Los Angeles County Office of Education

INFORMATIONAL BULLETIN # 7080

9300 Imperial Highway, Downey, California 90242-2890 • (562) 922-6111

Debra Duardo, M.S.W., Ed.D., *Superintendent*

December 3, 2025

TO: Business and Accounting Administrators
Los Angeles County School Districts,
Regional Occupational Centers/Programs (ROC/Ps), and
Joint Powers Authorities (JPAs)
Community College Districts

FROM: Octavio Castelo, Director
Division of Business Advisory Services

Jenny Zermeño, Interim Assistant Director
School Accounting and Disbursements
Division of School Financial Services

SUBJECT: 2024-25 Annual Audits

Under Education Code (EC) Section 41020(h)(1), all school districts must file their annual audit reports for the 2024-25 fiscal year by December 15, 2025, with the Los Angeles County Superintendent of Schools (County Superintendent), the California Department of Education (CDE), and the State Controller's Office (SCO). This bulletin outlines various aspects of the 2024-25 annual audit process and timeline, and the responsibilities of school district auditors, school districts, and the County Superintendent. This bulletin also outlines the report filing deadlines (Attachment No. 1), the process to resolve audit exceptions and to record audit adjustments. Detailed explanations are provided in the following sections of this bulletin.

Audit Contracts

Districts are strongly encouraged to exercise thorough due diligence when negotiating their audit contracts. By carefully vetting and selecting auditors who have a proven track record of meeting critical deadlines—such as the December 15 deadline- districts can help ensure compliance, avoid unnecessary delays, and maintain public trust.

Please review the County Superintendent Informational Bulletin No. 6941 (https://www.lacoe.edu/content/dam/lacoeedu/bulletin/6941.pdf), issued December 17, 2024, for the districts' 2024-25 audit contract requirements and required submission protocols. If you have any questions relating to audit contracts, please contact the SFS Audit & Reconciliation Unit at SFSAudit@lacoe.edu.

Please refer to Attachment No. 2 for the Los Angeles County K-12 School Districts, Regional Occupational Centers/Program, and Joint Powers Authorities Audit Firm Contact Information list for the 2024-25 fiscal year.

Audit Report Filing

Audit reports for fiscal year 2024-25 must be filed with the required agencies by December 15, 2025. Please see Attachment No. 3 for additional details.

Audit Exceptions

EC Sections 41020 and 41020.3 specify the responsibilities of County Superintendents, school districts, and districts' independent auditors, as they relate to resolving audit exceptions.

<u>County Superintendent Responsibilities</u>

The County Superintendent must:

- review all audit exceptions in the district's audit report;
- request that the Governing Board of each school district provide the County Superintendent with a description of all corrections or plans of correction by March 15, 2026;
- review the information provided for adequacy, request any additional information needed, and certify to the Superintendent of Public Instruction and the SCO by May 15, 2026, that the staff has:
    - reviewed all school district audits under her/his/their jurisdiction for the 2024-25 fiscal year;
    - verified all exceptions have been corrected or that the district has submitted an acceptable plan of correction; and
    - required all districts with attendance related audit exceptions to prepare and submit appropriate amended attendance reports for transmission to CDE.

The County Superintendent cannot certify reports of average daily attendance (ADA) if any of the ADA is from programs with "apportionment significant noncompliance."

The County Superintendent may waive any audit exceptions the districts receive because of noncompliance with the reporting requirements for:

- sufficiency of Instructional Materials per EC Section 60119 (e.g., public hearing and board resolution);

- teacher misassignment per EC Section 44258.9;

- accuracy of information reported on the School Accountability Report Card per EC Section 33126 (EC Section 41344.4).

School Districts Responsibilities

By January 31, 2026, the Governing Board of each school district must:

- review the annual audit report for the prior fiscal year at a public meeting. According to EC Section 41020.3, the review will include:

> ". . . the annual audit of the local education agency for the prior year, any audit exceptions identified in that audit, the recommendations or findings of any management letter issued by the auditor, and any description of correction or plans to correct any exceptions or management letter issue."

