

ANNUAL FINANCIAL REPORT OF CALIFORNIA K-12 SCHOOLS

**Report to the State
Superintendent of Public Instruction**

For the Period of July 1, 2023, through June 30, 2024



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

June 2025



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

June 30, 2025

The Honorable Tony Thurmond
State Superintendent of Public Instruction
California Department of Education
P.O. Box 944272
Sacramento, CA 94244

Dear Superintendent Thurmond:

I am pleased to present the Annual Financial Report of California K-12 Schools for fiscal year (FY) 2023-24. The report summarizes the financial and program compliance status of the State's school districts, county offices of education, and charter schools for FY 2023-24, unless otherwise specified. For FY 2023-24, there were a total of 2,268 local education agencies (LEAs), which included 938 school districts, 58 county offices of education, and 1,272 charter schools.

For FY 2023-24, California LEA revenues exceeded expenditures by \$4.89 billion. The number of LEAs engaged in multi-year deficit spending increased from 16 to 19. The number of school districts and county offices of education filing negative or qualified first- or second-interim certifications for FY 2024-25 decreased from 48 to 45. Negative or qualified certifications were filed as a result of deficit spending, projected changes in operating expenditures, changes in contributions, changes in projected revenues, and projected second period average daily attendance to enrollment ratio.

State and federal compliance findings noted in the independent auditors' reports of LEAs increased from the prior year. Auditors reported 1,181 compliance findings in FY 2023-24, a 16 percent increase from the 1,016 reported in FY 2022-23. Fourteen percent of the compliance findings were related to deficiencies in average daily attendance accounting and reporting, which is the primary basis for the allocation of state funding. In addition, auditors reported 252 audit findings pertaining to the Expanded Learning Opportunities Program compliance requirements, and 118 findings pertaining to the Classroom Teacher Salaries compliance requirements.

I hope that the report will be useful to you and the State Legislature in planning California's future education needs.

Superintendent Tony Thurmond

June 30, 2025

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Please direct any comments regarding the content of the report to Cathy Leal, Chief Operating Officer, at 916-720-3089. Thank you.

Sincerely,

Original signed by
Malia M. Cohen



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

June 30, 2025

California State Senate
Erika Contreras, Secretary of the Senate
State Capitol, Room 3044
Sacramento, CA 95814

California State Assembly
Sue Parker, Chief Clerk
State Capitol, Room 3196
Sacramento, CA 95814

Dear Senators and Assembly Members:

I am pleased to present the Annual Financial Report of California K-12 Schools for fiscal year (FY) 2023-24. The report summarizes the financial and program compliance status of the State's school districts, county offices of education, and charter schools for FY 2023-24, unless otherwise specified. For FY 2023-24, there were a total of 2,268 local education agencies (LEAs), which included 938 school districts, 58 county offices of education, and 1,272 charter schools.

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California State Senate
California State Assembly
June 30, 2025
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Executive Summary

The State Controller's Office (SCO) has broad authority to oversee state and federal funding of California's public schools from kindergarten through the 12th grade (K-12). The State Controller's goal is to promote greater fiscal accountability from local education agencies (LEAs) (school districts, county offices of education [COEs], and charter schools) and to function as the independent protector of taxpayer dollars.

This oversight responsibility includes reviewing annual LEA audit reports, maintaining a database with financial and statistical data on LEA audit reports, reviewing and certifying the audit reports submitted by independent auditors, tracking financially troubled school districts identified by the interim reporting process, developing and submitting the content of the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (K-12 Audit Guide) to the Education Audit Appeals Panel, and conducting financial and compliance audits of various LEAs.

Most of the information used to prepare this report is compiled from annual audit reports prepared for individual LEAs by independent certified public accountants for fiscal year (FY) 2023-24. Additional data was taken from interim financial report certifications submitted by LEAs for FY 2024-25. Information related to the emergency loan apportionments was obtained from various sources, including the California Infrastructure and Economic Development Bank (I-Bank).

This FY 2023-24 report contains the following key findings:

- A total of 19 LEAs engaged in multi-year deficit spending. Although some LEAs may have a legitimate need to engage in multi-year deficit spending (such as for building projects), this practice is often an indication that a district is facing financial difficulties.
- The number of LEAs filing negative or qualified certifications during at least one of the two reporting periods decreased from 48 to 45. In the second reporting period of FY 2024-25, 19 LEAs filed qualified interim financial reports and four LEAs filed negative interim financial reports. Financial difficulties may have a negative impact on these LEAs' educational programs.
- Debt issued increased by \$3.27 billion to a total of \$12.14 billion, a 37 percent increase from the \$8.87 billion issued in the prior year. In general, LEAs issue debt to fund capital improvements, refinance existing debt, or buy land for future use.
- State and federal compliance findings noted in the independent auditor's reports of LEAs increased from the prior year. Auditors reported 1,181 compliance findings in FY 2023-24, a 16 percent increase from the 1,016 reported in FY 2022-23.

- Expanded Learning Opportunities Program (ELO-P) audit findings accounted for 21 percent of all compliance findings in FY 2023-24. Auditors reported 252 audit findings for this program. FY 2023-24 was the first year that the LEAs offered the program.
- Approximately 14 percent of the compliance findings for FY 2023-24 are related to deficiencies in attendance records. Attendance is the primary factor in determining the amount of funding that an LEA receives from the State. In FY 2022-23, audit findings in this category accounted for 14 percent of all reported state and federal compliance audit findings.
- The LEAs' annual audit reports disclosed 118 audit findings pertaining to the Classroom Teacher Salaries compliance requirements. In FY 2022-23, independent auditors reported 112 findings in this category.
- SCO rejected 796 of the LEA's annual audit reports, an increase of five from 791 in FY 2022-23. SCO also identified 2,568 reporting deficiencies in the reports, an increase of 302 from 2,266 in FY 2022-23.

Introduction

The oversight role in the K-12 fiscal process is administered by the State Controller's Division of Audits. Oversight activities focus primarily on three areas: financial indicators, program compliance, and quality control.

The State Controller is also responsible for financial oversight of LEAs (school districts, charter schools, and COEs). Beginning with FY 2005-06, Education Code (EC) section 47634.2(d) rendered charter schools subject to audits, pursuant to EC section 41020. Audits must be conducted in accordance with Title 5, California Code of Regulations, section 19810 et seq., which requires that the K-12 Audit Guide must be followed.

Each section of this report specifies the type of LEA being reported on, and the fiscal year for which the data was obtained.

In accordance with California law, the State Controller's responsibilities include:

- Developing, in consultation with the California Department of Finance (DOF), the California Department of Education (CDE), and other school representatives, an annual audit guide that prescribes financial statements and other information that should be included in each LEA's audit report. The K-12 Audit Guide provides guidance to independent auditors who conduct LEA audits;¹
- Reviewing each LEA's audit report submitted to the State and performing the related follow-up actions, including compliance audits;²
- Tracking notifications from the school districts that identify substantial fiscal problems at interim reporting periods;
- Conducting annual financial and compliance audits of school districts that receive emergency state apportionment loans;
- Ensuring that satisfactory arrangements for an annual audit have been made for each LEA;
- Performing quality control reviews of independent auditors who conduct annual audits of LEAs; and
- Compiling pertinent data and reporting annually to the California State Legislature and CDE.

¹ EC section 14502.1(a) states, in part, "The Controller, in consultation with the Department of Finance, [CDE], and representatives of the California School Boards Association, the California Association of School Business Officials, the California County Superintendents Educational Services Association, the California Teachers Association, the California Society of Certified Public Accountants, and the County Office Fiscal Crisis and Management Assistance Team, shall recommend the statements and other information to be included in the audit reports filed with the state, and shall propose the content of an audit guide to carry out the purposes of this chapter. A supplement to the audit guide may be suggested in the audit year, following the above process, to address issues resulting from new legislation in that year that changes the conditions of apportionment. The proposed content of the audit guide and any supplement to the audit guide shall be submitted by the Controller to the Education Audit Appeals Panel for review and possible amendment."

² EC section 14501 provides that compliance audits are conducted to determine whether state and federal program funds are expended in accordance with the applicable program laws and regulations.

Financial Indicators

Overview

Education Code places school district finances under the control of COEs and CDE. The law protects the public's interest in education by giving COEs specific responsibility for fiscal oversight of school districts within their jurisdictions.

Key financial indicators representing the financial health of LEAs are presented in this section of the report. Data has been taken from interim financial report certifications submitted by school districts for FY 2024-25.

Interim Reporting

School districts in California are required to file interim reports certifying their financial health to the governing board of the district and COE. These interim reports must be completed twice per year by every school district (to cover the periods of July 1 through October 31, and November 1 through January 31) and must be reviewed by the appropriate county superintendent of schools. The interim reports must be in a format or on forms prescribed by the State Superintendent of Public Instruction (SSPI) and be based on Standards and Criteria for Fiscal Stability adopted by the State Board of Education pursuant to EC section 33127. Charter schools are not required to file interim reports.

One of the following three certifications must be designated by the school district or COE when certifying the district's fiscal stability on the interim report:

Positive – A school district or COE that will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

Qualified – A school district or COE that may not meet its financial obligations for the current fiscal year or subsequent two fiscal years.

Negative – A school district or COE that will not be able to meet its financial obligations for the current fiscal year or subsequent fiscal year.

School districts that file qualified or negative interim reports work with their county school superintendent to implement corrective action. Copies of the qualified or negative certifications are forwarded to SCO and to the SSPI.

