BEVERLY HILLS UNIFIED SCHOOL DISTRICT
MEASURE E AND BH BOND BUILDING FUND

FINANCIAL AUDIT REPORT

FOR THE YEAR ENDED
JUNE 30, 2025

BEVERLY HILLS UNIFIED SCHOOL DISTRICT
MEASURE E AND BH BOND BUILDING FUND
TABLE OF CONTENTS
JUNE 30, 2025

Page

Introduction 1

Report on the Audit of the Financial Statements 2

FINANCIAL SECTION

Balance Sheet 4

Statement of Revenues, Expenditures and Changes in Fund Balance 5

Notes to the Financial Statements 6

OTHER INDEPENDENT AUDITORS' REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 11

AUDIT PROCEDURES AND RESULTS SECTION

Audit Procedures and Results 13

FINDINGS AND RECOMMENDATIONS SECTION

Schedule of Findings and Recommendations 15

BEVERLY HILLS UNIFIED SCHOOL DISTRICT
MEASURE E AND BH BOND BUILDING FUND
INTRODUCTION
JUNE 30, 2025

The Beverly Hills Unified School District was established on 1935 and is comprised of an area of approximately 5.7 square miles located in Los Angeles County. There were no changes in the boundaries of the District during the current year. The District is operating three elementary schools, one middle school, one high school, and one adult school.

In an election held on November 4, 2008, the voters of the Beverly Hills Unified School District approved by more than 55% Measure E, authorizing the District to issue and sell not more than $334,000,000 principal amount of general obligation bonds. These bonds were issued to finance the construction, improvement, equipping, and furnishing of various capital facilities of the District.

In an election held on June 5, 2018, the voters of the Beverly Hills Unified School District approved by more than 55% Measure BH, authorizing the District to issue and sell not more than $385,000,000 principal amount of general obligation bonds. These bonds were issued to finance the construction, safety, health, and technology projects in district schools.

The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for facilities projects.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Independent Auditors' Report

Measure E and BH Citizens' Oversight Committee and
Governing Board
Beverly Hills Unified School District
Beverly Hills, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Measure E and BH Bond Building Fund of Beverly Hills Unified School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the 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 Measure E and BH Bond Building Fund of Beverly Hills Unified School District, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1A, the financial statements present only the Measure E and BH Bond Building Fund and do not purport to, and do not present fairly the financial position of the Beverly Hills Unified School District, as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

348 Olive Street
San Diego, CA
92103

O: 619-270-8222
F: 619-260-9085
christywhite.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user of the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters specific to the Measure E and BH Bond Building Fund. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance specific to the Measure E and BH Bond Building Fund.

Christy White, Inc.

San Diego, California
February 17, 2026

FINANCIAL SECTION

BEVERLY HILLS UNIFIED SCHOOL DISTRICT
MEASURE E AND BH BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2025

	Measure E	Measure BH	Total
ASSETS			
Cash and investments	$ 1,231	$ 120,725,823	$ 120,727,054
Accounts receivable	-	1,209,036	1,209,036
Total Assets	$ 1,231	$ 121,934,859	$ 121,936,090
LIABILITIES			
Accrued liabilities	$ 808	$ 8,000,580	$ 8,001,388
Total Liabilities	808	8,000,580	8,001,388
FUND BALANCE			
Restricted	423	113,934,279	113,934,702
Total Fund Balance	423	113,934,279	113,934,702
Total Liabilities and Fund Balance	$ 1,231	$ 121,934,859	$ 121,936,090

The accompanying notes to financial statements are an integral part of this statement.

BEVERLY HILLS UNIFIED SCHOOL DISTRICT
MEASURE E AND BH BOND BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025

	Measure E	Measure BH	Total
REVENUES			
Interest income	$ 6,303	$ 5,581,736	$ 5,588,039
Net increase (decrease) in the fair value of investments	11,169	3,192,263	3,203,432
Total Revenues	17,472	8,773,999	8,791,471
EXPENDITURES			
Current			
Facilities acquisition and construction	302,536	50,994,223	51,296,759
Total Expenditures	302,536	50,994,223	51,296,759
NET CHANGE IN FUND BALANCE	(285,064)	(42,220,224)	(42,505,288)
Fund Balance - Beginning	285,487	156,154,503	156,439,990
Fund Balance - Ending	$ 423	$ 113,934,279	$ 113,934,702

The accompanying notes to financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Beverly Hills Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual.* The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

An oversight committee to the District's Governing Board and Superintendent, called the Citizens' Oversight Committee (COC), was established pursuant to the requirements of state law and the provisions of the Measure E and BH bond. The COC is required by state law to actively review and report on the proper expenditure of taxpayers' money for school construction. The COC provides oversight and advises the public whether the District is spending the Measure E and BH bond funds for school capital improvements within the scope of projects outlined in the Measure E and BH bond project list. In fulfilling its duties, the COC reviews, among other things, the District's annual financial audit of Measure E and BH activity.

