

# HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT

FINANCIAL AUDIT PRESENTATION

FISCAL YEAR ENDING JUNE 30, 2024

PRESENTED BY: JESUS CARDENAS

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January 23, 2025

# Audit Opinions

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**The audit report provides opinions in three areas:**

- **Financial statements**
- **Federal compliance**
- **State compliance**

**Unmodified opinions in each area were issued (best opinion you can get)**

*\*An overview of the audit results is presented on page 85.*

# Independent Auditors' Report

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## Opinion on the financial statements:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hacienda La Puente 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 Hacienda La Puente Unified School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hacienda La Puente Unified School District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*\*First two paragraphs of page 1.*

# Report on Internal Control over Financial Reporting

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## Internal Control Over Financial Reporting with Government Auditing Standards:

- Material weaknesses: No
- Significant deficiencies: None reported
- Non-compliance material to the financial statements: No

*\*Report on internal control is outlined in the report that begins on page 76.*

# Federal Compliance

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## Opinion on Federal Compliance:

### Report on Compliance for Each Major Federal Program

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

We have audited Hacienda La Puente 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 Hacienda La Puente Unified School District's major federal programs for the year ended June 30, 2024. Hacienda La Puente 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, Hacienda La Puente 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.

*\*First two paragraphs of page 78.*

- Material weaknesses: No
- Significant deficiencies: None reported
- No findings noted

# State Compliance

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## Opinion on State Compliance:

### Report on State Compliance

### *Opinion on State Compliance*

We have audited Hacienda La Puente Unified School District's compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to Hacienda La Puente Unified School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2024.

In our opinion, Hacienda La Puente Unified School District complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2024.

*\*First two paragraphs of page 81.*

- Findings noted:
  - Finding #2024-001: Attendance registers
  - Finding #2024-002: Classroom teacher salaries



# Finding #2024-001: Attendance Registers

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## **FINDING #2024-001: ATTENDANCE REGISTERS (10000)**

**Criteria:** In accordance with Education Code Section 46000, attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education. This includes preparation, review, and signature of weekly attendance records. These signatures can be provided electronically if the District has received the appropriate approval from the California Department of Education (CDE).

**Condition:** During our testing of attendance records at a representative sample of school sites, we noted that weekly attendance registers are not prepared, reviewed, and signed by teachers in a timely manner. Auditors selected a representative sample of six school sites and noted that teacher registers are typically signed several months after the date of the original attendance record.

**Effect:** Potential for errors and irregularities in attendance records to be undetected. Incorrect reporting of ADA can result in noncompliance with State regulations and potential loss of funding.

**Cause:** The District was previously under the understanding that it had received the appropriate approval from CDE to utilize a system of electronic signatures for attendance reporting.

**Questioned Costs:** None. Daily attendance is recorded online in the classrooms by the appropriately certificated teachers. In addition, we determined that the attendance recorded was based on the actual attendance of the students and could be relied upon for attendance reporting purposes.

**Repeat Finding:** This is a repeat finding of Finding #2023-002.

**Recommendation:** The District should enforce procedures that require weekly attendance registers to be prepared, reviewed, and signed by the respective teacher within two weeks of the date of the original attendance record. Additionally, the District should consider completing the necessary procedures to obtain electronic signature approval from CDE.

**Corrective Action Plan:** The District has established a procedure to require all teachers to sign the weekly attendance registers with wet signature on a weekly basis and to ensure the attendance registers are prepared and reviewed by the teachers weekly. The District continues to send regular reminders to site administrators and responsible parties about the procedure. The District is currently working on the process of obtaining electronic signature approval from CDE.

# Finding #2024-002: Classroom Teachers Salaries

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## **FINDING #2024-002: CLASSROOM TEACHER SALARIES (61000)**

**Criteria:** As set forth in Education Code section 41372, a unified school district must expend a minimum of 55% of the District's current expenses of education towards salaries and benefits of classroom teachers.

**Condition:** For the year ended June 30, 2024, the District did not meet the minimum percentage requirement of 55%. As shown in the SACS Form CEA, the District spent only 49.46% of current education expenses on classroom teacher salaries and benefits for the year ended June 30, 2024.

**Effect:** The District's current expense of education for the year ended June 30, 2024, was \$279,275,324 and the total salaries and benefits for classroom teachers was \$138,135,672. The District was below the minimum required percentage of 55% by 5.54%, which calculates out to a deficiency of \$15,471,853.