The number of LEAs that filed qualified or negative certifications decreased

For FY 2024-25, a total of 39 of the 996 LEAs required to file interim reports filed a qualified or negative certification for the first-period interim report (32 were qualified and seven were negative). Of these 39 LEAs, 13 filed a qualified second-period interim report, four filed a negative second-period interim report, and 22 LEAs were able to take corrective action. However, six other LEAs that had filed a positive first-interim certification subsequently filed qualified second-period interim reports, and three LEAs that had filed a negative first-period interim certification subsequently filed a qualified second-period interim report, resulting in a total of 19 qualified and four negative certifications for the second-interim reporting period (Figure 1). Thus, 45 LEAs reported qualified or negative certifications for at least one of the two periods (Appendix A), and 19 LEAs remained on the list from the prior year. LEAs that file qualified or negative interim reports for two or more years are monitored closely by SCO through continuous contact with CDE.

The most common causes of fiscal problems cited in the 45 qualified or negative certifications (Appendix B) were:

- Deficit spending: 45 LEAs (100 percent);
- Changes in projected operating expenditures: 41 LEAs (91 percent);
- Changes in contributions from unrestricted to restricted sources, or transfers to or from the General Fund to cover an operating deficit: 38 LEAs (84 percent);
- Changes in projected revenues: 36 LEAs (80 percent); and
- Projected second-period average daily attendance (ADA) to enrollment ratio for the current and two subsequent fiscal years is not consistent with historical ratios: 32 LEAs (71 percent).

An analysis of the six LEAs that changed from a positive first-period interim certification to a negative or qualified second-period interim certification revealed the same top five common causes listed above.

Figure 1

Second-Period Interim Report Certifications*					
Five-Year History by Fiscal Year					
Certification	2020-21	2021-22	2022-23	2023-24	2024-25
Positive	985	980	985	970	973
Qualified	15	17	10	22	19
Negative	2	4	3	6	4
Totals	<u>1,002</u>	<u>1,001</u>	<u>998</u>	<u>998</u>	<u>996</u>

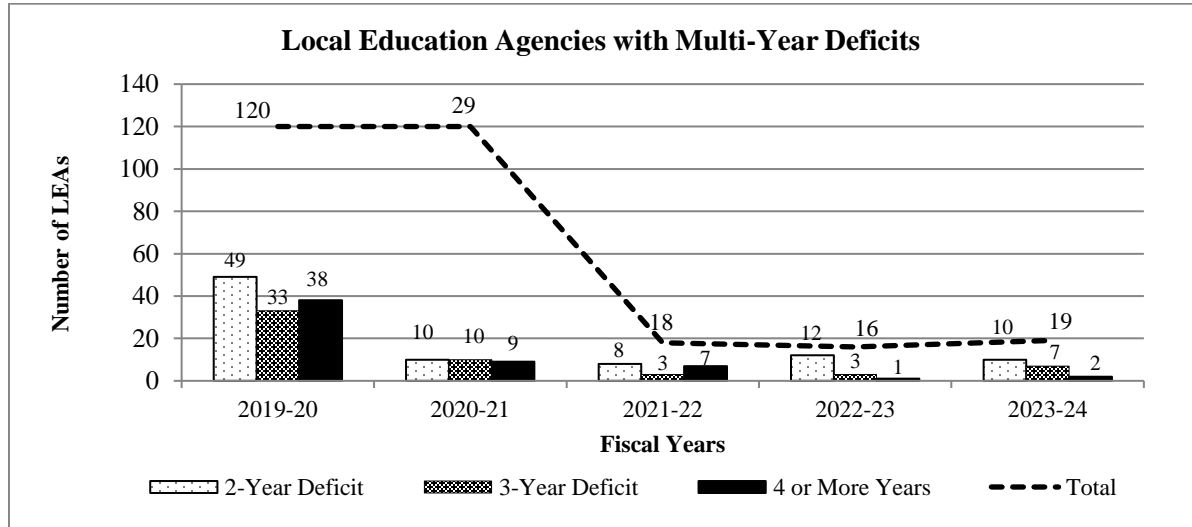
*See Appendixes A and B

Deficit Spending

LEA multi-year deficit spending increased

For FY 2023-24, the overall number of LEAs relying on multi-year deficit spending increased from 16 to 19 (Figure 2). Deficit spending patterns are monitored closely by COEs and CDE to determine whether LEAs are facing serious financial problems.

Figure 2



Emergency Apportionments

When the governing board of a school district determines that the district's revenues are not sufficient to meet its current-year obligations, it may request, through legislation, an emergency apportionment loan. As a condition of acceptance of the loan, the SSPI appoints an administrator or trustee to control, monitor, and review the operation of the district. The administrator or trustee helps the district develop a five-year recovery plan.

The emergency loans are designed to provide an advance of apportionments owed to the districts from the State School Fund. EC sections 41329.50 through 41329.54 and 41329.56 specify the requirements for emergency apportionment financing.

Oakland Unified School District (USD) and South Monterey County Joint Union High School District (JUHSD) (formerly King City JUHSD) are required to use lease financing to repay the emergency apportionments made from the State's General Fund. The emergency apportionment made to the Vallejo City USD is considered an interim loan and must be repaid with the proceeds from lease financing.

Inglewood USD received a General Fund emergency loan in November 2012. Subsequently, Assembly Bill 86 (Chapter 48) was enacted during FY 2012-13 to authorize the Inglewood USD, through CDE, to request cash flow loans up of to \$55 million from the General Fund. The total loan balance is \$16.8 million as of June 30, 2025.

Annual payment on the initial emergency loan for the Inglewood USD is due in June. Vallejo City USD received two emergency loans from the

General Fund, with payments due in June and August. As of June 30, 2025, the outstanding General Fund loan balance for Inglewood USD was \$16.8 million. Oakland USD and Vallejo City USD made their last loan payments during FY 2024-25, and as of June 30, 2025, have no outstanding loan balances, as shown in Figure 3.

The lease financing is made available by I-Bank, and the term cannot exceed 20 years. I-Bank issues bonds to reimburse the General Fund for all or a portion of the emergency apportionment loans made to these school districts. The principal payments for Vallejo City USD, Oakland USD, and South Monterey County JUHSD bonds are payable annually on August 15. As of June 30, 2025, the outstanding lease revenue bond balance for the South Monterey County JUHSD is \$5.3 million.

Figure 3

School Districts with Outstanding Loans (in millions)							
Fiscal Year	School District	Initial Loan (General Fund) ¹			Lease Revenue Bonds (I-Bank) ²		
		Loan Amount	Out-standing Balance	Final Repayment Date	Amount Issued	Out-standing Balance	Final Repayment Date
2002-03	Oakland Unified	100.0	—	June 29, 2025	59.6	—	August 15, 2023
2003-04	Vallejo City Unified	60.0	—	August 14, 2024	21.2	—	August 15, 2024
2009-10	South Monterey County JUHSD ³	2.0	—	April 14, 2010	14.4	5.3	August 15, 2029
2012-13	Inglewood Unified	29.0	16.8	November 1, 2034	—	—	—

¹ General Fund school loans balance information was obtained from SCO, Local Government Programs and Services Division

² Lease revenue bonds information was obtained from the I-Bank.

³ King City JUHSD was renamed South Monterey County Joint Union High School District effective July 1, 2011.

General Fund Revenues and Expenditures

For FY 2023-24, LEA General Fund revenues exceeded expenditures by \$4.89 billion (Figure 4).

Figure 4

LEA General Fund Revenues and Expenditures by Fiscal Year (in Billions)					
Fiscal Year	2019-20	2020-21	2021-22	2022-23	2023-24
Revenues	\$ 84.29	\$ 85.59	\$ 88.43	\$ 121.09	\$ 123.12
Expenditures	(82.72)	(78.32)	(83.40)	(105.24)	(118.23)
Surplus/(Deficit)	\$ 1.57	\$ 7.27	\$ 5.03	\$ 15.85	\$ 4.89

The fund balance or surplus for all LEAs combined totaled \$53.30 billion at the end of FY 2023-24, an increase of \$4.72 billion from the prior year's total of \$48.58 billion. Federal revenues decreased by \$250 million from the prior fiscal year (\$12.26 billion in FY 2023-24, compared to \$12.51 billion in FY 2022-23). As part of the total fund balance, LEAs are required to maintain reserves as a defense against economic uncertainties. CDE issues guidelines regarding the amount of reserves each district should maintain based on its total ADA.

