of a Risk Register Security Risk Acknowledgement Form that documents security exception requests reported to the Cybersecurity Committee.

ITS management informed us of the following compensating controls implemented to mitigate the impact of vulnerabilities when systems cannot be patched within their SLA (Service Level Agreement):

- Systems are not accessible from outside the firewall without restricted VPN access: VPN access is only allowed with District managed VPN accounts that require SSO, MFA, and appropriate manager-level approval.
- Endpoint Detection and Response (EDR): EDR provides the capability to automatically disrupt cyberattacks that might otherwise affect server(s) and spread via lateral movement.
- Deep Packet Inspection (DPI): DPI receives integrated Dark Web threat intelligence feeds to automate alerts on malicious cyber activity.
- 24/7 Security Operations Center (SOC): Critical servers are flagged by the SOC for 24/7 monitoring to ensure that any open security events on these devices are addressed immediately.
- Security Information and Event Management (SIEM): SIEM provides real-time analysis of security alerts generated by applications and network hardware that enables the District to focus on credible threats and recover from potential security incidents.
- Security Orchestration Automation and Response (SOAR) integration: The SOAR system automates response actions based on SIEM events when detected driven by our malware playbook (a guide for the detection and recovery from malware attacks) which increases our defense posture and reduces the impact of potential threats.
- Network Segmentation: The District network is segmented to abide by the principle of least privilege. Targeted traffic is isolated into different virtual network segments that lack the authorization to interact with critical servers.
- Next Generation Firewalls (NGFW): The District has deployed next generation firewalls which provide additional layers of security to include Deep Packet Inspection (DPI), Intrusion Prevention, Threat intelligence and SIEM integration.

We commend ITS in their development of the District's vulnerability management program and encourage continued improvement.

MiSiS Vulnerability

Condition

- Our review of MiSiS network server vulnerability scan reports for the period of July 2024 – September 2024 revealed 47 (forty-seven) "Critical" severity vulnerability that remained outstanding or not remediated throughout this three (3) month period. When considering the District policy's 21-day or three-week blackout period (i.e., 1 week prior to the start of the Fall semester and First 2 weeks of instruction of the Fall semester) for fall enrollment, the vulnerabilities remained unpatched for more than 30 days outside this period.

- Our review of MiSiS network server vulnerability scan reports for the period of October 2024 – December 2024 revealed 2 (two) "High" severity vulnerability that remained outstanding or not remediated for more than 60 days.

- The ITS vulnerability logs provided did not contain the following District policy required critical information for the reported unpatched vulnerabilities:

    1. List of mitigation actions taken
    2. Risk Assessment Date
    3. Patch Installation Date

- The associated Risk Register Security Risk Acknowledgement Form was dated December 20, 2024, several months after the critical vulnerabilities' discovery date in July 2024 and two months after the vulnerabilities were patched in October 2024.

- To confirm the District's vulnerability management risk mitigation controls in operation during the periods of unpatched vulnerabilities sighted in our report, we requested XSIAM (the District's security operations platform) generated reports of automatic blocking actions, containment measures, etc. taken for the MiSiS, Welligent, MAXIMO and COLINS environments from September 2024 – December 2024. However, we were informed by ITS that they were unable to provide such reports as their data retention period of 180 days did not cover the period reviewed for the vulnerabilities.

Cause and Effect

The ITS Risk Register Security Risk Acknowledgement Form provided documents that the MiSiS server vulnerabilities' fix required a Microsoft Windows network software (.NET) upgrade which required three months to complete.

ITS management informed us that the unpatched vulnerabilities were attributed to the fall enrollment system freeze period. ITS policy indicates that this period is a 21-day or three-week blackout or system freeze period (i.e., 1 week prior to the start of the Fall semester and First 2 weeks of instruction of the Fall semester) for fall enrollment.

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

This risk is increased for systems that contain individual student data such as does MiSiS .

Recommendation

- We recommend that District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, "Critical" severity level vulnerabilities be patched within 30 days of identification and "High" severity level vulnerabilities be patched/remediated within 60 days of identification.

- The network vulnerability logs be revised to include the following critical information for vulnerabilities exceeding allowable unpatched timeframes:

    1. List of mitigation actions taken
    2. Residual Risk Level (risk remaining after mitigation action(s) is taken)
    3. Risk Assessment Date
    4. Patch Installation Date
    5. Aging (by # of days) of unpatched vulnerabilities

- ITS Risk Register Security Risk Acknowledgement Forms are completed for unpatched vulnerabilities no later than when they've reached the District policy's allowable timeframe for the vulnerability's severity level.

View of Responsible Officials and Corrective Action Plan

Concur.

The patches for these vulnerabilities were delayed due to 1) false positives reported by our vulnerability monitoring system, 2) the School Opening Freeze, or 3) patches were not available. ITS conducted a risk assessment and implemented compensating controls (detailed below) to mitigate the risk of these unpatched vulnerabilities. The vulnerabilities were patched as soon as it was practical.

A Risk form for MiSiS was submitted which addresses the recommendation for expanding the vulnerability log. These fields are only needed to track exceptions for vulnerabilities that cannot be mitigated within their SLA.

Risk Assessment:

- The period from July 2024 to September 2024 is the critical School Opening phase, lasting until Norm Day in September 2024. Critical vulnerabilities were addressed after September 2024. In addition, the High vulnerabilities were determined to be false positives in our monitoring system.

- A risk assessment performed on the identified vulnerabilities determined the environment was not accessible outside the LAUSD network, reducing the likelihood of exploitation.

Compensating Controls:

The following compensating controls were implemented to mitigate these vulnerabilities:

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

Corrective Action:

The first set of vulnerabilities were patched in October 2024, after resumption of normal patch schedule once the freeze was lifted.

The second set of vulnerabilities were patched in March 2025.

It is currently unfeasible to track the requested fields in our Vulnerability Log which is currently managed in an off-the-shelf software. However, ITS will track vulnerabilities that cannot meet their patch requirements in our in-house Risk Register which will track:

1. List of compensating controls
2. Residual Risk Level (risk remaining after mitigation action(s) is taken)
3. Risk Assessment Date
4. Risk Mitigation Date (date when patch or other mitigation is verified as complete)
5. Discovery Date of the vulnerability (from which the number of days unmitigated can be calculated)

Target Completion: Completed December 2025.

Name: Robert Pelayo
Title/Division: Senior Director, Instructional Apps
Information Technology Services (ITS)

Welligent Vulnerability

Condition

- Our review of Welligent network server vulnerability scan reports for the period of July 2024 – September 2024 revealed ten (10) "High" severity vulnerabilities that remained outstanding or not remediated throughout this three (3) month period. When considering the District policy's 21-day or three-week blackout period (i.e., 1 week prior to the start of the Fall semester and First 2 weeks of instruction of the Fall semester) for fall enrollment, the vulnerabilities remained unpatched/unmitigated for more than a total of 60 days.

- Our review of Welligent network server vulnerability scan reports for the period of October 2024 – December 2024 revealed one (1) "High" severity vulnerability that remained outstanding or not remediated throughout this three (3) month period.

- To confirm the District's vulnerability management risk mitigation controls in operation during the periods of unpatched vulnerabilities sighted in our report, we requested XSIAM (the District's security operations platform) generated reports of automatic blocking actions, containment measures, etc. taken for the MiSiS, Welligent, MAXIMO and COLINS environments from September 2024 – December 2024. However, we were informed by ITS that they were unable to provide such reports as their data retention period of 180 days did not cover the period reviewed for the vulnerabilities.

We were informed by ITS management that the vulnerabilities noted in the findings from July to December 2024 were addressed by July 21, 2025.

Cause and Effect

The ITS Risk Register Security Risk Acknowledgement Form documents that patches for the Welligent server vulnerabilities were not available during the period under review.

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

This risk is increased for systems that contain highly sensitive individual student data (e.g., patient healthcare diagnosis information) such as does Welligent.

Recommendation

- District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, "Critical" severity level vulnerabilities be patched within 30 days of identification and "High" severity level vulnerabilities be patched/unmitigated within 60 days of identification.

- The network vulnerability logs be revised to include the following critical information for vulnerabilities exceeding allowable unpatched timeframes:

    1. List of mitigation actions taken
    2. Residual Risk Level (risk remaining after mitigation action(s) is taken)
    3. Risk Assessment Date
    4. Patch Installation Date
    5. Aging (by # of days) of unpatched vulnerabilities

View of Responsible Officials and Corrective Action Plan

Concur.

The patches for these vulnerabilities were delayed due to 1) the School Opening Freeze, or 2) patches were not available. ITS conducted a risk assessment and implemented compensating controls (detailed below) to mitigate the risk of these unpatched vulnerabilities. The vulnerabilities were patched as soon as it was practical.

A Risk form for Welligent was submitted which addresses the recommendation for expanding the vulnerability log. These fields are only needed to track exceptions for vulnerabilities that cannot be mitigated within their SLA.

Risk Assessment:

A risk assessment performed on the identified vulnerabilities determined the environment was not accessible outside the LAUSD network reducing the likelihood of exploitation.

Compensating Controls:

The following compensating controls were implemented to mitigate these vulnerabilities:

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

Corrective Action:

The vulnerabilities cited from July 2024 to September 2024 were corrected when patches became available on August 2024 and April 2025. The vulnerabilities cited from October 2024 to December 2024 were corrected in January 2025 when patches became available for the vulnerabilities.

It is currently unfeasible to track the requested fields in our Vulnerability Log which is currently managed in an off-the-shelf software. However, ITS will track vulnerabilities that cannot meet their patch requirements in our in-house Risk Register which will track:

1. List of compensating controls
2. Residual Risk Level (risk remaining after mitigation action(s) is taken)
3. Risk Assessment Date
4. Risk Mitigation Date (date when patch or other mitigation is verified as complete)
5. Discovery Date of the vulnerability (from which the number of days unmitigated can be calculated)

Target Completion: Completed December 2025.

Name: Robert Pelayo
Title/Division: Senior Director, Instructional Apps
Information Technology Services (ITS)

Colins Vulnerability

Condition

Our review of Colins network server vulnerability scan reports revealed the following:

- We noted ten (10) High severity level Colin server vulnerabilities that appear to be outstanding for three months, i.e., from July 2024– September 2024. When considering the District policy's 21-day or three-week blackout period (i.e., 1 week prior to the start of the Fall semester and First 2 weeks of instruction of the Fall semester) for fall enrollment, the vulnerabilities remained unpatched/unmitigated for more than a total of 60 days.

- We noted one (1) critical and one (1) High severity level Colin server vulnerabilities appear to be outstanding for three months, i.e., from October 2024 – December 2024.

- To confirm the District's vulnerability management risk mitigation controls in operation during the periods of unpatched vulnerabilities sighted in our report, we requested XSIAM (the District's security operations platform) generated reports of automatic blocking actions, containment measures, etc. taken for the MiSiS, Welligent, MAXIMO and COLINS environments from September 2024 – December 2024. However, we were informed by ITS that they were unable to provide such reports as their data retention period of 180 days did not cover the period reviewed for the vulnerabilities.

- Risk mitigation tracking documentation, e.g., the ITS Risk Register Security Risk Acknowledgement Form, could not be provided when requested for these vulnerabilities.

We were informed that the issues noted in the findings from July to December 2024 were addressed as of July 21, 2025.

Cause and Effect

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

Recommendation

- District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, "Critical" severity level vulnerabilities be patched within 30 days of identification and "High" severity level vulnerabilities be patched/remediated within 60 days of identification.

- The network vulnerability logs be revised to include the following critical information for vulnerabilities exceeding allowable unpatched timeframes:

    1. List of mitigation actions taken
    2. Residual Risk Level (risk remaining after mitigation action(s) is taken)
    3. Risk Assessment Date
    4. Patch Installation Date
    5. Aging (by # of days) of unpatched vulnerabilities

- ITS Risk Register Security Risk Acknowledgement Forms are completed for unpatched vulnerabilities no later than when they've reached the District policy's allowable timeframe for the vulnerability's severity level.

View of Responsible Officials and Corrective Action Plan

Concur.

The patches for these vulnerabilities were delayed due to 1) the School Opening Freeze, or 2) patches were not available. ITS conducted a risk assessment and implemented compensating controls (detailed below) to mitigate the risk of these unpatched vulnerabilities. The vulnerabilities were patched as soon as it was practical.

Risk Assessment:

- A risk assessment performed on the identified vulnerabilities determined the environment was not accessible outside the LAUSD network reducing the likelihood of exploitation.

Compensating Controls:

Colin is set-up in four VLANs that are only accessed by FSD authorized users through specific AD Groups. Colin is available to the outside via Global Protect and is set up to traverse the WAF. In addition, the following controls were put in place:

- Flagged servers with SOC for critical monitoring.
- EDR to detect, prevent, and respond to malware and unauthorized access.
- Next generation firewalls providing deep packet inspection, intrusion prevention, application layer controls, and SIEM integration.

Corrective Action:

The vulnerabilities were patched on the regular patch cycle once patches became available.

It is currently unfeasible to track the requested fields in our Vulnerability Log which is currently managed in an off-the-shelf software. However, ITS will track vulnerabilities that cannot meet their patch requirements in our in-house Risk Register which will track:

1. List of compensating controls
2. Residual Risk Level (risk remaining after mitigation action(s) is taken)
3. Risk Assessment Date
4. Risk Mitigation Date (date when patch or other mitigation is verified as complete)
5. Discovery Date of the vulnerability (from which the number of days unmitigated can be calculated)

Target Completion: Completed December 2025.

Name: Joseph Holop
Title/Division: Senior Administrator, IT Infrastructure
Information Technology Services (ITS)

Maximo Vulnerability

Condition

- Our review of Maximo network server vulnerability scan reports for the period of October 2024 – December 2024 revealed sixty-three (63) "High" severity level vulnerabilities that remained outstanding or not remediated throughout this three (3) month period.

- To confirm the District's vulnerability management risk mitigation controls in operation during the periods of unpatched vulnerabilities sighted in our report, we requested XSIAM (the District's security operations platform) generated reports of automatic blocking actions, containment measures, etc. taken for the MiSiS, Welligent, MAXIMO and COLINS environments from September 2024 – December 2024. However, we were informed by ITS that they were unable to provide such reports as their data retention period of 180 days did not cover the period reviewed for the vulnerabilities. Also, risk mitigation tracking documentation, e.g., the ITS Risk Register Security Risk Acknowledgement Form, could not be provided when requested for these vulnerabilities.

Cause and Effect

We were informed by ITS that Maximo is software supported by IBM. The ITS Security team scans the Maximo servers on a weekly basis, and they produce a report outlining the vulnerabilities by level of severity. Following this process, they look for Critical and High vulnerabilities to update the servers based on patch availability. The timing of updates varies because it depends on IBM's patch release schedule and timely availability to scan results. The issues noted in the findings from October to December 2024 were addressed and the report issued on July 21, 2025 shows no Critical or High vulnerabilities longer than 30 or 60 days respectively.

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

Recommendation

- District management monitor and remediate sensitive vulnerabilities in a timely manner. At a minimum, "Critical" severity level vulnerabilities be patched within 30 days of identification and "High" severity level vulnerabilities be patched/remediated within 60 days of identification.

- The network vulnerability logs be revised to include the following critical information for vulnerabilities exceeding allowable unpatched timeframes:

    1. List of mitigation actions taken
    2. Residual Risk Level (risk remaining after mitigation action(s) is taken)
    3. Risk Assessment Date
    4. Patch Installation Date
    5. Aging (by # of days) of unpatched vulnerabilities

- ITS Risk Register Security Risk Acknowledgement Forms are completed for unpatched vulnerabilities no later than when they've reached the District policy's allowable timeframe for the vulnerability's severity level.

View of Responsible Officials and Corrective Action Plan

Concur.

The patches for these vulnerabilities were not available. ITS conducted a risk assessment and implemented compensating controls (detailed below) to mitigate the risk of these unpatched vulnerabilities. The vulnerabilities were patched as soon as it was practical, and no further corrective action is needed.

Compensating Controls:

Maximo is set-up in four VLANs that are only accessed by FSD authorized users through specific AD Groups. Maximo is not available to the outside except for ITS FTS designated support personnel and FSD M&O MORA (M&O Reporting and Analysis) personnel that provide support for off-hour emergency situations. In addition, the following controls were put in place:

- Flagged servers with SOC for critical monitoring
- EDR to detect, prevent, and respond to malware and unauthorized access.
- Next generation firewalls provide deep packet inspection, intrusion prevention, application layer controls, and SIEM integration.

Corrective Action:

The vulnerabilities were patched on the regular patch cycle once patches became available.

It is currently unfeasible to track the requested fields in our Vulnerability Log which is currently managed in an off-the-shelf software. However, ITS will track vulnerabilities that cannot meet their patch requirements in our in-house Risk Register which will track:

1. List of compensating controls
2. Residual Risk Level (risk remaining after mitigation action(s) is taken)
3. Risk Assessment Date
4. Risk Mitigation Date (date when patch or other mitigation is verified as complete)
5. Discovery Date of the vulnerability (from which the number of days unmitigated can be calculated)

Target Completion: Completed December 2025.

Name: Joseph Holop
Title/Division: Senior Administrator, IT Infrastructure
Information Technology Services (ITS)

Finding – FS-2025-002 Accrued Payroll (Significant Deficiency)

State Audit Guide Finding Code: 30000

Criteria

Governmental Accounting Standards Board (GASB) Concepts Statement No. 4, *Elements of Financial Statements*, paragraph 17 and 22, establishes the criteria for recognizing liabilities in governmental financial statements:

"Liabilities are present obligations to sacrifice resources that the government has little or no discretion to avoid."

"For an obligation to be a liability, it should be a present obligation. The event that created the liability has taken place."

Condition

During our audit of Accrued Payroll for Fiscal Year 2025, we identified balances carried forward from prior years that have not been analyzed to determine whether the underlying obligations remain valid. These balances continue to be recorded as payroll liabilities without evidence of review, reconciliation, or reversal. The accumulated beginning fund balance impact is summarized below:

Governmental Fund	FY-25 Accrued Payroll Amount
General Fund	$ (21,351,522.00)
District Bond Funds	17,334.00
Internal Service Funds	1,232.00
Non-Major Funds	(350,612.00)
Total	$ (21,683,568.00)

These amounts include accruals initially recorded in prior periods that no longer appear to represent current obligations owed by the District.

Cause and Effect

The District has not established a formal process requiring periodic analysis of aged accrued payroll balances to confirm whether the obligations remain present obligations as defined by GASB. As a result, payroll accruals continue to roll forward each year without evaluation of whether the underlying events have been settled or no longer meet the definition of a liability.

Carrying forward outdated payroll accruals results in the overstatement of liabilities and understatement of fund balance. As these amounts no longer represent present obligations arising from past events, the accrued payroll balance does not accurately reflect actual liabilities owed by the District at year-end.

Recommendation

We recommend that the District perform a comprehensive review of all aged, accrued payroll balances to determine which amounts continue to represent valid obligations. Balances that no longer reflect actual liabilities owed by the District should be removed. In addition, the District should establish policies and procedures that require an annual review and reconciliation process to ensure that reversals of outdated accruals are recorded in a timely manner and that the accrued payroll balance represents only current and valid obligations.

View of Responsible Officials and Corrective Action Plan

The District agrees that the accumulated accrued payroll balances include legacy amounts from prior years that require full analysis and resolution.

Of the approximately $21.683 million accrued payroll balance, payroll has identified that most of the amount relates primarily to accrued CalSTRS contributions generated from split-year salary schedules and retroactive payroll processed in September 2023. These balances represent obligations that must be reconciled and settled. In addition, a portion of the balance pertains to canceled or stale-dated checks that have not yet been reissued or otherwise resolved.

Payroll has performed monthly reconciliations and reviewed payments of retirement contribution accruals along with Payroll/AP amounts related to the 2023 retroactive payroll transactions. These enhanced controls are in place to ensure that all new accrued amounts are cleared timely and do not accumulate additional long-term carryforward balances.

To address this issue, the District has taken and is implementing the following corrective actions:

1. **Focused Cleanup Effort of Remaining Balance:** As of November 2025, Payroll has assigned dedicated staff to complete a full reconciliation of the accrued CalSTRS liabilities. This effort is focused exclusively on validating, correcting, and preparing the outstanding obligations for payment. The District anticipates completing this reconciliation by the end of fiscal year 2025-26.

2. **Ongoing Monitoring:** As part of fiscal 2025-26 year-end closing process, Payroll and Accounting will collaboratively review accrued payroll liabilities to ensure that only valid, present obligations remain recorded. Any discrepancies identified will be addressed.

3. **Process and System Improvements:** Programming changes are in the early stages of development for future retroactive payrolls to ensure accurate reporting lines and posting of correct accrued liabilities. Implementation is anticipated by the end of fiscal year 2026–27. These improvements will minimize manual adjustments and reduce the risk of outdated accruals being carried forward.

Through these corrective measures, the District expects to reduce outdated accruals, improve the accuracy of reported accrued liabilities, and strengthen internal controls over payroll reporting moving forward.

