CULVER CITY UNIFIED SCHOOL DISTRICT

LOS ANGELES COUNTY

AUDIT REPORT

For the Fiscal Year Ended
June 30, 2024

NIGRO & NIGRO PC

CULVER CITY UNIFIED SCHOOL DISTRICT
For the Fiscal Year Ended June 30, 2024
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NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Education
Culver City Unified School District
Culver City, California

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 Culver City Unified School District, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Culver City Unified School District, as of June 30, 2024, and the respective changes in financial position for the fiscal 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 (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Jeff Nigro, CPA, CFE | *Elizabeth Nigro*, CPA | *Shannon Bishop*, CPA | *Peter Glenn*, CPA, CFE | *Paul J. Kaymark*, CPA | *Jessica Berry*, CPA | *Angelika Vartikyan*, CPA

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Auditors' 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 auditors' 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 GAAS 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 GAAS 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, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability-MPP Program, and the notes to the required supplementary information 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 Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents are 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 LEA Organization Structure 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 the 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 12, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nigro & Nigro, PC

Murrieta, California
December 12, 2024

This discussion and analysis of Culver City Unified School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's financial status increased overall as a result of this year's operations. Net position of governmental activities increased by $2.6 million, or 16.8%.
- Governmental expenses were about $154.4 million. Revenues were about $157.0 million.
- The District acquired over $6.1 million in new capital assets during the year.
- Governmental funds decreased by $2.1 million, or 3.6%.

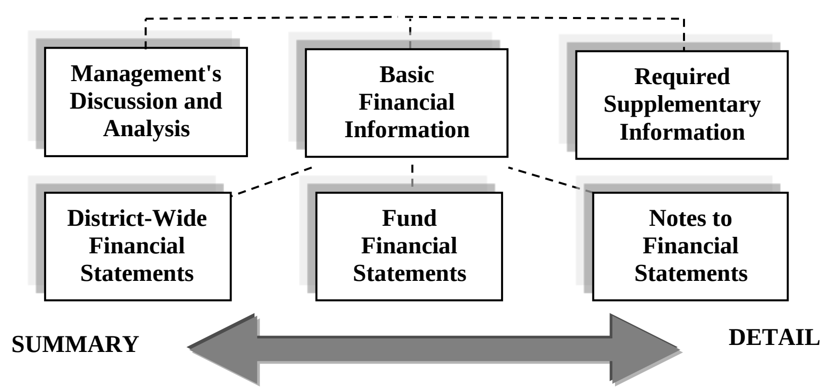
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial* statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial* statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Culver City Unified School District's Annual Financial Report



OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of school buildings and other facilities.

- In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues.

The District has one fund type:

1) ***Governmental funds*** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2024, than it was the year before – increasing 16.8% to $17.7 million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		
	2024	2023	Net Change
Assets			
Current assets	$ 111,859,826	$ 114,878,929	$ (3,019,103)
Capital assets	172,522,868	169,430,382	3,092,486
Total assets	284,382,694	284,309,311	73,383
Total Deferred outflows of resources	41,098,528	37,368,253	3,730,275
Liabilities			
Current liabilities	26,905,331	26,343,764	561,567
Long-term liabilities	237,784,192	232,594,340	5,189,852
Total liabilities	264,689,523	258,938,104	5,751,419
Total Deferred inflows of resources	43,091,506	47,589,639	(4,498,133)
Net position			
Net investment in capital assets	58,025,772	52,431,365	5,594,407
Restricted	49,712,359	50,936,873	(1,224,514)
Unrestricted	(90,037,938)	(88,218,417)	(1,819,521)
Total net position	$ 17,700,193	$ 15,149,821	$ 2,550,372

Changes in net position, governmental activities. The District's total revenues increased 3.0% to $157.0 million (See Table A-2). The increase is due primarily to increased interest and other miscellaneous revenues.

The total cost of all programs and services increased 12.3% to $154.4 million. The District's expenses are predominantly related to educating and caring for students, 72.7%. The purely administrative activities of the District accounted for just 7.3% of total costs. A significant contributor to the increase in costs was increased salaries and benefits and increased pension expenses.

Table A-2: Statement of Activities

	Governmental Activities		
	2024	2023	Net Change
Revenues			
Program Revenues:			
Charges for services	$ 1,199,891	$ 1,154,200	$ 45,691
Operating grants and contributions	44,043,135	54,214,429	(10,171,294)
Capital grants and contributions	2,110,919	918,671	1,192,248
General Revenues:			
Property taxes	55,104,952	52,412,047	2,692,905
Federal and state aid not restricted	45,626,144	42,538,617	3,087,527
Other general revenues	8,875,208	1,154,033	7,721,175
Total Revenues	156,960,249	152,391,997	4,568,252
Expenses			
Instruction-related	96,506,537	78,536,898	17,969,639
Pupil services	15,682,607	14,973,205	709,402
Administration	11,295,695	9,431,832	1,863,863
Plant services	12,297,092	12,448,569	(151,477)
All other activities	18,627,946	22,152,347	(3,524,401)
Total Expenses	154,409,877	137,542,851	16,867,026
Increase (decrease) in net position	$ 2,550,372	$ 14,849,146	$ (12,298,774)
Total Net Position	$ 17,700,193	$ 15,149,821	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $58.3 million, which is below last year's ending fund balance of $60.4 million. The primary cause of the decreased fund balance is increased expenditures from negotiated salary increases and increased benefits costs.

Table A-3: The District's Fund Balances

	Fund Balances				
Fund	**July 1, 2023**	**Revenues**	**Expenditures**	**Other Sources and (Uses)**	**June 30, 2024**
General Fund	$ 22,012,844	$ 115,868,422	$ 127,450,959	$ 2,757,676	$ 13,187,983
Student Activities Fund	338,276	591,280	632,560	-	296,996
Special Education Pass-Through Fund	(240,888)	10,616,255	10,435,890	-	(60,523)
Adult Education Fund	3,867,885	3,420,726	2,922,747	-	4,365,864
Child Development Fund	308,675	6,548,096	5,976,838	-	879,933
Cafeteria Fund	1,399,873	4,599,513	3,717,456	-	2,281,930
Capital Facilities Fund	4,468,669	1,070,110	119,541	-	5,419,238
County School Facilities Fund	1,169,082	2,141,246	123,243	-	3,187,085
Special Reserve Fund (Capital Outlay)	22,185,652	9,536,526	5,597,280	(2,757,676)	23,367,222
Bond Interest and Redemption Fund	4,904,290	7,408,000	6,971,951	-	5,340,339
Financing Authority	20,431	959	1,575	-	19,815
	$ 60,434,789	$ 161,801,133	$ 163,950,040	$ -	$ 58,285,882

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

- Revenues – increased by $3.9 million primarily to reflect federal and state budget actions.
- Salaries and benefits costs – increased $8.4 million to reflect revised cost estimates.
- Other non-personnel expenses – increased $14.6 million to revise operational cost estimates.

While the District's final budget for the General Fund anticipated that expenditures would exceed revenues by about $22.3 million, the actual results for the year show that expenditures exceeded revenues by roughly $11.6 million. Actual revenues were $7.5 million more than anticipated, and expenditure was $3.3 million less than budgeted.

That amount consists primarily of restricted program dollars that were not spent as of June 30, 2024, that will be carried over into the 2024-25 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2023-24 the District had acquired $6.1 million in new capital assets, related to construction in progress, buildings, and equipment purchases. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was $3.0 million.

Table A-4: Capital Assets at Year End, Net of Depreciation

	Governmental Activities		
	2024	2023	Net Change
Land	$ 1,517,971	$ 1,517,971	$ -
Improvement of sites	933,008	1,030,785	(97,777)
Buildings	160,070,801	162,399,257	(2,328,456)
Equipment	1,611,391	1,422,721	188,670
Construction in progress	8,389,697	3,059,648	5,330,049
Total	$ 172,522,868	$ 169,430,382	$ 3,092,486

Long-Term Debt

At year-end the District had $237.8 million in long-term liabilities – an increase of 2.2% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Notes 7-9 to the financial statements).

Table A-5: Outstanding Long-Term Debt at Year-End

	Governmental Activities		
	2024	2023	Net Change
General obligation bonds	$ 114,497,096	$ 116,999,017	$ (2,501,921)
Compensated absences	1,363,225	1,635,273	(272,048)
Other postemployment benefits	30,652,544	29,206,723	1,445,821
Net pension liability	91,271,327	84,753,327	6,518,000
Total	$ 237,784,192	$ 232,594,340	$ 5,189,852

FACTORS BEARING ON THE DISTRICT’S FUTURE

State Budget

The Legislature passed an initial budget on June 15, 2024. The main structural difference between the legislative package and the May Revision was that the legislative package started the proposed limitation on NOLs and tax credits one year earlier—resulting in roughly $5 billion in additional revenue. The Legislature’s budget used that additional budget capacity to reject some of the Governor’s spending solutions and/or provide other augmentations. The legislative package also included a large number of other smaller changes across a variety of programs. The legislative package used slightly more (nearly $1 billion) in general purpose reserves than the May Revision.

K-14 Education

Funds Modest COLA and a Few Smaller Augmentations

For 2024-25, the budget provides $1 billion to cover a 1.07 percent COLA for existing school and community college programs. For schools, the budget also provides an increase of $300 million ($179 million ongoing and $121 million one time) to cover cost increases related to universal school meals. A small portion of the budget’s remaining funds are allocated to cover enrollment- and caseload-driven increases in a few specific areas.

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

K-14 Education (continued)

Implements Small Payment Deferral

The budget reduces spending in 2024-25 by deferring $487 million in payments to 2025-26. Of this deferral, half applies to schools and half applies to community colleges. The state will implement the deferral by delaying a portion of the payment districts ordinarily would receive in June 2025 to July 2025. The law allows school districts to be exempt from this deferral (meaning they would receive all of their funding on time) if they can show the delay would cause fiscal insolvency. The purpose of the deferral is to reduce spending in 2024-25 to the minimum level required by Proposition 98.

Suspends Proposition 98 Requirement and Reduces Spending

For 2023-24, the budget invokes a provision allowing the state to suspend the minimum Proposition 98 requirement and reduce spending on schools and community colleges by $8.3 billion relative to the level otherwise required that year. Separate from this action, the budget makes a $2.6 billion reduction attributable to 2022-23. Both of these reductions lower the Proposition 98 requirement on an ongoing basis. The combined effect of these reductions is to reduce General Fund spending by $12.7 billion over the 2022-23 through 2024-25 period. As required by the State Constitution, the budget also withdraws the entire balance from the Proposition 98 Reserve ($8.4 billion) in 2023-24 to supplement the funding provided to schools and community colleges. In 2024-25, the budget begins to build back the Proposition 98 Reserve by making a discretionary deposit of nearly $1.1 billion.

