

# COMPTON UNIFIED SCHOOL DISTRICT

AUDIT REPORT  
JUNE 30, 2023



**COMPTON UNIFIED SCHOOL DISTRICT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2023**

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**FINANCIAL SECTION**

Report on the Audit of the Financial Statements ..... 1  
Management’s Discussion and Analysis ..... 4  
Basic Financial Statements  
    Government-wide Financial Statements  
        Statement of Net Position..... 11  
        Statement of Activities ..... 12  
    Fund Financial Statements  
        Governmental Funds – Balance Sheet ..... 13  
        Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position ..... 14  
        Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..... 15  
        Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 16  
        Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities ..... 17  
        Proprietary Funds – Statement of Net Position ..... 19  
        Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position ..... 20  
        Proprietary Funds – Statement of Cash Flows ..... 21  
Notes to Financial Statements ..... 22

**REQUIRED SUPPLEMENTARY INFORMATION**

General Fund – Budgetary Comparison Schedule ..... 57  
Schedule of Changes in Net OPEB Liability and Related Ratios ..... 58  
Schedule of District Contributions for OPEB ..... 59  
Schedule of the District’s Proportionate Share of the Net Pension Liability - CalSTRS..... 60  
Schedule of the District’s Proportionate Share of the Net Pension Liability - CalPERS..... 61  
Schedule of District Contributions - CalSTRS..... 62  
Schedule of District Contributions - CalPERS..... 63  
Notes to Required Supplementary Information..... 64

**SUPPLEMENTARY INFORMATION**

Schedule of Expenditures of Federal Awards ..... 66  
Schedule of Average Daily Attendance (ADA)..... 67  
Schedule of Instructional Time ..... 68  
Schedule of Financial Trends and Analysis ..... 69  
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements ..... 70  
Schedule of Charter Schools..... 73  
Notes to Supplementary Information..... 74

**COMPTON UNIFIED SCHOOL DISTRICT  
TABLE OF CONTENTS  
JUNE 30, 2023**

---

**OTHER INDEPENDENT AUDITORS' REPORTS**

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* .....75  
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over  
Compliance Required by the Uniform Guidance .....77  
Report on State Compliance and on Internal Control over Compliance for State Programs .....80

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Summary of Auditors' Results .....84  
Financial Statement Findings .....85  
Federal Award Findings and Questioned Costs .....87  
State Award Findings and Questioned Costs.....88  
Summary Schedule of Prior Audit Findings .....90

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## **FINANCIAL SECTION**

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**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**Independent Auditors' Report

Governing Board  
Compton Unified School District  
Compton, California

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Compton Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Compton 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 Compton Unified School District, as of June 30, 2023, 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.

***Basis for Opinions***

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 Compton Unified School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

## ***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 Compton Unified School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Compton Unified School District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedule of District contributions for OPEB, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Compton Unified School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2024 on our consideration of the Compton Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Compton Unified School 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 Compton Unified School District's internal control over financial reporting and compliance.



San Diego, California  
March 29, 2024

# COMPTON UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

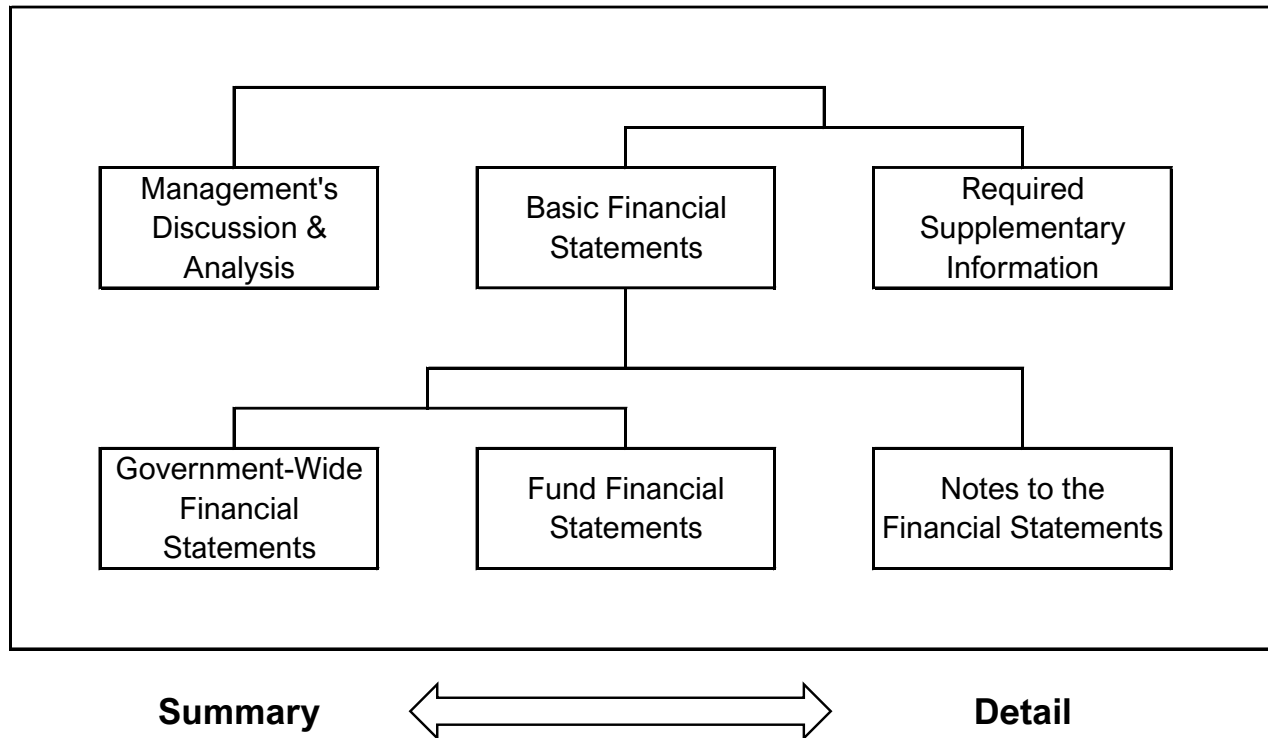
Our discussion and analysis of Compton Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the District's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- The District's net position was \$434,311,391 at June 30, 2023. This was an increase of \$202,244,295 from the prior year, after restatement.
- Overall revenues were \$515,650,917 which exceeded expenses of \$313,406,622.