**Cause:** Administrative oversight.

**Questioned Costs:** The questioned costs are the deficiency of \$15,471,853.

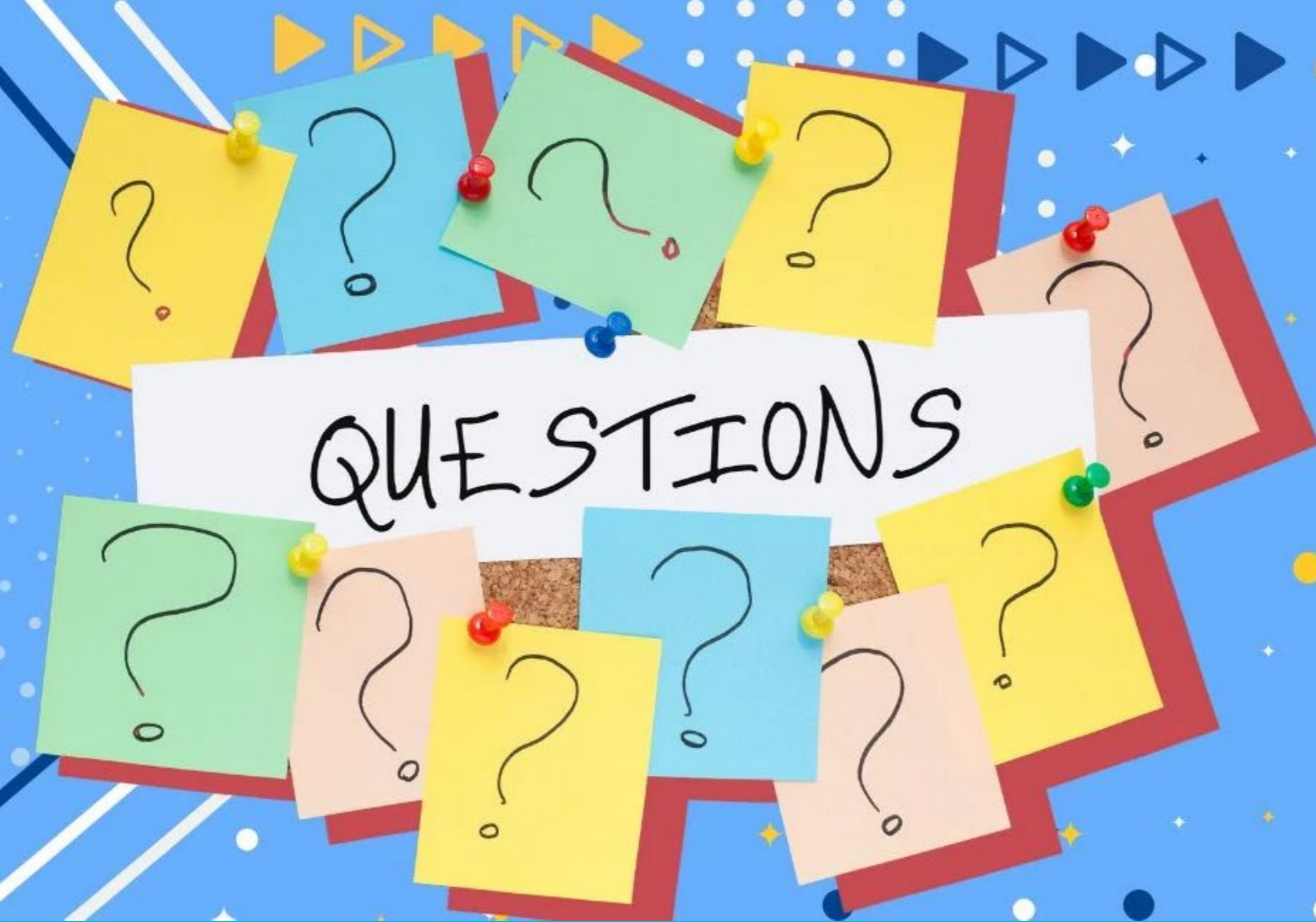
**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend that the District monitor their expenses towards salaries and benefits of classroom teachers against their total current education expenses in future year to ensure compliance with the minimum requirement. The District should also consider requesting an exemption from the County Superintendent if certain criteria outlined under Education Code 41372 can be demonstrated.

**Corrective Action Plan:** The District is aware of the ratio of teacher salary and benefits to the total expenditures fell below minimum CEA requirement. The main reason that the district did not meet the requirement is due to receiving Federal and State COVID related one-time funds that we spent on programs outside of classroom teacher salary and benefits. Such spending includes teachers and students' laptops, technologies and hot spots for students, district-wide software subscriptions and other necessary expenditures to provide a safe and clean environment for all of our students and staff.

The District is monitoring the situation and working to resolve the ratio issue to ensure CEA compliance and to ensure that we continue to meet the 55% requirement going forward. The District will be requesting a one-time waiver of the requirement due to the substantial increase in required expenditures caused by the additional one-time COVID fundings.





Thank you! Any questions?