Bond Funds

The state is seeking approval of two bond measures on the November 2024 ballot: Proposition 2 and Proposition 4. Proposition 2 would allow the state to borrow $10 billion to build new facilities and renovate existing facilities at school districts and community colleges. The cost to repay this bond would be about $500 million each year for 35 years. Proposition 4 would allow the state to borrow $10 billion to pay for various natural resources and climate activities. The cost to repay this bond would be about $400 million each year for 40 years. The cost to repay both bonds would total about $900 million each year.

Scores Savings Related to Attendance and a Few Other Adjustments

In response to significant declines in attendance over the past several years, the state adopted a series of policies temporarily funding school districts based on the attendance they reported prior to the COVID-19 pandemic. For 2024-25, the budget assumes savings of $1.8 billion as these higher pre-pandemic attendance levels phase out of district funding calculations. In addition, the budget obtains $1.2 billion in savings by (1) deferring some payments from 2024-25 to 2025-26, (2) reducing funding for State Preschool that is expected to go unused, and (3) repurposing certain unspent appropriations from previous years. Under the Constitution, the state must dedicate all of these savings to other school and community college purposes.

All of these factors were considered in preparing the Culver City Unified School District budget for the 2024-25 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Santhasundari Rajiv, CPA, Assistant Superintendent of Business Services at (310) 842-4220.

CULVER CITY UNIFIED SCHOOL DISTRICT

Statement of Net Position

June 30, 2024

	Governmental Activities
ASSETS	
Deposits and investments	$ 67,820,600
Accounts receivable	14,169,935
Inventories	82,798
Lease receivables	29,786,493
Capital assets:	
Non-depreciable capital assets	9,907,668
Depreciable capital assets	224,982,197
Less accumulated depreciation	(62,366,997)
Total assets	284,382,694
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	4,718,496
Deferred outflows related to pensions	36,380,032
Total deferred outflows of resources	41,098,528
LIABILITIES	
Accounts payable	23,978,481
Accrued interest payable	1,908,071
Unearned revenue	1,018,779
Noncurrent liabilities:	
Due or payable within one year	2,806,921
Due in more than one year:	
Other than OPEB and pensions	113,053,400
Total OPEB liability	30,652,544
Net pension liability	91,271,327
Total liabilities	264,689,523
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to leases	28,576,684
Deferred inflows related to OPEB	4,401,640
Deferred inflows related to pensions	10,113,182
Total deferred inflows of resources	43,091,506
NET POSITION	
Net investment in capital assets	58,025,772
Restricted for:	
Capital projects	28,513,484
Debt service	5,360,154
Student activities	296,996
Categorical programs	15,541,725
Unrestricted	(90,037,938)
Total net position	$ 17,700,193

CULVER CITY UNIFIED SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		Program Revenues			Net Revenue (Expense) and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental Activities:					
Instruction	$ 76,402,066	$ 239,571	$ 17,427,383	$ 2,110,919	$ (56,624,193)
Instruction-Related Services:					
Supervision of instruction	8,163,247	7,906	3,839,170	-	(4,316,171)
Instructional library, media and technology	877,837	-	-	-	(877,837)
School site administration	11,063,387	46,194	4,402,031	-	(6,615,162)
Pupil Support Services:					
Home-to-school transportation	948,662	519	1,159	-	(946,984)
Food services	3,842,746	21,920	4,656,062	-	835,236
All other pupil services	10,891,199	18,001	3,790,837	-	(7,082,361)
General Administration Services:					
Data processing services	1,193,653	-	760,795	-	(432,858)
Other general administration	10,102,042	7,289	1,933,486	-	(8,161,267)
Plant services	12,297,092	576,368	591,293	-	(11,129,431)
Ancillary services	760,006	-	-	-	(760,006)
Interest on long-term debt	4,380,650	-	-	-	(4,380,650)
Other outgo	10,478,611	282,123	6,640,919	-	(3,555,569)
Depreciation (unallocated)	3,008,679	-	-	-	(3,008,679)
Total Governmental Activities	$ 154,409,877	$ 1,199,891	$ 44,043,135	$ 2,110,919	(107,055,932)
		General Revenues:			
		Property taxes			55,104,952
		Federal and state aid not restricted to specific purpose			45,626,144
		Interest and investment earnings			3,673,706
		Miscellaneous			5,201,502
		Subtotal general revenues			109,606,304
		Change in net position			2,550,372
		Net position - July 1, 2023			15,149,821
		Net position - June 30, 2024			$ 17,700,193

CULVER CITY UNIFIED SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2024

	General Fund	Special Education Pass-Through Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	$ 18,822,510	$ 2,395,981	$ 25,025,127	$ 21,576,982	$ 67,820,600
Accounts receivable	7,331,512	4,881,124	274,094	1,683,205	14,169,935
Stores inventories	22,000	-	-	60,798	82,798
Lease receivables	29,786,493	-	-	-	29,786,493
Total Assets	$ 55,962,515	$ 7,277,105	$ 25,299,221	$ 23,320,985	$ 111,859,826
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities					
Accounts payable	$ 13,708,846	$ 7,337,628	$ 1,931,999	$ 1,000,008	$ 23,978,481
Unearned revenue	489,002	-	-	529,777	1,018,779
Total Liabilities	14,197,848	7,337,628	1,931,999	1,529,785	24,997,260
Deferred Inflows of Resources					
Deferred inflows related to leases	28,576,684	-	-	-	28,576,684
Fund Balances					
Nonspendable	31,000	-	-	69,298	100,298
Restricted	8,167,284	-	22,304,421	19,171,356	49,643,061
Assigned	-	-	1,062,801	2,580,542	3,643,343
Unassigned	4,989,699	(60,523)	-	(29,996)	4,899,180
Total Fund Balances	13,187,983	(60,523)	23,367,222	21,791,200	58,285,882
Total Liabilities, Deferred Inflows, and Fund Balances	$ 55,962,515	$ 7,277,105	$ 25,299,221	$ 23,320,985	$ 111,859,826

CULVER CITY UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds			$ 58,285,882
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets less accumulated depreciation and lease assets less accumulated amortization.			
	Capital assets at historical cost:	234,889,865	
	Accumulated depreciation:	(62,366,997)	
	Net:		172,522,868
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:			(1,908,071)
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:			
	General obligation bonds payable	114,497,096	
	Compensated absences payable	1,363,225	
	Other postemployment benefits	30,652,544	
	Net pension liability	91,271,327	
	Total		(237,784,192)
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported. Deferred outflows and inflows relating to OPEB for the period were:			
	Deferred outflows of resources	4,718,496	
	Deferred inflows of resources	(4,401,640)	
	Total		316,856
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported. Deferred inflows and outflows relating to pensions for the period were:			
	Deferred outflows of resources	36,380,032	
	Deferred inflows of resources	(10,113,182)	
	Total		26,266,850
Total net position - governmental activities			$ 17,700,193

CULVER CITY UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Education Pass-Through Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	$ 80,445,781	$ -	$ -	$ -	$ 80,445,781
Federal sources	4,464,123	347,512	-	2,396,815	7,208,450
Other state sources	21,103,516	10,088,378	-	9,205,870	40,397,764
Other local sources	9,855,002	180,365	9,536,526	14,177,245	33,749,138
Total Revenues	115,868,422	10,616,255	9,536,526	25,779,930	161,801,133
EXPENDITURES					
Current:					
Instruction	74,156,622	-	-	5,566,795	79,723,417
Instruction-Related Services:					
Supervision of instruction	8,691,111	-	-	2,501	8,693,612
Instructional library, media and technology	865,029	-	-	-	865,029
School site administration	9,124,956	-	-	2,175,587	11,300,543
Pupil Support Services:					
Home-to-school transportation	938,477	-	-	-	938,477
Food services	1,583	-	-	3,924,288	3,925,871
All other pupil services	11,123,189	-	-	199,933	11,323,122
Ancillary services	125,588	-	-	632,560	758,148
General Administration Services:					
Data processing services	1,181,821	-	-	-	1,181,821
Other general administration	9,738,068	10,435,890	-	1,575	20,175,533
Transfers of indirect costs	(533,717)	-	-	533,717	-
Plant services	11,994,909	-	-	214,220	12,209,129
Capital outlay	602	-	5,597,280	242,784	5,840,666
Intergovernmental transfers	42,721	-	-	-	42,721
Debt service:					
Principal	-	-	-	2,250,000	2,250,000
Interest	-	-	-	4,721,951	4,721,951
Total Expenditures	127,450,959	10,435,890	5,597,280	20,465,911	163,950,040
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,582,537)	180,365	3,939,246	5,314,019	(2,148,907)
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	2,757,676	-	-	-	2,757,676
Interfund transfers out	-	-	(2,757,676)	-	(2,757,676)
Total Other Financing Sources and Uses	2,757,676	-	(2,757,676)	-	-
Net Change in Fund Balances	(8,824,861)	180,365	1,181,570	5,314,019	(2,148,907)
Fund Balances, July 1, 2023	22,012,844	(240,888)	22,185,652	16,477,181	60,434,789
Fund Balances, June 30, 2024	$ 13,187,983	$ (60,523)	$ 23,367,222	$ 21,791,200	$ 58,285,882

CULVER CITY UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental funds		$	(2,148,907)
Amounts reported for governmental *activities* in the statement of activities are different because:			
In governmental funds, the costs of capital assets and lease assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets and lease assets are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense, respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:			
Expenditures for capital outlay	6,101,165		
Depreciation expense	(3,008,679)		
Net:			3,092,486
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as a reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:			2,250,000
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premiums or discount for the period was:			251,921
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:			89,380
In the statement of activities, compensated absences are measured by the amounts 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).			272,048
In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:			1,054,261
In government funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was:			(2,310,817)
Change in net position of governmental activities		$	2,550,372

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Culver City Unified School District (the "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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The Culver City School Facilities Financing Authority (the Authority) was established October 1, 2005 under the laws of the State of California under a joint exercise of powers agreement with The California Municipal Financing Authority for the sole purpose of issuing the Series 2005 refunding general obligation bonds and providing, through the saving of overall bond yield, additional capital project financing to the District. The proceeds from the refunding are held by U.S. Bank in an Escrow fund and are being used to pay debt service on the refunded bonds. The Authority holds the Series 2005 refunding bonds in a Revenue Fund. In addition, a Project Fund was established with the net proceeds from the refunding and is also held by U.S. Bank. The Project Fund is used for the purpose of acquiring and constructing capital assets on behalf of the District. The Authority is presented as a blended component unit of the District for financial reporting purposes.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Fund Financial Statements
The fund financial statements provide information about the District's funds, including its fiduciary funds (and blended component units). The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Major Governmental Funds
The District maintains the following major governmental funds:

General Fund: This is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

Special Education Pass-Through Fund: This fund is used by the Administrative Unit (AU) of a multi-LEA Special Education Local Plan Area (SELPA) to account for Special Education revenue passed through to other member LEAs.