Debt Issuance

LEA debt issuance increased

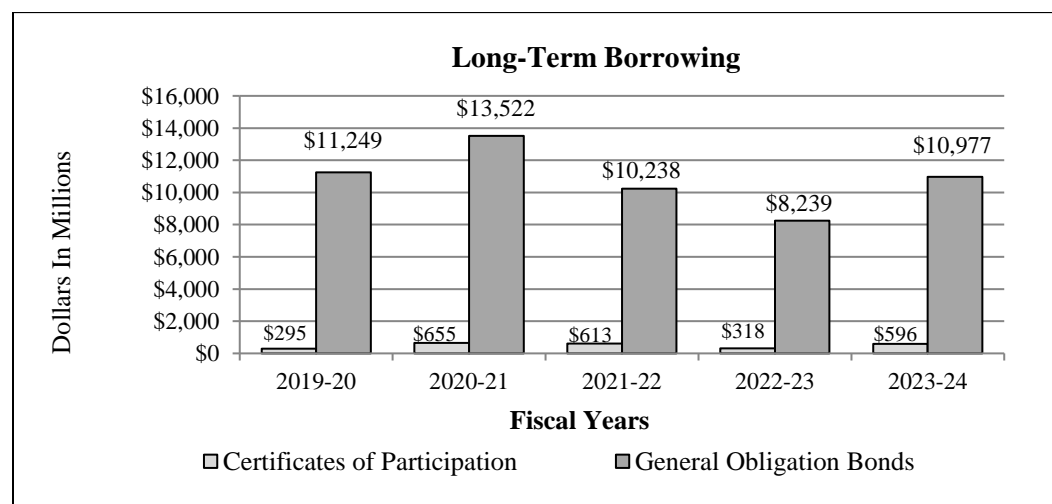
Generally, LEAs issue debt to fund the purchase, construction, or lease of buildings and equipment; refinance existing debt; or buy land for future use. In the past, it was not uncommon for financially troubled LEAs to issue debt in order to finance current operations.

During FY 2023-24, LEAs issued \$12.14 billion in debt, an increase of \$3.27 billion (37 percent) from the \$8.87 billion issued in the prior year. In FY 2023-24, the total number of LEAs that issued debt decreased by 11 percent from the prior fiscal year. LEAs issued the following types of debt:

- **General Obligation Bonds (\$10.98 billion, or 90 percent)**—Bonds secured by the full faith and credit of the LEA. These long-term obligations are generally issued at more favorable rates than are other types of debt because of their preferred status; that is, they are secured by the taxing authority of the LEA.
- **Certificates of Participation (\$596 million, or five percent)**—A financing technique that provides long-term financing through leasing of school facilities, such as buildings, with either an option to purchase or a conditional sales agreement.
- **Limited Tax Obligation Bonds (\$216 million, or two percent)**—A financing technique that provides long-term financing of capital projects. The bonds are repaid from incremental taxes on property in a redevelopment area.
- **Other Debt Instruments (\$352 million, or three percent)**—Debt instruments that do not fall into any of the categories listed above.

LEAs issued \$11.57 billion in Certificates of Participation and General Obligation Bonds during FY 2023-24, an increase of \$3.01 billion (35 percent) from the \$8.56 billion issued in the prior fiscal year (Figure 5).

Figure 5



LEA financing through Certificates of Participation increased by \$278 million, and financing through General Obligation Bonds increased by \$2.74 billion from the prior year.

General Obligation Bonds accounted for 90 percent of LEA debt issuance in FY 2023-24, a decrease of three percent from the prior year. In comparison, Certificates of Participation accounted for five percent of debt issuance in FY 2023-24, a one percent increase from the prior year.

Lottery Revenues

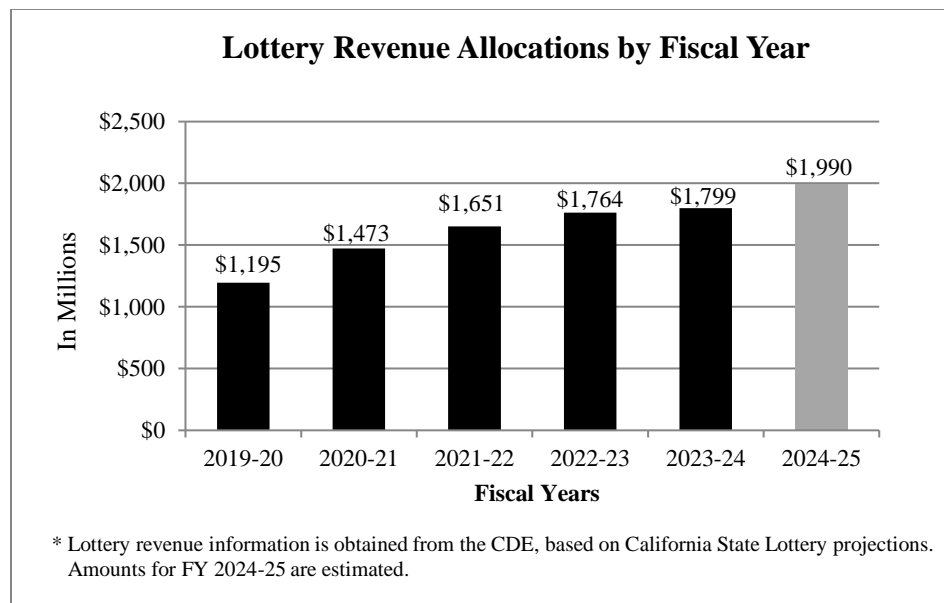
The California State Lottery Act of 1984 (Lottery Act) was enacted to provide supplemental funding to public schools and colleges in California. Revenues from lottery ticket sales are allocated based on percentages specified in the Lottery Act, which requires that no less than 87 percent of total annual revenues be returned to the public as prizes or net revenues to public education, and no more than 13 percent be allocated to administrative expenses. The Lottery Act requires the California Lottery Commission to determine the percentage of total annual revenues that is to be allocated to prizes—but specifies that it must be no less than 50 percent—and the percentage of total annual revenues that is to be allocated to public education.

The amount is distributed to each district based on its K-12 ADA. The data regarding sales and allocations are maintained by SCO and the California State Lottery.

Lottery revenue projected to increase

Lottery revenue is projected to increase 10.62 percent, from \$1,799 million in FY 2023-24 to \$1,990 million estimated for FY 2024-25 (Figure 6).

Figure 6



Program Compliance

Overview

The annual audit reports by certified public accountants (CPAs) are the primary source of information regarding LEA compliance with state and federal requirements. SCO reports on program compliance issues as part of its review of annual audit reports, the overall certification process, and associated follow-up actions. In addition, SCO may conduct compliance audits, if resources permit.

Compliance Findings

Independent auditors determine whether LEAs, including joint powers entities, have complied with state and federal laws and regulations that may have a material effect on the financial position and operations of the organization or program(s) under audit. The joint powers entities are formed to provide a joint service to a group of districts; the entities are governed by a board consisting of a representative from each member district. When an LEA is not in compliance with applicable laws and regulations, the findings are communicated by the independent auditors in the audit report.

The number of compliance findings reported in the FY 2023-24 LEA audit reports submitted by CPAs increased from the prior year. There were 1,181 compliance findings in FY 2023-24, a 16 percent increase from the 1,016 compliance findings in FY 2022-23 (Appendix C).

Some of the issues identified in the compliance findings may have a fiscal impact on LEA operations, as they may result in a loss of state and federal funding. Of the 1,181 compliance findings, 1,113 (94 percent) pertained to state programs and requirements and 68 (six percent) pertained to federal programs and requirements (Figure 7).

ELO-P audit findings accounted for 21 percent of all compliance findings in FY 2023-24. The LEA audit reports disclosed 252 ELO-P findings, with the majority (233 findings, or 92 percent) related to the following issues:

- Program was offered for less than 30 non-school days, and/or less than nine hours per day;
- Registration form/document was missing or incomplete;
- LEA did not offer or provide the opportunity for enrollment to all eligible pupils;
- Program was not offered on every school day or was held for less than nine hours per day; and
- Pupil-to-staff member ratio was not maintained.

There were 166 findings related to attendance accounting and reporting, which accounted for 14 percent of all compliance findings. The majority of the attendance findings (121, or 73 percent) pertained to the following issues:

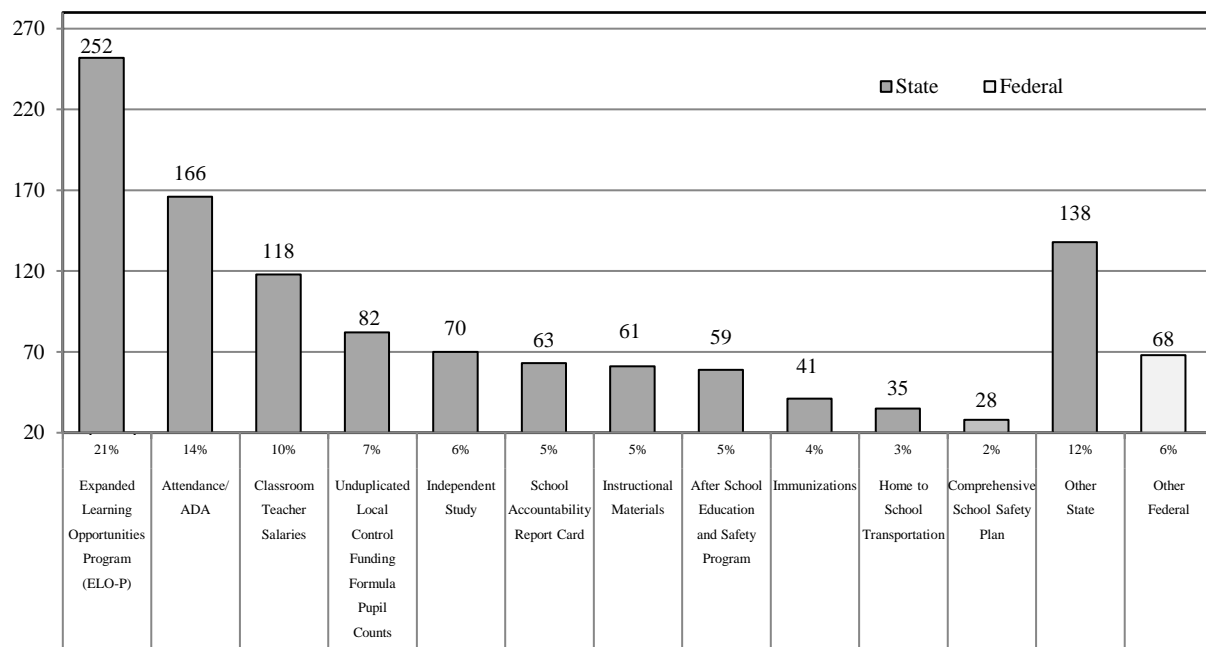
- ADA was misstated;

- Attendance reports were inaccurate and/or incomplete; and
- Attendance report did not reconcile to supporting documentation.