Name: Araceli Pineda
Title: Director, Payroll Administration
Contact Information: araceli.pineda@lausd.net

Name: Kimberly Chiriguayo
Title: Director of Accounting, Financial Reporting Section
Contact Information: k.chiriguayo@lausd.net

LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2025

Section III – Findings and Questioned Costs Relating to Federal Awards

Program Identification

Finding Reference Number:	**F-2025-001**
Federal Program Title, Awarding Agency, Pass-Through Entity, Assistance Listing Number, and Award Number:	School Breakfast Program, U.S. Department of Agriculture, Passed through the California Department of Education, AL No. 10.553, PCA Nos. 13525 and 13526 (Material Weakness)
Compliance Requirement:	Reporting
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

During the procedures performed over meals claimed under the School Breakfast Program in the fiscal year 2025, it was noted that 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 a total 25 daily meal counts from the months of September 2024, November 2024, and February 2025. 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. As a result of our testing, we noted variances in four (4) daily meal counts between the CMS count and the meal count sheets for Breakfast in Class. Breakfast counts were overclaimed by 111 based on a total sample of 3,793 meals tested from a total reported population of 12,688,107 meals.

Our samples were statistically valid samples.

Cause and Effect

The condition is as a result of human error while manually counting the paper meal count sheets for Breakfast in Class.

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.

An overclaim of $315 was identified, resulting from overclaimed quantities of 111 breakfasts multiplied by the reimbursement rate of $2.84 under the School Breakfast Program – Severe Need.

Date	Type of Meal	School Name	Reported	Per Supports Provided	Overclaimed Quantity	Overclaimed Amount
11/04/24	Breakfast	Annalee EL	261	157	104	$295
02/26/25	Breakfast	Brainard EL	132	127	5	14
09/20/24	Breakfast	Dyer EL	417	416	1	3
02/03/25	Breakfast	Liggett EL	471	470	1	3
Total					**111**	**$315**

Recommendation

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

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

The Food Services Division is committed to providing great food and maintaining rigorous internal controls and continuous monitoring to safeguard program integrity.

The discrepancy found at one school is not representative of our program, as we do ongoing random audits of submitted claims to verify the accuracy of submitted data. These layered oversight measures provide multiple levels of verification to minimize and eliminate the likelihood of reporting errors and ensure compliance with applicable state and federal program requirements. At Annalee El, the school with an overclaim of 104 meals, we found that the manager had moved from the school, and in the interim, our review protocol fell short.

Given the large volume of meals served annually across the District, the over-claim discrepancy identified during the FY 24-25 audit represents an isolated incident rather than a systemic deficiency in LAUSD Food Services operations. The claim verification process followed at schools is stated below:

- The Food Service Manager conducts a weekly review of the prior week's daily meal count documents to identify and correct any discrepancies.
- The Food Service Manager generates and reviews a weekly Meal Counts Report from the Cafeteria Management System (CMS) to verify recorded data.
- The Food Service Manager compares the daily meal count documents against the five-day Meal Counts Report to ensure data alignment and accuracy.
- The Manager performs an additional verification by reconciling daily meal count documents with the five-day Meal Counts Report from CMS. Any identified errors are corrected immediately in CMS. This reconciliation process is completed prior to the submission of claims to the Child Nutrition Information and Payment System.
- The Area Food Services Supervisor (AFSS) and Regional Manager (RM) conduct random weekly reviews of meal counts for accuracy, utilizing reports provided by Central Office staff to support this verification process.
- Central Office staff perform a monthly audit of meal count records and prepare a draft report for review by the AFSS and RM to validate findings and confirm accuracy.

Retraining of the staff at Annalee El has been completed, and the manager and supervisor teams are verifying that the above protocol is being followed consistently at all schools.

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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2025

Program Identification

Finding Reference Number:	**F-2025-002**
Federal Program Title, Awarding Agency, Pass-Through Entity, Assistance Listing Number, and Award Number:	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, AL No. 84.010, PCA Nos. 14329 and 15438 (Significant Deficiency) 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 (Material Weakness) Student Support and Academic Enrichment (Title IV, Part A of the ESEA), U.S. Department of Education, Passed through the California Department of Education, AL No. 84.424A, PCA No. 15396 (Material Weakness)
Compliance Requirement:	Allowable Costs/Cost Principles
State Audit Guide Finding Code:	30000 and 50000

Criteria

2 CFR section 200.403, Factors affecting allowability of costs.

Except where otherwise authorized by statute, costs must meet the following criteria to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
(c) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the recipient or subrecipient.
(d) Be accorded consistent treatment. For example, a cost must not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
(e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for State and local governments and Indian Tribes only, as otherwise provided for in this part.
(f) Not be included as a cost or used to meet cost sharing requirements of any other federally-financed program in either the current or a prior period. See § 200.306(b).
(g) Be adequately documented. See §§ 200.300 through 200.309.

(h) Administrative closeout costs may be incurred until the due date of the final report(s). If incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the Federal agency. All other costs must be incurred during the approved budget period. At its discretion, the Federal agency is authorized to waive prior written approvals to carry forward unobligated balances to subsequent budget periods. See § 200.308(g)(3).

10th Edition Procurement Manual issued by the District in September 2023, Chapter 8 – What to Do When Item or Services Are Received

A. Online Goods Receipts

Prior to entering an online Goods Receipt (GR), schools and offices must have a copy of the vendor invoice and Purchase Order (PO). They are responsible for verifying the accuracy of the order and entering the "online receiver" into SAP immediately after delivery of materials. Partial receiving is acceptable to account only for materials actually received. Payments are processed based on materials that have been received online.

F.1. Payment for Materials

Accounts Payable will process payment when the following three items are matched in SAP: (1) Purchase Order, (2) Goods Receipt, and (3) vendor invoice.

F.2.c. Contracted Professional Services

Accounts Payable will process payments for contracted professional services when the following four items are matched: executed contract/amendment, Purchase Order, vendor invoice, and approved authorization for payment.

F.3. Contract Close-Out

Upon contract expiration or termination, the District must ensure all deliverables have been received, final invoices paid, indirect costs settled, and any unspent funds unencumbered and transferred to the appropriate District account.

Condition

As part of our review of cash disbursement expenditures, we selected a statistically valid sample of forty (40) cash disbursement transactions from each of the following programs: Title I, Title IV, and Perkins. We reviewed the supporting documentation for these transactions to determine whether the expenditures were allowable under program regulations, accurately charged to the programs, and appropriately supported in accordance with 2 CFR Section 200.403 and the District Procurement Manual.

Title I: From the $3,265,728 sample tested (out of $48,286,535 total disbursements), we identified one (1) purchase order with a variance between the Goods Receipt (GR) and vendor invoice (IR) amounts. This discrepancy resulted in an overstatement of reported expenditures by $21,394. The District subsequently corrected this by reversing the amount to the expenditure accounts in FY 2026.

Title IV: From the $560,572 sample tested (out of $9,999,536 total disbursements), we identified one (1) purchase order with a variance between the GR and IR amounts, resulting in an overstatement of reported expenditures by $94,500. The District subsequently corrected this by reversing the amount to the expenditure accounts in FY 2026.

Perkins: Additionally, from a $329,432 sample (out of $5,738,606 total disbursements), we identified seven (7) disbursements totaling $868 that lacked adequate proof of delivery of materials. Supporting documentation, such as signed delivery receipts or equivalent evidence of goods received, was not available for these transactions.

Cause and Effect

These conditions occurred because adjustments were not made to the GR amounts to reflect changes in goods or services received after the initial recording. The unadjusted GR balances led to variances between the GR and IR amounts, resulting in overstatements of reported expenditures for the affected programs.

In addition, the lack of adequate proof of delivery of materials occurred because GR were entered without supporting documentation to substantiate that the materials were received. This increased the risk of payment for goods not received, misstatement of expenditures, and noncompliance with federal cost documentation requirements under 2 CFR section 200.403(g).

Questioned Costs

- Title I (AL No. 84.010): $21,394 overstated due to GR-IR variance.
- Title IV (AL No. 84.424A): $94,500 overstated due to GR-IR variance.
- Perkins (AL No. 84.048): $868 lacked sufficient supporting documentation that the goods were received.

Recommendation

We recommend that the District:

1. Strengthen review and reconciliation procedures to ensure that adjustments to the Goods Receipt (GR) are made promptly to reflect actual goods or services received.
2. Enforce documentation controls to require that all Goods Receipts are supported by adequate proof of delivery (e.g., signed delivery receipts, receiving reports, or equivalent evidence) before processing payments.
3. Provide staff training on documentation and reconciliation requirements to ensure compliance with federal cost principles and the District Procurement Manual.

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

The purpose of the Goods Receipt (GR) is to record receipt of goods or services as soon as they are delivered and verified to be in acceptable condition. A Goods receipt must be posted in SAP for all items actually received. Vendors submit invoice(s) referencing the purchase order (PO) directly to Accounts Payable after delivery, indicating that the goods or services have been provided and requesting payment. Accounts Payable then reviews the vendor invoice, purchase order, and goods receipt in SAP to perform the required three-way match (PO, GR, and vendor invoice) before processing payment.

1. The Accounts Payable team will collaborate with the Procurement Services Division to establish and implement a process that ensures the timely review and reconciliation of Goods Receipt (GR) entries. This will include the development of clear guidance / training materials for schools and offices to periodically review their GR balances. Training will be conducted via Virtual Office Hours on a quarterly basis for sites to make necessary adjustments when the goods or services received differ from the original Purchase Order (PO) or the corresponding invoice.

2. The Accounts Payable team will collaborate with the Procurement Services Division to develop supplemental documentation and guidance regarding proof of delivery for goods and services received.

3. Accounts Payable staff will receive ongoing training throughout the year on documentation and reconciliation requirements, particularly when new internal controls, procedures, and processes are created. Training will be incorporated into regular team meetings, procedural updates, and onboarding for new team members to maintain alignment and accuracy across the department**.**

The implementation target date for the above corrective action plan is June 30, 2026.

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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2025

Program Identification

Finding Reference Number:	**F-2025-003**
Federal Program Title, Awarding Agency, Pass-Through Entity, Assistance Listing Number, and Award Number:	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, AL No. 84.010, PCA Nos. 14329 and 15438 (Material Weakness) 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 (Material Weakness)
Compliance Requirement:	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]
(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."

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).

Title I: During our review of a sample of thirty (30) payroll expenditures, we noted the following exceptions:

1. One (1) employee's timesheet reflected an inconsistency between the hours submitted and the records in SAP. The SAP recorded fifty-four (54) regular work hours instead of the accurate sixty (60) regular work hours. The six (6) hours variance was incorrectly classified as full pay illness instead of regular time pay. The District subsequently corrected this discrepancy.
2. One (1) timesheet amounting to $613 was not signed by the employee and contained a supervisor's signature that was obtained after the submission deadline.

Perkins: During our review of a sample of thirty (30) payroll expenditures, we identified three (3) timesheets contained supervisor's signatures that were obtained after the submission deadline. The total amount of payroll expenditures associated with these exceptions was $20,067.

Cause and Effect

The discrepancies occurred due to inadequate review and verification of employee timesheets prior to payroll processing, as well as a lack of timely completion of required authorization signatures.

Failure to ensure the accuracy and completeness of timesheet records increases the risk of payroll misstatements, improper classification of labor costs, and potential noncompliance with internal control and documentation requirements under Federal grant regulations.

Questioned Costs

There were no questioned costs identified as a result of the discrepancy in hours reported, as there was no difference in the amount of pay between regular time pay and full pay illness. Likewise, there were no questioned costs related to the missing or untimely signatures on timesheets, as the payroll costs incurred were still considered allowable under the respective programs (Title I and Perkins), despite the timing and documentation issues.

Recommendation

We recommend that the District strengthen and reinforce internal controls over the preparation, review, and approval of employee timesheets to ensure the accuracy and completeness of payroll records. This should include implementing procedures to reconcile timesheet data with system records (e.g., SAP) prior to payroll processing, ensuring that hours worked and pay classifications are correctly reported. In addition, the District should enforce policies requiring all timesheets to be signed by employees and approved by supervisors prior to the submission deadline. The review and approval process should be adequately documented to provide evidence of compliance with established payroll and Federal grant requirements.

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

Payroll Administration concurs with the recommendation pertaining to the preparation, review, and approval of employee timesheets to ensure the accuracy and completeness of payroll records. Employee timesheets and payroll records are originated, reviewed, and retained at the respective work locations. Therefore, Payroll Administration does not have direct access to these site-level records.

To strengthen compliance, Payroll Administration will continue to provide targeted training and guidance to time reporters and time approvers on the timely review and approval of timesheets, the required time and effort certification, as well as the reconciliation of timesheet data with SAP entries. These topics will be reinforced during the monthly Time Reporter and Time Approver Virtual Office Hours.

Furthermore, Payroll Administration will continue to issue periodic communications and disseminate the Best Practices Worksheet, which outlines key payroll compliance requirements, including adherence to payroll cut-off deadlines and reconciliation of timesheets and time entry in SAP.

Payroll Administration remains committed to supporting District departments and school sites in maintaining full compliance with established payroll policies and procedures.

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LOS ANGELES UNIFIED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2025

Section IV – Findings and Questioned Costs Relating to State Awards

S-2025-001 – Regular and Special Day Classes – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- 4th Street Elementary
- 59th Street Elementary
- Audubon Middle School Gifted Magnet
- Bassett Street Elementary Media Arts/ Technology Magnet
- Barton Hill Elementary
- Boys Academic Leadership Academy
- Charles Leroy Lowman Special Ed & Career Transition Center
- Charles Maclay Middle School
- Cowan Avenue Elementary
- Diego Rivera Learning Complex Performing Arts
- Edward R Roybal Learning Center
- Ford Boulevard Elementary DL Two-Way Im Spanish
- George K Porter Middle School Gifted Magnet
- Grand View Boulevard Elementary
- Hooper Avenue Elementary DL Two-Way Im Spanish
- James Madison Middle School Medical/Math/Science Magnet
- John F Kennedy Senior High Gifted Medical Magnet
- John Muir Middle School
- Lake Balboa College Preparatory Magnet K-12
- Lassen Elementary
- Lassen Elementary DL Two-Way Im Spanish
- Lucille Roybal-Allard Elementary DL Two-Way Im Spanish
- Marvin Elementary
- Maywood Elementary School
- Napa Street Elementary
- Napa Street Elementary DL Two-Way Im Spanish
- Panorama Senior High
- Panorama Senior High Sports Med/Info Tech Magnet
- Porter Ranch Community School
- Sonia Sotomayor Arts and Sciences Magnet
- Stoner Avenue Elementary
- Tweedy Elementary DL Two-Way Im Spanish
- Union Avenue Elementary
- Van Nuys Senior High Science/Tech/Math Magnet
- Venice Senior High
- Venice Senior High Science Tech Engineering Medical Math Mag
- Venice Senior High World Languages/Global Studies Magnet
- Warner Avenue Elementary
- Washington Irving Middle School Math Music Engineering Mag
- West Adams Prep Senior High Global Cuisine/Hosp. Magnet
- West Adams Prep Senior High Police Academy Magnet
- William Jefferson Clinton Middle School
- William Jefferson Clinton MS Medical/Health Careers Magnet

Criteria

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

Condition, Cause and Effect

For our sample of 135 schools, we obtained the Student Monthly Attendance Summary Reports (SMASRs) for a sample of teachers for school month 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 156,430 days of attendance and 12,497 days of absences for testing and noted the following findings, resulting due to staff's untimely update of student's attendance records:

- **4th Street Elementary** - Out of the 719 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.

- **59th Street Elementary** - Out of the 722 days of attendance and 47 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Audubon Middle School Gifted Magnet** - Out of the 127 days of attendance and 6 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.

- **Bassett Street Elementary Media Arts/ Technology Magnet** - Out of the 392 days of attendance and 26 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.

- **Barton Hill Elementary** - Out of the 644 days of attendance and 74 days of absences sampled, we noted the following exception:
  - We identified one (1) teacher 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.

- **Boys Academic Leadership Academy** - Out of the 1,270 days of attendance and 101 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of four (4) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Charles Leroy Lowman Special Ed & Career Transition Center** - Out of the 1,159 days of attendance and 103 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Charles Maclay Middle School** - Out of the 1,191 days of attendance and 72 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.

- **Cowan Avenue Elementary** - Out of the 450 days of attendance and 34 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of five (5) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Diego Rivera Learning Complex Performing Arts** - Out of the 1,339 days of attendance and 162 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.

- **Edward R Roybal Learning Center** - Out of the 1,435 days of attendance and 66 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Ford Boulevard Elementary DL Two-Way Im Spanish** - Out of the 359 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 recorded as present in the SMASR.

- **George K Porter Middle School Gifted Magnet** - Out of the 746 days of attendance and 14 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Grand View Boulevard Elementary** - Out of the 412 days of attendance and 63 days of absences sampled, we noted the following exception:
  - We identified one (1) teacher 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.

- **Hooper Avenue Elementary DL Two-Way Im Spanish** - Out of the 379 days of attendance and 20 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.

- **James Madison Middle School Medical/Math/Science Magnet** - Out of the 487 days of attendance and 26 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **John F Kennedy Senior High Gifted Medical Magnet** - Out of the 313 days of attendance and 10 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.

- **John Muir Middle School** - Out of the 1,095 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.

- **Lake Balboa College Preparatory Magnet K-12** - Out of the 2,747 days of attendance and 179 days of absences sampled, we noted the following exceptions:
  - Seven (7) students were absent for a total of thirteen (13) days, as evidenced by an absence note, but were marked as present in the SMASR.

- **Lassen Elementary** - Out of the 489 days of attendance and 43 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.

- **Lassen Elementary DL Two-Way Im Spanish** - Out of the 403 days of attendance and 20 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.

- **Lucille Roybal-Allard Elementary DL Two-Way Im Spanish** - Out of the 322 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.

- **Marvin Elementary** - Out of the 320 days of attendance and 60 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Maywood Elementary School** - Out of the 792 days of attendance and 44 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Napa Street Elementary** - Out of the 637 days of attendance and 96 days of absences sampled, we noted the following exceptions:
  - Five (5) students were absent for a total of six (6) days, as evidenced by an absence note, but were recorded as present in the SMASR.
  - We identified 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.

- **Napa Street Elementary DL Two-Way Im Spanish** - Out of the 331 days of attendance and 30 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Panorama Senior High** - Out of the 777 days of attendance and 143 days of absences sampled, we noted the following exceptions:
  - Eighteen (18) students were absent for a total of twenty-eight (28) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Panorama Senior High Sports Med/Info Tech Magnet** - Out of the 323 days of attendance and 38 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Porter Ranch Community School** - Out of the 2,752 days of attendance and 121 days of absences sampled, we noted the following exceptions:
  - Four (4) students were absent for a total of four (4) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Sonia Sotomayor Arts and Sciences Magnet** - Out of the 2,184 days of attendance and 172 days of absences sampled, we noted the following exceptions:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Stoner Avenue Elementary** - Out of the 334 days of attendance and 36 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.

- **Tweedy Elementary DL Two-Way Im Spanish** - Out of the 433 days of attendance and 43 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Union Avenue Elementary** - Out of the 1,185 days of attendance and 82 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of two (2) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Van Nuys Senior High Science/Tech/Math Magnet** - Out of the 413 days of attendance and 24 days of absences sampled, we noted the following exceptions:
  - One (1) student was absent for a total of four (4) days, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Venice Senior High** - Out of the 423 days of attendance and 33 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.

- **Venice Senior High Science Tech Engineering Medical Math Mag** - Out of the 892 days of attendance and 58 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Venice Senior High World Languages/Global Studies Magnet** – Out of the 828 days of attendance and 46 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Warner Avenue Elementary** – Out of the 1,175 days of attendance and 60 days of absences sampled, we noted the following exceptions:
  - Two (2) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Washington Irving Middle School Math Music Engineering Mag** - Out of the 803 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.

- **West Adams Prep Senior High Global Cuisine/Hosp. Magnet** - Out of the 653 days of attendance and 50 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.

- **West Adams Prep Senior High Police Academy Magnet** - Out of the 75 days of attendance and 20 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.

- **William Jefferson Clinton Middle School** - Out of the 1,032 days of attendance and 108 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.

- **William Jefferson Clinton MS Medical/Health Careers Magnet** - Out of the 297 days of attendance and 26 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, 2024 (S-2024-001), but for different schools.