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* Section 42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49.

Non-Major Governmental Funds
The District maintains the following non-major governmental funds:

Special Revenue Funds: Special revenue funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

Student Activity Fund: The District maintains a separate fund for each school that operates an ASB fund, whether it is organized or not.

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs.

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs.

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* Sections 38090 and 38093).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Capital Projects Funds: Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

Capital Facilities Fund: This fund is used to primarily account separately for moneys received from fees levied on development projects as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.).

County School Facilities Fund: This fund is used to account for state apportionments provided for modernization of school facilities under SB50.

Debt Service Funds: Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code* Sections 15125-15262).

Financing Authority: This fund shows the activity of the Culver City Schools Facilities Financing Authority**.**

2. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resource or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the District's proprietary funds and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

C. Budgetary Data

The budgetary process is prescribed by provisions of the California *Education Code* and requires the Board of Trustees to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District Board of Education satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

D. Encumbrances

Encumbrance accounting is used in 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. All encumbrances are liquidated as of June 30.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Inventories
Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

3. Capital Assets
Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Buildings	20-50 years
Improvements/Infrastructure	5-50 years
Equipment	5-20 years

4. Unearned Revenue
Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

5. Deferred Outflows/Inflows of Resources
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

6. Compensated Absences
The liability for compensated absences reported in the District-wide statements consists of unpaid, accumulated vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

7. Leases

Lessee:
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 initial 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. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

If material, lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor:
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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Subscription-Based Information Technology Arrangements
A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which the District has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend or to terminate.

If material, the District recognizes a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The District recognizes the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the District which may be implicit, or the District's incremental borrowing rate if the interest rate is not readily determinable. The District recognizes amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

9. Postemployment Benefits Other Than Pensions (OPEB)
For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

10. Pensions
For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California State Teachers Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) plans and addition to/deductions from the 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.

11. Fund Balances
The fund balance for Governmental Funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

11. Fund Balances (continued)

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

12. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Minimum Fund Balance Policy

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

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 committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

G. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

I. Change in Accounting Principle

For the fiscal year ended June 30, 2024, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62.* This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net positions, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Governmental funds and activities	$ 67,820,600

Deposits and investments as of June 30, 2024 consist of the following:

Cash on hand and in banks	$ 297,997
Cash in revolving fund	17,500
Investments	67,505,103
Total deposits and investments	$ 67,820,600

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Pooled Funds
In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Los Angeles County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Los Angeles County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Los Angeles County Treasurer, which is recorded on the amortized basis.

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2024, $934,514 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the name of the District.

Investments - Interest Rate Risk
The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Trustees. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2024, consist of the following:

			Maturity		
	Rating	Reported Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement
Investment maturities:					
U.S. Bank First American Treasury Obligations	AA	$ 19,814	$ 19,814	$ -	Level 2
Los Angeles County Investment Pool	N/A	67,485,289	67,485,289	-	Uncategorized
Total Investments		$ 67,505,103	$ 67,505,103	$ -	

Investments - Credit Risk
The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2024, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments - Concentration of Credit Risk
The District does not place limits on the amount it may invest in any one issuer. At June 30, 2024, the District had the following investments that represents more than five percent of the District's net investments, other than the County Pool.

First America Treasury Obligations	
U.S. Bank First American Treasury Obligations	100%

Fair Value Measurements
The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized – Investments in the Los Angeles County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

All assets have been valued using a market approach, with quoted market prices.

NOTE 3 –RECEIVABLES

A. Accounts Receivable

Accounts receivable as of June 30, 2024, consisted of the following:

	Governmental Activities				
	General Fund	Special Education Pass-Through Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Federal Government:					
Categorical aid programs	$ 4,397,709	$ 4,881,124	$ -	$ 1,374,384	$ 10,653,217
State Government:					
Lottery	435,325	-	-	-	435,325
Categorical aid programs	252,834	-	-	-	252,834
Local:					
Interest	113,180	-	266,060	166,666	545,906
Other local	2,132,464	-	8,034	142,155	2,282,653
Total	$ 7,331,512	$ 4,881,124	$ 274,094	$ 1,683,205	$ 14,169,935

NOTE 3 – RECEIVABLES (continued)

B. Leases Receivable

In accordance with GASB No. 87, the District recognizes a lease receivable and a deferred inflow of resources for leases the District maintains with the Wildwood School and Echo Foundation. For these leases, the District is reporting lease receivables of $29,786,493 and deferred inflows of $28,576,684 at June 30, 2024. For the fiscal year ended June 30, 2024, the District reported lease revenue of $1,521,143 related to lease payments received.

The leases held by the District do not have an implicit rate of return, therefore the District used the State's incremental borrowing rate of 1.5% to discount the lease revenue to the net present value. The leases reported under GASB 87 contain a termination clause, which requires the lessee or lessor to show cause to terminate the lease. Measurement policies and key estimates related to leases can be found in Note 1.E.7.

The GASB No. 87 leases are summarized as follows:

Real Property

The District leases real property to the Wildwood School. The term of the lease is for 35 years through June 30, 2046, with monthly payments increasing each year by the Consumer Price Index (CPI). The District also has a lease with the Echo Foundation for real property, where the District receives monthly payments for ten years through June 30, 2032.

The annual payments receivable as of June 30, 2024 are as follows:

Fiscal Year	Principal	Interest	Total
2024-2025	$ 1,068,190	$ 441,710	$ 1,509,900
2025-2026	1,111,177	425,611	1,536,788
2026-2027	1,155,450	408,866	1,564,316
2027-2028	1,201,045	391,456	1,592,501
2028-2029	1,247,996	373,360	1,621,356
2029-2034	6,224,497	1,587,212	7,811,709
2034-2039	6,365,714	1,150,494	7,516,208
2039-2044	7,823,600	630,637	8,454,237
2044-2046	3,588,824	378,432	3,967,256
Totals	$ 29,786,493	$ 5,787,778	$ 35,574,271

NOTE 4 – INTERFUND TRANSACTIONS

Interfund Transfers In/Out

Interfund transfers between funds during the year ended June 30, 2024 were:

Special Reserve Fund for Capital Outlay Projects transfer to General Fund for property tax distribution	$ 2,757,676

NOTE 5 – FUND BALANCES

At June 30, 2024, fund balances of the District's governmental funds were classified as follows:

	General Fund	Special Education Pass-Through Fund	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Revolving cash	$ 9,000	$ -	$ -	$ 8,500	$ 17,500
Stores inventories	22,000	-	-	60,798	82,798
Total Nonspendable	31,000	-	-	69,298	100,298
Restricted:					
Categorical programs	8,167,284	-	-	-	8,167,284
Student activity funds	-	-	-	296,996	296,996
Adult education program	-	-	-	4,180,681	4,180,681
Child development program	-	-	-	904,929	904,929
Child nutrition program	-	-	-	2,219,533	2,219,533
Capital projects	-	-	22,304,421	6,209,063	28,513,484
Debt service	-	-	-	5,360,154	5,360,154
Total Restricted	8,167,284	-	22,304,421	19,171,356	49,643,061
Assigned:					
Special education programs	-	-	-	-	-
Capital projects	-	-	1,062,801	2,397,260	3,460,061
Other assignments	-	-	-	183,282	183,282
Total Assigned	-	-	1,062,801	2,580,542	3,643,343
Unassigned:					
Reserve for economic uncertainties	3,823,529	-	-	-	3,823,529
Remaining unassigned balances	1,166,170	(60,523)	-	(29,996)	1,075,651
Total Unassigned	4,989,699	(60,523)	-	(29,996)	4,899,180
Total	$ 13,187,983	$ (60,523)	$ 23,367,222	$ 21,791,200	$ 58,285,882

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance, July 1, 2023	Additions	Deletions	Balance, June 30, 2024
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 1,517,971	$ -	$ -	$ 1,517,971
Construction in progress	3,059,648	5,330,049	-	8,389,697
Total capital assets not being depreciated	4,577,619	5,330,049	-	9,907,668
Capital assets being depreciated				
Site improvements	6,218,877	-	-	6,218,877
Buildings	210,639,743	368,945	-	211,008,688
Furniture and equipment	7,352,461	402,171	-	7,754,632
Total capital assets being depreciated	224,211,081	771,116	-	224,982,197
Less accumulated depreciation:				
Site improvements	(5,188,092)	(97,777)	-	(5,285,869)
Buildings	(48,240,486)	(2,697,401)	-	(50,937,887)
Furniture and equipment	(5,929,740)	(213,501)	-	(6,143,241)
Total accumulated depreciation	(59,358,318)	(3,008,679)	-	(62,366,997)
	164,852,763	(2,237,563)	-	162,615,200
Governmental Activities Capital Assets, net	$ 169,430,382	$ 3,092,486	$ -	$ 172,522,868

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS

Changes in long-term liabilities other than OPEB or pensions for the fiscal year ended June 30, 2024, were as follows:

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024	Amount Due Within One Year
General Obligation Bonds:					
Principal Payments	$ 111,920,000	$ -	$ 2,250,000	$ 109,670,000	$ 2,555,000
Unamortized Premium	5,079,017	-	251,921	4,827,096	251,921
Total G.O. Bonds	116,999,017	-	2,501,921	114,497,096	2,806,921
Compensated Absences	1,635,273	-	272,048	1,363,225	-
Sub-Totals	$ 118,634,290	$ -	$ 2,773,969	$ 115,860,321	$ 2,806,921

Payments on the General Obligation Bonds are made by the Bond Interest and Redemption Fund with local property tax revenues. The compensated absences will be paid by the fund for which the employee worked.

Financing Authority Bonds
On November 16, 2005, the District issued $38,230,000 Revenue Bonds, Series 2005, through the Culver City School Facilities Financing Authority. The bonds were issued to purchase the Culver City Unified School District General Obligation Refunding Bonds, Series 2005, finance certain school facilities to be acquired and/or constructed by the Authority, pay the premium for a bond insurance policy, and pay certain costs of issuance associated with the bonds.