The audit reports also disclosed 118 findings pertaining to Classroom Teacher Salaries, which accounted for 10 percent of all compliance findings. All findings were the result of the district's failure to meet the current expense-of-education percentage required for payment of classroom teachers' salaries.

Figure 7

FY 2023-24 Compliance Findings Summary



* See Appendix C

County Offices of Education Audit Resolution Processes

EC section 41020(n) provides that the State Controller shall annually select a sample of COEs in order to perform a follow-up review of the audit resolution processes. The scope of the reviews is limited to determining whether each COE followed its audit resolution process, resolved all of the audit findings, followed up on the district's corrective action plans, and notified the SSPI and the State Controller of the results.

During FY 2024-25, SCO performed reviews of the audit resolution processes of two COEs and found that the COEs followed their audit resolution processes for FY 2019-20, FY 2020-21, and FY 2021-22, except that the audit resolution process at one COE did not include the review of audit exceptions related to the information reported on the school accountability report card required by EC section 33126.

Quality Control

Overview

SCO reviews and certifies the annual independent audit reports submitted by each LEA for compliance with audit guidelines set forth in the K-12 Audit Guide. This authority is provided by EC section 14504.

Audit Report Certifications

SCO determines whether audit reports conform to reporting provisions of the K-12 Audit Guide and notifies each LEA, independent auditor, and the SSPI whether a report has been accepted or rejected, based on conformity with those provisions.

For FY 2023-24, SCO accepted 58 percent of the audit reports submitted; the remaining 42 percent were rejected upon initial review. EC section 14505 provides that LEAs withhold 10 percent of the audit fee until the State Controller certifies that the audit report conforms to the reporting provisions of EC section 14503(a). In addition, if an independent auditor has had a report rejected (and has not subsequently corrected it) for the same LEA for two consecutive years, SCO may refer the independent auditor to the California Board of Accountancy for professional review.

Number of rejected audit reports increased

Upon initial review, SCO certified 1,121 (58 percent) of the 1,917 audit reports submitted by LEAs for FY 2023-24. The number of rejected reports increased by five, from 791 in the prior year to 796 in the current year (Figure 8).

Figure 8

Number and Percent of Rejected LEA Audit Reports			
Fiscal Year	Reports Submitted	Reports Rejected	Percent Rejected
2019-20	1,892	214	11%
2020-21	1,930	587	30%
2021-22	1,865	891	48%
2022-23	1,896	791	42%
2023-24	1,917	796	42%

Reporting Deficiencies

Reporting deficiencies increased

In FY 2023-24, SCO identified 2,568 reporting deficiencies in the independent auditors' reports of LEAs, an increase of 302 from the prior year (Figure 9).

Figure 9

Summary of Audit Report Deficiencies *		
	Fiscal Years	
	2022-23	2023-24
Auditor's Report on the Financial Statements	361	586
Management's Discussion and Analysis	10	1
Basic Financial Statements	65	53
Notes to the Financial Statements	224	171
Required Supplementary Information	64	47
Supplementary Information Section	303	319
Other Information Section	-	295
Schedule of Expenditures of Federal Awards	31	45
Government Auditing Standards Report	273	124
Single Audit Report	60	64
State Compliance Report	546	590
Findings and Recommendations Section	320	249
Other	9	24
Total Number of Reporting Deficiencies	2,266	2,568

*See Appendix D

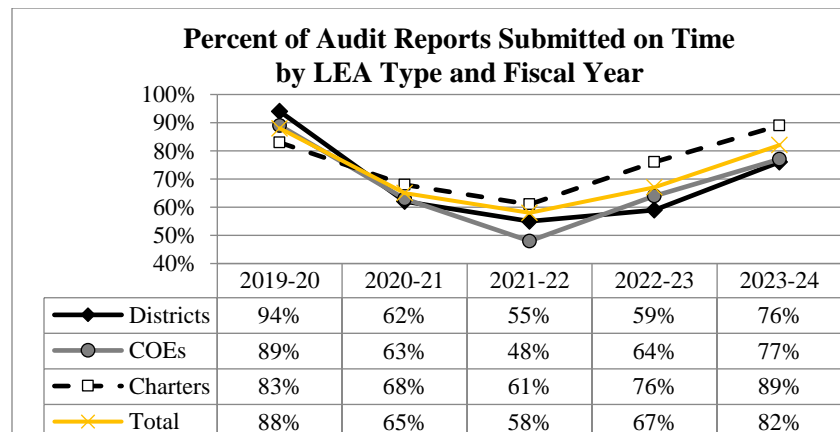
The Other Information Section, the Auditor's Report on Financial Statements, and the State Compliance Report of the independent audit reports of LEAs show the largest increases in the number of reporting deficiencies.

On-time Submissions

Annual audit reports submitted on time increased

Audit reports for the preceding fiscal year must be filed with SCO, CDE, and the county superintendent of schools by December 15 of each year. Filing deadline extensions may be granted, but only under extraordinary circumstances.

Figure 10

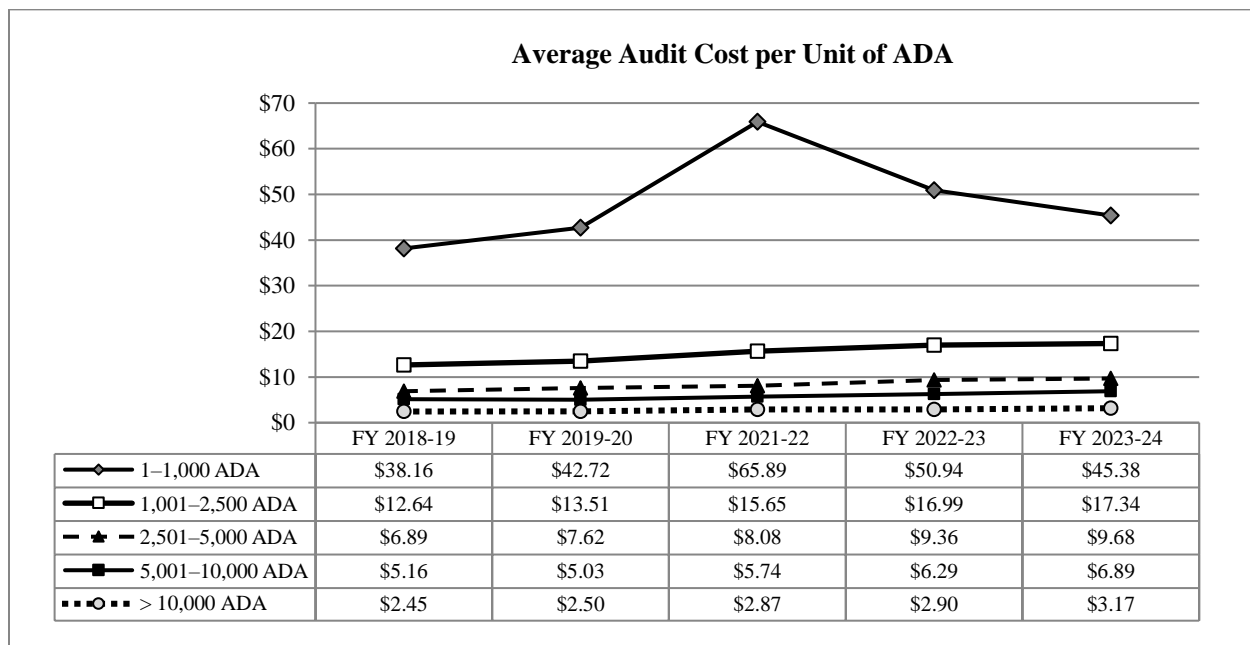


The percentage of school district, COE, and charter annual audit reports submitted by the deadline increased from the prior year (Figure 10). A total of 1,629, or 82 percent, of the 1,977 required LEA reports were received by the December 15, 2024 deadline. For FY 2023-24, there were 2,268 LEAs. Some of the LEAs, primarily charter schools, were combined for reporting purposes, resulting in 1,977 required LEA reports.

Average Audit Cost per Average Daily Attendance

Each year, SCO asks each COE to provide audit contract information for the COE and all LEAs under its jurisdiction. SCO maintains a database of information pertaining to audit contracts between LEAs and independent auditors. From that database, SCO determined the total audit costs and the cost per unit of ADA for LEA annual audits. The COEs provided FY 2023-24 audit contract information for 84 percent (1,639 of 1,962) and FY 2022-23 audit contract information for 86 percent (1,689 of 1,962) of the COEs and LEAs. Based on information received, audit costs for FY 2023-24 totaled \$41.87 million, a decrease of \$1.16 million, or 2.7 percent, from total audit costs of \$43.03 million for FY 2022-23. In FY 2020-21, LEAs were not required to report ADA information; therefore, Figure 11 does not include FY 2020-21 data.