Questioned Costs

- Grades TK/K-3: 29 days/140 days = 0.21 ADA overstated * $15,201.90 = $3,192.40
- Grades 4 to 6: 16 days/140 days = 0.11 ADA overstated * $13,978.11 = $1,537.59
- Grades 7 to 8: 13 days/140 days = 0.09 ADA overstated * $14,391.53= $1,295.24
- Grades 9 to 12: 59 days/140 days = 0.42 ADA overstated * $17,113.81 = $7,187.80

- 4th Street Elementary
  - Grades 4 to 6: 1 day/140 days in single track school year
- 59th Street Elementary
  - Grades TK/K-3: 2 days/140 days in single track school year
  - Grades 4 to 6: 1 day/140 days in single track school year
- Audubon Middle School Gifted Magnet
  - Grades 7 to 8: 1 day/140 days in single track school year
- Bassett Street Elementary Media Arts/ Technology Magnet
  - Grades 4 to 6: 1 day/140 days in single track school year
- Boys Academic Leadership Academy
  - Grades 4 to 6: 3 days/140 days in single track school year
  - Grades 7 to 8: 1 day/140 days in single track school year
- Charles Leroy Lowman Special Ed & Career Transition Center
  - Grades 9 to 12: 2 days/140 days in single track school year
- Charles Maclay Middle School
  - Grades 7 to 8: 1 day/140 days in single track school year
- Cowan Avenue Elementary
  - Grades TK/K-3: 5 days/140 days in single track school year
- Diego Rivera Learning Complex Performing Arts
  - Grades 9 to 12: 1 day/140 days in single track school year
- Edward R Roybal Learning Center
  - Grades 9 to 12: 1 day/140 days in single track school year

- Ford Boulevard Elementary DL Two-Way Im Spanish
  - Grades TK/K-3: 1 day/140 days in single track school year
- George K Porter Middle School Gifted Magnet
  - Grades 7 to 8: 2 days/140 days in single track school year
- Hooper Avenue Elementary DL Two-Way Im Spanish
  - Grades 4 to 6: 1 day/140 days in single track school year
- James Madison Middle School Medical/Math/Science Magnet
  - Grades 7 to 8: 2 days/140 days in single track school year
- John F Kennedy Senior High Gifted Medical Magnet
  - Grades 9 to 12: 1 day/140 days in single track school year
- John Muir Middle School
  - Grades 7 to 8: 1 day/140 days in single track school year
- Lake Balboa College Preparatory Magnet K-12
  - Grades TK/K-3: 1 day/140 days in single track school year
  - Grades 7 to 8: 1 day/140 days in single track school year
  - Grades 9 to 12: 11 days/140 days in single track school year
- Lassen Elementary
  - Grades TK/K-3: 1 day/140 days in single track school year
- Lassen Elementary DL Two-Way Im Spanish
  - Grades 4 to 6: 2 days/140 days in single track school year
- Lucille Roybal-Allard Elementary DL Two-Way Im Spanish
  - Grades TK/K-3: 1 day/140 days in single track school year
- Marvin Elementary
  - Grades TK/K-3: 2 days/140 days in single track school year
- Maywood Elementary School
  - Grades TK/K-3: 2 days/140 days in single track school year
- Napa Street Elementary
  - Grades TK/K-3: 6 days/140 days in single track school year
- Napa Street Elementary DL Two-Way Im Spanish
  - Grades TK/K-3: 3 days/140 days in single track school year
- Panorama Senior High
  - Grades 9 to 12: 28 days/140 days in single track school year
- Panorama Senior High Sports Med/Info Tech Magnet
  - Grades 9 to 12: 3 days/140 days in single track school year
- Porter Ranch Community School
  - Grades 4 to 6: 2 days/140 days in single track school year
  - Grades 7 to 8: 2 days/140 days in single track school year
- Sonia Sotomayor Arts and Sciences Magnet
  - Grades 9 to 12: 1 day/140 days in single track school year
- Stoner Avenue Elementary
  - Grades TK/K-3: 1 day/140 days in single track school year
- Tweedy Elementary DL Two-Way Im Spanish
  - Grades 4 to 6: 3 days/140 days in single track school year
- Union Avenue Elementary
  - Grades TK/K-3: 2 days/140 days in single track school year
- Van Nuys Senior High Science/Tech/Math Magnet
  - Grades 9 to 12: 4 days/140 days in single track school year

- Venice Senior High
  - Grades 9 to 12: 1 day/140 days in single track school year
- Venice Senior High Science Tech Engineering Medical Math Mag
  - Grades 9 to 12: 3 days/140 days in single track school year
- Venice Senior High World Languages/Global Studies Magnet
  - Grades 9 to 12: 1 day/140 days in single track school year
- Warner Avenue Elementary
  - Grades TK/K-3: 2 days/140 days in single track school year
  - Grades 4 to 6: 1 day/140 days in single track school year
- Washington Irving Middle School Math Music Engineering Mag
  - Grades 4 to 6: 1 day/140 days in single track school year
- West Adams Prep Senior High Global Cuisine/Hosp. Magnet
  - Grades 9 to 12: 1 day/140 days in single track school year
- West Adams Prep Senior High Police Academy Magnet
  - Grades 9 to 12: 1 day/140 days in single track school year
- William Jefferson Clinton Middle School
  - Grades 7 to 8: 1 day/140 days in single track school year
- William Jefferson Clinton MS Medical/Health Careers Magnet
  - Grades 7 to 8: 1 day/140 days in single track school year

Recommendation

We recommend that the District and the schools continue to strengthen their controls over implementing attendance policies for 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 at school late or leave early. Finally, we recommend that the District continue to support the schools by providing adequate training in attendance reporting so that proper attendance reporting procedures are adhered to and that the District maintains documentation reflecting that each of the schools identified above has been successfully trained.

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

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

1. **Student Attendance Policies and Procedures Resources:** Pupil Services will provide monthly reminders through the Schoology communication platform regarding attendance taking and reporting policies and procedures. These resources will be posted once a month starting in September 2025.
2. **Virtual Drop-In Sessions with Office of Organizational Excellence**: Pupil Services will participate in the Office of Organizational Excellence - *2025-2026 School-Based Office Hours* sessions via Zoom. These sessions provide timely support, resources, and guidance on school-related operational matters. They allow school staff to ask questions and address various topics including attendance, enrollment and withdrawal policies, procedures and supporting resources. Pupil Services will participate at least once per month beginning in August 2025 through June 2026.

3. **MyPLN Training - Tools to Support Accurate Attendance and Withdrawal Procedures:** Pupil Services and Attendance will obtain verification of completion for the MyPLN training from schools identified with audit findings. This training provides LAUSD staff with guidance on attendance policies, procedures and audit compliance. It also includes the following MiSiS reports: *Statistical/SMASR Report*, *Five-Column Rosters Report*, *Discrepancy Report* (secondary only) and *Attendance Not Submitted (ANS) Report* in addition to the following MiSiS screens: *Attendance at a Glance Screen* and *Student Contact Log* to support the attendance taking process, appropriate attendance codes, and required documentation by April 2026.
4. **SMASR Timeline and MiSiS Statistical/SMASR Report Self-Audit Tool:** Pupil Services will post regular reminders on Schoology for schools to use the *2025-26 SMASR Timeline* and the MiSiS Statistical/SMASR Report Self-Audit Tool. These tools assist schools in reviewing their attendance data monthly and assist with correcting attendance discrepancies. Pupil Services will also include the SMASR MiSiS job aid to support this process. Reminders with the mentioned tools will be posted via the Schoology platform monthly starting in September 2025.

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

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S-2025-002 – Teacher Certification and Misassignments

State Audit Guide Finding Codes: 40000 and 71000

Schools Affected

- Arleta Senior High
- Audubon Middle School
- Boys Academic Leadership Academy
- Cesar E Chavez Learning Academy - Social Jst Humanitas Acad
- Charles Leroy Lowman Special Ed & Career Transition Center
- Charles Maclay Middle School
- Crenshaw Magnets: Science Tech Engineer Math & Medicine
- Diego Rivera Learning Complex Green Design STEAM Academy
- El Sereno Middle School
- Hubert Howe Bancroft Middle School
- Lake Balboa College Preparatory Magnet K-12
- Los Angeles Academy Middle School
- Marianna Avenue Elementary
- Panorama Senior High
- South East Senior High
- Valley Oaks Center for Enriched Studies (VOCES) Magnet
- Van Nuys Senior High
- Vinedale College Preparatory Academy

Criteria

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

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

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

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

(c) "Specialist instruction" means any specialty requiring advanced preparation or special competence, including, but not limited to, reading specialist, mathematics specialist, specialist in special education, or early childhood education, and such other specialties as the commission may determine.

(d) "Designated subjects" means the practice of assignment of teachers and students to designated technical, trade, or career technical courses which courses may be part of a program of trade, technical, or career technical education.

Condition, Cause and Effect

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

We tested a total of 439 K-12 teachers and noted twenty-one (21) teachers who were assigned to teach in a position not consistent with the authorization of his/her certification, due to a teacher not being available to the school site with the appropriate authorization or the school site failing to submit the appropriate local assignment option form in a timely manner.

- **Arleta Senior High** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification as the consent form was not submitted.

- **Audubon Middle School** – Two (2) teachers were assigned to teach in a position not consistent with the authorization of their certifications.

- **Boys Academic Leadership Academy** – Two (2) teachers were assigned to teach in a position not consistent with the authorization of their certifications as the consent form was submitted late.

- **Cesar E Chavez Learning Academy - Social Jst Humanitas Acad** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

- **Charles Leroy Lowman Special Ed & Career Transition Center** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

- **Charles Maclay Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification as the consent form was submitted late.

- **Crenshaw Magnets: Science Tech Engineer Math & Medicine** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification as the consent form was not submitted.

- **Diego Rivera Learning Complex Green Design STEAM Academy** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification as the consent form was not submitted.

- **El Sereno Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification as the consent form was submitted late.

- **Hubert Howe Bancroft Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification as the consent form was submitted late.

- **Lake Balboa College Preparatory Magnet K-12** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification as the consent form was not submitted.

- **Los Angeles Academy Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

- **Marianna Avenue Elementary** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

- **Panorama Senior High** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

- **South East Senior High** – Two (2) teachers were assigned to teach in a position not consistent with the authorization of their certifications as the consent form was submitted late.

- **Valley Oaks Center for Enriched Studies (VOCES) Magnet** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification as the consent form was submitted late.

- **Van Nuys Senior High** – One (1) teacher was assigned to teach in two positions not consistent with the authorization of his/her certification as one consent form was submitted late and one consent form was not submitted.

- **Vinedale College Preparatory Academy** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.

We followed up on the prior year findings for teachers identified as misassignments to verify if their assigned teaching position was consistent with the authorization of their certification. In our review we identified three (3) substitute teachers that were assigned to teach in a position beyond the time period of 30 cumulative day assignments at the following schools: Elizabeth Learning Center, Young Empowered Scholars Academy, Woodcrest Elementary.

In our testing of Proposition 28 payroll expenditures, we identified the following:

- One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification.
- Three (3) teachers were assigned to teach in a position not consistent with the authorization of his/her certification, as the consent form was not submitted.
- Three (3) teachers were assigned to teach in a position not consistent with the authorization of their certifications, as the consent form was submitted late.

The teachers taught at the following schools: Alexander Hamilton Senior High, Francisco Bravo Senior High Medical Magnet, Phineas Banning Senior High, Sherman Oaks Center for Enriched Studies (SOCES) Magnet, Virtual Academy Bus & Entrepreneurship, Virtual Academy STEAM, and Woodrow Wilson Senior High.

These findings are repeat findings, having been reported previously at June 30, 2024 (S-2024-002) but for different schools and teachers.

Questioned Costs

Not Applicable.

Recommendation

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

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

Human Resources (HR) continues efforts to ensure every student is taught by an appropriately authorized teacher by providing professional development to certificated staff responsible for master scheduling. HR will also continue to leverage the *Office of Staff Relations Update* to remind principals of their responsibilities to ensure they make appropriate assignments and submit local assignment option forms. To reduce the number of late submissions, HR will distribute by May 2026 a list of candidates who utilized local assignment options during the current academic year. This proactive measure will help principals submit local assignment forms for the upcoming academic year in a timely manner. In addition, the four region directors will monitor compliance and schedule intervention meetings with non-responsive sites to address any misassignments. Lastly, the District will remediate the misassignments identified above during the current 2025-2026 academic year.

The Substitute Unit will continue its communication campaign to notify substitute teachers and school administrators of State assignment limits. Warnings will be issued for violations, and any unauthorized substitute teachers will be removed from assignments as necessary. To reinforce compliance, the Substitute Unit will participate in School Administrative Assistant (SAA) and Region Meetings where principals are present, ensuring both SAAs and principals are reminded of their responsibility to adhere to state requirements regarding substitute coverage. Additionally, school sites have been provided with a calculator tool that indicates the last day a substitute may legally remain in the assignment. This enables all schools to proactively monitor and transition substitutes in accordance with state regulations.

<u>K-12 Assignment Monitoring</u>

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<u>Substitute Unit</u>

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S-2025-003 - Independent Study – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- Broadway Elementary DL Two-Way Im Mandarin/Spanish
- Virtual Academy Int Studies & World Lang
- Virtual Academy Leadership & Pub Service

Criteria

California Education Code, Section 51747.5 (b)(1) – A local educational agency may claim apportionment credit for independent study only to the extent of the time value of pupil work products, as personally judged in each instance by a certificated teacher employed by the local educational agency, or the combined time value of pupil work product and pupil participation in synchronous instruction. It is the intent of the Legislature that teachers be given access to digital assignment tracking systems to reduce workload associated with evaluating and accounting for pupil work and synchronous instruction participation.

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

Condition, Cause and Effect

In our sample of three (3) schools with independent study programs, we noted the following, resulting due to incorrect attendance codes entered in MiSiS. Additionally, at one school site, two students were enrolled with Master Agreements with missing signatures, as the parent signed both the parent and student signature lines, resulting in missing student signatures.

- **Broadway Elementary DL Two-Way Im Mandarin**

  - Teacher Evaluations were incomplete for two (2) students. The students were marked present for 19 days.
  - Teacher Evaluations do not match the record of attendance for five (5) students. The students were marked present for 23 days.

- **Broadway Elementary DL Two-Way Im Spanish**

  - Teacher Evaluations were incomplete for one (1) student. The student was marked present for 3 days.
  - Teacher Evaluations do not match the record of attendance for one (one) student. The student was marked present for 7 days.

- **Virtual Academy Int Studies & World Lang**

  - Attendance for one (1) student shows 11 days on the SMASR; however, the student's record of attendance shows 10 days. The student's days were overreported by 1 day.
  - Attendance for one (1) student shows 19 days on the SMASR; however, the student's record of attendance shows 16 days. The student's days were overreported by 3 days.

- **Virtual Academy Leadership & Pub Service**

  - Attendance for one (1) student shows 16 days on the SMASR; however, the student's record of attendance shows 15 days. The student's days were overreported by 1 day.
  - Attendance for one (1) student shows 19 days on the SMASR; however, the student's record of attendance shows 18 days. The student's days were overreported by 1 day.
  - Attendance for one (1) student shows 19 days on the SMASR; however, the student's record of attendance shows 18 days. The student's days were overreported by 1 day.
  - Attendance for one (1) student shows 15 days on the SMASR; however, the student's record of attendance shows 14 days. The student's days were overreported by 1 day.
  - Attendance for one (1) student shows 10 days on the SMASR; however, the student's record of attendance shows 9 days. The student's days were overreported by 1 day.
  - Student signatures of the master agreement for two (2) students were not on file before the first day of instruction. The students were marked present for 185 days.

These findings are repeat findings, having been reported previously at June 30, 2024 (S-2024-004), but for different schools.

Questioned Costs

- Grades TK/K-3: 52 days/140 days = 0.37 ADA overstated * $15,201.90 = $5,624.70
- Grades TK/K-3: 153 days/176 days = 0.87 ADA overstated * $15,201.90 = $13,225.65
- Grades 4 to 6: 4 days/140 days = 0.03 ADA overstated * $13,978.11 = $419.34
- Grades 7 to 8: 4 days/140 days = 0.03 ADA overstated * $14,391.53 = $431.75
- Grades 9 to 12: 1 day/140 days = 0.01 ADA overstated * $17,113.81 = $171.14
- Grades 9 to 12: 32 days/176 days = 0.18 ADA overstated * $17,113.81 = $3,080.49

- Broadway Elementary DL Two-Way Im Mandarin
  - Grades TK/K-3: 42 days/140 days in single track school year
- Broadway Elementary DL Two-Way Im Spanish
  - Grades TK/K-3: 10 days/140 days in single track school year
- Virtual Academy Int Studies & World Lang
  - Grades 4 to 6: 4 days/140 days in single track school year
- Virtual Academy Leadership & Pub Service
  - Grades TK/K-3: 153 days/176 days in single track school year
  - Grades 7 to 8: 4 days/140 days in single track school year
  - Grades 9 to 12: 1 day/140 days in single track school year
  - Grades 9 to 12: 32 days/176 days in single track school year

Recommendation

We recommend that the District strengthen its review process over independent study to ensure that all elements of the master agreements are complete and that all records of attendance contain readily available corresponding pupil work products, teacher evaluations, and daily participation reports. We also recommend that the District provide proper training to ensure attendance is reported accurately and policies are adhered to and to maintains documentation reflecting that each of the schools identified above has been successfully trained.

Views of Responsible Officials and Planned Corrective Actions

Virtual Academy Schools

This is to acknowledge the importance of ensuring that the long-term independent study enrollment process includes ensuring the master agreement document is completed accurately with signatures from all three parties: Teacher, Parent, and Student, and attendance codes reflected in MiSiS accurately reflect the days earned, as indicated on the record of assignment.

Planned corrective actions are as follows:

1. Review findings and corrective actions with administrators from each of the six Virtual Academies in the long-term Independent Study Program.
2. Provide training to review enrollment process for clerical teams and administrators of Virtual Academies to include the master agreement being signed by all parties, parent, student, and teacher before the student is enrolled and attendance is reported into the school.
3. Trainings will be made available for teachers of all six Virtual Academies to review the analysis of student work to determine the accurate number of days earned on records of assignments and recording attendance in MiSiS according to the attendance days earned.

The target implementation date for the above corrective action plan is December 31, 2025.

Name: Connie L. Brandstetter
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Short Term Independent Study Program

The District will implement the following planned corrective actions:

1. The District will provide training to Principals and School Administrative Assistants (SAAs) on BUL-6779.6: Guidelines for Independent Study Programs to ensure the accurate implementation of Independent Study procedures. These trainings will be made available to schools District-wide.
2. The District will offer clinics and drop-in support sessions throughout the school year for teachers and school staff. These sessions will focus on the general procedures for all Independent Study Programs to promote accurate and compliant implementation.

The target date for implementation of the corrective action plan is May 2026.

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S-2025-004 – 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, 2025, which accounts for all applicable audit adjustments.

We utilized the ledger to calculate the elements of the current expense formula, which amounted to $8,824,765,121.23.

We then utilized the ledger to calculate the elements of the minimum classroom compensation, which amounted to $4,809,288,722.00.

In our review over the resource codes related to the manual adjustments the District utilized to arrive at the 4b Reductions, we identified a program that included teacher salaries in the amount of $4,393,623.14. This amount was subsequently adjusted to be excluded from the 4b Reductions calculation below.

Based on the information derived above, we determined that the District's percent of current cost of education expended for classroom compensation to be 54.50%, which falls short of the 55.00% minimum percent required for unified school districts.

This leads to a deficiency percentage of 0.50% and a deficiency amount of $44,332,094.68.

These calculations are illustrated below:

Total teacher salaries and benefits	$ 4,809,288,722.00	*(a)*
Current expense	$ 8,824,765,121.23	*(b)*
Percentage spent by the District	54.50%	*(c) = (a) / (b)*
Minimum percentage required	55.00%	*(d)*
Percentage below the minimum	0.50%	*(e) = (d) - (c)*
Deficiency Amount	$ 44,332,094.68	*(f) = (e) * (b)*

This is a repeat finding, having been reported previously at June 30, 2024 (S-2024-005).

Questioned Costs

Deficiency amount - $44,332,094.68.

Recommendation

We recommend that the District put mechanisms in place to track their percentage of teacher salaries and benefits to total expenses throughout the year in order to monitor compliance with the classroom teacher salary requirements.

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

The District remains committed to mitigating the impacts of fewer students, rising costs, and the end of COVID relief funds. A fiscal stabilization plan, approved by the Board of Education in June 2025, reflects the District's commitment to maintain staffing levels necessary to meet the needs of our students across the District. In addition, the District is enhancing the accuracy of reporting within specific resources, aligning budgets appropriately, and tracking the percentage of teacher salaries and benefits to total expenses throughout the year in order to monitor compliance with the classroom teacher salary requirements. As we work toward fiscal alignment, the District shall engage with the Los Angeles County Office of Education (LACOE) to seek a waiver request for this year as per Education Code Section 41372. The District will initiate this process upon receiving a letter from LACOE requiring corrective action, which is expected to be released in May 2026. The District anticipates to submit the waiver by September 2026.

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S-2025-005 – School Accountability Report Card

State Program: School Accountability Report Card

State Audit Guide Finding Codes: 72000

Schools Affected

- Alexandria Avenue Elementary
- Cheremoya Avenue Elementary
- Gardner Street Elementary
- Harvard Elementary
- Helen Bernstein Senior High Science Tech Engineering Math
- Hollywood Elementary
- Hubert Howe Bancroft Middle School
- Kingsley Elementary School
- Melrose Avenue Elementary Math/Science/Technology Magnet
- Ramona Elementary
- Richard A Alonzo Community Day School
- Valley View Elementary

Criteria

California Education Code, Sections 33126 (a), (b)(5)&(8)

(a) The school accountability report card shall provide data by which a parent can make meaningful comparisons between public schools that will enable him or her to make informed decisions on the school in which to enroll his or her children.

(b) The school accountability report card shall include, but is not limited to, assessment of the following school conditions:

(5) The total number of the school's fully credentialed teachers, the number of teachers relying upon emergency credentials, the number of teachers working without credentials, any assignment of teachers outside their subject areas of competence, misassignments, including misassignments of teachers of English learners, and the number of vacant teacher positions for the most recent three-year period.

(8) Safety, cleanliness, and adequacy of school facilities, including any needed maintenance to ensure good repair as specified in Section 17014, Section 17032.5, subdivision (a) of Section 17070.75, and subdivision (b) of Section 17089.