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

Election of 2014 (Measure CC)
On June 3, 2014, the voters of the District approved, by more than a 55% majority, Measure "CC", authorizing the District to issue up to $106 million in bonds with revenue going to finance the repair, upgrading, acquisition, construction and equipping of District sites and facilities.

The Bonds are general obligations of the District, payable solely from ad valorem property taxes. The Board of Supervisors of Los Angeles County is empowered and obligated to annually levy such 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 the principal of and interest on the Bonds when due.

A summary of all bonds issued and outstanding at June 30, 2024 follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2023	Issuances	Redemptions	Balance, June 30, 2024
Financing Authority Revenue Bonds								
Series 2005	11/16/2005	8/1/2033	3.75% - 5.50%	$ 38,230,000	$ 22,770,000	$ -	$ 1,475,000	$ 21,295,000
Election of 2014 (Measure CC)								
Series A	10/30/2014	8/1/2044	2.00% - 5.00%	26,500,000	16,085,000	-	-	16,085,000
Series B	2/2/2017	8/1/2043	3.25% - 5.00%	53,000,000	47,820,000	-	-	47,820,000
Series C	1/25/2018	8/1/2034	3.00% - 8.00%	26,500,000	25,245,000	-	775,000	24,470,000
					$ 111,920,000	$ -	$ 2,250,000	$ 109,670,000

The annual requirements to amortize general obligation bonds payable are as follows:

Fiscal Year	Principal	Interest	Total
2024-2025	$ 2,555,000	$ 4,579,369	$ 7,134,369
2025-2026	2,880,000	4,432,359	7,312,359
2026-2027	3,220,000	4,274,088	7,494,088
2027-2028	3,585,000	4,098,981	7,683,981
2028-2029	3,975,000	3,901,830	7,876,830
2029-2034	27,830,000	15,746,673	43,576,673
2034-2039	25,425,000	9,911,706	35,336,706
2039-2044	38,530,000	4,269,225	42,799,225
2044-2045	1,670,000	33,400	1,703,400
Total	$ 109,670,000	$ 51,247,631	$ 160,917,631

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2024, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 30,311,284	$ 4,718,496	$ 4,401,640	$ 3,308,563
MPP Program	341,260	-	-	(19,817)
Totals	$ 30,652,544	$ 4,718,496	$ 4,401,640	$ 3,288,746

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

The details of each plan are as follows:

District Plan

Plan description
The District's single-employer defined benefit OPEB plan provides OPEB for eligible certificated, classified, and management employees of the District. The authority to establish and amend the benefit terms and financing requirements are governed by collective bargaining agreements with plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided
The postretirement health plans and the District's obligation vary by employee group as described below.

Employees become eligible to retire and receive District-paid healthcare benefits upon attainment of age 55 and 10 years of covered PERS service, or age 55 and 10 years for STRS members. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 26. The District's contribution on behalf of all eligible retirees and surviving spouses is the same as its contribution for active employees ($158.00 for 2025 and $157.00 for 2024, indexed by the Medical CPI thereafter.) The District pays the PEMHCA administrative fee of 0.33% of premium.

In addition to the PEMHCA minimum and administrative fee, the District pays supplemental benefits for retirees who meet additional age and service requirements, as follows: Certificated and Classified employees other than members of the Management Association of Culver City Schools (MACCS) hired prior to July 1, 2006 who fully retire under PERS or STRS after the later of age 55 and 10 years of service are entitled to reimbursements for up to the single or two-party medical cap applicable to active employees in the year of retirement. In order to be eligible for this benefit they must be covered under PEMHCA, and the reimbursements are offset by the PEMHCA minimum.

In addition, for retirements after July 1,2024 (including MACCS), they are eligible for retiree-only District-paid dental coverage. Upon reaching age 65, dental coverage ends and the retiree is subject to a $3,000 annual cap on reimbursements, and PEMHCA coverage is no longer required. Once the PEMHCA minimum exceeds $3,000 there will be no further reimbursements for over-age 65 retirees in PEMHCA.

Certificated and Classified employees hired on or after July 1, 2006 are subject to a 15-year service requirement (20 years for spousal benefits) and benefits prior to age 65 are subject to an annual cap of $3,207, offset by the PEMHCA minimum.

Certificated employees hired prior to July 1, 2006 and working less than full-time are subject to a requirement that at least 3 of the 10 years immediately prior to retirement were full time, and a total of at least 10 years when all full-time and part-time service is combined. Certificated employees hired on or after July 1, 2006 must have at least 10 years of full-time service in the 15 years immediately prior to retirement in order to be eligible, and at least 15 years of full-time service in the last 20 years for spousal benefits.

Part-time Classified employees may retire with pro-rated caps based on their full-time equivalency at the time of retirement. Because of the offset of the PEMHCA minimum, full-time equivalencies of approximately 75% or less result in no supplemental reimbursements after age 65.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Benefits Provided (continued)
Members of MACCS are required to have attained age 55 and completed 5 years of service and have fully retired under PERS or STRS in order to be eligible for supplemental benefits. They receive the full single or two-party medical premium plus retiree-only dental coverage until age 65 and are subject to the $2,000 cap thereafter. For retirements after July 1, 2024, the cap has been updated to $3,000.

Employees covered by benefit terms
At July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	247
Active employees	817
Total	1,064

Total OPEB Liability
The District's total OPEB liability of $30,311,284 for the Plan was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2024.

Actuarial Assumptions and Other Inputs
The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2024
Salary increases	2.80 percent
Healthcare cost trend rates	8.00 percent decreasing to 4.50 percent

Discount Rate
Under GASB 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the measurement date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale).

For the current valuation, the discount rate was selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

	Bond Buyer G.O. 20-Bond Municipal Bond Index	S&P Municipal Bond 20-Year High Grade Rate Index	Fidelity 20-Year G.O. Municipal Bond Index	Bond Index Range	Actual Discount Rate Used
Yield as of June 30, 2023	3.65%	4.13%	3.86%	3.65% - 4.13%	**4.13%**
Yield as of June 30, 2024	3.93%	4.21%	3.97%	3.93% - 4.21%	**4.21%**

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Mortality Rates
PERS: SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021

STRS: SOA Pub-2010 Teachers Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021

Surviving Spouses: SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021

The District does not have sufficient data to have credible experience. Therefore, mortality assumptions are set to reflect general population trends based upon Pub-2010 Mortality tables and the most recent generational projection scale MP-2021 released by the Society of Actuaries (SOA) for future mortality improvement.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2023	$ 28,845,647
Changes for the year:	
Service cost	1,784,425
Interest	1,245,032
Changes of benefit terms	37,742
Differences between expected and actual experience	(2,034,608)
Changes of assumptions	1,410,976
Benefit payments	(977,930)
Net changes	1,465,637
Balance at June 30, 2024	$ 30,311,284

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate	OPEB Liability
1% decrease	$ 34,263,714
Current discount rate	$ 30,311,284
1% increase	$ 27,014,546

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	$ 26,200,340
Current trend rate	$ 30,311,284
1% increase	$ 35,496,612

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2024, the District recognized OPEB expense of $3,308,563. In addition, at June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,946	$ 4,280,644
Changes of assumptions	4,716,550	120,996
Totals	$ 4,718,496	$ 4,401,640

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 1,057,146	$ 824,268
2026	1,057,146	824,268
2027	1,041,801	709,778
2028	498,643	592,056
2029	498,641	592,057
Thereafter	565,119	859,213
Totals	$ 4,718,496	$ 4,401,640

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program

Plan Description
The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Medicare Premium Payment Program. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/general-information/gasb-6768.

Benefits Provided
The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2023, 4,457 retirees participated in the MPP Program; however, the number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with Education Code section 22950, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Total OPEB Liability
At June 30, 2024, the District reported a liability of $341,260 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2023, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total OPEB liability to June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	Percentage Share of MPP Program		
	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023	Change Increase/ (Decrease)
Measurement Date	June 30, 2023	June 30, 2022	
Proportion of the Net OPEB Liability	0.112465%	0.109613%	0.002852%

For the year ended June 30, 2024, the District reported OPEB expense of $(19,817).

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

Actuarial assumptions and other inputs
The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2023
Valuation Date	June 30, 2022
Experience Study	June 30, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.65%
Healthcare Cost Trend Rates	4.5% for Medicare Part A, and
	5.4% for Medicare Part B

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population of 138,780.

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP–2019) table issued by the Society of Actuaries.

Discount Rate
The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2022, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund (SMIF), which is a pooled investment program administered by the California State Treasurer.

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2022, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 011% from 3.54% as of June 30, 2022.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate	MPP OPEB Liability
1% decrease	$ 370,880
Current discount rate	$ 341,260
1% increase	$ 315,505

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percentage-point lower or one percentage-point higher than the current rates:

Medicare Cost Trend Rates	MPP OPEB Liability
1% decrease	$ 313,993
Current trend rate	$ 341,260
1% increase	$ 372,044

NOTE 9 – PENSION PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2024, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 57,908,661	$ 20,675,091	$ 3,703,155	$ 8,470,559
CalPERS	33,362,666	15,704,941	6,410,027	5,505,409
Totals	$ 91,271,327	$ 36,380,032	$ 10,113,182	$ 13,975,968

NOTE 9 – PENSION PLANS (continued)

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

Plan Description
The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/general-information/gasb-6768.

Benefits Provided
The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is a multiple-employer, cost-sharing defined benefit plan composed of four programs: Defined Benefit (DB) Program, Defined Benefit Supplement (DBS) Program, Cash Balance Benefit (CBB) Program and Replacement Benefits (RB) Program. A Supplemental Benefit Maintenance Account (SBMA) exists within the STRP and provides purchasing power protection for DB Program benefits. The STRP holds assets for the exclusive purpose of providing benefits to members of these programs and their beneficiaries. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Contributions
The parameters for member, employer and state contribution rates are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046.

The contribution rates for each program for the year ended June 30, 2024, are presented above, and the District's total contributions were $10,368,677.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of net pension liability	$	57,908,661
State's proportionate share of the net pension liability associated with the District		27,745,668
Total	$	85,654,329

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2024	**Fiscal Year Ending June 30, 2023**	**Change Increase/ (Decrease)**
Measurement Date	June 30, 2023	June 30, 2022	
Proportion of the Net Pension Liability	0.076035%	0.073036%	0.002998%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
For the year ended June 30, 2024, the District recognized pension expense of $8,470,559. In addition, the District recognized pension expense and revenue of $(402,924) for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Pension contributions subsequent to measurement date	$ 10,368,677	$ -
Net change in proportionate share of net pension liability	5,172,563	604,748
Difference between projected and actual earnings on pension plan investments	247,872	-
Changes of assumptions	335,312	-
Differences between expected and actual experience	4,550,667	3,098,407
Totals	$ 20,675,091	$ 3,703,155

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 7 years.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 970,980	$ 1,165,322
2026	917,771	2,184,184
2027	5,531,569	125,549
2028	706,511	125,549
2029	840,332	102,551
Thereafter	1,339,251	-
Totals	$ 10,306,414	$ 3,703,155

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Methods and Assumptions
The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total pension liability as of June 30, 2023, include:

Valuation Date	June 30, 2022
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.00%
Inflation	2.75%
Payroll Growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP–2019) table issued by the Society of Actuaries.