Figure 11



Quality Control Reviews

EC section 14504.2 expanded the State Controller's quality control review function to include LEAs that have received a negative interim report certification and school districts that have a going concern issue, as determined by the county superintendent of schools.

EC section 41020(f)(1) requires SCO to publish a directory of CPAs deemed qualified to conduct audits of LEAs. This directory is published by December 31 of each year.

Quality control reviews are necessary to ensure that independent auditors are following generally accepted auditing standards and government auditing standards, and are reporting findings regarding financial statement issues and compliance with state and federal laws in their annual independent auditor's reports.

The objective of the quality control reviews is to determine whether the independent auditors are conducting the annual financial audits of LEAs in accordance with:

- Generally Accepted Government Auditing Standards (GAGAS);
- Generally Accepted Auditing Standards (GAAS);
- K-12 Audit Guide;
- Title 2, Code of Federal Regulations, Part 200 (Uniform Guidance), as applicable; and
- Business and Professions Code.

The SCO opinion regarding the quality of the audits is classified in one of the following categories, based on whether the independent auditor performed the audit in accordance with auditing standards and state and federal requirements:

- If the audit was performed in accordance with the standards and requirements, the SCO conclusion is that the independent auditor complied with auditing standards and state and federal requirements.
- If the audit was performed in accordance with the majority of the standards and requirements, the SCO conclusion is that the independent auditor complied with the majority of auditing standards and state and federal requirements.
- If the audit was performed in accordance with some elements of the standards and requirements, but the majority of standards and requirements were not met, the SCO conclusion is that the independent auditor complied with some elements of the standards and requirements, but that the majority of auditing standards and state and federal requirements were not met.
- If the audit was not performed in accordance with the standards and requirements, the SCO conclusion is that the independent auditor did not comply with auditing standards and state and federal requirements. SCO may refer the independent auditor to the California Board of Accountancy for a follow-up review.

In FY 2024-25, SCO issued five quality-control review reports related to LEAs. The quality-control reviews found four deficiencies in the following areas: One firm did not assemble its working papers in a timely manner, and another firm's working papers did not include a description of how audit procedures were performed for three required State compliance testing programs.

Appendix A— Audit Report and Interim Report Disclosures of Impending Financial Problems

County	Full Disclosure in Auditor's Opinion	Full Disclosure in Financial Statement and Accompanying Notes	Fiscal Year 2023-24 Average Daily Attendance	Fiscal Year 2024-25 Interim Report		Fiscal Year 2023-24 Second Interim Report
School District/County Office				First	Second	
Alameda County						
1. Fremont Unified	N/A	N/A	31,570	Q	P	P
2. Hayward Unified	N/A	N/A	16,149	N	Q	P
3. Livermore Valley Jt. Unified	N/A	N/A	12,265	Q	P	Q
4. Oakland Unified	N/A	N/A	30,253	N	Q	Q
5. Pleasanton Unified	N/A	N/A	13,012	Q	P	P
Amador County						
6. Amador COE	N/A	N/A	3	Q	Q	Q
7. Amador Co. Unified	N/A	N/A	3,808	Q	Q	Q
Calaveras County						
8. Calaveras Unified	N/A	N/A	2,621	Q	Q	N
Contra Costa County						
9. San Ramon Valley Unified	N/A	N/A	27,990	P	Q ¹	P
10. West Contra Costa Unified	N/A	N/A	23,474	P	P	Q
Del Norte County						
11. Del Norte Co. Unified	N/A	N/A	3,474	Q	P	P
Humboldt County						
12. Green Point Elem.	N/A	N/A	5	P	P	N
Kern County						
13. Semitropic Elem.	N/A	N/A	139	Q	P	P
Lake County						
14. Middletown Unified	N/A	N/A	1,348	P	P	Q
Los Angeles County						
15. Burbank Unified	N/A	N/A	13,456	P	P	Q
16. Culver City Unified	N/A	N/A	6,362	P	Q	P
17. Duarte Unified	N/A	N/A	2,773	P	P	Q
18. Eastside Union Elem.	N/A	N/A	2,673	Q	P	P
19. Little Lake City Elem.	N/A	N/A	3,402	Q	P	P

Appendix A (continued)

County School District/County Office	Full Disclosure in Auditor's Opinion	Full Disclosure in Financial Statement and Accompanying Notes	Fiscal Year 2023-24 Average Daily Attendance	Fiscal Year 2024-25 Interim Report		Fiscal Year 2023-24 Second Interim Report
				First	Second	
Madera County						
20. Chawanakee Unified	N/A	N/A	1,288	P	Q ¹	P
Marin County						
21. Mill Valley Elem.	N/A	N/A	2,183	Q	P	P
Mendocino County						
22. Leggett Valley Unified	N/A	N/A	110	Q	P	P
23. Potter Valley Community Unified	N/A	N/A	251	Q	P	P
24. Ukiah Unified	N/A	N/A	5,357	P	P	Q
25. Willits Unified	N/A	N/A	1,389	Q	P	P
Nevada County						
26. Nevada Jt. Union High	N/A	N/A	2,285	Q	P	P
Orange County						
27. Saddleback Valley Unified	N/A	N/A	21,853	Q	Q	P
Plumas County						
28. Plumas Unified	N/A	N/A	N/A	N	N	P
Riverside County						
29. Coachella Valley Unified	N/A	N/A	14,575	Q ¹	Q ¹	Q
30. Moreno Valley Unified	N/A	N/A	28,856	P	P	Q
Sacramento County						
31. Sacramento City Unified	N/A	N/A	35,059	Q	P	Q
San Bernardino County						
32. Rialto Unified	N/A	N/A	21,760	Q	P	P
San Diego County						
33. Mountain Empire Unified	N/A	N/A	1,681	Q	Q	Q
San Francisco County						
34. San Francisco Unified	N/A	N/A	45,263	N ²	N	N ²
Santa Barbara County						
35. Cuyama Jt. Unified	N/A	N/A	161	Q	P	Q

Appendix A (continued)

County School District/County Office	Full Disclosure in Auditor’s Opinion	Full Disclosure in Financial Statement and Accompanying Notes	Fiscal Year 2023-24 Average Daily Attendance	Fiscal Year 2024-25 Interim Report		Fiscal Year 2023-24 Second Interim Report
				First	Second	
Santa Clara County						
36. Alum Rock Union Elem.	N/A	N/A	7,046	Q	Q	Q
37. East Side Union High	N/A	N/A	18,899	Q	P	Q
38. Franklin-McKinley Elem.	N/A	N/A	5,422	Q	Q	P
Santa Cruz County						
39. Live Oak Elem.	N/A	N/A	1,420	Q	P	P
Shasta County						
40. Cascade Union Elem.	N/A	N/A	1,008	Q	P	Q
41. Castle Rock Union Elem.	N/A	N/A	38	Q	P	Q
42. Millville Elem.	N/A	N/A	198	Q	P	P
43. Oak Run Elem.	N/A	N/A	15	Q	Q	N
Siskiyou County						
44. Dunsmuir Elem.	N/A	N/A	N/A	N	N	P
45. Happy Camp Union Elem.	N/A	N/A	N/A	Q	P	N
46. Junction Elem.	N/A	N/A	N/A			N
47. Weed Union Elem.	N/A	N/A	N/A	N ¹	N ¹	P
48. Yreka Union Elem.	N/A	N/A	N/A	N	Q	Q
Solano County						
49. Vallejo City Unified	N/A	N/A	8,748	Q	Q	Q
Sonoma County						
50. Bellevue Union	N/A	N/A	1,459	P	P	Q
51. Forestville Union Elem.	N/A	N/A	206	P	Q	P
52. Santa Rosa City Schools	N/A	N/A	13,443	P	Q	Q
53. Sonoma Valley Unified	N/A	N/A	2,900	P	Q	P
54. Windsor Unified	N/A	N/A	4,294	Q	P	P

Legend: P=Positive Q=Qualified N=Negative N/A=Not Available

¹ County Office of Education changed certification.

² California Department of Education changed certification.