The audit reports for fiscal year 2024-25 submitted to the County Superintendent by December 15, 2025 (EC Section 41020(h)(2)) require the Corrective Action Plans (CAPs) for each of the audit findings/management letter observations and the recommendation(s) discussed in the audit report and the management letter. The written description of corrections or plans of correction must address not only the items in the sections titled "Findings and Recommendations," "Findings and Questioned Costs," or similar headings, but also the observations provided in the management letter. The "Standards and Procedures for Audits of California K-12 Local Educational Agencies" (Standards and Procedures) specifies that the management letter is an integral part of the audit report, and the associated corrections or plans of correction are submitted as part of the audit report. EC Section 41020.3 indicates that management letter observations have the same requirements for correction as items that appear in the finding sections.

Corrections or Corrective Action Plans (CAPs) should be specific about the district's actions taken or planned and should include the following:

- ✓ What has been (or will be) done?
- ✓ Who has done (or will do) what?
- ✓ When was it (or will be) done?
- ✓ How it was (or will be) done?

General comments such as "will implement," "accepted the recommendation," or "will discuss at a later date," do not meet EC requirements. If inadequate descriptions are used, additional information will be requested.

The audit reports will be reviewed in conjunction with the CAPs. The audit reports will be approved and submitted to CDE and SCO for certification *only* if the audit reports meet the audit standards and all CAPs are adequate.

School District Auditor Responsibilities

School district auditors are required to:

- ensure accuracy of account balances, requiring districts to book the appropriate adjustment entries to the district's financial accounting records, as specified in the "Reconciliation of Annual Financial and Budget Report with Audited Financial Statements" section of the audit report.

- code all audits exceptions to indicate whether the County Superintendent, CDE or SCO has the responsibility of follow-up;

- quantify the dollar value (questioned costs) of the audit exceptions;

- review all corrections or plans of correction for the prior year(s) audit exceptions to determine if the audit exceptions have been resolved;

- notify the County Superintendent, CDE, and SCO if prior year(s) audit exceptions are not resolved, and restate the exceptions in the current year audit report;

- evaluate whether there is any question about the district's ability to continue as a "going concern" for a reasonable period;

- include management improvement recommendations in the audit report; and

- upon request, provide the County Superintendent or the State Superintendent of Public Instruction with fiscal information on a district if the County Superintendent determines, under EC Section 42127.6, that the district may not meet its fiscal obligations in the current or subsequent fiscal year (EC Section 41020.8).

Recording Audit Adjustments Resulting from 2024-25 Audit

The 2024-25 annual financial audit, prepared by independent auditors, may differ from district prepared 2024-25 unaudited financial information. The differences are usually listed in the audit report as supplementary information in the exhibit titled "Reconciliation of Annual Financial and Budget Report with Audited Financial Statements." This schedule shows the impact of the audit adjustments on the 2024-25 ending fund balance for each fund, and on the 2025-26 beginning fund balances.

Differences that impact on the beginning balance for each fund require two separate adjustments:

- budget revisions, and
- audit adjustments.

The required audit adjustments will change the district's beginning fund balance for the 2025-26 adopted budget. Therefore, the district must submit corresponding **budget revisions** increasing or decreasing the components of the fund balance. These budget revisions must be adopted by the district's Governing Board, entered directly through the BEST Advantage System.

Audit adjustments must be entered by closing of Period 7 (February 20, 2026) in the BEST Advantage System. This will ensure that April month end reports, which are used to prepare and satisfy legal requirements for the Second Interim Report, include audited beginning fund balance adjustments. Whether the district audit adjustment(s) has a positive or negative impact on the district, the corresponding budget adjustment(s) should be filed simultaneously.

For detailed information and examples on how to post your district's audit adjustment journals, we recommend that you refer to Procedure 215, Audit Adjustments, which is in the California School Accounting Manual (CSAM), 2024 Edition. The 2024 Edition manual can be found on CDE website:

https://www.cde.ca.gov/fg/ac/sa/documents/csam2024complete.pdf

If you have any questions regarding posting audit adjustments, please contact the SFS General Ledger Unit at SFSGLGroup@lacoe.edu.

Charter schools should contact their authorizing agency, not the County Superintendent, with questions regarding apportionments, timelines, forms, and/or budget assumptions.

This bulletin and its attachments are posted on the County Superintendent website at:

https://www.lacoe.edu/bulletins

Use the "Search" function to locate a specific bulletin by number or keyword.

If you have questions regarding this bulletin, please contact the SFS Audit & Reconciliation Unit at SFSAudit@lacoe.edu, or your Business Services Consultant listed in Attachment No. 4.