## OVERVIEW OF FINANCIAL STATEMENTS

### Components of the Financial Section





**COMPTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**OVERVIEW OF FINANCIAL STATEMENTS (continued)**

**Components of the Financial Section (continued)**

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
  
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
  - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
  
  - ▶ **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

**Government-Wide Statements**

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

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

**COMPTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE**

**Net Position**

The District's net position was \$434,311,391 at June 30, 2023, as reflected in the table below. Of this amount, \$(48,275,991) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 630,593,439	\$ 520,073,545	\$ 110,519,894
Capital assets	427,080,678	362,260,995	64,819,683
<b>Total Assets</b>	<b>1,057,674,117</b>	<b>882,334,540</b>	<b>175,339,577</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>64,414,328</b>	<b>49,355,540</b>	<b>15,058,788</b>
<b>LIABILITIES</b>			
Current liabilities	126,716,146	122,409,472	4,306,674
Long-term liabilities	508,486,727	446,314,879	62,171,848
<b>Total Liabilities</b>	<b>635,202,873</b>	<b>568,724,351</b>	<b>66,478,522</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>52,574,181</b>	<b>148,113,883</b>	<b>(95,539,702)</b>
<b>NET POSITION</b>			
Net investment in capital assets	331,457,106	298,867,221	32,589,885
Restricted	151,130,276	60,190,706	90,939,570
Unrestricted	(48,275,991)	(144,206,159)	95,930,168
<b>Total Net Position</b>	<b>\$ 434,311,391</b>	<b>\$ 214,851,768</b>	<b>\$ 219,459,623</b>

**COMPTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position**

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The following table takes the information from the Statement and rearranges slightly, so you can see our total revenues and expenses for the year.

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>REVENUES</b>			
Program revenues			
Charges for services	\$ 996,780	\$ 1,337,164	\$ (340,384)
Operating grants and contributions	137,452,699	99,207,365	38,245,334
Capital grants and contributions	2,860,579	-	2,860,579
General revenues			
Property taxes	62,191,284	61,376,273	815,011
Unrestricted federal and state aid	240,829,405	221,941,704	18,887,701
Other	71,320,170	(12,368,834)	83,689,004
<b>Total Revenues</b>	<b>515,650,917</b>	<b>371,493,672</b>	<b>144,157,245</b>
<b>EXPENSES</b>			
Instruction	152,780,095	135,496,908	17,283,187
Instruction-related services	24,130,321	28,005,834	(3,875,513)
Pupil services	29,403,116	30,239,926	(836,810)
General administration	45,795,891	22,178,569	23,617,322
Plant services	34,784,718	31,513,289	3,271,429
Ancillary services	2,233,196	1,770,703	462,493
Debt service	9,112,520	9,885,256	(772,736)
Other outgo	158,740	424,099	(265,359)
Depreciation	15,008,025	13,337,065	1,670,960
Enterprise activities	-	8,229	(8,229)
<b>Total Expenses</b>	<b>313,406,622</b>	<b>272,859,878</b>	<b>40,546,744</b>
<b>Change in net position</b>	<b>202,244,295</b>	<b>98,633,794</b>	<b>103,610,501</b>
<b>Net Position - Beginning, as Restated*</b>	<b>232,067,096</b>	<b>116,217,974</b>	<b>115,849,122</b>
<b>Net Position - Ending</b>	<b>\$ 434,311,391</b>	<b>\$ 214,851,768</b>	<b>\$ 219,459,623</b>

\*Beginning net position was restated for the 2023 year only.

**COMPTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position (continued)**

The cost of all our governmental activities this year was \$313,406,622 but the net cost of services was only \$172,096,564. The amount that our taxpayers ultimately financed for these activities through taxes was only \$62,191,284 because the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions.

	<b>Net Cost of Services</b>	
	<b>2023</b>	<b>2022</b>
Instruction	\$ 94,601,532	\$ 78,023,695
Instruction-related services	15,185,430	21,672,348
Pupil services	1,990,239	6,994,649
General administration	10,198,877	20,266,497
Plant services	24,147,775	20,162,699
Ancillary services	1,693,426	1,540,812
Debt service	9,112,520	9,885,256
Transfers to other agencies	158,740	424,099
Depreciation	15,008,025	13,337,065
Enterprise activities	-	8,229
<b>Total</b>	<b>\$ 172,096,564</b>	<b>\$ 172,315,349</b>

**FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$499,816,062, which is more than this year’s restated beginning balance of \$426,479,830. The District’s General Fund had \$110,295,480 more in operating revenues than expenditures for the year ended June 30, 2023. The District’s Building Fund had \$40,604,413 less in operating revenues than expenditures for the year ended June 30, 2023.

**CURRENT YEAR BUDGET 2022-2023**

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a periodic basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District’s financial projections and current budget based on State and local financial information.

**COMPTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

By the end of 2022-2023 the District had invested \$427,080,678 in capital assets, net of accumulated depreciation.

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>CAPITAL ASSETS</b>			
Land	\$ 18,339,184	\$ 16,411,826	\$ 1,927,358
Construction in progress	94,543,404	24,092,931	70,450,473
Land improvements	46,923,547	44,737,187	2,186,360
Buildings & improvements	471,962,335	468,750,333	3,212,002
Furniture & equipment	33,292,676	31,241,161	2,051,515
Less: Accumulated depreciation	(237,980,468)	(222,972,443)	(15,008,025)
<b>Total Capital Assets</b>	<b>\$ 427,080,678</b>	<b>\$ 362,260,995</b>	<b>\$ 64,819,683</b>

**Long-Term Liabilities**

At year-end, the District had \$508,486,727 in long-term liabilities, an increase of 13.93% from last year's balance – as shown in the table below. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>LONG-TERM LIABILITIES</b>			
Total general obligation bonds	\$ 258,636,031	\$ 262,963,075	\$ (4,327,044)
Total certificates of participation	27,447,432	30,183,711	(2,736,279)
Compensated absences	2,014,401	1,629,396	385,005
Net OPEB liability	27,797,074	21,542,367	6,254,707
Net pension liability	201,867,900	138,890,770	62,977,130
Less: current portion of long-term liabilities	(9,276,111)	(8,894,440)	(381,671)
<b>Total Long-term Liabilities</b>	<b>\$ 508,486,727</b>	<b>\$ 446,314,879</b>	<b>\$ 62,171,848</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

In its June 2023 quarterly report, the UCLA Anderson Forecast stated the U.S. economy was not in a recession yet, but the forecast comes with a caution. Anti-inflation actions by the Federal Reserve could still trigger a near-term recession. The Federal Reserve has said that its actions will be dependent on data. If data shows that the labor market continues to remain robust and if another jobs report shows strong growth in payroll employment and inflation remains sticky, the Federal Reserve will likely err on the side of further tightening of monetary policy and thus, a mild recession later this year is the most likely. The Forecast anticipates that there will be a mild impact on the State of California's economy regardless of the Federal Reserve's policy actions. The California unemployment rate averages for 2023, 2024, and 2025 are expected to be 4.1%, 4.0% and 4.0%, respectively, and non-farm payroll jobs are expected to grow at rates of 2.0%, 1.3%, and 1.6%, during the same three years.

**COMPTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)**

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. The May 2023 Budget Revision includes a total Proposition 98 guarantee of \$106.8 billion (\$77.4 billion General Fund and \$29.4 billion local property tax) down from the January 2023 Governor's Budget Proposition 98 guarantee of \$108.8 billion (\$79.6 billion General Fund and \$29.2 billion local property tax). The Proposition 98 Guarantee continues to be in Test 1 for 2022-23 and 2023-24. At May Revision, the 2023-24 cost-of-living adjustment (COLA) is updated to 8.22 percent, the largest COLA in the history of LCFF. Additionally, the May revise saw a reduction of \$1.8 billion to the Arts, Music, and Instructional Materials Discretionary Block Grant and a \$2.5 billion reduction of the Learning Recovery Emergency Block Grant.