Appendix B— Local Education Agencies Filing Qualified or Negative Interim Reports

Analysis of Key Indicators for Financial Difficulties									
County	1st/2nd	Deficit	Other		Other	Average		Change of	Status of
School District/County Office	Certification	Spending ¹	Expenditures ²	Contributions ³	Revenues ⁴	Daily Attendance to Enrollment ⁵	Reserves ⁶	Chief Business Official or Superintendent ⁷	Labor Agreements ⁸
Alameda County:									
1. Fremont Unified	Q / P	✓	✓		✓		✓	✓	✓
2. Hayward Unified	N / Q	✓	✓	✓	✓	✓	✓	✓	✓
3. Livermore Valley Jt. Unified	Q / P	✓	✓	✓	✓	✓		✓	✓
4. Oakland Unified	N / Q	✓	✓	✓	✓	✓			✓
5. Pleasanton Unified	Q / P	✓	✓	✓	✓	✓	✓	✓	✓
Amador County:									
6. Amador COE	Q / Q	✓	✓	✓	✓		✓	✓	
7. Amador Co. Unified	Q / Q	✓	✓	✓	✓	✓	✓	✓	
Calaveras County:									
8. Calaveras Unified	Q / Q	✓	✓		✓		✓	✓	✓
Contra Costa County:									
9. San Ramon Valley Unified	P / Q	✓		✓				✓	✓
Del Norte County:									
10. Del Norte Co. Unified	Q / P	✓	✓	✓	✓	✓	✓		✓
Kern County:									
11. Semitropic Elem.	Q / P	✓	✓		✓		✓	✓	✓
Los Angeles County:									
12. Culver City Unified	P / Q	✓	✓	✓		✓	✓	✓	✓
13. Eastside Union Elem.	Q / P	✓	✓	✓	✓	✓	✓	✓	✓
14. Little Lake City Elem.	Q / P	✓	✓	✓		✓	✓		
Madera County:									
15. Chawanakee Unified	P / Q	✓	✓	✓	✓	✓		✓	✓

Appendix B (continued)

		Analysis of Key Indicators for Financial Difficulties									
County		1st/2nd	Deficit	Other		Other	Average		Change of	Status of	Declining
School District/County	Office	Certification	Spending ¹	Expenditures ²	Contributions ³	Revenues ⁴	Attendance to Enrollment ⁵	Reserves ⁶	Business Officer or Superintendent ⁷	Labor Agreements ⁸	Enrollment ⁹
Marin County:											
16. Mill Valley Elem.		Q / P	✓	✓	✓			✓	✓		
Mendocino County:											
17. Leggett Valley Unified		Q / P	✓	✓	✓	✓	✓	✓	✓	✓	
18. Potter Valley Community Unified		Q / P	✓	✓	✓	✓		✓	✓	✓	✓
19. Willits Unified		Q / P	✓	✓	✓	✓	✓	✓			
Nevada County:											
20. Nevada Jt. Union High		Q / P	✓	✓	✓	✓	✓	✓	✓		
Orange County:											
21. Saddleback Valley Unified		Q / Q	✓	✓		✓	✓	✓		✓	✓
Plumas County:											
22. Plumas Unified		N / N	✓	✓	✓	✓	✓	✓	✓	✓	
Riverside County:											
23. Coachella Valley Unified		Q / Q	✓	✓	✓	✓		✓	✓	✓	✓
Sacramento County:											
24. Sacramento City Unified		Q / P	✓	✓	✓	✓	✓	✓		✓	✓
San Bernardino County:											
25. Rialto Unified		Q / P	✓	✓	✓		✓		✓		✓
San Diego County:											
26. Mountain Empire Unified		Q / Q	✓	✓	✓	✓	✓	✓		✓	✓
San Francisco County:											
27. San Francisco Unified		N / N	✓	✓	✓	✓	✓	✓	✓		✓
Santa Barbara County:											
28. Cuyama Jt. Unified		Q / P	✓	✓	✓	✓	✓		✓	✓	

Appendix B (continued)

Analysis of Key Indicators for Financial Difficulties											
County	1st/2nd Certification	Deficit Spending ¹	Other Expenditures ²	Contributions ³	Other Revenues ⁴	Average Daily Attendance to Enrollment ⁵	Reserves ⁶	Change of Chief Business Official or Superintendent ⁷	Status of Labor Agreements ⁸	Declining Enrollment ⁹	
School District/County Office											
Santa Clara County:											
29. Alum Rock Union Elem.	Q / Q	✓	✓		✓			✓	✓	✓	
30. East Side Union High	Q / P	✓			✓	✓	✓	✓		✓	
31. Franklin-McKinley Elem.	Q / Q	✓	✓	✓	✓	✓	✓			✓	
Santa Cruz County:											
32. Live Oak Elem.	Q / P	✓	✓	✓		✓		✓	✓	✓	
Shasta County:											
33. Cascade Union Elem.	Q / P	✓	✓	✓	✓	✓			✓		
34. Castle Rock Union Elem.	Q / P	✓	✓	✓	✓				✓		
35. Millville Elem.	Q / P	✓		✓		✓	✓		✓		
36. Oak Run Elem.	Q / Q	✓	✓	✓	✓	✓	✓	✓	✓		
Siskiyou County:											
37. Dunsmuir Elem.	N / N	✓	✓	✓	✓	✓	✓			✓	
38. Happy Camp Union Elem.	Q / P	✓	✓				✓	✓	✓		
39. Weed Union Elem.	N / N	✓	✓	✓	✓				✓	✓	
40. Yreka Union Elem.	N / Q	✓	✓	✓	✓	✓	✓	✓		✓	
Solano County:											
41. Vallejo City Unified	Q / Q	✓	✓	✓	✓			✓	✓	✓	
Sonoma County:											
42. Forestville Union Elem.	P / Q	✓	✓	✓	✓	✓		✓			
43. Santa Rosa City Schools	P / Q	✓		✓		✓	✓	✓		✓	
44. Sonoma Valley Unified	P / Q	✓	✓	✓	✓	✓	✓			✓	
45. Windsor Unified	Q / P	✓	✓	✓	✓	✓	✓				

Appendix B (continued)

Nine key indicators for financial difficulties are as follows:

- 1 Unrestricted deficit spending has exceeded the standard in any of the current or two subsequent fiscal years.
- 2 Projected operating expenditures (e.g., books and supplies) for the current and two subsequent fiscal years changed by more than five percent since budget adoption or first interim.
- 3 Contributions from unrestricted to restricted resources, or transfers to or from the General Fund to cover operating deficits, changed since budget adoption by more than \$20,000 and more than five percent for any of the current or two subsequent fiscal years.
- 4 Projected operating revenues (e.g., federal, other state, other local) for the current and two subsequent fiscal years changed by more than five percent since budget adoption or first interim.
- 5 Projected second period average daily attendance to enrollment ratio for the current and two subsequent fiscal years is not consistent with historical ratios.
- 6 Projected enrollment for any of the current or two subsequent fiscal years has not changed by more than two percent since budget adoption.
- 7 There had been personnel changes in the superintendent or chief business official positions within the last 12 months.
- 8 Salary and benefit negotiations still unsettled as of second interim projections.
- 9 Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures has not changed by more than the standard for the current and two subsequent fiscal years.

Appendix C— Summary of Audit Report Compliance Findings

<i>Program</i>	<i>Finding Description</i>	<i>Number of Findings</i>
STATE		
Average Daily Attendance (ADA)	ADA overstated by 0-5 ADA	25
	ADA overstated by 5-10 ADA	2
	ADA overstated by 10-20 ADA	2
	ADA overstated by over 20 ADA	3
	ADA understated by 0-5 ADA	24
	ADA understated by 5-10 ADA	1
	ADA understated by 10-20 ADA	5
	ADA understated by over 20 ADA	4
Attendance	Absences were claimed for apportionment	1
	Attendance registers/scantrons not signed by teachers	8
	Attendance report does not reconcile to supporting documentation	17
	Attendance report inaccurate/incomplete	38
	Excused/unexcused absences improperly recorded	1
	Incorrect application of positive/negative attendance accounting	1
	Lack of documentation/records	1
	Minimum day requirements not met	1
	Other finding	3
Continuation Education	Attendance accounting deficiency	3
Independent Study	Contract(s) did not include all required elements	41
	Independent study attendance overstated	10
	Ratio of pupils to teachers exceeded maximum allowable	1
	Other finding	9

Appendix C (continued)

<i>Program</i>	<i>Finding Description</i>	<i>Number of Findings</i>
STATE (continued)		
Kindergarten Continuance	Continuance forms are not maintained and/or properly approved	7
	Kindergarten continuance form did not include required elements	1
Transitional Kindergarten	Average class enrollment exceeded 24 pupils, and local education agency (LEA) did not meet the adult-to-pupil ratio requirement	3
	Average transitional kindergarten class enrollment exceeded 24 pupils	5
	Classroom with early enrollment children exceeded 20 pupils	5
	LEA did not meet the adult-to pupil ratio requirements	5
After School Education and Safety Program	Administrative costs exceeded 15% of state funding	2
	Lack of documentation/records	13
	LEA did not establish policy regarding reasonable early daily release of pupils	2
	Noncompliance with matching requirements	3
	Program did not operate a minimum of 15 hours per week	1
	Reported number of students served not supported by written records or did not reconcile to supporting documents	25
	Reported students served inconsistent with early release policy	3
	Other finding	10
Annual Instructional Minutes - Classroom Based	Instructional time requirements not met	7
Career Technical Education Incentive Grant	LEA did not include in the LEA's budget required matching funds.	1
Child Development	Other finding	1
Classroom Teacher Salaries	District did not meet the current expense of education percentage required for payment of classroom teacher salaries	117
	Other finding	1

Appendix C (continued)

<i>Program</i>	<i>Finding Description</i>	<i>Number of Findings</i>
STATE (continued)		
Comprehensive School Safety Plan	District did not adopt or update its comprehensive school safety plan by March 1	24
	District did not have a comprehensive school safety plan and did not notify the California Department of Education by October 15	4
Determination of Funding for Nonclassroom-Based Instruction	Other finding	1
District of Choice	District did not register as a district of choice as required	2
Educator Effectiveness	Expenditure report not submitted to Calidomia Department of Education as required by law	15
	Funds not properly tracked as required by law	1
	Plan was adopted, but not in a subsequent public meeting	1
Expanded Learning Opportunities Grant (ELO-G)	Unallowable expenditures	7
Expanded Learning Opportunities Program	LEA did not offer or provide the opportunity to enroll to all eligible pupils	42
	LEA did not provide transportation or access to and from Expanded Learning Opportunities Program sites	3
	Number of pupil-to-staff member ratio not maintained	28
	Program was not offered on every school day or was less than nine hours per day	36
	Program was offered for less than 30 non-school days, and/or less than nine hours per day	79
	Registration form/document is missing or incomplete	48
	Other finding	16
Gann Limit Calculation	Appropriations limit calculation deficiency	1