Condition, Cause and Effect

In our sample of 135 elementary and secondary schools, we obtained the District's copy of its most recently completed "Facility Inspection Tool (FIT), School Facility Conditions Evaluation", and compared the information contained in the FIT to the information on safety, cleanliness, and adequacy of school facilities contained in the 2024-2025 School Accountability Report Card (SARC). We identified 3 schools within the sample with inconsistencies in the FIT data. As a result, we scanned the population of the FIT and noted the following inconsistencies due to miscommunication between site inspectors and supervisors, improper data translation from the raw file to the final published file, and a misunderstanding of the "N/A" entry:

- Nine (9) schools had the following system inspections results: Systems: Gas Leaks, Mechanical/HVAC, Interior: Interior Surfaces, Cleanliness: Overall Cleanliness, Pest/Vermin Infestation, Electrical: Electrical, Restrooms/Fountains: Restrooms, Sinks/ Fountains, Safety: Fire Safety, Hazardous Materials, Structural: Structural Damage, Roofs, External: Playground/School Grounds, Windows/ Doors/Gates/Fences, were reported as "N/A" on the FIT and the SARC, however, the schools' categories should have been reported as "Good".
- One (1) school had the following system inspections results: Electrical: Electrical, Restrooms/Fountains: Restrooms, Sinks/ Fountains, Safety: Fire Safety, Hazardous Materials, Structural: Structural Damage, Roofs, was reported as "N/A" on the FIT and the SARC, however, the school's categories should have been reported as "Good".
- One (1) school had the following system inspections results: Safety: Fire Safety, Hazardous Materials, was reported as "N/A" on the FIT and the SARC, however, the school's category should have been reported as "Good".
- One (1) school had the following system inspections results: Electrical: Electrical, Safety: Fire Safety, Hazardous Materials, was reported as "N/A" on the FIT and the SARC, however, the school's categories should have been reported as "Good".

Questioned Costs

Not Applicable.

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 their results.

Views of Responsible Officials and Planned Corrective Actions

To ensure accuracy between the FIT and SARC reports, we will request the data file earlier in the process to allow additional time for review and validation. All data fields will be reviewed for completeness and to ensure that "N/A" entries are used appropriately. Additionally, a second layer of validation will be implemented to further ensure data accuracy prior to publication.

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S-2025-006 – After School Education and Safety Program

State Program: After School Education and Safety Program

State Audit Guide Finding Codes: 30000 (Significant Deficiency), 40000

Schools Affected

- 15th Street Elementary
- 1st Street Elementary
- 52nd Street Elementary
- 75th Street Elementary
- Albion Street Elementary
- Alexander Fleming Middle School
- Andasol Avenue Elementary
- Andrew Carnegie Middle School
- Arroyo Seco Museum Science Magnet
- Barton Hill Elementary
- Bridge Street Elementary
- Broad Avenue Elementary
- Charles Drew Middle School
- Euclid Avenue Elementary
- Fair Avenue Elementary
- Fletcher Drive Elementary
- Florence Nightingale Middle School
- Fries Avenue Elementary
- Glenn Hammond Curtiss Middle School
- Gulf Avenue Elementary
- Harbor City Elementary
- Harry Bridges Span School
- Hart Street Elementary
- Hillside Elementary
- Hollenbeck Middle School
- James Madison Middle School
- John Adams Middle School
- Johnnie L Cochran Jr Middle School
- Langdon Avenue Elementary
- Loren Miller Elementary
- Lorena Street Elementary
- Malabar Street Elementary
- Micheltorena Street Elementary
- Miramonte Elementary
- Napa Street Elementary
- Newcastle Elementary School
- Normandie Avenue Elementary
- Olive Vista Middle School
- Pacoima Middle School
- Park Western Place Elementary
- Richard Henry Dana Middle School
- Robert E Peary Middle School
- Robert Louis Stevenson College & Career Prep
- San Jose Street Elementary
- West Vernon Avenue Elementary
- Western Avenue Tech/Eng/Comm/Hum Magnet
- Wilmington Middle School STEAM Magnet
- Wilmington Park Elementary

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.

California Education Code 8483.75 (a) – (4) Each program shall provide an amount of cash or in-kind local funds equal to not less than one-third of the total grant from the school district, governmental agencies, community organizations, or the private sector. Facilities or space usage may fulfill not more than 25 percent of the required local contribution.

Condition, Cause and Effect

On a sample basis, we tested attendance documentation of 56 schools and 1,370 days of attendance for students who participated in the After/Before School Education and Safety Program. We examined the attendance records for the selected students and verified whether the attendance reporting was complete and accurate. We also verified whether the selected students complied with the attendance requirements established by the District, as required by the California Education Code. We noted the following exceptions due to school oversight and inconsistent application of the District's attendance policies and procedures.

After School Component of the Program

On a sample basis, we tested the attendance documentation of 31 schools and 899 days of attendance in the after school component of the After School Education and Safety Program.

There were 203 students in 31 schools that did not comply with the established early release policy due to school oversight of early release procedures. 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.

- **52nd Street Elementary**
  - 2 students did not participate in the full period of the after school program for a total of 3 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.

- **Alexander Fleming Middle School**
  - 9 students did not participate in the full period of the after school program for a total of 19 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 8 students did not have a parent signature on the after school program sign-out time for a total of 25 days of participation.

- **Andasol Avenue Elementary**
  - 2 students did not participate in the full period of the after school program for a total of 10 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.

- **Andrew Carnegie Middle School**
  - 5 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.

- **Arroyo Seco Museum Science Magnet**
  - 2 students did not participate in the full period of the after school program for a total of 7 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 1 student did not have a parent signature on the after school program sign-out time for a total of 4 days of participation.

- **Barton Hill Elementary**
  - 2 students did not participate in the full period of the after school program for a total of 7 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 7 students did not have a parent signature on the after school program sign-out time for a total of 20 days of participation.

- **Charles Drew Middle School**
  - 5 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.
  - 2 students did not have a parent signature on the after school program sign-out time for a total of 5 days of participation.

- **Florence Nightingale Middle School**
  - 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.
  - 4 students did not have a parent signature on the after school program sign-out time for a total of 12 days of participation.

- **Fries Avenue Elementary**
  - 2 students did not participate in the full period of the after school program for a total of 3 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.

- **Glenn Hammond Curtiss Middle School**
  - 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.
  - 3 students did not have a parent signature on the after school program sign-out time for a total of 15 days of participation.

- **Gulf Avenue Elementary**
  - 9 students did not participate in the full period of the after school program for a total of 23 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.

- **Harbor City Elementary**
  - 8 students did not participate in the full period of the after school program for a total of 18 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 2 students did not have a parent signature on the after school program sign-out time for a total of 6 days of participation.

- **Harry Bridges Span School**
  - 13 students did not participate in the full period of the after school program for a total of 40 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 4 students did not have a parent signature on the after school program sign-out time for a total of 6 days of participation.

- **Hollenbeck Middle School**
  - 9 students did not participate in the full period of the after school program for a total of 26 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 3 students did not have a parent signature on the after school program sign-out time for a total of 12 days of participation.

- **James Madison Middle School**
  - 5 students did not participate in the full period of the after school program for a total of 13 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 3 students did not have a parent signature on the after school program sign-out time for a total of 11 days of participation.

- **John Adams Middle School**
  - 7 students did not participate in the full period of the after school program for a total of 22 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 3 students did not have a parent signature on the after school program sign-out time for a total of 8 days of participation.

- **Johnnie L Cochran Jr Middle School**
  - 7 students did not participate in the full period of the after school program for a total of 20 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 7 students did not have a parent signature on the after school program sign-out time for a total of 21 days of participation.

- **Lorena Street Elementary**
  - 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there was no properly filled out early release form to explain why such requirements was not complied with.

- **Malabar Street Elementary**
  - 2 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.

- **Newcastle Elementary School**
  - 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 no properly filled out early release form to explain why such requirements was not complied with.

- **Normandie Avenue Elementary**
  - 1 student did not participate in the full period of the after school program for a total of 1 day that they participated and there was no properly filled out early release form to explain why such requirements was not complied with.

- **Olive Vista Middle School**
  - 9 students did not participate in the full period of the after school program for a total of 24 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 9 students did not have a parent signature on the after school program sign-out time for a total of 29 days of participation.

- **Pacoima Middle School**
  - 8 students did not participate in the full period of the after school program for a total of 20 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 6 students did not have a parent signature on the after school program sign-out time for a total of 17 days of participation.

- **Park Western Place Elementary**
  - 10 students did not participate in the full period of the after school program for a total of 23 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 1 student did not have a parent signature on the after school program sign-out time for a total of 1 day of participation.

- **Richard Henry Dana Middle School**
  - 14 students did not participate in the full period of the after school program for a total of 33 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 3 students did not have a parent signature on the after school program sign-out time for a total of 10 days of participation.

- **Robert E Peary Middle School**
  - 10 students did not participate in the full period of the after school program for a total of 35 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 8 students did not have a parent signature on the after school program sign-out time for a total of 27 days of participation.

- **Robert Louis Stevenson College & Career Prep**
  - 7 students did not participate in the full period of the after school program for a total of 21 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 4 students did not have a parent signature on the after school program sign-out time for a total of 11 days of participation.

- **San Jose Street Elementary**
  - 3 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.

- **Western Avenue Tech/Eng/Comm/Hum Magnet**
  - 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.
  - 1 student did not have a parent signature on the after school program sign-out time for a total of 4 days of participation.

- **Wilmington Middle School STEAM Magnet**
  - 8 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.
  - 9 students did not have a parent signature on the after school program sign-out time for a total of 29 days of participation.

- **Wilmington Park Elementary**
  - 8 students did not participate in the full period of the after school program for a total of 21 days that they participated and there were no properly filled out early release forms to explain why such requirements were not complied with.
  - 1 student did not have a parent signature on the after school program sign-out time for a total of 1 day of participation.

We obtained the ASES Attendance Reports, which the District uses to report attendance, and compared the total attendance reported in the Monthly Attendance Report (MAR) to the Beyond the Bell Report (BTB) and to the Period 1 Assist Summary reported to CDE for the schools for a sampled month during the school year 2024-2025. 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 due to school and contracted agencies not consistently following standardized practices for recording attendance:

- **52nd Street Elementary**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 1 day but marked present on the MAR.

- **Glenn Hammond Curtiss Middle School**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of 2 students to produce the attendance records for a total of 6 days but marked present on the MAR.

- **Lorena Street Elementary**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 5 days but marked present on the MAR.

- **James Madison Middle School**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of 1 student to produce the attendance records for a total of 3 days but marked present on the MAR.

- **John Adams Middle School**
  - BTB report was overstated by 5 days, compared to the Period 1 Assist Summary report submitted to CDE.

- **Newcastle Elementary School**
  - BTB report was overstated by 23 days, compared to the Period 1 Assist Summary report submitted to CDE.

- **Olive Vista Middle School**
  - Lack of supporting information (i.e., sign-in time, sign-out time) of 2 students to produce the attendance records for a total of 5 days but marked present on the MAR.

Before School Component of the Program

On a sample basis, we tested the attendance documentation of 25 schools and 471 days of attendance in the before school component of the Before School Education and Safety Program.

There were 58 students in 17 schools that did not comply with the established late arrival policy due to school oversight. As a result, the following schools had students that did not participate in the required hours of the before school program on every day during which pupils participated.

- **15th Street Elementary**
  - 4 students did not have a parent signature on the before school program sign-in sheet for a total of 18 days of participation.

- **1st Street Elementary**
  - 2 students did not have a parent signature on the before school program sign-in sheet for a total of 9 days of participation.

- **75th Street Elementary**
  - 2 students did not have a parent signature on the before school program sign-in sheet for a total of 4 days of participation.

- **Albion Street Elementary**
  - 3 students did not have a parent signature on the before school program sign-in sheet for a total of 11 days of participation.

- **Bridge Street Elementary**
  - 3 students did not have a parent signature on the before school program sign-in sheet for a total of 10 days of participation.

- **Broad Avenue Elementary**
  - 5 students did not have a parent signature on the before school program sign-in sheet for a total of 5 days of participation.

- **Euclid Avenue Elementary**
  - 8 students did not have a parent signature on the before school program sign-in sheet for a total of 32 days of participation.

- **Fair Avenue Elementary**
  - 8 students did not have a parent signature on the before school program sign-in sheet for a total of 36 days of participation.

- **Fletcher Drive Elementary**
  - 2 students did not have a parent signature on the before school program sign-in sheet for a total of 2 days of participation.

- **Hart Street Elementary**
  - 2 students did not participate in the full period of the before school program for a total of 2 days that they participated and there were no properly filled out late arrival forms to explain why such requirements were not complied with.
  - 3 students did not have a parent signature on the before school program sign-in sheet for a total of 10 days of participation.

- **Hillside Elementary**
  - 3 students did not have a parent signature on the before school program sign-in sheet for a total of 14 days of participation.

- **Langdon Avenue Elementary**
  - 1 student did not have a parent signature on the before school program sign-in sheet for a total of 1 day of participation.

- **Loren Miller Elementary**
  - 1 student did not have a parent signature on the before school program sign-in sheet for a total of 4 days of participation.

- **Micheltorena Street Elementary**
  - 3 students did not have a parent signature on the before school program sign-in sheet for a total of 8 days of participation.

- **Miramonte Elementary**
  - 1 student did not participate in the full period of the before school program for a total of 2 days that they participated and there were no properly filled out late arrival forms to explain why such requirements were not complied with.
  - 2 students did not have a parent signature on the before school program sign-in sheet for a total of 2 days of participation.

- **Napa Street Elementary**
  - 5 students did not have a parent signature on the before school program sign-in sheet for a total of 5 days of participation.

- **West Vernon Avenue Elementary**
  - 2 students did not have a parent signature on the before school program sign-in sheet for a total of 5 days of participation.

We obtained the ASES Matching Fund Summary and selected balances from the total cash or in-kind amounts to select samples. We noted the following exceptions, resulting due to staff oversight in maintaining proper supporting documentation:

- **Supper Match**
  - In our sample of 5 schools amounting to $454,770.58 of supper matching contributions, we were not provided with sufficient supporting documentation for the supper counts.

- **Cash or in-kind Contributions**
  - In our sample of 5 BTB schools amounting to $123,234.32 of matching contributions, and 1 agency accounting to $5,629,691.10 of matching contributions, we were not provided with sufficient supporting documentation for the cash or in-kind amounts.

In our review of the implementation of the BTB application the District is utilizing as the new method for parents to record the sign in/out of students attending ASES and the before school program, we noted the following due to the lack of standardized form, limited monitoring, and continued reliance on manual, physical sign-in/out sheets resulted in errors and inaccurate reported attendance:

- There was no consistent method of attendance recording within the BTB application amongst the agencies.
  - Along with utilizing the BTB application, all agencies continued to maintain physical sign-in/out sheets, which they would subsequently use to enter attendance records into the BTB application manually.
  - We identified 1 agency, utilizing both the BTB application and physical sign-in/out sheets, reconciled the attendance records by manually updating the physical sign-in/out sheets.
- The BTB application allowed for agency staff to modify sign-in/out time stamps and override parent signatures.

These findings are repeat findings, having been reported previously at June 30, 2024 (S-2024-007) but for different schools.

Questioned Costs

As a result of our testing, the over and under reporting of attendance were summarized in the Condition, Cause and Effect section above. The California Department of Education will determine the impact of the above exceptions on the After School Education and Safety Program funding, if there is any.

Recommendation

We recommend that the District strengthen its procedures on attendance documentation and maintain sufficient documentation reflecting compliance with matching requirements for the After School Education and Safety program. The District should ensure that the agencies providing services for these programs are aware of the District's policies, specifically regarding maintaining accurate attendance records and retaining supporting documentation for instances in which students arrive late or leave early. Further, the District should strengthen its policies and procedures regarding the use of the BTB application, maintaining that the application is the initial and primary source of attendance recording.

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

Beyond the Bell will implement the following Corrective Action Plan related to strengthening our procedures on attendance documentation and matching requirements for the After School Education and Safety Program:

1. Revise and issue a standardized Early Release/Late Arrival Form and clear written procedures for documenting early student departures from the expanded learning program.
2. Conduct training sessions for Beyond the Bell leadership (Field Coordinators), Beyond the Bell support staff (Out-of-School Regional Directors, Out-of-School Program Coordinators, and Out-of-School Area Program Supervisors), and site coordinators/front line staff on documenting and maintaining accurate attendance records. These trainings will address acceptable reasons for early release/late arrival, parent signature verification, and appropriate coding in the Beyond the Bell Attendance Application.
3. Implement a process for sites to audit current early release/late arrival documentation and collect any missing or incomplete information.
4. Implement a quarterly compliance review process in which Beyond the Bell support staff will conduct random checks of early release/late arrival forms and sign-out sheets to ensure documentation completeness.
5. Incorporate early release/late arrival compliance metrics into program provider performance reviews and provide technical assistance for providers/sites with repeated findings.
6. Conduct training for Beyond the Bell staff and contracted program providers on documentation standards, match requirements, and audit expectations.
7. Conduct semiannual compliance audits for District sites and program providers to ensure that match requirements are being implemented and met.

The target date for implementation of the corrective action plan is May 31, 2026.

The expected outcome is that all students participating in the After School Education and Safety Program will have accurate attendance records and documentation. Strengthening documentation controls and regular monitoring will ensure consistent compliance with state and district requirements.

Beyond the Bell will monitor the implementation of corrective actions through quarterly and semiannual internal audits. Non-compliant sites will be required to submit a corrective action follow-up plan within 30 days.

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S-2025-007 – Unduplicated Local Control Funding Formula Pupil Counts

State Program: Unduplicated Local Control Funding Formula Pupil Counts

State Audit Guide Finding Code: 30000 (Significant Deficiency), 40000

Schools Affected

- 116th Street Elementary
- 49th Street Elementary
- Cantara Street Elementary
- Coldwater Canyon Elementary
- George K Porter Middle School
- Granada Elementary
- Grover Cleveland Charter High School
- John F Kennedy Senior High
- John H Francis Polytechnic Senior High
- Liggett Street Elementary
- Louis Armstrong Middle School
- Madison Elementary
- Nevada Avenue Elementary
- Richland Avenue Elementary
- South East Senior High
- State Street Elementary
- Tweedy Elementary
- Welby Way Charter Elementary and Gifted-High Ability Magnet
- Wilbur Charter for Enriched Academics

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 California Longitudinal Pupil Achievement Data System.

Condition, Cause, and Effect

On a sample basis, we tested the Free or Reduced Price Meal (FRPM) and English Learner (EL) eligibility of 3,112 students from 147 schools from the "1.18 – FRPM / English Learner / Foster Youth – Student List" reported in the CALPADS. We examined supporting documentation for the selected students and verified their respective eligibility.

Of the 3,112 students tested, 1,811 students were selected for verification of their Free and Reduced Price Meal (FRPM) eligibility as "181 - Free" or "182 - Reduced", 444 students were selected for verification of their English Learner "EL", and 857 students were selected for verification of either FRPM or EL eligibility in accordance with the audit guide.

- Based on our testing, we noted that sixteen (16) students from the District's schools, and five (5) students from the District's Dependent Charter Schools were reported as Free or Reduced eligible but were unsupported. This was due to the District's sibling/household match process which might have incorrectly matched some students.

- Household Income Form Scans: Manual errors may occur on paper submissions during periods of high volume e.g., unclear written entries resulting in misinterpretation or by inexperienced temporary employees.

The exceptions noted were extrapolated to the FRPM population of the District Schools and Dependent Charter Schools in question based on the error rate of the samples selected. The following is the extrapolated impact on the District Schools' and Dependent Charter Schools' UPC and UPP:

School	* Total Enrollment Applied	* UPC Applied	UPP	UPC adjusted based on eligibility of FRPM	UPC adjusted based on eligibility for EL funding	UPC adjusted based on eligibility for both FRPM and EL		Adjusted total UPC	Adjusted UPP
Los Angeles Unified School District	1,129,757	971,546	86.00%	(151)	-	-	**	971,395	85.98%
116th Street Elementary	1,198	1,164	97.16%	(1)	-	-		1,163	97.08%
49th Street Elementary	1,557	1,524	97.88%	(1)	-	-		1,523	97.82%
Cantara Street Elementary	1,062	1,014	95.48%	(1)	-	-		1,013	95.39%
Coldwater Canyon Elementary	1,763	1,692	95.97%	(1)	-	-		1,691	95.92%
George K Porter Middle School	3,006	2,113	70.29%	(1)	-	-		2,112	70.26%
Granada Elementary	1,049	894	85.22%	(1)	-	-		893	85.13%
John F Kennedy Senior High	6,587	4,699	71.34%	(1)	-	-		4,698	71.32%
John H Francis Polytechnic Senior High	6,571	6,166	93.84%	(1)	-	-		6,165	93.82%
Liggett Street Elementary	1,595	1,481	92.85%	(1)	-	-		1,480	92.79%
Madison Elementary	1,462	1,389	95.01%	(2)	-	-		1,387	94.87%
Nevada Avenue Elementary	1,065	943	88.54%	(1)	-	-		942	88.45%
Richland Avenue Elementary	812	182	22.41%	(1)	-	-		181	22.29%
South East Senior High	6,139	5,681	92.54%	(1)	-	-		5,680	92.52%
State Street Elementary	1,135	1,072	94.45%	(1)	-	-		1,071	94.36%
Tweedy Elementary	1,338	1,214	90.73%	(1)	-	-		1,213	90.66%
Grover Cleveland Charter High School (Dependent Charter)	8,284	5,872	70.88%	(23)	-	-	**	5,849	70.61%
Grover Cleveland Charter High School (Dependent Charter)	8,284	5,872	70.88%	(1)	-	-		5,871	70.87%
Louis Armstrong Middle School (Dependent Charter)	3,715	2,034	54.75%	(8)	-	-	**	2,026	54.54%
Louis Armstrong Middle School (Dependent Charter)	3,715	2,034	54.75%	(1)	-	-		2,033	54.72%
Welby Way Charter Elementary and Gifted-High Ability Magnet (Dependent Charter)	2,257	568	25.17%	(11)	-	-	**	557	24.68%
Welby Way Charter Elementary and Gifted-High Ability Magnet (Dependent Charter)	2,257	568	25.17%	(2)	-	-		566	25.08%
Wilbur Charter for Enriched Academics (Dependent Charter)	1,650	653	39.58%	(5)	-	-	**	648	39.27%
Wilbur Charter for Enriched Academics (Dependent Charter)	1,650	653	39.58%	(1)	-	-		652	39.52%

* Total is the sum of the last two prior years and current year's 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, 2024 (S-2024-008) but for different schools.