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 (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	38.0%	5.25%
Real Estate	15.0%	4.05%
Private Equity	14.0%	6.75%
Fixed Income	14.0%	2.45%
Risk Mitigating Strategies	10.0%	2.25%
Inflation Sensitive	7.0%	3.65%
Cash/Liquidity	2.0%	0.05%

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Discount Rate
The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 97,137,158
Current discount rate (7.10%)	$ 57,908,661
1% increase (8.10%)	$ 25,324,822

On Behalf Payments
The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954, 22955, and 22955.1 of the *Education Code* and *Public Resources Code* Section 6217.5. Under accounting principles generally accepted in the United States of America, these contributions are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is $4,437,960.

B. California Public Employees Retirement System (CalPERS)

Plan Description
Qualified employees are eligible to participate in the Schools Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Accounting Report. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Benefits Provided

CalPERS 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 service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Schools Pool (CalPERS)	
	On or before	On or after
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Required Employee Contribution Rate	7.00%	8.00%
Required Employer Contribution Rate	26.68%	26.68%

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024 are presented above, and the total District contributions were $5,064,475.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $33,362,666. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023	Change Increase/ (Decrease)
Measurement Date	June 30, 2023	June 30, 2022	
Proportion of the Net Pension Liability	0.092165%	0.098821%	(0.006656%)

For the year ended June 30, 2024, the District recognized pension expense of $5,505,409. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Pension contributions subsequent to measurement date	$ 5,064,475	$ -
Net change in proportionate share of net pension liability	321,707	1,896,979
Difference between projected and actual earnings on pension plan investments	7,564,256	4,000,646
Changes of assumptions	1,537,005	-
Differences between expected and actual experience	1,217,498	512,402
Totals	$ 15,704,941	$ 6,410,027

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	$ 4,041,738	$ 2,776,189
2026	3,679,735	2,735,269
2027	2,808,090	499,205
2028	110,903	399,364
2029	-	-
Thereafter	-	-
Totals	$ 10,640,466	$ 6,410,027

Actuarial Methods and Assumptions
Total pension liability for the Schools Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Experience Study	2000-2019
Actuarial Cost Method	Entry age normal
Discount Rate	6.9%
Inflation Rate	2.3%
Salary Increases	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS' experience and include generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions (continued)
The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return
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%)

Discount Rate
The discount rate used to measure the total pension liability was 6.9%. The discount rate is not adjusted for administrative expenses. The 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 for the pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (5.9%)	$ 48,233,791
Current discount rate (6.9%)	$ 33,362,666
1% increase (7.9%)	$ 21,072,020

C. Social Security
As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Social Security as its alternative plan.

D. Payables to the Pension Plans
At June 30, 2024, the District reported payables of $1,649,887 and $352,674 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2024.

NOTE 10 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The Culver City Unified School District participates in two joint powers agreement (JPA) entities, the Alliance of Schools for Cooperative Insurance Programs (ASCIP) and the School Linked Insurance Management (SLIM).

Each JPA is governed by a board consisting of a voting representatives from member district categories. Each governing board controls the operations of its JPA independent of any influence by the Culver City Unified School District beyond the District's representation on the governing boards. Each JPA is independently accountable for its fiscal matters. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA.

The relationship between the Culver City Unified School District and the JPAs are such that neither JPA is a component unit of the District financial reporting purposes. Financial statements are available directly from the JPAs.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and 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 terms of the grants, it is believed that any required reimbursement will not be material.

B. Construction Commitments
As of June 30, 2024, the District had commitments with respect to unfinished capital projects of approximately $2.4 million.

C. Litigation
The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2024.

NOTE 12 – SUBSEQUENT EVENTS

A. 2024 General Obligation Bonds
On September 25, 2024, the District issued $80,000,000 of Election of 2024 General Obligation Bonds, Series A. The bonds were issued as: a) $39,165,000 serial bonds bearing interest rates ranging between 4.0% and 5.0% and maturing from August 1, 2025 through August 1, 2046, b) $16,745,000 term bonds with a stated interest rate of 4.0% due on August 1, 2050, and c) $24,090,000 term bonds with a stated interest rate of 4.0% due on August 1, 2054.

The bonds were authorized at an election of the registered voters of the District held on March 5, 2024, at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of not to exceed $358,000,000 principal amount of general obligation bonds. The Series A Bonds represent the first series of bonds issued under the 2024 Authorization and are being issued to (i) finance improvements to and the acquisition of equipment for various schools within the District as authorized by the voters, (ii) pay a portion of the interest due on the Series A Bonds through February 1, 2026, and (iii) pay the costs of issuing the Series A Bonds.

NOTE 12 – SUBSEQUENT EVENTS (continued)

B. Parcel Tax

On November 5, 2024, District voters approved, by a nearly 83% yes vote, Measure "O", which renews the District's existing $189 education parcel tax to provide funding of approximately $2,400,000 annually to "retain and attract qualified teachers; sustain high-quality math, science, engineering, technology, arts, and music instruction; prepare students for college and careers; maintain small class sizes; and support students with disabilities".

Required Supplementary Information

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CULVER CITY UNIFIED SCHOOL DISTRICT

Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Pos (Neg)
Revenues				
LCFF Sources	$ 80,244,654	$ 80,336,880	$ 80,445,781	$ 108,901
Federal Sources	2,596,669	3,456,008	4,464,123	1,008,115
Other State Sources	16,540,607	18,740,693	21,103,516	2,362,823
Other Local Sources	5,131,763	5,859,702	9,855,002	3,995,300
Total Revenues	104,513,693	108,393,283	115,868,422	7,475,139
Expenditures				
Current:				
Certificated Salaries	45,641,460	50,122,156	51,109,499	(987,343)
Classified Salaries	15,007,697	17,541,164	17,275,642	265,522
Employee Benefits	26,823,366	28,214,790	29,839,795	(1,625,005)
Books and Supplies	4,586,211	5,802,123	5,002,453	799,670
Services and Other Operating Expenditures	15,884,596	29,455,864	24,578,927	4,876,937
Transfers of indirect costs	(513,347)	(525,591)	(533,717)	8,126
Capital Outlay	271,812	120,000	135,640	(15,640)
Other Outgo	-	-	42,720	(42,720)
Total Expenditures	107,701,795	130,730,506	127,450,959	3,279,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,188,102)	(22,337,223)	(11,582,537)	10,754,686
Other Financing Sources and Uses				
Interfund Transfers In	1,750,000	2,250,000	2,757,676	507,676
Total Other Financing Sources and Uses	1,750,000	2,250,000	2,757,676	507,676
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,438,102)	(20,087,223)	(8,824,861)	11,262,362
Fund Balance, July 1, 2023	18,520,156	22,012,844	22,012,844	-
Fund Balance, June 30, 2024	$ 17,082,054	$ 1,925,621	$ 13,187,983	$ 11,262,362

CULVER CITY UNIFIED SCHOOL DISTRICT

Budgetary Comparison Schedule – Special Education Pass-Through Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Pos (Neg)
Revenues				
Federal Sources	$ 3,188,931	$ 3,143,376	$ 347,512	$ (2,795,864)
Other State Sources	10,487,940	9,965,159	10,088,378	123,219
Other Local Sources	-	-	180,365	180,365
Total Revenues	13,676,871	13,108,535	10,616,255	(2,492,280)
Expenditures				
Other Outgo	13,676,871	13,108,535	10,435,890	2,672,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	180,365	180,365
Fund Balance, July 1, 2023	5,782	(240,888)	(240,888)	-
Fund Balance, June 30, 2024	$ 5,782	$ (240,888)	$ (60,523)	$ 180,365

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalSTRS
For the Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years

Employer's Fiscal Year **Measurement Period**	**2023-24** **2022-23**	**2022-23** **2021-22**	**2021-22** **2020-21**	**2020-21** **2019-20**	**2019-20** **2018-19**
District's proportion of the net pension liability	0.0760%	0.0730%	0.0709%	0.0720%	0.0710%
District's proportionate share of the net pension liability	$ 57,908,661	$ 50,750,064	$ 32,277,532	$ 69,527,861	$ 63,857,277
State's proportionate share of the net pension liability associated with the District	27,745,668	25,415,434	16,240,802	35,841,330	34,838,689
Totals	$ 85,654,329	$ 76,165,498	$ 48,518,334	$ 105,369,191	$ 98,695,966
District's covered-employee payroll	$ 46,628,357	$ 42,613,702	$ 40,013,633	$ 40,354,272	$ 40,005,702
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	124.19%	119.09%	80.67%	172.29%	159.62%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%

Employer's Fiscal Year **Measurement Period**	**2018-19** **2017-18**	**2017-18** **2016-17**	**2016-17** **2015-16**	**2015-16** **2014-15**	**2014-15** **2013-14**
District's proportion of the net pension liability	0.0710%	0.0680%	0.0660%	0.0660%	0.0650%
District's proportionate share of the net pension liability	$ 65,290,944	$ 62,825,985	$ 53,611,550	$ 44,342,979	$ 37,950,027
State's proportionate share of the net pension liability associated with the District	37,382,303	37,167,625	30,524,592	23,452,485	22,915,865
Totals	$ 102,673,247	$ 99,993,610	$ 84,136,142	$ 67,795,464	$ 60,865,892
District's covered-employee payroll	$ 39,508,354	$ 37,538,229	$ 34,623,880	$ 31,970,109	$ 28,925,248
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.26%	167.37%	154.84%	138.70%	131.20%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalPERS

For the Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years

Employer's Fiscal Year **Measurement Period**	**2023-24** **2022-23**	**2022-23** **2021-22**	**2021-22** **2020-21**	**2020-21** **2019-20**	**2019-20** **2018-19**
District's proportion of the net pension liability	0.0922%	0.0988%	0.0977%	0.0970%	0.0990%
District's proportionate share of the net pension liability	$ 33,362,666	$ 34,003,263	$ 19,874,148	$ 29,773,901	$ 28,903,688
District's covered-employee payroll	$ 16,123,477	$ 15,219,537	$ 15,198,820	$ 15,860,774	$ 15,746,677
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	206.92%	223.42%	130.76%	187.72%	183.55%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%

Employer's Fiscal Year **Measurement Period**	**2018-19** **2017-18**	**2017-18** **2016-17**	**2016-17** **2015-16**	**2015-16** **2014-15**	**2014-15** **2013-14**
District's proportion of the net pension liability	0.1030%	0.1040%	0.1020%	0.1000%	0.0950%
District's proportionate share of the net pension liability	$ 27,441,511	$ 24,749,771	$ 20,190,095	$ 14,699,992	$ 10,807,020
District's covered-employee payroll	$ 15,696,269	$ 14,999,924	$ 14,080,252	$ 12,655,409	$ 9,993,166
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	174.83%	165.00%	143.39%	116.16%	108.14%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

See accompanying notes to required supplementary information.