Appendix C (continued)

<i>Program</i>	<i>Finding Description</i>	<i>Number of Findings</i>
STATE (continued)		
Home to School Transportation Reimbursement	Transportation Services Plan not developed or adopted timely	21
	Other finding	14
Immunizations	Immunization dose(s) not received	40
	Other finding	1
Instructional Materials	Board resolution did not address sufficiency of textbooks/instructional materials	4
	Notice of public hearing deficiency	24
	Public hearing on instructional materials not held or held after the required time period	33
Instructional Time	Instructional days and instructional minutes requirements not met	1
	Instructional days requirements not met	4
	Instructional minutes requirements not met	16
	Lack of documentation/records	1
	Other finding	1
Local Control and Accountability Plan	Expenditures not tracked or inconsistent with identified actions or services	2
	Local Control and Accountability Plan not presented to the parent advisory committee	3
Mode of Instruction	Average daily attendance not generated in compliance with requirements	1
	Teacher did not possess a valid teaching certification	11
Nonclassroom-Based Instruction/Independent Study	Contract not signed by student	9

Appendix C (continued)

<i>Program</i>	<i>Finding Description</i>	<i>Number of Findings</i>
STATE (continued)		
Other State Program	Financial report/claim not filed/not filed timely	3
	Other finding	9
Prop 28 Arts and Music in School	Expenditure(s) made for non-qualifying purposes or not in accordance with law	4
	LEA did not comply with certification requirements	7
	LEA did not post on its website and/or did not submit to California Department of Education its adopted report	8
	More than 20% of expenditures used for unallowable purposes	1
	Other finding	1
Proper Expenditure of Education Protection Account Funds	Funds not properly disbursed and expended as required by law	2
	Other finding	1
Ratio of Administrative Employees to Teachers	Number of administrators per hundred teachers exceeded the allowable ratio	13
School Accountability Report Card (SARC)	District did not follow uniform complaint process	2
	Facility Inspection Tool not prepared or missing	5
	SARC information inconsistent with availability of sufficient textbooks & other instructional materials	1
	School Accountability Report Card: SARC information inconsistent with complaints related to teacher misassignments or vacancies	4
	SARC information inconsistent with Facility Inspection Tool or local evaluation instrument	45
	School accountability report card not published	2
	Other finding	4

Appendix C (continued)

<i>Program</i>	<i>Finding Description</i>	<i>Number of Findings</i>
STATE (continued)		
Teacher Certification and Misassignments	Teacher did not possess a valid certification document (teaching credential)	9
	Teacher not authorized to instruct limited-English-proficient pupils	1
	Teacher providing instruction outside of credential subject	2
Unduplicated Local Control Funding Formula Pupil Counts	English Learner students missing eligibility documentation	3
	Free and Reduced Price Meal and/or English Learner pupil counts overstated	37
	Free and Reduced Price Meal and/or English Learner pupil counts understated	2
	Free and Reduced Price Meal students and English Learner students missing eligibility documentation for at least one designation	16
	Free and Reduced Price Meal students missing eligibility documentation	15
	Other finding	9
TOTAL STATE FINDINGS		1,113
FEDERAL		
Child Care and Development Block Grant	Eligibility	1
Child Nutrition Cluster	Allowable costs/cost principles	2
	Eligibility	1
	Financial report inaccurate/not complete	4
	Procurement, suspension, debarment	4
	Other finding	2
Elementary and Secondary School Emergency Relief Fund Program	Allowable costs/cost principles	7
	Equipment and real property management	3
	Elementary and Secondary School Emergency Relief Fund Program Annual Data Collection Form was inaccurate/not complete	5
	Lack of documentation/records	7

Appendix C (continued)

<i>Program</i>	<i>Finding Description</i>	<i>Number of Findings</i>
<i>FEDERAL (continued)</i>		
Federal Programs	Allowable costs/cost principles	3
	Multi-funded positions are not supported by time distribution records	1
	Procurement, suspension, debarment	1
	Reporting	1
Head Start	Allowable costs/cost principles	1
Other Federal Program	Allowable costs/cost principles	3
	Procurement, suspension, debarment	2
	Reporting	4
	Subrecipient monitoring	1
Special Education	Allowable costs/cost principles	1
	Other finding	1
Title I Grants to LEAs	Activities allowed or unallowed	1
	Allowable costs/cost principles	1
	Lack of documentation/records	7
	Matching, level of effort, earmarking	1
	Other finding	3
<i>TOTAL FEDERAL FINDINGS</i>		<i>68</i>
<i>TOTAL STATE AND FEDERAL FINDINGS</i>		<i>1,181</i>

Appendix D— Summary of Audit Report Deficiencies

Description	Number of Deficiencies	
	FY 2022-23	FY 2023-24
<u>Auditor's Report on the Financial Statements</u>		
Independent Auditor's Report on the financial statements was deficient.	0	162
Report did not include a section with the heading "Other Information."	0	121
Report did not include all of the elements in the Other Information section.	0	72
Auditor's Responsibilities section did not include all required elements.	16	67
Auditor's report did not include an opinion on supplementary information.	39	35
Auditor's report did not identify the supplementary information, including the Schedule of Expenditures of Federal Awards.	45	33
Report did not include all of the elements in the required supplementary information section.	190	28
Report did not include a section with the heading "Other Matters."	6	19
Opinion paragraph of auditor's report did not clearly identify financial statements covered by auditor's opinion.	8	13
Reference to a separate report on internal control over financial reporting and on compliance was not included.	5	10
Basis for Opinions section did not reference auditing standards generally accepted in the USA and <i>Government Auditing Standards</i> .	11	3
Auditor's opinion did not state that the financial statements conform with accounting principles generally accepted in the USA.	1	3
Report did not state that management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles, and for the design, implementation, and maintenance of relevant internal controls.	1	2
Reference to a separate report on internal control over financial reporting and on compliance was deficient.	1	2
Disclaimer of opinion was issued, but the opinion paragraph did not include required information.	1	2
Disclaimer of opinion was issued, but the report did not include a description of the auditor's responsibility.	1	2
Report did not include a statement that the separate report on internal control over financial reporting and on compliance is an integral part of an audit performed in accordance with <i>Government Auditing Standards</i> .	1	2
Basis for Opinions section did not address the auditor's independence required disclosures.	0	2
Report did not include a section with the heading "Basis for Opinions."	0	1
Report did not state that management is required to evaluate the entity's ability to continue as a going concern.	0	1
Disclaimer of opinion due to an inability to obtain sufficient appropriate audit evidence: opinion paragraph was deficient.	0	1
Report did not include a section with the heading "Auditor's Responsibilities for the Audit of the Financial Statements."	0	1

Appendix D (continued)

Description	Number of Deficiencies	
	FY 2022-23	FY 2023-24
<u>Auditor's Report on the Financial Statements (continued)</u>		
Report did not include a section with the heading "Other Reporting Required by Government Auditing Standards."	1	1
Report did not include a section with the heading "Opinions."	12	1
Report did not include a paragraph describing the matter giving rise to the modified opinion.	0	1
Report did not include a section with the heading "Required Supplementary Information."	2	1
Independent Auditor's Report on the financial statements was not included.	15	0
Report did not include a section with the heading "Qualified Opinion," "Adverse Opinion," or "Disclaimer of Opinion."	1	0
Basis for Opinions section did not state that the audit evidence obtained is sufficient and appropriate for the auditor's opinion.	3	0
Qualified opinion due to an inability to obtain sufficient appropriate audit evidence: opinion paragraph was deficient.	1	0
Subtotal	361	586
<u>Management's Discussion and Analysis</u>		
Management's Discussion and Analysis was not included.	10	1
<u>Basic Financial Statements</u>		
Governmental entity: Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position was not presented properly.	9	10
Governmental entity: Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities was not presented properly.	21	9
Not-for-profit entity: Statement of Activities was not presented properly.	7	9
Not-for-profit entity: Statement of Cash Flows was not presented properly.	4	5
Not-for-profit entity: Statement of Financial Position was not presented properly.	3	5
Governmental entity: Statement of Fiduciary Net Position – Fiduciary Funds was not presented properly.	2	5
Governmental entity: Statement of Activities was not presented properly.	4	3
Governmental entity: Balance Sheet – Governmental Funds was not presented properly.	5	2
Governmental entity: Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds was not presented properly.	5	2
Governmental entity: Statement of Fund Net Position – Proprietary Funds was not presented properly.	1	2
Governmental entity: Statement of Net Position was not presented properly.	3	1
Governmental entity: Statement of Changes in Fiduciary Net Position – Fiduciary Funds was not presented properly.	1	0
Subtotal	65	53

Appendix D (continued)