Questioned Costs

We determined the total impact of the sixteen (16) findings on the District, and five (5) 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 151; for the Dependent Charter Schools the extrapolated impact are: Grover Cleveland Charter High School, is 23; Louis Armstrong Middle School, is 8; Welby Way Charter Elementary and Gifted-High Ability Magnet, is 11; Wilbur Charter for Enriched Academics, is 5.

We decreased the District's UPC by the extrapolated impact of 151 students and calculated an Adjusted UPC of 85.98%.

We applied the Adjusted UPC to the District's LCFF State Aid, Adjusted for the Minimum State Aid Guarantee for fiscal year 2024-25, and computed the total questioned costs to be $668,063.

We also decreased the Dependent Charter Schools' UPC by the extrapolated impact of 23 students and calculated an Adjusted UPC for Grover Cleveland Charter High School of 70.61%.

We applied the Adjusted UPC to the Dependent Charter Schools LCFF State Aid, Adjusted for Minimum State Aid Guarantee for fiscal year 2024-25, and we computed total questioned costs for Grover Cleveland Charter High School to be $5,249.

We also decreased the Dependent Charter Schools' UPC by the extrapolated impact of 8 students and calculated an Adjusted UPC for Louis Armstrong Middle School of 54.54%.

We applied the Adjusted UPC to the Dependent Charter Schools LCFF State Aid, Adjusted for Minimum State Aid Guarantee for fiscal year 2024-25, and we computed total questioned costs for Louis Armstrong Middle School to be $4,742.

We also decreased the Dependent Charter Schools' UPC by the extrapolated impact of 11 students and calculated an Adjusted UPC for Welby Way Charter Elementary and Gifted-High Ability Magnet of 24.68%.

We applied the Adjusted UPC to the Dependent Charter Schools LCFF State Aid, Adjusted for Minimum State Aid Guarantee for fiscal year 2024-25, and we computed total questioned costs for Welby Way Charter Elementary and Gifted-High Ability Magnet to be $7,488.

We also decreased the Dependent Charter Schools' UPC by the extrapolated impact of 5 students and calculated an Adjusted UPC for Wilbur Charter for Enriched Academics of 39.27%.

We applied the Adjusted UPC to the Dependent Charter Schools LCFF State Aid, Adjusted for Minimum State Aid Guarantee for fiscal year 2024-25, and we computed total questioned costs for Wilbur Charter for Enriched Academics to be $3,540.

Recommendation

We recommend that the District continue monitoring English learners and free and reduced meal eligibility statuses to ensure students designated as English learners or free and reduced meal eligible have proper supporting documentation. We also recommend that the District continue to train staff on enrollment procedures so that students correct designations will be reflected in the student information system.

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

To address the free and reduced meal eligibility status, the following actions will be undertaken:

By Fall 2025, The Office of Data and Accountability will review the sibling match process with Information Technology Services (ITS) to determine any additional steps that need to be updated.

Name: David Heredia
Title: Director, State Reporting Service Branch, Office of Data and Accountability
Contact Information: (213) 241-2460

To address errors occurring during the submission of paper Household Income Form applications:

The Student Records and Data Management Branch will continue to conduct annual training to emphasize the importance of ensuring information submitted on paper applications is accurate. Staff, including temporary employees, will be reminded that the objective is accuracy over speed. Future training will incorporate a knowledge check in the form of an assessment.

Name: Rudy S. Ramirez
Title: Director, Student Records and Data Management Branch, Office of Data and Accountability
Contact Information: (213) 241-2425

S-2025-008 – Home to School Transportation Reimbursement

State Audit Guide Finding Codes: 30000 (Significant Deficiency), 40000

Criteria

California School Accounting Manual, Procedure 325(Code 3600) Pupil Transportation - Activities concerned with conveying students to and from school. Transportation other than from home to school is referred to as "Other Miles," which includes field trips and transportation between school sites. Costs of "Other Miles" are instructional costs to the user program or project.

Condition, Cause and Effect

In our sample of thirty-nine (39) home to school transportation payroll expenditures (Resource 6770), we verified whether the employees' time pertained to services allowable under Procedure 325 of the California School Accounting Manual and we tested whether appropriate payroll approval forms were made in a timely manner in accordance with the District's Payroll Concepts Manual.

We noted the following findings:

- Three (3) employees had a total of 45 hours charged in excess to the Home to School Transportation fund in which the District misreported the timesheets for an unallowable amount of $1,016. This issue resulted from time reporting errors caused by staffing challenges, which required Office Technicians to handle time reporting for multiple garages. Due to increased workload, reporting inconsistencies occurred leading to noncompliance with time reporting requirements.

- Twenty-six (26) employees were identified as having 74 instances of late or missing employee and supervisor dates on approval forms for the following types: illness requests, overtime requests, vacation requests and timesheets due to oversight.

- In our review of the administrative payroll charges, we identified employees which were being fully charged to the Home to School Transportation fund although their time was related to indirect costs for which not all their time was spent working on Home to School Transportation activities. The District performed an analysis and quantified the total allocation of unallowable charges for the fiscal year to be 9% of total expenditures which amount to a total of $3,572,859. This occurred due to the absence of a formal time allocation procedures within the Transportation Services Branch to guide staff in properly classifying expenditures.

Questioned Costs

Estimated Dollar Impact - $2,144,325.

	Total Unadjusted HTS Transportation Expenditures	Total Unallowable HTS Transportation Expenditures	Total Adjusted HTS Transportation Expenditures
HTS Transportation Expenditures	$214,361,216	$3,573,875	$210,787,341
Reimbursement percentage pursuant to EC 41850.1(a)(1)	60%		60%
Expenditure Amount for Reimbursement Calculation	$128,616,730		$126,472,405
Estimated Dollar Impact			**$2,144,325**

Recommendation

We recommend that the District strengthen its monitoring and review controls over expenditure charges to the Home to School Transportation fund to ensure that all costs are associated with allowable services and that all necessary adjustments are made timely. The District should also ensure that transportation personnel are aware of the District's policies and procedures regarding maintaining appropriate audit evidence for all expenditures charged to Home to School Transportation fund in the form of annual trainings. Further, we recommend that the District strengthen controls over timesheet and payroll documentation approvals, along with overtime authorizations through enhanced monitoring and supervisory training to ensure full compliance with District policies and procedures.

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

The Transportation Services Branch will implement the following corrective measures to strengthen monitoring controls over payroll and expenditure charges to the Home-to-School Transportation fund to ensure compliance with allowable cost requirements:

1. Training will be provided to transportation staff on proper time reporting, documentation requirements, and timely approvals by Spring 2026.
2. Designated administrative staff will conduct monthly audits to monitor adherence and document any repeated issues.
3. Reminders will be given to supervisors and managers during weekly staff meetings regarding time reporting and payroll process, overtime approval, and signature requirements. Reminder emails will be sent as well.
4. Transportation management will review the process to evaluate effectiveness and drive continuous improvement.

These corrective measures will be implemented immediately starting October 28, 2025.

Name: Daniel Kang
Title: Director, Transportation Services Branch
Contact Information: 213-580-2900

S-2025-009 – Proposition 28 Arts And Music in Schools

State Audit Guide Finding Codes: 30000 (Significant Deficiency), 40000

Criteria

California Education Code, Section 8821(a) - "Arts education program" includes, but is not limited to, instruction and training, supplies, materials, and arts educational partnership programs, for instruction in: dance, media arts, music, theatre, and visual arts, including folk art, painting, sculpture, photography, and craft arts, creative expressions, including graphic arts and design, computer coding, animation, music composition and ensembles, and script writing, costume design, film, and video.

Condition, Cause and Effect

In our sample of seventy-five (75) Proposition 28 payroll expenditures (Resource 6770), we verified whether the employees' time pertained to services allowable under Education Code section 8821(a) and we tested whether appropriate payroll approval forms were made in a timely manner in accordance with the District's Payroll Concepts Manual. Additionally, in our sample of five (5) non-payroll expenditures (Resource 6770) we verified whether costs were allowable under Education Code section 8821(a).

We noted the following findings occurred due to the District's oversight and review processes for the Proposition 28 expenditures were not consistently communicated to ensure proper documentation, timely payroll approvals and accurate payments:

- Seven (7) employees had a total of 1,681.87 hours charged in excess to the Proposition 28 Arts and Music in School fund in which the District could not provide supporting documentation reflecting the employees' work related to the Proposition 28 Arts and Music program.

- Twenty-eight (28) employees were identified as having 45 instances of late or missing employees and supervisor dates on approval forms for the following types: illness requests, overtime requests, and timesheets.

- One (1) expenditure related to a purchase of arts supplies resulted in overpayment to the vendor for $552.91.

These findings are repeat findings, having been reported previously at June 30, 2024 (S-2024-006) but for different employees.

Questioned Costs

Unallowable amount - $216,735.42.

Recommendation

We recommend that the District strengthen its monitoring and review controls over expenditure charges to the Proposition 28 Arts and Music in School fund to ensure that all costs are associated with allowable services and that all necessary adjustments are made timely. The District should also ensure that schools are aware of the District's policies and procedures regarding maintaining appropriate audit evidence for all expenditures charged to the Proposition 28 Arts and Music in School fund in the form of annual trainings. Further, we recommend that the District strengthen controls over timesheet and payroll documentation approvals, along with overtime authorizations through enhanced monitoring and supervisory training to ensure full compliance with District policies and procedures.

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

The District acknowledges the recommendation to enhance its monitoring and review processes for expenditure charges to Proposition 28 Arts and Music in Schools Fund.

In response, the District will implement the following steps:

- Provide District administrators with clear guidance of Proposition 28 program expectations and policies through the maintenance of the Arts Funding communication toolkit. A section will be added to support schools with the Time Reporting and Time Approval Policy, based on Payroll Bulletin 6638.2. This bulletin contains District policy on time reporting and approval, and establishes expectations for administrators regarding payroll responsibilities.
- Compose and distribute an Inter-Office Correspondence (IOC) memo to District principals, Regional Directors, and Central Office administrators about FY 2024-25 audit findings. This IOC will also contain a program overview, links to CDE resources, and Prop 28 plan requirements.
- Collaborate with the Counseling department to identify targeted supports for master scheduling positions funded by Proposition 28, clarifying expectations for instructor credentials to align with course assignments and support Proposition 28 program goals and intended purpose.
- Schedule training for school staff about arts funding to include FY24-25 Prop 28 audit results, timesheet and payroll documentation approvals, along with overtime authorizations. Training will be mandatory for school teams, impacted by the audit findings.

The target date for implementation of the corrective action plan is May 2026.

By taking these actions, the District is committed to improving oversight and ensuring the appropriate use of Proposition 28 funds.

Name: Jantré Christian
Title: Administrator, Arts Education Branch
Telephone: (213) 241-8222

S-2025-010 - Immunizations

State Audit Guide Finding Codes: 30000 (Significant Deficiency), 40000

Schools Affected

- 107th Street Elementary
- 118th Street Elementary
- 42nd Street Elementary
- 42nd Street Elementary DL World Lang Im Spanish
- 52nd Street Elementary
- 99th Street Elementary
- 9th Street Elementary
- Aldama Elementary
- Angeles Mesa Elementary
- Arminta Street Elementary
- Cimarron Avenue Elementary
- Esperanza Elementary
- Gerald A Lawson Academy of the Arts Math Science Elementary
- Gridley-Montanez Elementary Dual Language Academy
- Hillcrest Drive Elementary
- Hope Street Elementary
- Jack London Community Day School
- Loreto Street Elementary
- Loreto Street Elementary DL Two-Way Im Spanish
- Los Feliz Science/Tech/Engineer/Math/Medicine Magnet
- Lovelia P Flournoy Elementary
- Normandie Avenue Elementary
- Ranchito Avenue Elementary
- Ranchito Avenue Elementary DL Two-Way Im Spanish
- Saticoy Elementary
- Saticoy Elementary DL Two-Way Im Armenian
- South Park Elementary
- Thomas Bradley Global Awareness 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

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

California Code of Regulations, Title 17, Section 6040:

(a) If a pupil attending a school or pre-kindergarten facility who was previously believed to be in compliance is subsequently discovered to not be in compliance with either the unconditional admission requirements specified in section 6025 or the conditional admission requirements specified in section 6035:

(1) The governing authority shall notify the parent or guardian of the time period within which the doses must be received. This time period may be no more than 10 school days after notification.
(2) The pupil shall continue in attendance only if the parent or guardian provides documentation that the immunization requirements have been met within the time period designated by the governing authority.

(b) The parent or guardian shall submit documentation that seventh grade immunization requirements have been met to the governing authority prior to first 7th grade attendance.

California Code of Regulations, Title 17, Section 6051(b) - The fact of the permanent medical exemption for specific immunization(s) shall be recorded in the pupil's record in accordance with section 6070.

California Code of Regulations, Title 17, Section 6055 - The governing authority shall exclude any pupil who does not meet the requirements for admission or continued attendance as specified in Article 2 of this subchapter and Health and Safety Code section 120335.

California Code of Regulations, Title 17, Section 6070

(a) Pre-kindergarten facility and school personnel must record information for each pupil regarding all doses of required immunizations and the status of all requirements, as defined in Article 2 of this subchapter, using an immunization record that is provided by the parent or guardian that complies with the documentary proof requirements of section 6065, from a prior school, or in an immunization registry or information system governed by Health and Safety Code section 120440. The governing authority of each school and pre-kindergarten facility shall maintain this information for each pupil in the pupil's record.

(b) The immunization information shall include the following elements:

(1) Pupil Name (Last, First, Middle).
(2) Statewide Student Identifier (SSID) (if assigned).
(3) Name of Parent/Guardian (Last, First).
(4) Birthdate (month, day, and year).
(5) Sex.
(6) Ethnicity (Hispanic/Latino, Non-Hispanic/Non-Latino).
(7) Race (African-American/Black, American Indian/Alaska Native, Asian, Native Hawaiian/Other Pacific Islander, White, Other).
(8) As specified in Table A or B of section 6025 for age or grade, the date (month, day, and year) each of the following required vaccine doses were given:
    (A) IPV/OPV (Polio).
    (B) DTaP/DTP (Diphtheria, Tetanus and [acellular] Pertussis).
    (C) MMR (Measles, Mumps, and Rubella).
    (D) Hib (Haemophilus influenzae type b; required for pre-kindergarten only).
    (E) Hep B (Hepatitis B).
    (F) VAR/VZV (Varicella or Chickenpox).
    (G) Tdap (Tetanus, reduced Diphtheria and [acellular] Pertussis; required for 7th grade advancement and 7th-12th grade admission).
(9) Permanent medical exemption (indicate for each vaccine as applicable).
(10) Status of requirements at admission to pre-kindergarten:
    (A) Name of staff who reviewed the pupil's immunization record.
    (B) (If applicable) Pupil is currently up-to-date but more doses are due as specified in Tables A and C of sections 6025 and 6035, respectively.
        i. Follow-up date (month, day and year).
    (C) (If applicable) Pupil has Temporary Medical Exemption as specified in section 6050.
        i. Follow-up date (month, day and year).
    (D) The date (month, day and year) pupil met requirements for admission as specified in section 6025.
(11) Status of requirements at admission to K-12:
    (A) Name of staff who reviewed the pupil's immunization record.
    (B) (If applicable) Pupil is currently up-to-date but more doses are due as specified in Tables B and D of sections 6025 and 6035, respectively.
        i. Follow-up date (month, day and year).
    (C) (If applicable) Pupil has Temporary Medical Exemption as specified in section 6050.
        i. Follow-up date (month, day and year).
    (D) The date (month, day and year) pupil met requirements for admission as specified in section 6025.
(12) Status of requirements at admission or advancement to 7th grade:
    (A) Name of staff who reviewed the pupil's immunization record.
    (B) (If applicable) Pupil is currently up-to-date but more doses are due as specified in Tables B and D of sections 6025 and 6035, respectively.
        i. Follow-up date (month, day and year).
    (C) (If applicable) Pupil has Temporary Medical Exemption as specified in section 6050.
        i. Follow-up date (month, day and year).
    (D) The date (month, day and year) pupil meets requirements for admission as specified in section 6025.

(c) Pursuant to subdivision (c) of section 120375 of the Health and Safety Code, the local health department shall have access to the health information as it relates to immunization of each pupil.

Condition, Cause and Effect

For the 48 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 223 Kindergarten pupils, excluding students in independent study and students with an individualized education program that includes special education and related services, and verified that each pupil has a California School Immunization Record, CDPH 286 (01/19) on file (prior version of form or equivalent electronic or hard copy record are acceptable), and verified that the pupils had 2 doses of varicella vaccine and 2 doses of a measles vaccine prior to admission, or had a current medical exemption on file. For pupils who only had 1 dose of either vaccine prior to admission, we verified that the 2nd dose was received within 4 calendar months and 10 school days after the 1st dose.

We noted the following findings, which occurred because the schools were not familiar with immunization requirements. As a result, the schools enrolled students who may not have been fully compliant with the requirements.

- **107th Street Elementary –** Out of the 13 pupils sampled, we noted the following exceptions:
  - Three (3) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - One (1) pupil did not receive the required 2nd dose of the measles vaccine within four calendar months and ten school days after receiving the 1st dose.
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 249 days during the time in which the pupil was not compliant with immunization requirements.

- **118th Street Elementary –** Out of the 6 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 45 days during the time in which the pupil was not compliant with immunization requirements.

- **42nd Street Elementary –** Out of the 3 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 21 days during the time in which the pupil was not compliant with immunization requirements.

- **42nd Street Elementary DL World Lang Im Spanish –** Out of the 2 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 29 days during the time in which the pupil was not compliant with immunization requirements.

- **52nd Street Elementary –** Out of the 8 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 84 days during the time in which the pupil was not compliant with immunization requirements.

- **99th Street Elementary –** Out of the 8 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 7 days during the time in which the pupil was not compliant with immunization requirements.

- **9th Street Elementary –** Out of the 6 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 1st dose of the measles and varicella vaccines before the first day of school.
  - One (1) pupil did not receive the required 2nd dose of the measles vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 6 days during the time in which the pupil was not compliant with immunization requirements.

- **Aldama Elementary –** Out of the 4 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 12 days during the time in which the pupil was not compliant with immunization requirements.

- **Angeles Mesa Elementary –** Out of the 6 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - One (1) pupil did not receive the required 1st dose of the measles vaccine before the first day of school.
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 141 days during the time in which the pupil was not compliant with immunization requirements.

- **Arminta Street Elementary –** Out of the 5 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 22 days during the time in which the pupil was not compliant with immunization requirements.

- **Cimarron Avenue Elementary –** Out of the 5 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 122 days during the time in which the pupil was not compliant with immunization requirements.

- **Esperanza Elementary –** Out of the 9 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 64 days during the time in which the pupil was not compliant with immunization requirements.

- **Gerald A Lawson Academy of the Arts Math Science Elementary –** Out of the 8 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 147 days during the time in which the pupil was not compliant with immunization requirements.

- **Gridley-Montanez Elementary Dual Language Academy –** Out of the 6 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 37 days during the time in which the pupil was not compliant with immunization requirements.

- **Hillcrest Drive Elementary –** Out of the 5 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 1st dose of the measles and varicella vaccines before the first day of school.
  - The pupil was marked present in the school's monthly attendance summary for a total of 1 day during the time in which the pupil was not compliant with immunization requirements.

- **Hope Street Elementary –** Out of the 6 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 21 days during the time in which the pupil was not compliant with immunization requirements.

- **Loreto Street Elementary –** Out of the 3 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 20 days during the time in which the pupil was not compliant with immunization requirements.

- **Loreto Street Elementary DL Two-Way Im Spanish –** Out of the 2 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 11 days during the time in which the pupil was not compliant with immunization requirements.

- **Los Feliz Science/Tech/Engineer/Math/Medicine Magnet –** Out of the 8 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 15 days during the time in which the pupil was not compliant with immunization requirements.

- **Lovelia P Flournoy Elementary –** Out of the 4 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 3 days during the time in which the pupil was not compliant with immunization requirements.

- **Normandie Avenue Elementary –** Out of the 4 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 60 days during the time in which the pupil was not compliant with immunization requirements.