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Pension Contributions-CalSTRS

For the Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years

Employer's Fiscal Year	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually required contribution	$ 10,368,677	$ 8,906,016	$ 7,210,238	$ 6,259,556	$ 6,707,732
Contributions in relation to the contractually required contribution	10,368,677	8,906,016	7,210,238	6,259,556	6,707,732
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 54,286,266	$ 46,628,357	$ 42,613,702	$ 40,013,633	$ 40,354,272
Contributions as a percentage of covered-employee payroll	19.10%	19.10%	16.92%	15.64%	16.62%

Employer's Fiscal Year	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	$ 6,302,626	$ 5,473,062	$ 4,571,987	$ 3,595,997	$ 2,718,724
Contributions in relation to the contractually required contribution	6,302,626	5,473,062	4,571,987	3,595,997	2,718,724
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 40,005,702	$ 39,508,354	$ 37,538,229	$ 34,623,880	$ 31,970,109
Contributions as a percentage of covered-employee payroll	15.75%	13.85%	12.18%	10.39%	8.50%

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Pension Contributions-CalPERS

For the Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years

Employer's Fiscal Year	**2023-24**	**2022-23**	**2021-22**	**2020-21**	**2019-20**
Contractually required contribution	$ 5,064,475	$ 4,090,526	$ 3,486,796	$ 2,899,677	$ 2,727,023
Contributions in relation to the contractually required contribution	5,064,475	4,090,526	3,486,796	2,899,677	2,727,023
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 18,982,290	$ 16,123,477	$ 15,219,537	$ 15,198,820	$ 15,860,774
Contributions as a percentage of covered-employee payroll	26.680%	25.370%	22.910%	19.078%	17.194%

Employer's Fiscal Year	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
Contractually required contribution	$ 2,485,630	$ 2,115,415	$ 1,781,920	$ 1,512,523	$ 1,295,931
Contributions in relation to the contractually required contribution	2,485,630	2,115,415	1,781,920	1,512,523	1,295,931
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 15,746,677	$ 15,696,269	$ 14,999,924	$ 14,080,252	$ 12,655,409
Contributions as a percentage of covered-employee payroll	15.785%	13.477%	11.880%	10.742%	10.240%

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2024

*Last Ten Fiscal Years**

Employer's Fiscal Year	**2023-24**	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Measurement Period	**2023-24**	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Total OPEB liability							
Service cost	$ 1,784,425	$ 1,743,328	$ 1,125,484	$ 907,672	$ 784,988	$ 755,300	$ 733,301
Interest	1,245,032	1,156,233	589,148	781,990	788,339	771,420	746,712
Changes of benefit terms	37,742	-	-	-	-	-	-
Differences between expected and actual experience	(2,034,608)	2,432	(2,987,761)	(330,127)	(1,365,812)	(75,469)	-
Changes in assumptions	1,410,976	(151,246)	2,858,414	3,736,109	182,840	298,858	-
Benefit payments	(977,930)	(854,469)	(819,853)	(687,264)	(707,545)	(736,283)	(819,585)
Net change in total OPEB liability	1,465,637	1,896,278	765,432	4,408,380	(317,190)	1,013,826	660,428
Total OPEB liability - beginning	28,845,647	26,949,369	26,183,937	21,775,557	22,092,747	21,078,921	20,418,493
Total OPEB liability - ending	$ 30,311,284	$ 28,845,647	$ 26,949,369	$ 26,183,937	$ 21,775,557	$ 22,092,747	$ 21,078,921
Covered-employee payroll	$ 72,751,789	$ 66,022,499	$ 61,969,073	$ 59,154,942	$ 57,431,983	$ 55,752,379	$ 54,942,679
Total OPEB liability as a percentage of covered-employee payroll	41.66%	43.69%	43.49%	44.26%	37.92%	39.63%	38.37%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program

For the Fiscal Year Ended June 30, 2024

*Last Ten Fiscal Years**

Employer's Fiscal Year **Measurement Period**	**2023-24** **2022-23**	**2022-23** **2021-22**	**2021-22** **2020-21**	**2020-21** **2019-20**	**2019-20** **2018-19**	**2018-19** **2017-18**	**2017-18** **2016-17**
District's proportion of net OPEB liability	0.1125%	0.1096%	0.1066%	0.1087%	N/A	N/A	N/A
District's proportionate share of net OPEB liability	$ 341,260	$ 361,076	$ 425,249	$ 460,783	N/A	N/A	N/A
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)	(0.71%)	N/A	N/A	N/A

This liability was not presented in previous audit years, therefore no information is available before the 2020-21 reporting period.

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the *Governmental Accounting Standards Board* and provisions of the *California Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoptions with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

> ***Change in benefit terms*** – There were no changes in benefit terms since the previous valuations for either CalSTRS or CalPERS.
>
> ***Change of assumptions* -** There were no changes in economic assumptions since the previous valuations for either CalSTRS or CalPERS.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

> ***Change in benefit terms*** – There were no changes in benefit terms since the previous valuation.
>
> ***Change of assumptions*** – Liability changes resulting from changes in economic and demographic assumptions are deferred based on the average working life. The discount rate was changed from 4.13 percent to 4.21 percent since the previous valuation.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
This schedule presents information on the District's proportionate share of the net OPEB liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented. As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP program; therefore, the covered payroll disclosure is not applicable.

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – The discount rate was changed from 3.54 percent to 3.65 percent since the previous valuation.

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Supplementary Information

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CULVER CITY UNIFIED SCHOOL DISTRICT
Schedule of Average Daily Attendance
For the Fiscal Year Ended June 30, 2024

	As Reported to CDE		Adjusted for Audit Finding	
	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA:				
TK and grades K-3	1,962.48	1,969.96	1,963.12	1,969.96
Grades 4-6	1,418.21	1,422.14	1,419.39	1,422.14
Grades 7-8	992.17	994.26	996.03	994.26
Grades 9-12	1,974.50	1,952.26	1,968.90	1,952.26
Total Regular ADA	6,347.36	6,338.62	6,347.44	6,338.62
Special Education, Nonpublic, Nonsectarian Schools:				
TK and grades K-3	4.47	5.75	4.47	5.75
Grades 4-6	3.00	3.96	3.00	3.96
Grades 7-8	0.93	0.92	0.93	0.92
Grades 9-12	5.72	7.77	5.72	7.77
Total Special Education ADA	14.12	18.40	14.12	18.40
Total ADA	6,361.48	6,357.02	6,361.56	6,357.02

CULVER CITY UNIFIED SCHOOL DISTRICT
Schedule of Instructional Time
For the Fiscal Year Ended June 30, 2024

Grade Level	Instructional Minutes Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Kindergarten	36,000	59,100	180	Complied
Grade 1	50,400	54,000	180	Complied
Grade 2	50,400	54,000	180	Complied
Grade 3	50,400	54,000	180	Complied
Grade 4	54,000	54,000	180	Complied
Grade 5	54,000	54,000	180	Complied
Grade 6	54,000	56,300	180	Complied
Grade 7	54,000	56,300	180	Complied
Grade 8	54,000	56,300	180	Complied
Grade 9	64,800	65,459	180	Complied
Grade 10	64,800	65,459	180	Complied
Grade 11	64,800	65,459	180	Complied
Grade 12	64,800	65,459	180	Complied

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Financial Trends and Analysis

For the Fiscal Year Ended June 30, 2024

General Fund	(Budget) 2025 [2]	2024	2023	2022
Revenues and other financing sources	$ 106,770,446	$ 118,626,098	$ 117,442,728	$ 99,108,682
Expenditures and other financing uses	110,669,050	127,450,959	111,838,721	97,728,203
Change in fund balance (deficit)	(3,898,604)	(8,824,861)	5,604,007	1,380,479
Ending fund balance	$ 9,289,379	$ 13,187,983	$ 22,012,844	$ 16,408,837
Available reserves [1]	$ 3,309,055	$ 4,989,699	$ 5,307,519	$ 9,306,436
Available reserves as a percentage of total outgo	3.0%	3.9%	4.7%	9.5%
Total long-term debt	$ 234,977,271	$ 237,784,192	$ 232,594,340	$ 200,345,686
Average daily attendance at P-2	6,361	6,361	6,415	6,342

The General Fund balance has decreased by $3.2 million over the past two years. The fiscal year 2024-25 adopted budget projects a decrease of $3.9 million. For a district of this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating deficit in one of the past three years, but anticipates incurring an operating deficit during the 2024-25 fiscal year. Long-term debt has increased by $37.5 million over the past two years.

ADA increased by 19 compared to 2021-22. Budgeted ADA projects no change in ADA for 2024-25.

[1] Available reserves consist of all unassigned fund balances in the General Fund.

[2] Revised budget September, 2024.