Description	Number of Deficiencies	
	FY 2022-23	FY 2023-24
<u>Notes to the Financial Statements</u>		
Governmental entity: Other Post-employment Benefits (OPEB) note did not include the OPEB plan description.	49	43
Governmental entity: OPEB note did not include the discount rate information.	23	35
Governmental entity: Measurement focus and basis of accounting used in the government-wide and fund financial statements was not included.	8	13
Governmental entity: OPEB note did not properly disclose the employer's OPEB liabilities for the period associated with defined benefit OPEB liabilities to employees.	12	13
Governmental entity: OPEB note did not include significant assumptions disclosure.	10	12
Governmental entity: Summary of significant accounting policies did not include a description of the government-wide financial statements, noting the exclusion of fiduciary activities.	3	11
Governmental entity: Notes did not include adequate disclosure of long-term liabilities, including a schedule of changes in long-term debt and a statement of debt service requirements to maturity for outstanding long-term debt.	25	9
Governmental entity: Nature of the primary government's accountability for related organizations and joint ventures was not included.	6	4
Not-for-profit entity: Notes did not include adequate disclosure of related-party transactions and common control.	1	3
Not-for-profit entity: Notes did not include adequate disclosure of capital assets and depreciation, including the method used to compute depreciation.	4	3
Not-for-profit entity: Summary of significant accounting policies did not include description of the financial statements presentation and basis of accounting.	5	3
Governmental entity: Early retirement note did not include all the required disclosures.	1	3
Governmental entity: OPEB note did not include a schedule of changes in the OPEB liability.	7	3
Governmental entity: Material prior period restatements or adjustments were not adequately disclosed.	6	2
Governmental entity: OPEB note did not disclose the OPEB plan's fiduciary net position information.	5	2
Governmental entity: Early retirement note was not included.	0	2
Not-for-profit entity: Notes did not include description of the nature of the entity's activities.	4	2
Not-for-profit entity: Notes did not include adequate disclosure of pension benefits.	2	2
Governmental entity: Summary of significant accounting policies did not include a description of the component units, their relationships to the primary government, and how to obtain separate financial statements for component units.	4	2
Governmental entity: Notes did not include adequate disclosure of capital assets and depreciation, including the method used to compute depreciation.	33	2
Governmental entity: Notes did not disclose deficit fund balances or net position of individual funds, not apparent on the face of the financial statements.	1	1
Not-for-profit entity: Notes did not include the summary of significant accounting policies.	2	1

Appendix D (continued)

Description	Number of Deficiencies	
	FY 2022-23	FY 2023-24
<u>Notes to the Financial Statements (continued)</u>		
Not-for-profit entity: Notes did not include description of net assets and information about the nature and amounts of different types of donor-imposed restrictions.	1	0
Governmental entity: Pension obligations disclosures not included.	2	0
Not-for-profit entity: Notes did not include adequate disclosure of debt and other liabilities.	4	0
Governmental entity: Notes did not include the summary of significant accounting policies.	1	0
Governmental entity: OPEB plan disclosures not included.	5	0
Subtotal	224	171
<u>Required Supplementary Information</u>		
Schedule of the entity's OPEB liability, changes in the net OPEB liability, or entity's proportionate share of the net OPEB liability was not included.	20	16
Schedule of the entity's proportionate share and schedule of contributions for each pension plan was not included.	25	13
Schedule of the entity's defined benefit OPEB plan contribution was not included.	15	13
Schedule of budgetary comparison data for general fund and major special revenue fund(s) were not included as required supplementary information.	3	3
Schedule of budgetary comparison data was not shown by object.	1	2
Subtotal	64	47
<u>Supplementary Information Section</u>		
Schedule of Instructional Time did not contain all the required information.	116	102
Schedule of Instructional Time did not state whether the district complied with the instructional days provisions.	18	66
Schedule of Financial Trends and Analysis was not included; or schedule was deficient.	16	42
Schedule of Average Daily Attendance did not display final average daily attendance (ADA) after audit finding adjustment(s).	32	24
Schedule of Instructional Time was not included.	8	22
Schedule of Average Daily Attendance for charter school did not include total ADA and the ADA generated through classroom-based instruction by grade span, as appropriate.	5	11
Schedule of Average Daily Attendance was deficient.	14	10
Schedule of Charter Schools was not included.	2	9
Schedule of Financial Trends and Analysis: Available reserves are below minimum required; and management's plans and/or going concern note were not included.	9	8
Schedule of Charter Schools was deficient.	9	8
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements was not included.	3	7
For a school district or county office of education that included a charter school(s) in the financial statements, the Schedule of Average Daily Attendance did not include the ADA detail for each charter school.	4	5
Schedule of Instructional Time indicates noncompliance, but a finding was not included in the audit report.	9	3

Appendix D (continued)

Description	Number of Deficiencies	
	FY 2022-23	FY 2023-24
<u>Supplementary Information Section (continued)</u>		
Schedule of Average Daily Attendance was not included.	7	2
Local Education Agency Organization Structure description was not included.	15	0
Local Education Agency Organization Structure description was deficient.	36	0
Subtotal	303	319
<u>Other Information Section</u>		
Local Education Agency Organization Structure description was not included.	0	259
Local Education Agency Organization Structure description was deficient.	0	36
Subtotal	0	295
<u>Schedule of Expenditures of Federal Awards</u>		
Note to the Schedule of Expenditures of Federal Awards was not included or was deficient.	12	25
Schedule of Expenditures of Federal Awards was deficient.	19	16
Schedule of Expenditures of Federal Awards was not included.	0	4
Subtotal	31	45
<u>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters</u>		
Report on internal control over financial reporting was deficient.	203	58
Report did not state that audit was conducted in accordance with auditing standards generally accepted in the USA and <i>Government Auditing Standards</i> .	13	30
Report on compliance and other matters did not include a statement that the auditor performed tests of compliance.	25	15
Report on compliance and other matters did not include a statement regarding test results.	22	10
Report on internal control and compliance did not include an alert paragraph describing the purpose of the auditor's report.	1	4
Report on Internal Control over Financial Reporting and on Compliance and Other Matters (<i>Government Auditing Standards</i>) was not included.	5	3
Description of the nature of modified opinion on the financial statements was not properly disclosed on the report.	3	3
Report on compliance and other matters was deficient.	1	1
Subtotal	273	124
<u>Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance (Uniform Guidance)</u>		
Report on compliance for each major federal program and on internal control over compliance (Uniform Guidance) was deficient.	16	26
Report on compliance for each major federal program and on internal control over compliance (Uniform Guidance) was not included.	22	14
Auditor's Responsibilities section did not include all required elements.	3	5
Opinion on Each Major Federal Program section did not include all required elements.	7	4

Appendix D (continued)

Description	Number of Deficiencies	
	FY 2022-23	FY 2023-24
<u>Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance (Uniform Guidance) (continued)</u>		
Material weaknesses or significant deficiencies in internal control over compliance were not properly disclosed in the report.	4	4
Noncompliance that did not result in an opinion modification was not disclosed in the report.	4	4
Noncompliance that resulted in an opinion modification was not properly disclosed in the report.	0	2
Responsibilities of Management section did not include all required elements.	0	2
Basis for Opinion on Each Major Federal Program section did not include all required elements.	3	2
Report on compliance for each major federal program and on internal control over compliance (Uniform Guidance) did not include an alert paragraph describing the purpose of the auditor's report.	1	1
Subtotal	60	64
<u>State Compliance Report</u>		
Independent Auditor's Report on State Compliance and on Internal Control over Compliance was not included.	20	178
Auditor's Responsibilities for the Audit of Compliance section of the Independent Auditor's Report on State Compliance was deficient.	234	138
Independent Auditor's Report on State Compliance and on Internal Control over Compliance was deficient.	90	121
Report on Internal Control over Compliance was deficient.	71	66
Basis for Opinion section of Independent Auditor's Report on State Compliance was deficient.	35	29
Independent Auditor's Report on State Compliance and on Internal Control over Compliance did not include a section with the heading Opinion.	31	27
Independent Auditor's Report on State Compliance and on Internal Control over Compliance did not include an opinion on whether the entity complied, in all material respects, with the state compliance requirements.	44	19
Opinion section of Independent Auditor's Report on State Compliance and on Internal Control over Compliance did not include all required elements.	21	12
Subtotal	546	590
<u>Findings and Recommendation Section</u>		
State compliance finding did not include a statement (which may include questioned costs) consistent with its basis of funding, for any inappropriately reported claim.	32	56
State Program Finding(s): Noncompliance was reported; however, the finding(s) did not include sufficient information.	47	49
Major federal programs were not identified.	47	22
Summary of Auditor's Results was deficient.	30	22

Appendix D (continued)

Description	Number of Deficiencies	
	FY 2022-23	FY 2023-24
<u>Findings and Recommendation Section (continued)</u>		
Audit finding was not coded with the correct five-digit number.	31	19
Attendance Finding: ADA inappropriately reported for apportionment and an estimate of their dollar value not included.	35	16
Schedule of Prior Audit Findings was not included.	16	14
Federal Program Finding(s): Noncompliance was reported; however, the finding(s) did not include sufficient information.	9	10
Schedule of Findings and Questioned Costs was not included.	11	9
Financial statement finding did not include the condition.	9	5
Financial statement finding did not include the cause.	8	4
Financial statement finding did not include the effect or potential effect.	10	4
Financial statement finding did not include the views of responsible officials and planned corrective actions.	7	4
Financial statement finding did not include the criteria.	15	4
Auditee's corrective action plan to eliminate noncompliance was not included.	0	4
Federal Program Finding(s): Questioned costs and/or how they were calculated not included.	0	2
Sufficient information for judging the prevalence and consequences of noncompliance was not included.	4	2
Financial statement finding did not include the recommendation.	8	2
Summary of Auditor's Results was not included.	1	1
Subtotal	320	249
<u>Other</u>		
Auditor's reports did not include a manual or printed signature of the auditor's firm and date of the report.	9	24
Total number of deficiencies	2,266	2,568

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