- **Ranchito Avenue Elementary –** Out of the 6 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - One (1) pupil did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school and did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose
  - The pupils were marked present in the school's monthly attendance summary for a total of 82 days during the time in which the pupil was not compliant with immunization requirements.

- **Ranchito Avenue Elementary DL Two-Way Im Spanish –** Out of the 2 pupils sampled, we noted the following exception:
  - One (1) pupil did not receive the required 1st dose of the varicella vaccine before the first day of school.
  - The pupil was marked present in the school's monthly attendance summary for a total of 5 days during the time in which the pupil was not compliant with immunization requirements.

- **Saticoy Elementary –** Out of the 5 pupils sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - One (1) pupil did not receive the required 1st dose of the measles and varicella vaccines before the first day of school.
  - The pupils were marked present in the school's monthly attendance summary for a total of 161 days during the time in which the pupil was not compliant with immunization requirements.

- **Saticoy Elementary DL Two-Way Im Armenian –** Out of the 5 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 136 days during the time in which the pupil was not compliant with immunization requirements.

- **South Park Elementary –** Out of the 13 pupils sampled, we noted the following exceptions:
  - Two (2) pupils did not receive the required 2nd dose of the varicella vaccine within four calendar months and ten school days after receiving the 1st dose.
  - The pupils were marked present in the school's monthly attendance summary for a total of 173 days during the time in which the pupil was not compliant with immunization requirements.

- **Thomas Bradley Global Awareness Magnet –** Out of the 1 pupil sampled, we noted the following exceptions:
  - One (1) pupil did not receive the required 2nd dose of the measles and varicella vaccines within four calendar months and ten school days after receiving the 1st dose.
  - The pupil was marked present in the school's monthly attendance summary for a total of 49 days during the time in which the pupil was not compliant with immunization requirements.

For the 4 schools identified as reporting a conditional admission rate greater than 10 percent in 7th Grade pupils to the California Department of Public Health (CDPH), we selected a sample of 4 7th Grade pupils, excluding students in independent study and students with an individualized education program that includes special education and related services, and verified each pupil has a California School Immunization Record, PM 286 (01/02) or CDPH 286 (01/14) on file (a later version or equivalent electronic or hard copy record is acceptable), and verified that each pupil obtained 2 doses of varicella vaccine prior to admission into 7th Grade. For pupils who only had 1 dose of varicella vaccine prior to admission, we verified that the 2nd dose was received within 4 calendar months and 10 school days after the 1st dose.

We noted the following findings, which occurred because some schools have not been consistently following the state immunization requirements. As a result, the schools enrolled students who may not have been fully compliant with the immunization requirements.

- **Jack London Community Day School -** Out of the 1 pupil sampled, we noted the following exception:
  - One (1) pupil did not receive the required 1st dose of the Tdap vaccine before the first day of school.
  - The pupil was marked present in the school's monthly attendance summary for a total of 167 days during the time in which the pupil was not compliant with immunization requirements.

We tested the accuracy of the Welligent report, the District's immunization database of records, by comparing the original source data to the data from this system. In our sample 18 original vaccine cards or California Immunization Registry (CAIR) reports we noted the following finding:

- **Thomas Bradley Global Awareness Magnet –** Out of the 1 pupil sampled for original supporting documentation, we noted the following exception:
  - The first dose and second dose dates for measles appeared as January 26, 2022, and May 20, 2024, on the Welligent report; however, the CAIR report showed the first and second dose dates as May 20, 2024, and January 23, 2025.

- The pupil did not receive the required 2nd dose of the measles vaccine within four calendar months and ten school days after receiving the 1st dose.
- The pupil was marked present in the school's monthly attendance summary for a total of 48 days during the time in which the pupil was not compliant with immunization requirements.

These findings are repeat findings, having been reported previously at June 30, 2024 (S-2024-009).

Questioned Costs

- Grades TK-K – 1,771 days / 176 days = 10.06 ADA overstated * $15,201.90 = $152,931.11

Kindergarteners:

- 107th Street Elementary – 249 days overstated/176 days in single track school year
- 118th Street Elementary – 45 days overstated/176 days in single track school year
- 42nd Street Elementary – 21 days overstated/176 days in single track school year
- 42nd Street Elementary DL World Lang Im Spanish – 29 days overstated/176 days in single track school year
- 52nd Street Elementary – 84 days overstated/176 days in single track school year
- 99th Street Elementary – 7 days overstated/176 days in single track school year
- 9th Street Elementary – 6 days overstated/176 days in single track school year
- Aldama Elementary – 12 days overstated/176 days in single track school year
- Angeles Mesa Elementary – 141 days overstated/176 days in single track school year
- Arminta Street Elementary – 22 days overstated/176 days in single track school year
- Cimarron Avenue Elementary – 122 days overstated/176 days in single track school year
- Esperanza Elementary – 64 days overstated/176 days in single track school year
- Gerald A Lawson Academy of the Arts Math Science Elementary – 147 days overstated/176 days in single track school year
- Gridley-Montanez Elementary Dual Language Academy – 37 days overstated/176 days in single track school year
- Hillcrest Drive Elementary – 1 day overstated/176 days in single track school year
- Hope Street Elementary – 21 days overstated/176 days in single track school year
- Loreto Street Elementary – 20 days overstated/176 days in single track school year
- Loreto Street Elementary DL Two-Way Im Spanish – 11 days overstated/176 days in single track school year
- Los Feliz Science/Tech/Engineer/Math/Medicine Magnet – 15 days overstated/176 days in single track school year
- Lovelia P Flournoy Elementary– 3 days overstated/176 days in single track school year
- Normandie Avenue Elementary – 60 days overstated/176 days in single track school year
- Ranchito Avenue Elementary – 82 days overstated/176 days in single track school year
- Ranchito Avenue Elementary DL Two-Way Im Spanish – 5 days overstated/176 days in single track school year
- Saticoy Elementary – 161 days overstated/176 days in single track school year
- Saticoy Elementary DL Two-Way Im Armenian – 136 days overstated/176 days in single track school year
- South Park Elementary – 173 days overstated/176 days in single track school year

- Thomas Bradley Global Awareness Magnet – 97 days overstated/176 days in single track school year

- Grades 7 – 167 days / 176 days = 0.95 ADA overstated * $14,391.53 = $13,671.95

7th Graders:

- Jack London Community Day School – 167 days overstated/176 days in single track school year

Recommendation

We recommend that the District strengthen its controls over implementing District policies regarding pupil immunization record tracking, along with the implementation of a proper review of immunization records throughout the school year to monitor pupil compliance with immunization requirements. Furthermore, we recommend that the District continue providing adequate training to the schools to ensure proper monitoring of pupil immunization and that the District maintains documentation reflecting that each of the schools identified above has been successfully trained.

Views of Responsible Officials and Planned Corrective Actions

The District has established the following action steps to address the audit findings.

- Share audit findings with the Chief Medical Director and Deputy Superintendent of Operations – December 2025
- Chief Medical Director to distribute immunization inter-office correspondence and compliance reports weekly to Region Superintendents, Administrators of Operations (AOOs), Nursing Administrators, and school nurses – Weekly
- Present immunization requirements, policies, and consequences of non-compliance at Region Principal meetings, including a slide showing the number of schools audited per Region and the District's fine history – December 2025
- Present immunization data at monthly school nurse staff meetings – Monthly
- Notify Region Superintendents and Administrators of Operations of the schools included in the audit and their individual findings – January 2026
- Contact Principals at audited schools directly regarding audit findings and any questioned costs for their school – January 2026
- Perform California Immunization Registry (CAIR) look-ups and enter immunization data into the District's student information system – Ongoing
- Provide training to schools on state immunization requirements. Participation will be mandatory for the schools identified above – Ongoing

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S-2025-011 – Expanded Learning Opportunities Program

State Audit Guide Finding Codes: 30000 (Significant Deficiency), 40000

Schools Affected

- Canterbury Avenue Elementary
- Fries Avenue Elementary
- Hawaiian Avenue Elementary
- Jaime Escalante Elementary School
- John B Monlux Elementary
- Lake Balboa College Preparatory Magnet K-12
- Logan Academy of Global Ecology
- Plummer Elementary
- Primary Academy for Success School
- RFK Comm Schls - New Open World Academy K-12
- Sunland Elementary
- Thomas Starr King Middle School Magnet: Film and Media
- Tweedy Elementary
- Vista del Valle Dual Language Academy

Criteria

California Education Code, Section 46120(g)(6) – "Provide access," with respect to an "expanded learning opportunity program," means to enroll in the expanded learning opportunity program. If a parent or guardian has a signed expanded learning opportunity program registration form and that form is on file, the pupil shall be considered enrolled in the expanded learning opportunity program. For a local educational agency receiving an expanded learning opportunity program apportionment, transportation shall be provided for any pupil who attends a school that is not operating an expanded learning opportunity program to attend a location that is providing an expanded learning opportunity program and to return to their original location or another location that is established by the local educational agency.

California Education Code, Section 46120(c)(2) – Commencing with the 2023–24 fiscal year, if a local educational agency either fails to offer or provide access to expanded learning opportunity programs to eligible pupils pursuant to paragraph (2) or (3) of subdivision (b), the Superintendent shall withhold from the local educational agency's apportionment of funds pursuant to subdivision (d) an amount proportionate to the number of pupils to whom the local educational agency failed to offer or provide access to expanded learning opportunity programs. Pupils opting not to participate in the expanded learning opportunity program shall not generate a penalty for a local educational agency pursuant to this paragraph.

Condition, Cause and Effect

In our sample of 24 District schools and 1 Charter school, we selected 314 students enrolled in the expanded learning opportunity program. We verified whether a pupil has been "provided access", by verifying that a registration form is on file and signed by the parent/guardian.

We identified the following:

- Forty-eight (48) students did not have a completed registration form on file. This was due to enrollment documentation procedures not being consistently followed or monitored resulting in incomplete collection and retention of parent-signed forms.

Questioned Costs

ELO-P Entitlement (*Rate 1*)	455,462,020.00	*(a)*
Total Classroom-Based Enrollment, Grades TK/K-6	203,029.00	*(b)*
Eligible Students Not Offered and Provided Access to ELO-P	48.00	*(c)*
Proportional Penalty Factor	0.000236	*(d) = (c) / (b)*
ELO-P Offering and Access Penalty	**$ 107,680.07**	*(e) = (a) * (d)*

Recommendation

We recommend that the District strengthen its internal controls over enrollment documentation for the Expanded Learning Opportunities Program to ensure all student registration forms are properly completed, signed by the parent or guardian, and retained on file as evidence of enrollment.

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

Beyond the Bell will implement the following Corrective Action Plan related to strengthening internal controls pertaining to enrollment documents for the Expanded Learning Opportunities Program:

1. Develop and distribute a standardized enrollment checklist outlining required documentation (including parent-signed registration forms) and procedures for the enrollment of students in the Beyond the Bell expanded learning program.
2. Conduct a training session for Beyond the Bell leadership (Field Coordinators), Beyond the Bell support staff (Out-of-School Regional Directors, Out-of-School Program Coordinators, and Out-of-School Area Program Supervisors), and site coordinators on enrollment documentation requirements, retention protocols, and audit expectations.
3. Implement a process to review current student files to verify the presence of completed registration forms for enrolled students and to obtain any missing or incomplete documentation.
4. Implement a quarterly compliance review process in which Beyond the Bell support staff will conduct random checks of student enrollment files to ensure documentation completeness.
5. Incorporate enrollment documentation compliance metrics into program provider performance reviews and provide technical assistance for providers/sites with repeated findings.

The target date for implementation of the corrective action plan is May 31, 2026.

The expected outcome is that all students participating in ELO-P expanded learning programs will have a completed and signed registration form on file prior to participation. Strengthening documentation controls and regular monitoring will ensure consistent compliance with state and district requirements.

Beyond the Bell will monitor the implementation of corrective actions through quarterly internal audits. Non-compliant sites will be required to submit a corrective action follow-up plan within 30 days.

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S-2025-012 – Kindergarten Continuance

State Audit Guide Finding Codes: 40000

Schools Affected

- El Dorado Avenue Elementary
- Grand View Boulevard Elementary
- Woodland Hills Charter Elementary for Enriched Studies

Criteria

California Education Code, Section 46300 (g)(1) - In computing the average daily attendance of a school district or charter school, there shall be included the attendance of pupils in kindergarten after they have completed one school year in kindergarten or pupils in a transitional kindergarten program after they have completed one year in that program if one of the following conditions is met:

(A) The school district or charter school has on file for each of those pupils an agreement made pursuant to Section 48011, approved in form and content by the department and signed by the pupil's parent or guardian, that the pupil may continue in kindergarten for not more than one additional school year.
(B) The pupils participated in a transitional kindergarten program pursuant to subdivision (c) of Section 48000

Condition, Cause and Effect

Using a total of 104 schools offering Kindergarten from the schools sampled for attendance reporting, we selected students enrolled in kindergarten for school year 2024-25 and kindergarten in school year 2023-24 and verified that a signed kindergarten continuance parental agreement (agreement) was maintained. We noted the following exceptions due to school oversight.

- **El Dorado Avenue Elementary** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.

- **Grand View Boulevard 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.

- **Woodland Hills Charter Elementary for Enriched Studies** – A signed Agreement, approved in form and content by the CDE, was not on file before the start of the school year for one (1) student.

These findings are repeat findings, having been reported previously at June 30, 2024 (S-2024-003), but for different schools.

Questioned Costs

- Grades K-3 – 208 days / 176 days = 1.18 ADA overstated * $15,201.90 = $17,938.24

  - El Dorado Avenue Elementary
    - 31 days overstated / 176 days in single track school year
  - Grand View Boulevard Elementary
    - 177 days overstated / 176 days in single track school year

Charter School

- Woodland Hills Charter Elementary for Enriched Studies
- Grades K-3: 18 days / 180 days in single track school year
  - Grades K-3: 18 days / 180 = 0.10 ADA overstated * $11,788.75 = $1,178.86

Recommendation

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

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

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

To ensure compliance with Kindergarten Continuance requirements, the following actions will be taken during the 2025-2026 school year:

- Share the Elevate Report Data by Region with Regional Administrators monthly for schools to engage in corrective action.
- Provide Kindergarten Continuance Form Informational Sessions for schools.
- Update the Kindergarten Continuance Reference Guide.
- Continue to review the Kindergarten Continuance policy throughout the school year in the Weekly Instructional News, at principal organization meetings, etc.
- Continue to reach out to individual schools that were found to be out of compliance to provide assistance and guidance.
- Continue to secure a signed copy of the Kindergarten Audit Principal Certification and Acknowledgement form.

The target date for implementation of the corrective action plan is Spring 2026.

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S-2025-013 – Attendance Accounting – Dependent Charters – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- Louis Armstrong Middle School Performing Arts Magnet
- Nestle Avenue Charter
- Open Charter Magnet
- Reseda Charter High School
- Reseda Charter HS Arts/Media/Ent Magnet
- Reseda Charter HS Science Magnet
- Wilbur Charter for Enriched Academics
- Woodland Hills Charter Elementary for Enriched Studies

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 16,708 days of attendance and 1,299 days of absences for testing and noted the following findings, resulting from staff's untimely updating of student's attendance records:

- **Louis Armstrong Middle School Performing Arts Magnet** - Out of the 436 days of attendance and 20 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.

- **Nestle Avenue Charter** - Out of the 1,314 days of attendance and 122 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.

- **Open Charter Magnet** - Out of the 1,313 days of attendance and 74 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.

- **Reseda Charter High School** - Out of the 1,443 days of attendance and 184 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of seven (7) days, as evidenced by an absence note, but were recorded as present in the SMASR.
  - We identified four (4) 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.

- **Reseda Charter HS Arts/Media/Ent Magnet** - Out of the 240 days of attendance and 7 days of absences sampled, we noted the following exceptions:
  - Three (3) students were absent for a total of three (3) days, as evidenced by an absence note, but were recorded as present in the SMASR.

- **Reseda Charter HS Science Magnet** - Out of the 444 days of attendance and 12 days of absences sampled, we noted the following exception:
  - One (1) student was absent for a total of one (1) day, as evidenced by an absence note, but was recorded as present in the SMASR.

- **Wilbur Charter for Enriched Academics** - Out of the 1,234 days of attendance and 96 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.

- **Woodland Hills Charter Elementary for Enriched Studies** - Out of the 1,305 days of attendance and 97 days of absences sampled, we noted the following exceptions:
  - Six (6) students were absent for a total of six (6) days, as evidenced by an absence note, but were recorded as present in the SMASR.

These findings are repeat findings, having been reported previously at June 30, 2024 (S-2024-013), but for different schools.

Questioned Costs

- Louis Armstrong Middle School Performing Arts Magnet
  - Grades 7 to 8: 1 day146 days in single track school year
    - Grades 7 to 8: 1 day/146 = 0.01 ADA overstated * $11,625.34 = $116.25

- Nestle Avenue Charter
  - Grades 4 to 6: 1 day/146 days in single track school year
    - Grades 4 to 6: 1 day/146 days = 0.01 ADA overstated * $12,736.77 = $127.37

- Open Charter Magnet
  - Grades TK/K-3: 1 day/146 days in single track school year
    - Grades TK/K-3: 1 day/146 days = 0.01 ADA overstated * $11,473.09 = $114.73

- Reseda Charter High School
  - Grades 9 to 12: 7 days/145 days in single track school year
    - Grades 9 to 12: 7 days/145 days = 0.05 ADA overstated * $17,189.57 = $859.48

- Reseda Charter HS Arts/Media/Ent Magnet
  - Grades 9 to 12: 3 days/145 days in single track school year
    - Grades 9 to 12: 3 days/145 days = 0.02 ADA overstated * $17,189.57 = $343.79

- Reseda Charter HS Science Magnet
  - Grades 9 to 12: 1 day/145 days in single track school year
    - Grades 9 to 12: 1 day/145 days = 0.01 ADA overstated * $17,189.57 = $171.90

- Wilbur Charter for Enriched Academics
  - Grades 4 to 6: 1 day/146 days in single track school year
    - Grades 4 to 6: 1 day/146 days = 0.01 ADA overstated * $10,982.61 = $109.83

- Woodland Hills Charter Elementary for Enriched Studies
  - Grades TK/K-3: 4 days/145 days in single track school year
    - Grades TK/K-3: 4 days/145 days = 0.03 ADA overstated * $11,788.75 = $353.66
  - Grades 4 to 6: 2 days/145 days in single track school year
    - Grades 4 to 6: 2 days/145 days = 0.01 ADA overstated * $10,839.73 = $108.40

Recommendation

We recommend that the District and the schools continue to strengthen their controls over implementing attendance policies for 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 at school late or leave early. Finally, we recommend that the District continue to support the schools by providing adequate training in attendance reporting so that proper attendance reporting procedures are adhered to and that the District maintains documentation reflecting that each of the schools identified above has been successfully trained.

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

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

1. **Student Attendance Policies and Procedures Resources:** Pupil Services will provide monthly reminders through the Schoology communication platform regarding attendance taking and reporting policies and procedures. These resources will be posted once a month starting in September 2025.
2. **Virtual Drop-In Sessions with Office of Organizational Excellence**: Pupil Services will participate in the Office of Organizational Excellence - *2025-2026 School-Based Office Hours* sessions via Zoom. These sessions provide timely support, resources, and guidance on school-related operational matters. They allow school staff to ask questions and address various topics including attendance, enrollment and withdrawal policies, procedures and supporting resources. Pupil Services will participate at least once per month beginning in August 2025 through June 2026.
3. **MyPLN Training - Tools to Support Accurate Attendance and Withdrawal Procedures:** Pupil Services and Attendance will obtain verification of completion for the MyPLN training from schools identified with audit findings. This training provides LAUSD staff with guidance on attendance policies, procedures and audit compliance. It also includes the following MiSiS reports: *Statistical/SMASR Report*, *Five-Column Rosters Report*, *Discrepancy Report* (secondary only) and *Attendance Not Submitted (ANS) Report* in addition to the following MiSiS screens: *Attendance at a Glance Screen* and *Student Contact Log* to support the attendance taking process, appropriate attendance codes, and required documentation by April 2026.
4. **SMASR Timeline and MiSiS Statistical/SMASR Report Self-Audit Tool:** Pupil Services will post regular reminders on Schoology for schools to use the *2025-26 SMASR Timeline* and the MiSiS Statistical/SMASR Report Self-Audit Tool. These tools assist schools in reviewing their attendance data monthly and assist with correcting attendance discrepancies. Pupil Services will also include the SMASR MiSiS job aid to support this process. Reminders with the mentioned tools will be posted via the Schoology platform monthly starting in September 2025.

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

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S-2025-014 – Mode of Instruction – Dependent Charters

State Audit Guide Finding Codes: 40000

Schools Affected

- Louis Armstrong Middle School
- Reseda Charter High 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.

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 forty-one (41) K-12 teachers and noted two (2) teachers who were assigned to teach in a position not consistent with the authorization of his/her certification, due to a teacher not being available to the school site with the appropriate authorization or the school site failing to submit the appropriate form to remedy the misassignment.

- **Louis Armstrong Middle School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification as the consent form was submitted late.

- **Reseda Charter High School** – One (1) teacher was assigned to teach in a position not consistent with the authorization of his/her certification as the consent form was not submitted.