CULVER CITY UNIFIED SCHOOL DISTRICT

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

For the Fiscal Year Ended June 30, 2024

	Special Education Pass Through Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund
June 30, 2024, annual financial and budget report (SACS) fund balance	$ 34,903	$ 23,261,597	$ 5,553,033
Adjustments and reclassifications:			
(Over)/understatement of cash in county treasury	(95,426)	105,625	(212,694)
June 30, 2024, audited financial statement fund balance	$ (60,523)	$ 23,367,222	$ 5,340,339

CULVER CITY UNIFIED SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Sub-total Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program - Especially Needy	10.553	13526	$ 187,938	
National School Lunch Program	10.555	13523	778,912	
USDA Donated Foods	10.555	N/A	205,677	
Supply Chain Assistance (SCA) Funds	10.555	15655	405,451	
Total Child Nutrition Cluster				$ 1,577,978
NSLP Equipment Assistance Grants	10.579	14906		90,000
Passed through California Dept. of Social Services (CDSS):				
Child and Adult Care Food Program:				
Child and Adult Care Food Program	10.558	13393	77,152	
Cash in Lieu of Commodities	10.558	N/A	11,456	
Total Child and Adult Care Food Program				88,608
Total U.S. Department of Agriculture				1,756,586
U.S. Department of Education:				
Passed through California Dept. of Education (CDE):				
Adult Education Grants:				
Adult Basic Education and ESL	84.002A	14508	175,377	
Adult Secondary Education	84.002	13978	61,454	
Total Adult Education - State Grants				236,831
Every Student Succeeds Act (ESSA):				
Title I, Part A, Basic Grants, Low-Income and Neglected	84.010	14329		429,777
Title II, Part A, Supporting Effective Instruction	84.367	14341		99,579
English Language Acquisition State Grants:				
Title III, Immigrant Education Program	84.365	15146	5,347	
Title III, Limited English Proficiency	84.365	14346	87,181	
Subtotal English Language Acquisition State Grants				92,528
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		2,950
Early Intervention Grants	84.181	23761		88,649
Carl D. Perkins Career and Technical Education: Adult, Sec. 132	84.048	14893		33,492
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	1,032,692	
Elementary and Secondary School Emergency Relief III	84.425U	10155	582,522	
American Rescue Plan - Homeless Children and Youth II	84.425U	15566	11,455	
Subtotal Education Stabilization Fund				1,626,669
Individuals with Disabilities Education Act (IDEA):				
Basic Local Assistance Entitlement	84.027	13379	1,802,081	
Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10119	16,616	
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	121,664	
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	460,400	
Alternate Dispute Resolution, Part B, Sec 611	84.173A	13007	34,229	
COVID-19: ARP IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	3,000	
Total Special Education (IDEA) Cluster				2,437,990
Total U.S. Department of Education				5,048,465
U.S. Department of Health & Human Services:				
Passed through California Dept. of Education (CDE):				
Child Care and Development Fund:				
Child Development: Federal General Child Care and Development (CCTR)	93.596	13609	81,089	
COVID-19: Child Development: ARP California State Preschool Program - Rate Supplements	93.575	15641	333,765	
Total Child Care and Development Cluster				414,854
Total U.S. Department of Health & Human Services				414,854
Total Expenditures of Federal Awards				$ 7,219,905

Of the federal expenditures presented in the schedule, the District provided the following awards to sub-recipients.

Individuals with Disabilities Education Act (IDEA):			
Basic Local Assistance Entitlement	84.027	13379	$ 200,322
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	81,541
Early Intervention Grants	84.181	23761	65,649
Total			$ 347,512

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with Article 8 (commencing with Section 46200) of Chapter 2 Part 26 of the *Education Code*.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual financial report to the audited financial statements.

Schedule of Expenditures of Federal Awards

The schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The District did not elect to use the ten percent de minimis indirect cost rate.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

	Assistance Listing Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		$ 7,208,450
Differences between Federal Revenues and Expenditures:		
Child and Adult Care Food Program	10.558	11,455
Total Schedule of Expenditures of Federal Awards		$ 7,219,905

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Other Information

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The Culver City Unified School District was established in 1949 and is located in Culver City, California. There were no changes to the District's boundaries during the year. The District operates five elementary schools, one middle school, one comprehensive high school, a continuation high school, an independent study center, a child development program, an adult education program and an online academy.

GOVERNING BOARD

Member	Office	Term Expires
Kelly Kent, Ph.D.	President	2024
Triston Ezidore	Vice President	2026
Stephanie Loredo	Clerk	2026
Brian Guerrero	Parliamentarian	2026
Paula Amezola	Member	2024

DISTRICT ADMINISTRATORS

Dr. Brian Lucas,
Superintendent

Angela Baxter, Ed.D.,
Associate Superintendent, Educational Services

Santhasundari Rajiv, CPA,
Assistant Superintendent, Business Services

Dr. Melissa Gooden,
Assistant Superintendent, Human Resources

Other Independent Auditors' Reports

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NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' 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*

Board of Education
Culver City Unified School District
Culver City, California

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 Culver City Unified School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2024.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001 that we consider to be a significant deficiency.

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Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 the 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*.

Culver City Unified School 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nigro & Nigro, PC

Murrieta, California
December 12, 2024

NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Culver City Unified School District
Culver City, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Culver City Unified School District's 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 Culver City Unified School District's major federal programs for the year ended June 30, 2024. The Culver City Unified School 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 Culver City Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, 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 Culver City Unified School 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 Culver City Unified School 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 Culver City Unified School District's federal programs.

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Auditors' 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 Culver City Unified School 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 Culver City Unified School 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 Culver City Unified School 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 Culver City Unified School 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 Culver City Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Nigro & Nigro, PC

Murrieta, California
December 12, 2024

A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Board of Education
Culver City Unified School District
Culver City, California

Report on Compliance

Opinion

We have audited the Culver City Unified School District's (District) compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, Culver City Unified School District complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Culver City Unified School District's state programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher that for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and

- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Description	**Procedures Performed**
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
Continuation Education	No
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom-Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

Areas marked as “Not Applicable” were not operated by the District.

We did not perform testing of independent study or continuation education because the ADA for those programs was below the level that requires testing.

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 in 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 Findings 2024-002 to 2024-004. Our opinion on each state program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Nigro & Nigro, PC

Murrieta, California
December 12, 2024

Schedule of Findings and Questioned Costs

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Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516 (a)?	No
Identification of major programs:	

Assistance Listing Numbers	Name of Federal Program or Cluster
84.425U	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes

State Awards

Type of auditors' report issued on compliance for state programs:	Unmodified

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.* Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

Five Digit Code	AB 3627 Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Finding 2024-001: Cafeteria Meal Reimbursement Claims (60000)

Repeat Finding? Yes, repeat of Finding 2023-001

Criteria: The District submits monthly claims to the California Department of Education to report the number of meals served in different categories – paid, reduced price, and free. The numbers of meals served must be supported by records that reconcile to the amounts reported on the claims.

Condition: The District reported claims for reimbursement for the National School Lunch Program and the School Breakfast Program that were inconsistent with the numbers calculated by the sites and submitted for the Federal reimbursement.

Cause: Numbers were input without being verified for accuracy before submitting.

Effect: The District under-reported the number of meals served on the claims, resulting in $15,383.30 not being claimed for reimbursement.

Context: This error began in August of 2023 and continued every month until January of 2024, and continued again for the months of March of 2024 and June of 2024.

Recommendation: The District should file amended claim forms for August 2023 through January 2024 and March 2024 and June 2024, if it is allowed. In the future, an employee should review all claim forms before they are submitted to the CDE to ensure that the reports are supported by documentation that agrees to the meals claimed.

Views of Responsible Officials: We are changing the data input process from manual to automatic data download (Breakfast and Lunch participation) from Point-of-Sale (POS) system to Child Nutrition Information & Payment System CNIPS. This will eliminate the manual data input error in the CNIPS. Claim numbers will be reviewed and verified before being submitted for reimbursement by the Director of Food Services. Edit checks will be done at the end of each month to verify participation and claim numbers.

Once the final audit report is provided to CCUSD, Food Service will then submit it to CDE for evaluation. Once CDE has approved the audit finding, Food Service will be able to resubmit the claim(s) for reimbursement within 10 business days.

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs in 2023-24.

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

Finding 2024-002: School Accountability Report Card (72000)

Repeat Finding? Yes, repeat of Finding 2023-002

Criteria: In accordance with Education Code §33126, each school is to provide an accountability report card to include safety, cleanliness, and adequacy of school facilities, to include any needed maintenance to ensure good repair. The condition reported should be supported by the school's Facilities Inspection Tool (FIT), School Facilities Condition Evaluation as required by Ed Code §17002. In addition, according to Education Code §35256, the governing board must publish the School Accountability Report Card (SARC) for each school by February 1 of each year.

Condition: It was noted that the School Facility Repair Status on the SARC for two of the three schools tested did not match the FIT form in several categories. In one category the SARC reported a worse status than the FIT form. In the other the SARC reported a better status than the FIT form.

Context: Discrepancies were noted in two out of three schools selected.

Cause: The discrepancies were overlooked by District staff in preparing the SARCs.

Effect: There is no financial impact from this finding.

Recommendation: We recommend that an employee verify the information presented in the SARC. This information is essential to present the required information about the school fairly to the public.

Views of Responsible Officials: A procedure will be developed to show how to transfer data from the FIT inspection forms into the SARC report. Procedure will identify which fields from the FIT form correspond to the data fields required in the SARC forms. Procedure will have a data mapping template to ensure consistency and accuracy of data transfer. The Director of MOT will be responsible for ensuring the procedure is adhered to.

Finding 2024-003: Attendance Accounting (10000)

Repeat Finding? No

Criteria: California Education Code section 46000 states: Attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education, subject to the provisions of this chapter. Good internal controls require the District to review its pupil attendance reporting processes and ensure that attendance policies and procedures are maintained and followed at all school sites.

Finding 2024-003: Attendance Accounting (10000) (continued)

Repeat Finding? No

Criteria: California Education Code section 46000 states: Attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education, subject to the provisions of this chapter. Good internal controls require the District to review its pupil attendance reporting processes and ensure that attendance policies and procedures are maintained and followed at all school sites.

Condition: During our review of ADA totals reported by the District to CDE, we noted the following misstatements:

- Based on our recalculation, the District misreported ADA on the P-2 Report of Attendance (Line-A-1) by the following amounts:
  - Understated by .64 ADA in grades TK/K-3,
  - Understated by 1.18 ADA in grades 4-6,
  - Understated by 3.86 ADA in grades 7-8,
  - Overstated by 5.60 ADA in grades 9-12
- Based on our calculations, the District misreported ADA on the P-2 Report of Attendance (Line B-1) by the following amount:
  - Understated by 0.35 ADA in grades 4-6,
  - Understated by 0.17 ADA in grades 7-8,
  - Understated by 1.48 ADA in grades 9-12
- Based on our calculations, the District misreported ADA on the P2 Report of Attendance (Line B-5) by the following amount:
  - Understated by .04 ADA in grades TK
- The District also failed to report Continuation Education ADA on the Annual Report of Attendance (Line B-6) in the amount of 9.55, although it was correctly included in total ADA on Line A-1.

Context: Reporting errors were noted in both P2 and Annual reporting

Effect: Based on derived value of ADA, the financial impact of the P-2 reporting errors is $10,846.46.

Cause: The District noted these discrepancies during the audit process and attempted to make revisions but was unable to do so because of a closure in the reporting window. The District was unable to revise using the correct ADA for P2.