The statements presented are for the individual Measure E and BH Bond Building Fund of the District, consisting of the net construction proceeds of various elections, as issued by the District, through the County of Los Angeles, and are not intended to be a complete presentation of the District's financial position or results of operations. There are no related parties or component units included in this financial statement presentation.

B. Accounting Policies

The District accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's California School Accounting Manual. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

D. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

E. Accrued Liabilities

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Fund Balance

Under GASB Statement No. 54, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The fund balance in Measure E and BH is considered restricted.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

G. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

H. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

I. Budgetary Data

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

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2025, consisted of the following amounts:

	Measure E	Measure BH	Total
Investment in county treasury	$ 1,231	123,798,850	$ 123,800,081
Net decrease in fair value of investments	-	(3,073,027)	(3,073,027)
Total	$ 1,231	$ 120,725,823	$ 120,727,054

NOTE 2 – CASH AND INVESTMENTS (continued)

A. Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section* 41001. The Los Angeles County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

B. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

NOTE 2 – CASH AND INVESTMENTS (continued)

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of $120,727,054 for Measure E and BH. The average weighted maturity for this pool is 556 days.

D. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2025, the pooled investments in the County Treasury were rated not rated.

E. Fair Value

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

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

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

The District's fair value measurements at June 30, 2025 for Measure E & BH were as follows:

	Uncategorized	
Investment in county treasury	$	120,727,054
Total	$	120,727,054

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025, consists of interest earned on the District's investment in the county treasury for Measure BH in the amount of $1,209,036.

NOTE 4 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2025 consisted of the following:

	Measure E	Measure BH	Total
Payroll	$ -	14,739	$ 14,739
Construction	808	7,985,841	7,986,649
Total	$ 808	$ 8,000,580	$ 8,001,388

NOTE 5 – COMMITMENTS AND CONTINGENCIES

A. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

B. Construction Commitments

As of June 30, 2025, the District had commitments with respect to unfinished capital projects of $93,352,285 for Measure BH.

OTHER INDEPENDENT AUDITORS' REPORT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

Measure E and BH Citizens' Oversight Committee and
Governing Board
Beverly Hills Unified School District
Beverly Hills, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure E and BH Bond Building Fund of Beverly Hills Unified School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Beverly Hills Unified School District's basic financial statements of the Measure E and BH Bond Building Fund, and have issued our report thereon dated February 17, 2026.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure E and BH Bond Building Fund of Beverly Hills Unified School District are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements of the Measure E and BH Bond Building Fund of Beverly Hills Unified School District, we considered Beverly Hills Unified School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements of the Measure E and BH Bond Building Fund, but not for the purpose of expressing an opinion on the effectiveness of Beverly Hills Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Beverly Hills Unified School District's internal control.

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

348 Olive Street
San Diego, CA
92103
O: 619-270-8222
F: 619-260-9085
christywhite.com

Report on Internal Control over Financial Reporting (continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Measure E and BH Bond Building Fund are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
February 17, 2026

AUDIT PROCEDURES AND RESULTS SECTION

SECTION I – FINANCIAL AUDIT PROCEDURES AND RESULTS

Financial Statements

As mentioned in the Report on Financial Statements, we have issued an unmodified opinion over the financial statements of the Measure E and BH Bond Building Fund as of and for the year ended June 30, 2025.

Internal Control Evaluation

We tested internal controls over financial reporting and compliance with laws, regulations, or provisions of contracts or agreements and have determined through our inquiry of management and our evaluation of District processes that no significant deficiencies were noted.

FINDINGS AND RECOMMENDATIONS SECTION

BEVERLY HILLS UNIFIED SCHOOL DISTRICT
MEASURE E AND BH BOND BUILDING FUND
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2025

PART I – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2025.

PART II – PRIOR AUDIT FINDINGS

There were no findings or recommendations for the year ended June 30, 2024.