Questioned Costs

Not Applicable

Recommendation

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

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

Human Resources (HR) continues efforts to ensure every student is taught by an appropriately authorized teacher by providing professional development to certificated staff responsible for master scheduling. HR will also continue to leverage the *Office of Staff Relations Update* to remind principals of their responsibilities to ensure they make appropriate assignments and submit local assignment option forms. To reduce the number of late submissions, HR will distribute by May 2026 a list of candidates who utilized local assignment options during the current academic year. This proactive measure will help principals submit local assignment forms for the upcoming academic year in a timely manner. In addition, the four region directors will monitor compliance and schedule intervention meetings with non-responsive sites to address any misassignments. Lastly, the District will remediate the misassignments identified above during the current 2025-2026 academic year.

The Substitute Unit will continue its communication campaign to notify substitute teachers and school administrators of State assignment limits. Warnings will be issued for violations, and any unauthorized substitute teachers will be removed from assignments as necessary. To reinforce compliance, the Substitute Unit will participate in School Administrative Assistant (SAA) and Region Meetings where principals are present, ensuring both SAAs and principals are reminded of their responsibility to adhere to state requirements regarding substitute coverage. Additionally, school sites have been provided with a calculator tool that indicates the last day a substitute may legally remain in the assignment. This enables all schools to proactively monitor and transition substitutes in accordance with state regulations.

K-12 Assignment Monitoring

Name: Luz Ortega
Title: Director, Certificated Employment
Contact Information: luz.ortega@lausd.net

Substitute Unit

Name: Jorge Amador
Title: Assistant Director, Certificated Substitute Unit
Contact Information: jorge.amador@lausd.net

Name: Maria Sotomayor
Title: Director, Organizational Effectiveness
Contact Information: msotomay@lausd.net

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2025

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-2024-001 Vulnerability Management (Significant Deficiency)
Finding – FS-2023-002 Vulnerability Management (Significant Deficiency)
Finding – FS-2022-002 Vulnerability Management (Significant Deficiency)

State Audit Guide Finding Code: 30000

SAP Vulnerability

Recommendation

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

Current Status

Implemented.

MiSiS Vulnerability

Recommendation

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

Current Status

Partially implemented; see item FS-2025-001 within the accompanying schedule of findings and questioned costs.

CMS Vulnerability

Recommendation

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

Current Status

Implemented.

Welligent Vulnerability

Recommendation

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

Current Status

Partially implemented; see item FS-2025-001 within the accompanying schedule of findings and questioned costs.

Maximo Vulnerability

Recommendation

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

Current Status

Partially implemented; see item FS-2025-001 within the accompanying schedule of findings and questioned costs.

SAP, MiSiS & Welligent Application Code Vulnerability Management

Recommendation

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

Current Status

Implemented.

Maximo, CMS & Colin Application Code Vulnerability Management

Recommendation

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

Current Status

Partially implemented:

- Maximo Application Code Vulnerability Management
  - Vulnerability application-level scans are not generated by ITS for the period under review due to vendor software access restrictions.
- CMS Application Code Vulnerability Management
  - Vulnerability application-level scans are not generated by ITS for the period under review due to vendor software access restrictions.
- Colin Application Code Vulnerability Management
  - Vulnerability application-level scans were not generated by ITS for the period under review as a source code scanning tool was not available. However, as of June 2025, ITS has implemented the code scans for COLIN.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2025

Section VI - Findings Relating to the Prior Year Federal Awards

No matters were reported.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2025

Section VII – Findings Relating to the Prior Year State Awards

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

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- 7th Street Elementary Arts Integration Magnet
- Balboa Elementary Gifted/Highly Gifted/High Ability Magnet
- Benjamin Banneker Career and Transition Center
- Bret Harte Preparatory Middle School
- Burton Street Elementary
- Caroldale Learning Community
- Century Park Elementary
- Cesar E Chavez Learning Academy - Academy of Sci Exploration
- Compton Avenue Elementary
- Daniel Pearl Senior High Journalism & Communications Magnet
- Danube Avenue Elementary
- Diane S Leichman Career Preparatory and Transition Center
- Dr James Edward Jones Primary Center
- Dyer Street Elementary
- Elizabeth LC DL Two-Way Im Arabic
- Elizabeth Learning Center
- Fairburn Avenue Elementary
- Garvanza Elementary Technology/Leadership Magnet
- Glenwood Elementary
- Grape Street Elementary
- Halldale Elementary
- Hancock Park Elementary
- Haskell Elementary STEAM Magnet
- Horace Mann UCLA Community School
- Lanai Road Elementary
- Lankershim Elementary
- Legacy Senior High Sci Tech Engineering Arts Math
- Leo Politi Elementary
- Liberty Boulevard Elementary
- Lillian Street Elementary
- Los Angeles Senior High STEAM Magnet
- Los Feliz Science/Tech/Engineer/Math/Medicine Magnet
- Loyola Village Elementary Fine/Performing Arts Magnet
- Mark Twain Middle School
- Mark Twain Middle School World Languages Magnet
- Narbonne SH-Humanities & Arts (HArts) Academy of Los Angeles
- Orthopaedic Hospital Senior High Medical Magnet
- Oxnard Street Elementary
- Panorama City Elementary
- RFK Comm Schls - New Open World Academy K-12
- Rowan Avenue Elementary
- Samuel Gompers MS University Pathways Medical Magnet Academy
- Sharp Avenue Elementary
- Sierra Park Elementary
- Sylvan Park Elementary
- Theodore Roosevelt Senior High
- Thomas Bradley Global Awareness Magnet
- Toland Way Elementary

- Virgil Middle School
- Walnut Park Middle School - Sci Tech Eng and Math Academy
- Wilmington Middle School STEAM Magnet
- Young Empowered Scholars Academy

Recommendation

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

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-2025-001) but for different schools.

S-2024-002 – Teacher Certification and Misassignments

State Audit Guide Finding Codes: 40000 and 71000

Schools Affected

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

Recommendation

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

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-2025-002) but for different schools and teachers.

S-2024-003 – Kindergarten Continuance

State Audit Guide Finding Codes: 40000

Schools Affected

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

Recommendation

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

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

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-2025-012) but for different schools.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2025

S-2024-004 Independent Study – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

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

Recommendation

We recommend that the District strengthen its review process over independent study to ensure that all elements of the master agreements are complete and that all records of attendance contain readily available corresponding pupil work products, teacher evaluations, and daily participation reports. We also recommend that the District provide proper training to ensure attendance is reported accurately and policies are adhered to.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. For the corrective action of short-term independent study, the District provided trainings to principals and school administrative assistants with the intent of training the west region. This is a repeat finding which has been reported in the current year (S-2025-003) but for different schools.

S-2024-005 – Classroom Teacher Salaries

State Audit Guide Finding Codes: 61000

Recommendation

We recommend that the District put mechanisms in place to track their percentage of teacher salaries and benefits to total expenses throughout the year in order to monitor compliance with the classroom teacher salary requirements.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2025-004).

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2025

S-2024-006 – Proposition 28 Arts And Music in Schools

State Audit Guide Finding Codes: 40000

Recommendation

We recommend that the District strengthen its monitoring and review controls over expenditure charges to the Proposition 28 Arts and Music in School fund to ensure that all costs are associated with allowable services and that all necessary adjustments are made timely.

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-2025-009).

S-2024-007 – After School Education and Safety Program

State Program: After School Education and Safety Program

State Audit Guide Finding Codes: 40000

Schools Affected

- 4th Street Primary Center
- 59th Street Elementary
- Beethoven Street Elementary
- Benjamin Franklin High School
- Breed Street Elementary
- Brentwood Elementary Science Magnet
- Broadway Elementary
- Carmen Lomas Garza Primary Center
- Carthay Elementary of Environmental Studies Magnet
- Charnock Road Elementary
- Dr James Edward Jones Primary Center
- El Sereno Middle School
- Emelita Street Elementary
- Eshelman Avenue Elementary
- Gardner Street Elementary
- Humphreys Avenue Elementary
- John W Mack Elementary
- Kester Avenue Elementary
- Knollwood Preparatory Academy
- Leland Street Elementary
- Loyola Village Elementary Fine/Performing Arts Magnet
- MacArthur Park Elementary Visual and Performing Arts
- Melrose Avenue Elementary Math/Science/Technology Magnet
- Nora Sterry Elementary
- Northridge Middle School
- Parthenia Academy of Arts and Technology
- RFK Comm Schls - UCLA Community School K-12
- Richard E Byrd Middle School
- Richland Avenue Elementary
- Robert F Kennedy Elementary
- Soto Street Elementary
- Virgil Middle School
- Walgrove Avenue Elementary
- Woodland Hills Academy

Recommendation

We recommend that the District strengthen its procedures on attendance documentation for the After School Education and Safety program. The District should ensure that the agencies performing the services for these programs are aware of the District's policies, specifically on maintaining accurate attendance records and retain supporting documentation for instances in which students arrive to the programs late or leave early.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2025-006) but for different schools.

S-2024-008 – Unduplicated Local Control Funding Formula Pupil Counts

State Program: Unduplicated Local Control Funding Formula Pupil Counts

State Audit Guide Finding Code: 40000

Schools Affected

- Grape Street Elementary
- Halldale Elementary
- Joseph Pomeroy Widney Career Preparatory & Transition Center
- King-Drew Senior High Medicine and Science Magnet
- Los Feliz Science/Tech/Engineer/Math/Medicine Magnet
- Mar Vista Elementary
- Ramon C Cortines School of Visual & Performing Arts
- Palisades Charter Elementary (Dependent Charter)

Recommendation

We recommend that the District continue monitoring English learners and free and reduced meal eligibility statuses to ensure students designated as English learners or free and reduced meal eligible have proper supporting documentation. We also recommend that the District continue to train staff on enrollment procedures so that students' correct designations will be reflected in the student information system.

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-2025-007) but for different schools.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2025

S-2024-009 Immunizations

State Audit Guide Finding Codes: 40000

Schools Affected

- 107th Street Elementary
- 109th Street Elementary
- 153rd Street Elementary
- 15th Street Elementary
- 42nd Street Elementary
- 52nd Street Elementary
- 61st Street Elementary
- 96th Street Elementary
- 96th Street Elementary DL Two-Way Im Spanish
- 9th Street Elementary
- Angeles Mesa Elementary
- Baldwin Hills Elementary
- Budlong Avenue Elementary
- Carthay Elementary of Environmental Studies Magnet
- Columbus Avenue Elementary
- Esperanza Elementary
- Fairburn Avenue Elementary
- Figueroa Street Elementary
- Hubert Howe Bancroft Middle School
- Hubert Howe Bancroft Middle School Performing Arts Magnet
- La Salle Avenue Elementary
- MacArthur Park Elementary Visual and Performing Arts
- Manhattan Place Elementary
- Mariposa-Nabi Primary Center
- Marquez Charter
- Mountain View Elementary DL Two-Way Im Armenian
- Rancho Dominguez Preparatory School
- Rio Vista Elementary
- Saticoy Elementary DL Two-Way Im Armenian
- South Park Elementary DL Two-Way Im Spanish
- West Athens Elementary
- Wisdom Elementary

Recommendation

We recommend that the District strengthen its controls over implementing District policies regarding pupil immunization record tracking. Furthermore, we recommend that the District continue providing adequate training to the schools to properly monitor pupil immunization.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding. This is a repeat finding which has been reported in the current year (S-2025-010) but for different schools.

LOS ANGELES UNIFIED SCHOOL DISTRICT

Status of Prior Year Findings and Recommendations

June 30, 2025

S-2024-010 – Expanded Learning Opportunities Grant

State Audit Guide Finding Codes: 40000

Recommendation

We recommend that the District strengthen its monitoring and review controls over expenditure charges to the ELO-G fund to ensure that all costs are associated with allowable services and that all necessary adjustments are made timely.

Current Status

The District has implemented the Corrective Action Plan as stipulated in their response to the prior year audit finding.

S-2024-011 – Expanded Learning Opportunities Program

State Audit Guide Finding Codes: 40000

Recommendation

We recommend that the District strengthen its controls over the master enrollment list to ensure it includes all students who submit a registration form.

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-2025-011).

S-2024-012 – Transitional Kindergarten

State Audit Guide Finding Codes: 40000

Recommendation

We recommend that the District implement mechanisms to track their compliance with transitional kindergarten and early enrollment average class enrollment and adult-to-pupil ratio throughout the year to monitor compliance with transitional kindergarten average class enrollment and adult-to-pupil ratio requirements.

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, 2025

S-2024-013 – Attendance Accounting – Dependent Charters – Attendance Computations

State Program: Attendance Accounting: Attendance Reporting

State Audit Guide Finding Codes: 10000 and 40000

Schools Affected

- El Oro Way Charter for Enriched Studies
- Paul Revere Charter Middle School
- Plainview Academic Charter Academy
- Sylmar Charter High School

Recommendation

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

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-2025-013) but for different schools.

S-2023-005 – Instructional Time

State Audit Guide Finding Codes: 40000

Recommendation

We recommend the District put mechanisms in place to track their compliance with instructional days and instructional minutes offered throughout the year to monitor compliance with the instructional days and instructional minutes requirements.

Current Status

Implemented.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
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December 15, 2025

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, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2025-001 and FS-2025-002 that we consider to be significant deficiencies.

Although not considered to be significant deficiencies or material weaknesses, we also noted certain items during our audit, which we would like to bring to your attention. These comments are summarized in the following report to management on pages 359 to 366. Our observations and recommendations have been discussed with appropriate members of management and are intended to strengthen internal controls and operating efficiency.

The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

This communication is intended solely for the information and use of the Board of Education, District management, the State Controller's office, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Simpson & Simpson

Current Year Management Letter Comments

ML-2025-001 – Colin User Access

Condition

Our review of Colins users revealed 42 (forty-two) user accounts assigned to retired status District employees and 43 (forty-three) user accounts assigned to withdrawn status District employees.

Recommendation

Application user accounts of retired and withdrawn employees be deactivated and subsequently deleted in a timely manner.

Management Response

Concur.

We are implementing an automated process to deactivate the COLIN user accounts of employees that have retired or withdrawn from LAUSD using employee status information gathered from SAP. The process will go into production on September 4th, 2025, when the production release freeze is lifted (MOC: CHG0030435).

Compensating Controls:

Colin is set-up in four VLANs that are only accessed by FSD authorized users through specific AD Groups. Colin is available to the outside via Global Protect and is set up to traverse the WAF.

Target Completion: Completed September 4, 2025

Name: Joseph Holop
Title/Division: Senior Administrator, IT Infrastructure
Information Technology Services (ITS)

Current Year Management Letter Comments

ML-2025-002 – Annual Form 700

Condition

The District's Office of the General Counsel, through Form 700 – Statement of Economic Interests Filing Requirements (BUL-162112, February 24, 2025), establishes procedures to ensure compliance with the Political Reform Act and related Fair Political Practices Commission (FPPC) regulations. Section E, *Late Filing Fees and Referral for Non-Compliance*, provides the following directive for late filers:

"If, after two late filing notifications, a filer fails to submit their relevant Form 700 (assuming/annual/leaving), the Ethics Office is required by law to refer the filer to the FPPC for 'non-compliance.' Violations of the Act can result in personal penalties assessed to the filer of up to $5,000 per violation (Government Code Section 91005.5)."

In addition, the FPPC Notification Guidelines for Filing Officers establish timelines for notifying delinquent filers and initiating referrals:

"If a filer fails to file by the statutory deadline, the filing officer should, no later than 120 days after the filing deadline, send a written notification to the non-filer that his or her statement has not been received. If the non-filer's statement has not been received in response to the first notification, the filing officer should send a second non-filer notification within 60 days of the first notification letter."

We tested the submission of Form 700 for 43 employees and identified 2 employees whose Form 700 filing procedures did not align with District policy, as follows:

- For 1 employee, the District should have notified the filer of the requirement to submit the Form 700 upon returning from maternity leave. The employee returned on October 3, 2024, but did not submit the required Form 700 until June 1, 2025.
- For 1 employee who separated from the District on January 15, 2025, the District sent the first notice of non-filing on June 25, 2025, but should have issued the notice within 120 days of the employee's separation. The employee has not yet submitted the required Form 700 to the District.

Recommendation

We recommend that the Ethics Office strengthen controls over the timely notifications of late Form 700 filers in accordance with District policies and FPPC guidelines.

Current Year Management Letter Comments

Management Response

The Ethics Office agrees with the above recommendation. When the Ethics Office receives information that a Form 700 filer is on leave, it will work with the filer's manager to arrange notification of the employee's return to work date so the Ethics Office may send an additional notice to file upon their return to work. The Ethics Office will also consult with the Personnel Commission and Human Resources Divisions to determine if it is possible to receive early notification of when an employee holding a Form 700 is set to separate with the District due to an exhaustion of benefit time by the end of the first quarter of 2026 (March 31, 2026).

Name: Darlene L. Vargas
Title: Ethics Officer
Contact Information: Darlene.vargas@lausd.net

ML-2025-003 – Liability Self-Insurance (LSI) Claims Processing

Condition

The District's Risk Management and Insurance Services Division, through its Liability and Property Unit, oversees the administration of all liability claims under the Liability Self-Insurance (LSI) Program. The District maintains a self-insured retention (SIR) limit of $5,000,000 per occurrence, with all claims processed through the District's Third-Party Administrator (TPA), Carl Warren & Company, and subject to review and approval by authorized levels of management and the Office of General Counsel (OGC).

Settlements are governed by established authorization thresholds requiring approval by the OGC for amounts up to $250,000, and by the Board of Education for settlements exceeding $250,000. The Board's formal approval, evidenced by a Board Memorandum, serves as the document authorizing the execution of a settlement agreement. This memo should be issued immediately following the closed session meeting and prior to the execution of any settlement agreement.

We tested a total of 40 claims for Fiscal Year 2025 and identified the following exceptions:

- 1 sample where the Board approval memorandum was prepared subsequent to our request, rather than immediately following the Board's closed session.
- 9 samples with a significant time lapse between the Board's closed session date and the date on which the Board approval memorandum was finalized summarizing the results of the closed session. As a result, in 8 of the 9 samples, the settlement agreements were signed by OGC prior to the preparation and availability of the Board approval memorandum.

Recommendation

We recommend that the District strengthen controls to ensure the Board approval memorandum is prepared and finalized immediately following the closed session. Further, we recommend the District prepare a formal written policy regarding these controls.

Current Year Management Letter Comments

Management Response

The Office of General Counsel ("OGC") agrees with the recommendation to strengthen controls and the General Liability Litigation Team within the OGC has already implemented controls and written procedures to ensure timely issuance of Board approval memorandum following closed session action.

Name: Mampre R. Pomakian
Title: Chief General Liability Litigation Counsel
Telephone: (213) 241-7634

ML-2025-004 – Payroll and Human Resources

Condition

Request for Personnel Assignment (RPAs)

The District's Budget Services and Financial Planning Division, through its publication Request for Personnel Action (RPA) Job Aid – Revised July 2020, establishes the following requirements for the use and processing of RPAs:

"RPAs are used:

1. To assign personnel to positions
2. To make changes to an employee's assignment."

Each RPA must be completed to identify the type of personnel action being requested, such as establishing a new position, modifying an existing position, or closing an assignment. The form requires completion of employee and funding information, including position ID, job code, effective dates, and organizational unit details. The form must also include the signature of the principal, administrator, or supervisor authorizing the RPA, along with the date, contact information, and verification of funding by a Fiscal Specialist prior to submission to Personnel for processing. After all authorizations and dates are recorded, the signed RPA is forwarded to Personnel for entry and final processing.

We tested a sample of 125 employees for select positions in Fiscal Year 2025 and identified the following:

- 9 employees for whom the District was unable to provide the corresponding Request for Personnel Action (RPA) forms.

The Honorable Board of Education
Los Angeles Unified School District
December 15, 2025

Current Year Management Letter Comments

New Hires Form I-9, Employment Eligibility Verification Form Processing

Pursuant to Title 8 of the Code of Federal Regulations, Section (8 C.F.R) 274a.2(b)(1)(i)(A):

"Completes section 1—"Employee Information and Verification"—on the Form I-9 at the time of hire and signs the attestation with a handwritten or electronic signature in accordance with paragraph (h) of this section..."

Further, Section (8 C.F.R) 274a.2(b)(1)(ii) stipulates:

"Except as provided in paragraph (b)(1)(viii) of this section, an employer, his or her agent, or anyone acting directly or indirectly in the interest thereof, must within three business days of the hire:

A. Physically examine (or otherwise examine pursuant to an alternative procedure authorized by the Secretary under paragraph (b)(1)(ix) of this section) the documentation presented by the individual establishing identity and employment authorization as set forth in paragraph (b)(1)(v) of this section and ensure that the documents presented appear to be genuine and to relate to the individual; and
B. Complete section 2—"Employer Review and Verification"—on the Form I-9 within three business days of the hire and sign the attestation with a handwritten signature or electronic signature in accordance with paragraph (i) of this section."

We tested a sample of I-9 Forms for 60 newly hired employees in Fiscal Year 2025 and identified the following:

- 2 employees entered their date of birth in the "Today's Date" field instead of the actual date of completion. The District did not obtain updated forms prior to employment.
- 1 employee's I-9 form was missing the employer's "Today's Date." The District did not obtain an updated or corrected form prior to employment.
- 1 employee failed to properly record the "Today's Date" on the I-9 form. The District did not obtain a corrected form prior to employment.
- 1 employee's I-9 form contained alterations made with white-out. The District did not obtain an updated or corrected form prior to employment.