Approved:
David Hart, Chief Financial Officer
Business Services

AM/KT:mg
Attachments

SFS-A27-2025-2026

Attachment 1

LOS ANGELES COUNTY OFFICE OF EDUCATION

2024-25 Audit Timeline

Due Date[1]	Responsible Party	Requirement
March 17, 2025	District	Select an audit firm from the SCO directory for the 2024–25 annual audit, secure an audit contract by April 1 (EC Section 41020(b)(3)), and submit the annual audit contract, Board minutes, and required information to the County Superintendent.
April 1, 2025	County	Provide for annual audit if district has not done so (EC Section 41020 (b)(3).
December 15, 2025	District	Extension request for audit report submission must be received by the County Superintendent for processing and submission to the SCO (EC Section 41020 (h)).
December 15, 2025	Auditor	Audit report, management letter, and the associated corrective action plan (s), if any, submitted to the County Superintendent, CDE and SCO (EC Section 41020(h)(1)).
January 31, 2026	District	Audit adjustments must be recorded in the BEST Advantage System by closing of Period 7 (February 20, 2026)
January 31, 2026	District	Governing Board review of audit report, audit findings, management letter observations, recommendations, adjustments made, corrections made and plans of corrections (EC Section 41020.3)
March 15, 2026	District	Corrections made and plans of corrections sent to County Superintendent in response to County Superintendent's request if the corrections or plans of corrections have not been provided as part of the audit report (EC Section 41020(j)(2)(A)) .
May 15, 2026	County	Certification sent to the CDE and the SCO (EC Section 41020(k)(1).

Note: The County Superintendent must **approve** audit contracts for school districts that have had a disapproved budget, a negative interim report certification, or have been identified as "not a going concern" in the current or either of the two preceding fiscal years (EC Section 41020(b)(2)).

[1] In accordance with Government Code (GC) 6700, GC 6707, and GC 6803, if the statutory due date occurs on a Saturday, Sunday or holiday, the reporting due date shall be on the following workday.

Attachment 2

Los Angeles County Office of Education
Los Angeles County K-12 School Districts,
Regional Occupation Centers/ Program, Joint Power Authorities
Audit Firms Contact Information

No.	Name of Audit Firm	Address	Phone Number	Email Address	Website
1	Christy White, A Professional Accountancy Corp	348 Olive St., San Diego, CA 92103	(877) 220-7229	cwhite@christywhite.com	www.christywhite.com
2	CliftonLarsonAllen LLP	2210 E. Route 66, Suite 100, Glendora, CA 91740	(888) 529-2648	taylor.ulrich@claconnect.com	www.claconnect.com
3	CWDL, Certified Public Accountants (Cossolias, Wilson, Dominguez and Leavitt)	5151 Murphy Canyon Road, Suite 135, San Diego, CA 92123	(858) 565-2700	jdominguez@cwdl.com	www.cwdl.com
4	Eide Bailly LLP	10681 Foothill, Suite 300, Rancho Cucamonga, CA 91730	(909) 466-4410	brauch@eidebailly.com	www.eidebailly.com
5	Gilbert CPAs, Certified Public Accountants	2880 Gateway Oaks Dr., Ste. 100, Sacramento CA 95833	(916) 646-6464	info@gilbertcpa.com	www.gilbertcpa.com
6	Harshwal & Company LLP	11405 W Bernardo Ct., Ste A, San Diego, CA 92127	(858) 939-0017	sanwar@harshwal.com	www.harshwal.com
7	Jeanette L. Garcia & Associates	202 E Airport Dr, Ste. 160, San Bernardino, CA 92408	(909) 763-2100	jgarcia@jlgcpa.net	www.jlgcpa.net
8	Moss, Levy & Hartzheim, LLP	5800 Hannum Avenue, Suite E, Culver City, CA 90230	(310) 670-2745	hhui@mlhcpas.com	www.mlhcpas.com
9	Nigro & Nigro, PC	25220 Hancock Ave., Suite 400, Murrieta, CA 92562	(951) 698-8783	pglenn@nncpas.com	www.nncpas.com
10	Silva & Silva CPAs, Certified Public Accountants	3040 Saturn Street Suite 107, Brea, CA 92821	(714) 529-7707	silvacpas@msn.com	www.silvasilvacpas.com
11	Simpson & Simpson, LLP	633 W. 5th St., Suite 2600, Los Angeles, CA 90071	(213) 736-6664	msimpson@simpsonandsimpsoncpas.com	www.simpsonllp.com
12	Wilkinson Hadley King & Co. LLP	218 West Douglas Avenue, El Cajon, CA 92020	(619) 447-6700	bhadley@whkcpa.com	www.whkcpa.com

Attachment 3

LOS ANGELES COUNTY OFFICE OF EDUCATION
School Financial Services

2024-25 Audit Report Filing

In accordance with Education Code Section 41020(h)(1), all school districts are required to file their annual audit reports for the 2024-25 fiscal year by December 15, 2025, with the agencies listed below. Please provide your audit firm with this contact information.