Recommendation: We recommend that the District develop policies and procedures and implement controls to ensure that pupil attendance is recorded and reported consistently and accurately.

Views of Responsible Officials: The district will review its attendance accounting procedures to ensure the numerical accuracy of ADA calculations before the reporting window closes. Director of Fiscal will review the ADA calculations and data entry to verify the accuracy prior to submission.

Data entry errors will be eliminated by separation of data entry and data review by two independent managers at Fiscal Services. Assistant Director will enter the data into the Pupil Attendance Data Collection System. A review and documented approval step by the Director of Fiscal Services prior to the P1, P2 and Annual data submission in Pupil Attendance Data Collection (PADC) system will be implemented.

Finding 2024-004: Home To School Transportation (40000)

Repeat Finding? No

Criteria: Pursuant to Procedure 325 in the CSAM, costs within Function 3600 that are to be excluded are field trips, student organization trips, summer school miles, financing costs (e.g. principal and interest for acquisition of buses), principal and interest on school bus loans/capital leases, and vehicles other than those used for student transportation.

Condition: In a total sample of 26 expenditures, we found 2 expenditures that contained unallowable expenditures. One expenditure totaled $7,189.64 and contained $926.55 of unallowable expenses, which pertained to vehicles that were not for home to school transportation use. The second expenditure totaled $3,077.40 and contained $69.95 of unallowable expenses, which pertained to vehicles that were not for home to school transportation use.

Context: We discovered 2 expenditures out of a sample of 26 that contained items that are unallowable within Function 3600 per Procedure 325 in CSAM.

Effect: The unallowable expenditures have a fiscal impact of $597.90.

	Total Unadjusted HTS Transportation Expenditures	Total Unallowable HTS Transportation Expenditures	Total Adjusted HTS Transportation Expenditures	
HTS Transportation Expenditures	$ 938,477.15	$ 996.50	$ 937,480.65	
Reimbursement percentage pursuant to EC 4180.1(a)(1)	60%		60%	
Expenditure Amount for Reimbursement Calculation	$ 563,086.29		$ 562,488.39	
Estimated Dollar Impact				$ 597.90

Cause: There was a lack of oversight by the District in reviewing expenditures charged to this function.

Recommendation: The District should examine all invoices to ensure there are no unallowable expenditures within any line items.

Views of Responsible Officials: All transportation expenditures will be reviewed for the function that is charged to. Only home to school transportation will be charged to function 36000. We will create a cheat sheet for staff to use the correct budget string. Function 36000 for home to school and function 34000 for other field trip or educational trips. To prevent coding error, Assistant Director of Fiscal will approve the budget string for all requisitions including transportation. On a quarterly basis, Director of Fiscal will check the non-home to school transportation expenses to verify the accuracy of the budget string. Staff will be trained on the proper coding procedures on how to distinguish between home-to-school transportation and field trip expenses, emphasizing the importance of accurate coding.

CULVER CITY UNIFIED SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2024

Original Finding No.	Finding	Code	Recommendation	Current Status
2023-001: Cafeteria Meal Reimbursement Claims	The District submits monthly claims to the California Department of Education to report the number of meals served in different categories – paid, reduced price, and free. The numbers of meals served must be supported by records that reconcile to the amounts reported on the claims. The District reported claims for State reimbursement for the Severe Need Breakfast Program that were inconsistent with the numbers calculated on site and submitted for the Federal reimbursement.	60000	The District should file amended claim forms for August 2022 through April 2023, if it is allowed. In the future, an employee should review all claim forms before they are submitted to the CDE to ensure that the reports are supported by documentation that agrees to the meals claimed.	Not Implemented; See Finding 2024-001.
2023-002: School Accountability Report Card	In accordance with Education Code §33126, each school is to provide an accountability report card to include safety, cleanliness, and adequacy of school facilities, to include any needed maintenance to ensure good repair. The condition reported should be supported by the school's Facilities Inspection Tool (FIT), School Facilities Condition Evaluation as required by Ed Code §17002. In addition, according to Education Code §35256, the governing board must publish the School Accountability Report Card (SARC) for each school by February 1 of each year. It was noted that the School Facility Repair Status on the SARC for the three schools tested did not match the FIT form in several categories. In every discrepancy, the SARC reported the status as being worse than what was identified through the facilities inspection.	72000	We recommend that an employee verify the information presented in the SARC. This information is essential to present the required information about the school fairly to the public.	Not Implemented; See Finding 2024-002.

Original Finding No.	Finding	Code	Recommendation	Current Status
2023-003: Classroom Teacher Salaries	California Education Code, section 41372 (b) states, in part: There shall be expended during each fiscal year for payment of salaries of classroom teachers: (3) By a unified school district, 55% of the district's current expense of education. During our review of classroom teacher salaries, we noted that the District did not meet the required 55% minimum for expenditures of salaries for classroom teachers. The District reported its "current expense of education" totaling $100,986,476, with $52,714,886, or 52.20%, going toward its classroom teachers' salaries.	61000	The District should continue working to ensure that it meets the minimum required percentage for the classroom teacher salaries in future years.	Implemented.
2023-004: Gann-Limit	The appropriations limit calculated under *Government Code* 7902, often referred to as the Gann limit, was established by Proposition 4 in 1979. The purpose of the limit is to keep inflation adjusted per-person government spending under 1978–79 levels. For LEAs, ADA is used to determine population. Each year LEAs must complete Form GANN as part of its Unaudited Actuals that are submitted to the CDE. The prior year Gann ADA and prior year appropriations limit used by the District did not match the data on the prior year appropriations limit calculation previously submitted to the CDE.	40000	The District should review the Gann limit calculation before submission to the CDE to ensure that the prior year ADA and appropriations limit match the data on the prior year submission.	Implemented.

Original Finding No.	Finding	Code	Recommendation	Current Status
2023-005: Transitional-Kindergarten	*Education Code* Section 48000(g) As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to Section 46300, a school district or charter school shall do all of the following: (1) Maintain an average transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite. For purposes of this calculation, the following shall apply for each schoolsite of a school district or charter school: (A) "Class" means a group of pupils scheduled to report regularly at a particular time to a particular teacher during the regular schoolday, as defined by the governing board of the school district or the governing body of the charter school, as applicable, excluding special day classes. Classes in the evening and summer school class shall not be considered classes for purposes of this calculation. (B) (i) "Active enrollment count" for purposes of subparagraph (C) means the count of all pupils enrolled in a class with transitional kindergarten pupils on the first day of the school year on which the class was in session, plus all later enrollees, minus all withdrawals since that first day. An active enrollment count shall be made on the last teaching day of each school month that ends before April 15 of the school year. (ii) For school districts, active enrollment count shall not include pupils enrolled in independent study pursuant to Article 5.5 (commencing with Section 51744) of Chapter 5 of Part 28 who meet the minimum day requirements for independent study and are continually enrolled in independent study for more than 14 schooldays in a school year.	40000	The District should closely monitor TK class sizes in the current fiscal year to ensure that maximum average class sizes and adult to pupil ratios are not exceeded.	Implemented.

Original Finding No.	Finding	Code	Recommendation	Current Status
	(iii) For charter schools, active enrollment count shall not include pupils enrolled in independent study pursuant to Article 5.5 (commencing with Section 51744) of Chapter 5 of Part 28 who are continually enrolled in independent study for more than 14 schooldays on any of the days on which school is taught for the purpose of meeting the 175-instructional-day offering, as described in Section 11960 of Title 5 of the California Code of Regulations. (C) "Average number of pupils enrolled per class" means the quotient of the sum of the active enrollment counts made under subparagraph (B) divided by the total number of those active enrollment counts for each class of the schoolsite. (D) "Average transitional kindergarten class enrollment" means the quotient of the sum of the average number of pupils enrolled per class determined pursuant to subparagraph (C) of all classes at the schoolsite divided by the total number of all classes at the schoolsite that include transitional kindergarten pupils, rounded to the nearest half or whole integer. (2) Commencing with the 2022–23 school year, maintain an average of at least one adult for every 12 pupils for transitional kindergarten classrooms at each schoolsite. For purposes of this calculation, the following shall apply for each schoolsite of a school district or charter school: (A) "Total transitional kindergarten enrollment" is the sum of the average number of pupils enrolled per class of all classes at the schoolsite, as determined in subparagraph (C) of paragraph (1).			

Original Finding No.	Finding	Code	Recommendation	Current Status
	(B) "Number of adults" shall be determined for each schoolsite as follows: (i) A count of employees of the school district or charter school assigned to each class at the schoolsite that includes transitional kindergarten pupils shall be made on the last teaching day of each school month that ends before April 15 of the school year. (ii) The sum of all of the adult counts pursuant to clause (i) shall be divided by the total number of those counts, rounded to the nearest half or whole integer. (C) "Adult-to-pupil ratio" shall be the quotient of the total transitional kindergarten enrollment divided by the total number of adults, rounded to the nearest half or whole integer. The District exceeded the maximum average class enrollment in two (2) Transitional Kindergarten classes during the 2022-23 school year. Those same two classes also exceeded the maximum number of pupils per adult during the school year.			

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NIGRO & NIGRO PC
A Professional Accountancy Corporation

To the Board of Education
Culver City Unified School District
Culver City, California

In planning and performing our audit of the basic financial statements of Culver City Unified School District for the year ending June 30, 2024, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted matters that are an opportunity for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 12, 2024 on the financial statements of Culver City Unified School District.

ASSOCIATED STUDENT BODY FUNDS

Observation: During our review of disbursements at Culver City High, we noted that approvals are not consistently obtained prior to making a purchase. We noted this exception in 4 of 15 disbursements sampled at CCHS.

> ***Recommendation:*** Education Code Section 48933(b) requires all expenditures from ASB funds be authorized by a student representative, an advisor, and a district representative (usually a principal or vice-principal) prior to disbursing the funds. As a "best practice", approval by required parties should be obtained before the actual commitment to purchase the items in order to ensure the expense is a proper use of student-body funds and falls within budgetary guidelines. In addition, all related supporting documentation, including receipts or invoices, should be retained. We recommend that the District Office remind the sites of the importance of obtaining pre-approval for purchases.

Observation: In our testing of cash receipts at Culver City High, we found that 3 of the 10 deposits sampled were for unallowable activities.

> ***Recommendation:*** We recommend that the District emphasize to the advisors and teachers that raffles are an unallowable activity per state guidelines, and it is recommended that all raffles be stopped. If this activity is still desirable, it should be run through a booster or parent organization rather than a student club.

We will review the status of the current year comments during our next audit engagement.

Nigro & Nigro, PC

Murrieta, California
December 12, 2024

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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