Current Year Management Letter Comments

Timesheet Approvals

The District's Payroll Concepts Manual, Appendix M: Time Reporting and Time Approval Policy – BUL-6638.0, stipulates the following regarding timesheet approvals:

"Principals have oversight responsibility to ensure school site timekeepers are in compliance with payroll policies and procedures. Local Districts have oversight responsibilities to ensure school time approvers are in compliance with payroll policies and procedures. Directors and Division-level administrators have oversight responsibility to ensure non-school timekeepers and non-school time approvers are in compliance with payroll policies and procedures.

Below is a list of time approver guidelines that must be followed in order to ensure compliance. Local Districts and Division administrators have oversight responsibility over administrators to ensure that the guidelines are being followed:

1. Review and approve all employees by the cut-off deadline for each payroll area: Classified (CL), Certificated (CE), and Semi-Monthly (SM)"

We tested a sample of timesheets for 145 employees covering various pay periods in Fiscal Year 2025 and identified the following:

- 2 timesheets did not contain evidence of approval.
- 10 timesheets were approved after the payroll processing deadline and not prior to the employees' payroll processing.

Overtime Authorization

The District's Payroll Concepts Manual, Appendix H: Overtime Policy – Classified Employees BUL-5996.0, stipulates the following regarding overtime authorization:

"Overtime must be approved in advance except in the case of extreme circumstances. The approval must always be confirmed in writing by the site administrator within the next three working days. Administrators must ensure that funds are available for authorized overtime, except when the health and safety of students or staff members is in severe and immediate danger. For audit purposes, written authorization for overtime must be retained at the work location for five years from the date that the overtime is approved."

We tested a sample of overtime charges for 20 employees covering various pay periods in Fiscal Year 2025 and identified the following:

- 3 employees worked overtime that was not pre-approved by an authorized supervisor.
- 9 employees worked overtime that was approved by an authorized supervisor subsequent to the overtime being worked.

Current Year Management Letter Comments

Recommendation

We recommend that the District strengthen controls over Request for Personnel Action (RPA) retention, I-9 Form preparation and processing, timesheet approvals, and overtime authorizations through enhanced monitoring and supervisory training to ensure full compliance with District policies and procedures.

Management Response

Payroll Administration

Payroll Administration concurs with the recommendation pertaining to timesheet approvals and overtime authorizations. Employee timesheets and overtime pre-approval forms are originated, reviewed, and retained at the respective work locations. Therefore, Payroll Administration does not have direct access to these site-level records.

To strengthen compliance, Payroll Administration will continue to provide targeted training and guidance to time reporters and time approvers on the timely review and approval of timesheets, as well as the requirement for advance authorization of overtime. These topics will be reinforced during the monthly Time Reporter and Time Approver Virtual Office Hours.

Furthermore, Payroll Administration will continue to issue periodic communications and disseminate the Best Practices Worksheet, which outlines key payroll compliance requirements, including adherence to payroll cut-off deadlines and pre-approval of overtime. The Best Practice Worksheet will be sent out to all Time Reporters and Time Approvers on a quarterly basis.

The target date to commence the corrective actions is November 2025.

Payroll Administration remains committed to supporting District departments and school sites in maintaining full compliance with established payroll policies and procedures.

Name: Araceli Pineda
Title: Director, Payroll Administration
Contact Information: araceli.pineda@lausd.net

The Honorable Board of Education
Los Angeles Unified School District
December 15, 2025

Current Year Management Letter Comments

Personnel Commission

The District's hiring process for Classified employees continued to evolve during FY2024-25 to align with system improvements, enhance operational efficiency, and maintain the internal control and documentation standards previously supported by the Request for Personnel Action (RPA) form.

As part of this transition, the Information Technology Services (ITS) Division initiated the move to a self-service hiring system designed to automate Classified hiring actions and gradually replace the manual RPA process. The Classified Employment Services Branch (CESB) continues to maintain responsibility for key control activities, including background and fingerprint verification, nepotism review, onboarding coordination, SAP/BTS data entry, and issuance of mandated assignment letters.

During FY 2024-25, the District initiated a pilot process for the SuccessFactors platform, which further streamlines the hiring process and electronically captures approvals and documentation previously recorded on the RPA. As a result, the RPA form was not utilized for all hiring actions in FY2024-25, as these activities were documented and approved within the self-service and SuccessFactors systems. CESB continues to perform the same control activities to ensure accuracy, compliance, and proper documentation of personnel actions.

The PC Form 5109 (Nepotism Form)—signed by the hiring manager—together with the Classified assignment letter specifying final employment terms, will serve as documentation supporting each hiring action and collectively replace the RPA form under District's new hiring process.

Name: Maria Underwood
Title: Deputy Personnel Director, Personnel Commission
Contact Information: maria.underwood@lausd.net

Human Resources and Personnel Commission

The Division of Human Resources and the Personnel Commission will jointly develop training materials, compliance checklists, and monitoring tools by Fall 2025, with training to be completed by Spring 2026. The District will continue to coordinate among the Personnel Commission and Human Resources to ensure that hiring workflows within the SuccessFactors platform are fully documented, compliant with applicable policies and procedures, and consistently applied across all departments. Management will also review and update related procedures and guidance to ensure that documentation supporting personnel actions remains complete, standardized, and documented.

Name: Leanne Hannah
Title: Director, Division of Human Resources
Contact Information: leanne.hannah@lausd.net

Name: Maria Underwood
Title: Deputy Personnel Director, Personnel Commission
Contact Information: maria.underwood@lausd.net

Status of Prior Year Management Letter Comments

ML-2024-001 – Colin User Access

Recommendation

Application user accounts of retired and withdrawn employees be deactivated and subsequently deleted in a timely manner.

Current Status

Implemented.

ML-2024-002 – Maximo User Access

Recommendation

Application user accounts of retired, withdrawn and inactive employees should be deactivated and subsequently deleted in a timely manner.

Current Status

Implemented.

ML-2024-003 – Annual Form 700
ML-2023-004 – Annual Form 700

Recommendation

We recommend that the Ethics Office strengthen its controls over collecting Form 700s by adopting remediation guidelines stipulated by the FPPC to ensure timely submission. Additionally, we recommend the Ethics Office identify and notify required filers timely.

Current Status

Implemented.

The Honorable Board of Education
Los Angeles Unified School District
December 15, 2025

Status of Prior Year Management Letter Comments

ML-2024-004 – Procurement of Professional Service Contracts

Recommendation

We recommend that the District strengthen controls over the procurement of professional service agreements to ensure adherence to its Procurement Manual, particularly regarding payments for services performed prior to the execution of an agreement. Additionally, we recommend implementing procedures to promptly correct and resolve any errors identified after an agreement has been executed by amending the agreement and ensuring the purchase order is corrected.

Current Status

Implemented.

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APPENDIX C

BOOK-ENTRY ONLY SYSTEM

THE INFORMATION IN THIS APPENDIX C CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT THE DISTRICT AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS THEREOF. THERE CAN BE NO ASSURANCE THAT THE DEPOSITORY TRUST COMPANY WILL ABIDE BY ITS PROCEDURES OR THAT SUCH PROCEDURES WILL NOT BE CHANGED FROM TIME TO TIME.

The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest security depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**. Information on these websites is not incorporated herein by reference.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are to be redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, security certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC and the requirements of the Resolution with respect to certificated Bonds will apply.

THE DISTRICT, THE COUNTY, THE PAYING AGENT, THE MUNICIPAL ADVISOR, AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (III) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NEITHER THE DISTRICT, THE COUNTY, THE PAYING AGENT, THE MUNICIPAL ADVISOR, NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OR COMPLETENESS OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE BONDS**,** (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE RESOLUTION, OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE BONDS.

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APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Dannis Woliver Kelley, Long Beach, California, Bond Counsel to the Los Angeles Unified School District, will render its approving opinion with respect to the Bonds in substantially the following forms:

[Closing Date]

Board of Education
Los Angeles Unified School District
Los Angeles, California

Re: $_____ Los Angeles Unified School District
(County of Los Angeles, California)
General Obligation Bonds, Series QRRUS (2026)
(Dedicated Unlimited *Ad Valorem* Property Tax Bonds)

Ladies and Gentlemen:

We have acted as bond counsel for the Los Angeles Unified School District (County of Los Angeles, California) (the "District"), in connection with the issuance by the District of $_____ aggregate principal amount of the District's General Obligation Bonds, Series QRRUS (2026) (Dedicated Unlimited *Ad Valorem* Property Tax Bonds) (the "Bonds"). The Bonds are issued pursuant to the provisions of Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the Education Code of the State of California (commencing at Section 15264), as amended, and a resolution of the Board of Supervisors of the County of Los Angeles (the "County") adopted on October 6, 2026 (the "County Resolution") at the request of the District pursuant to a resolution adopted by the Board of Education of the District (the "District Board") on June 12, 2026 (the "District Resolution" and, together with the County Resolution, the "Resolutions"). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolutions.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District and the County for the authorization and issuance of the Bonds, including the Resolutions. Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection, we have also examined such certificates of public officials and officers of the District and the County as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Resolutions and other relevant documents may be changed and certain actions (including, without limitation, defeasance of Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any effect on any Bonds if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our

engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions. We call attention to the fact that the rights and obligations under the Bonds and the Resolutions may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security for the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion herein with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding general obligations of the District.

2. The Bonds are payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount, except for certain personal property that is taxable at limited rates.

3. The County Resolution has been duly adopted by the Board of Supervisors of the County and constitutes a valid and binding obligation of the County enforceable against the County in accordance with its terms.

4. The District Resolution has been duly adopted by the District Board and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

5. Interest on the Bonds maturing on and after July 1, 20__ (the "Tax-Exempt Bonds") is excluded from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended.

6. Interest on the Bonds is exempt from personal income taxes of the State of California.

Bondholders should note that interest on the Tax-Exempt Bonds is not a preference item for purposes of the alternative minimum tax imposed on individuals but is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on certain corporations. Ownership of tax-exempt obligations such as the Tax-Exempt Bonds may result in collateral tax consequences. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner of the Tax-Exempt Bonds or such owner's other items of income or deduction. We express no opinion with respect to any federal, state, or local tax consequences, under present law or any proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions

to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results.

Dannis Woliver Kelley

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate"), dated [DATE], is executed and delivered by the Los Angeles Unified School District (the "District") in connection with the issuance of its Bonds (defined herein), which are being issued pursuant to the laws of the State of California and the Resolution (defined herein). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bonds" shall mean the Los Angeles Unified School District's General Obligation Bonds, Series QRRUS (2026) (Dedicated Unlimited *Ad Valorem* Property Tax Bonds).

"County" shall mean the County of Los Angeles, California.

"CUSIP Numbers" shall mean the Committee on Uniform Security Identification Procedure's unique identification number for each public issue of a security.

"Dissemination Agent" shall mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Disclosure Counsel" shall mean an attorney-at-law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the disclosure obligations under the Rule, duly admitted to the practice of law before the highest court of any state of the United States of America.

"EMMA System" shall mean the MSRB's Electronic Municipal Market Access system, the current internet address of which is http://emma.msrb.org.

"Financial Obligation" shall mean, for purposes of the Listed Events set out in Section 6(b)(xv) and Section 6(b)(xvi), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Holder" shall mean either the registered owners of the Bonds, or if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

"Listed Events" shall mean any of the events listed in Section 6(b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate.

"Official Statement" shall mean the Official Statement dated [_____], 2026, with respect to the Bonds.

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean collectively, the resolution adopted by the Board of Education of the District on June 12, 2026, and a resolution adopted by the Board of Supervisors of the County on October 6, 2026.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Transmission of Notices, Documents and Information.

(a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the EMMA System.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB.

Section 4. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than 240 days following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2025-26 fiscal year (which is due not later than February 25, 2027), provide to the MSRB through its EMMA System an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 6(c).

(b) Not later than thirty (30) days (not more than sixty (60) days) prior to the date on which the Annual Report is to be provided pursuant to subsection (a), the Dissemination Agent shall give notice to the District that the Annual Report is so required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB through its EMMA System an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a timely notice of such fact to the MSRB through its EMMA System.

(c) The Dissemination Agent shall: (i) determine each year prior to the date for providing the Annual Report to the EMMA System the date on which such Annual Report shall be due and notify the District of such date; and (ii) (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and that it was provided to the MSRB through the EMMA System.

Section 5. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 4 hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) Table 3 – "Historical Gross Assessed Valuation of Taxable Property" if and to the extent provided to the District by the County;

(ii) Table 5 – "Assessed Valuation and Parcels by Land Use;"

(iii) Table 6 – "Assessed Valuations of Single Family Homes per Parcel;"

(iv) Table 7 – "Largest Local Secured Taxpayers;"

(v) Table 9A – "Secured Tax Charges and Delinquencies," if and to the extent provided to the District by the County;

(vi) Table A-1 – "Average Daily Attendance;"

(vii) Table A-114 – "District General Fund Budget" for the current fiscal year;

(viii) Table A-25 – "Proposition BB (Election of 1997) Bonds," if and only to the extent that bonds issued pursuant to Proposition BB or bonds that have refunded such bonds are outstanding;

(ix) Table A-26 – "Measure K (Election of 2002) Bonds," if and only to the extent that bonds issued pursuant to Measure K or bonds that have refunded such bonds are outstanding;

(x) Table A-27 – "Measure R (Election of 2004) Bonds," if and only to the extent that bonds issued pursuant to Measure R or bonds that have refunded such bonds are outstanding;

(xi) Table A-28 – "Measure Y (Election of 2005) Bonds," if and only to the extent that bonds issued pursuant to Measure Y or bonds that have refunded such bonds are outstanding;

(xii) Table A-29 – "Measure Q (Election of 2008) Bonds," if and only to the extent that bonds issued pursuant to Measure Q or bonds that have refunded such bonds are outstanding;

(xiii) Table A-30 – "Measure RR (Election of 2020) Bonds," if and only to the extent that bonds issued pursuant to Measure RR or bonds that have refunded such bonds are outstanding; and

(xiv) Table A-31 – "Measure US (Election of 2024) Bonds," if and only to the extent that bonds issued pursuant to Measure US or bonds that have refunded such bonds are outstanding.

(c) It shall be sufficient for purposes of Section 4 hereof if the District provides annual financial information by specific reference to documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org) or (ii) filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference. The provisions of this Section 5(c) shall not apply to notices of Listed Events pursuant to Section 6 hereof.

(d) The descriptions contained in clause (b) above of financial information and operating data constituting to be included in the Annual Report are of general categories or types of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, or due to changes in accounting practices, legislative or organizational changes, a statement to that effect shall be provided in lieu of such information. Comparable information shall be provided if available.

Section 6. Reporting of Listed Events.

(a) If a Listed Event occurs, the District shall provide or cause to be provided, in a timely manner not in excess of ten (10) Business Days of the District having notice of such Listed Event, notice of such Listed Event to (i) the EMMA System of the MSRB and (ii) the Dissemination Agent.

(b) Pursuant to the provisions of this Section 6, the District shall give, or cause to be given, notice of the occurrence of any of the following events (each, a "Listed Event") with respect to the Bonds;

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) modifications to rights of Holders, if material;

(iv) bond calls, if material and tender offers;

(v) defeasances;

(vi) rating changes;

(vii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (Internal Revenue Service Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(viii) unscheduled draws on the debt service reserves reflecting financial difficulties;

(ix) unscheduled draws on the credit enhancements reflecting financial difficulties;

(x) release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) bankruptcy, insolvency, receivership or similar event of the District (such event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);

(xii) substitution of credit or liquidity providers, or their failure to perform;

(xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional Paying Agent or the change of name of a Paying Agent, if material;

(xv) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material;

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties; and

(xvii) any amendment or waiver of a provision of this Disclosure Certificate.

The District intends to comply with the Listed Events described in Section 6(b)(xv) and Section 6(b)(xvi), and the definition of "Financial Obligation" in Section 2, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect the amendments to the Rule effected by the 2018 Release. The District notes that items (viii), (ix), (x) and (xii) are not applicable to the Bonds.

(c) If the District determines that a Listed Event has occurred, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to Section 3 hereof.

(d) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through its EMMA System.

(e) Notwithstanding the foregoing, notice of Listed Events described in subsections (b)(iv) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 7. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Listed Events, the District shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

Section 8. Termination of Reporting Obligation.

(a) The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 6(c).

(b) This Disclosure Certificate, or any provision hereof, shall cease to be effective in the event that the District (1) delivers to the Dissemination Agent an opinion of Disclosure Counsel, addressed to the District and the Dissemination Agent, to the effect that those portions of the Rule which require this Disclosure Certificate, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

Section 9. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the District, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the District shall be the Dissemination Agent and undertake or assume its obligations hereunder. The Dissemination Agent (other than the District) shall not be responsible in any manner for the content of any notice or report required to be delivered by the District pursuant to this Disclosure Certificate.

Section 10. Amendment; Waiver.

(a) This Disclosure Certificate may be amended by the District without the consent of the Holders of the Bonds (except to the extent required under clause (a)(iv)(2) below), if all of the following conditions are satisfied:

(i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the District or the type of business conducted thereby;

(ii) this Disclosure Certificate as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(iii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the same effect as set forth in (a)(ii) above;

(iv) either (1) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that the amendment does not materially impair the interests of the Holders of the Bonds or (2) is approved

by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders; and

(v) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system within ten (10) Business Days from the execution thereof.

(b) In addition to subsection (a) above, this Disclosure Certificate may be amended and any provision of this Disclosure Certificate may be waived, by written certificate of the District, without the consent of the holders of the Bonds, if all of the following conditions are satisfied:

(i) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Disclosure Certificate which is applicable to this Disclosure Certificate;

(ii) the District shall have received an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the District, to the effect that performance by the District under this Disclosure Certificate as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule; and

(iii) the District shall have delivered copies of such opinion and amendment to the MSRB through its EMMA system.

(c) In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 11. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 12. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriters or the Holders or Beneficial Owners of at least 25% of aggregate principal amount of the Bonds then outstanding, shall) or any Holders or Beneficial Owners of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles or in the U.S. District Court in the County of Los Angeles. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure

Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 13. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Execution in Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same certificate.

Dated: _____, 2026

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Chief Financial Officer

ACKNOWLEDGED AND AGREED TO BY:

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Dissemination Agent

By: _____
Dissemination Agent

APPENDIX F

THE LOS ANGELES COUNTY TREASURY POOL

The Treasurer and Tax Collector of the County of Los Angeles (the "Treasurer") manages, in accordance with California Government Code Section 53600 et seq., funds deposited with the Treasurer by County school and community college districts, various special districts, and some cities. State law generally requires that all moneys of the County, school districts, and certain special districts be held in the County's Treasury Pool (the "Treasury Pool") as described below. The composition and value of investments under management in the Treasury Pool vary from time to time, depending on the cash flow needs of the County and the other public agencies invested in the Treasury Pool, the maturity or sale of investments, purchase of new securities and fluctuations in interest rates generally. Additionally, the Treasurer, with the consent of the Board of Supervisors of the County of Los Angeles (the "County"), may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Neither the District, the Municipal Advisor nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained herein is correct as of any time subsequent to its date. The Treasurer maintains a website, the address of which is ***https://ttc.lacounty.gov/monthly-reports/****, on which the Treasurer periodically places information relating to the Treasury Pool. The information presented there, however, is not part of this Official Statement, is not incorporated by reference herein and should not be relied upon in making an investment decision with respect to the Bonds.*

The County of Los Angeles Pooled Surplus Investments

The Treasurer and Tax Collector (the "Treasurer") of the County of Los Angeles (the "County") has the delegated authority to invest funds on deposit in the County Treasury (the "Treasury Pool"). As of August 31, 2026, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

Local Agency	Invested Funds (in billions)
County of Los Angeles and Special Districts	$20.702
Schools and Community Colleges	25.926
Discretionary Participants	3.290
Total	$49.918

The Treasury Pool participation composition is as follows:

Non-discretionary Participants	93.40%
Discretionary Participants:	
Independent Public Agencies	6.47
County Bond Proceeds and Repayment Funds	0.13
Total	100.00%

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal

investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on May 12, 2026, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Return on Investment

The Treasurer prepares a monthly Report of Investments (the "Investment Report") summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated September 30, 2026, the August 31, 2026 book value of the Treasury Pool was approximately $49.918 billion, and the corresponding market value was approximately $48.660 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer's Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and investments to fund balances daily. The Compliance Auditor's staff also reviews each investment trade for accuracy and compliance with the Board adopted Investment Policy. On a quarterly basis, the County's outside independent auditor (the "External Auditor") reviews the cash and investment reconciliations for completeness and accuracy. Additionally, the External Auditor reviews investment transactions on a quarterly basis for conformance with the approved Investment Policy and annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of August 31, 2026.

Type of Investment	% of Pool
Certificates of Deposit	5.31%
U.S. Government and Agency Obligations	64.15
Bank Acceptances	0.00
Commercial Paper	30.47
Municipal Obligations	0.07
Corporate Notes & Deposit Notes	0.00
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
	100.00%

The Treasury Pool is highly liquid. As of August 31, 2026, approximately 43.78% of the investments mature within 60 days, with an average of 361 days to maturity for the entire portfolio.



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