Audit & Reconciliation Unit School Financial Services Los Angeles County Office of Education 9300 Imperial Highway, Room 219 Downey, CA 90242-2890 (562) 922-6416	1 PDF copy via email to: SFSAudit@lacoe.edu
California State Controller's Office Division of Audits – Financial Audit Bureau School District Audits P.O. Box 942850 Sacramento, CA 94250-5874 (916) 322-4846	1 PDF copy via email to: leaaudits@sco.ca.gov
California Department of Education School Fiscal Services Division Audit Resolution Staff 1430 "N" Street, Suite 3800 Sacramento, CA 95814 (916) 323-8068	1 PDF copy via email to: leaaudits@cde.ca.gov

Attachment 4

LOS ANGELES COUNTY OFFICE OF EDUCATION
Business Advisory Services – Fiscal Monitoring District Assignments

Abrar Alam alam_abrar@lacoe.edu **(562) 922-6133**	**Dio Brache** brache_dionisio@lacoe.edu **(562) 922-6802**	**Steven Choi** choi_steven@lacoe.edu **(562) 940-1768**
Antelope Valley Sch. Trans Agcy. Antelope Valley Joint Union HSD Arcadia USD El Rancho USD Keppel Union SD Las Virgenes USD Little Lake City SD Temple City USD Walnut Valley USD William S. Hart Union HSD Los Angeles USD (Secondary)	Beverly Hills USD Burbank USD Duarte USD Hermosa SD Lynwood USD Manhattan Beach SD PINCO San Gabriel USD Sulphur Springs Union SD Inglewood USD (Primary)	CALAPS JPA Glendale USD Wiseburn USD **Dave Wilson** wilson_david@lacoe.edu **(562) 922-7469** Lancaster SD Norwalk-La Mirada USD SCROC
Kathy Connell connell_kathy@lacoe.edu **(562) 922-6184**	**Sean Lewis** lewis_sean@lacoe.edu **(562) 922-6779**	**Belinda Martinez-Garcia** martinez_belinda@lacoe.edu **(562) 922-8739**
Castaic Union SD Downey USD Eastside Union SD Hawthorne SD La Cañada USD Lawndale Elementary SD Mountain View SD San Gabriel Valley ROP South Pasadena USD Westside Union SD Hacienda La Puente USD (Primary)	ABC USD Alhambra USD Bellflower USD East Whittier City SD Palmdale SD Redondo Beach USD Santa Monica-Malibu USD South Whittier SD Whittier City SD Whittier Union HSD Inglewood USD (Secondary)	Claremont USD Culver City USD El Monte City SD El Segundo USD Long Beach USD Los Nietos SD Monrovia USD San Marino USD Santa Clarita Valley Food Services Torrance USD Los Angeles USD (Primary)
Demetra Moore moore_demetra@lacoe.edu **(562) 401-5497**	**Vacant 1 (Dave Wilson)**	**Vacant 2 (Steven Choi)**
Azusa USD Centinela Valley UHSD Compton USD Hughes-Elizabeth Lakes SD Montebello USD Paramount USD Rowland USD Saugus Union SD Tri-Cities ROP West Covina USD Hacienda La Puente USD (Secondary)	Baldwin Park USD Bassett USD Glendora USD El Monte Union HSD Newhall SD Palos Verdes Peninsula USD Pupil Transportation Co-op Valle Lindo SD Wilsona SD Pasadena USD (Primary)	Acton-Agua Dulce USD Bonita USD Charter Oak USD Covina-Valley USD Garvey SD Gorman Joint SD Lennox SD Pomona USD Rosemead SD San Antonio ROP Pasadena USD (Secondary)

Attachment 4

** For districts that list both a primary and a secondary contact, please ensure that both assigned Business Services Consultants (BSCs) are included in all relevant communications, meetings, and documentation.