The District participates in state employee pensions plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2023. The amount of the liability is material to the financial position of the District. The CalSTRS projected employer contribution rate for 2023-24 is 19.10 percent. The CalPERS projected employer contribution rate for 2023-24 is 26.68 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

All of these factors were considered in preparing the District's budget for the 2023-24 fiscal year.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Business Office, Compton Unified School District, 501 South Santa Fe Avenue, Compton, CA 90221.

**COMPTON UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

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	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 586,351,723
Accounts receivable	44,074,737
Inventory	166,979
Capital assets, not depreciated	112,882,588
Capital assets, net of accumulated depreciation	314,198,090
<b>Total Assets</b>	<b>1,057,674,117</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	54,300,652
Deferred outflows related to OPEB	9,500,812
Deferred amount on refunding	612,864
<b>Total Deferred Outflows of Resources</b>	<b>64,414,328</b>
<b>LIABILITIES</b>	
Deficit cash	860,309
Accrued liabilities	59,748,686
Unearned revenue	52,979,764
Claims liabilities	3,851,276
Long-term liabilities, current portion	9,276,111
Long-term liabilities, non-current portion	508,486,727
<b>Total Liabilities</b>	<b>635,202,873</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	39,482,853
Deferred inflows related to OPEB	13,091,328
<b>Total Deferred Inflows of Resources</b>	<b>52,574,181</b>
<b>NET POSITION</b>	
Net investment in capital assets	331,457,106
Restricted:	
Capital projects	13,731,364
Debt service	4,426,610
Educational programs	126,163,392
Food service	6,572,923
Associated student body	235,987
Unrestricted	(48,275,991)
<b>Total Net Position</b>	<b>\$ 434,311,391</b>

The accompanying notes are an integral part of these financial statements.

**COMPTON UNIFIED SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 152,780,095	\$ 304,005	\$ 55,013,979	\$ 2,860,579	\$ (94,601,532)
Instruction-related services					
Instructional supervision and administration	8,890,339	43,644	8,026,351	-	(820,344)
Instructional library, media, and technology	1,434,060	-	89,281	-	(1,344,779)
School site administration	13,805,922	20,115	765,500	-	(13,020,307)
Pupil services					
Home-to-school transportation	3,052,471	-	4,327,316	-	1,274,845
Food services	15,293,604	-	15,728,740	-	435,136
All other pupil services	11,057,041	64,882	7,291,939	-	(3,700,220)
General administration					
Centralized data processing	2,206,232	86,573	1,896,965	-	(222,694)
All other general administration	43,589,659	-	33,613,476	-	(9,976,183)
Plant services	34,784,718	476,646	10,160,297	-	(24,147,775)
Ancillary services	2,233,196	915	538,855	-	(1,693,426)
Interest on long-term debt	9,112,520	-	-	-	(9,112,520)
Other outgo	158,740	-	-	-	(158,740)
Depreciation (unallocated)	15,008,025	-	-	-	(15,008,025)
<b>Total Governmental Activities</b>	<b>\$ 313,406,622</b>	<b>\$ 996,780</b>	<b>\$ 137,452,699</b>	<b>\$ 2,860,579</b>	<b>(172,096,564)</b>
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					47,171,129
Property taxes, levied for debt service					13,028,541
Property taxes, levied for other specific purposes					1,991,614
Federal and state aid not restricted for specific purposes					240,829,405
Interest and investment earnings					(13,785,418)
Miscellaneous					85,105,588
<b>Subtotal, General Revenue</b>					<b>374,340,859</b>
<b>CHANGE IN NET POSITION</b>					<b>202,244,295</b>
<b>Net Position - Beginning, as Restated</b>					<b>232,067,096</b>
<b>Net Position - Ending</b>					<b>\$ 434,311,391</b>

The accompanying notes are an integral part of these financial statements.



**COMPTON UNIFIED SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2023**

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 375,522,070	\$ 176,584,982	\$ 33,394,671	\$ 585,501,723
Accounts receivable	39,387,963	1,930,875	2,755,899	44,074,737
Stores inventory	122,311	-	44,668	166,979
<b>Total Assets</b>	<b>\$ 415,032,344</b>	<b>\$ 178,515,857</b>	<b>\$ 36,195,238</b>	<b>\$ 629,743,439</b>
<b>LIABILITIES</b>				
Deficit cash	\$ -	\$ -	\$ 3,267	\$ 3,267
Accrued liabilities	50,457,140	4,332,860	4,356,617	59,146,617
Due to other funds	16,982,476	-	815,253	17,797,729
Unearned revenue	52,094,373	-	885,391	52,979,764
<b>Total Liabilities</b>	<b>119,533,989</b>	<b>4,332,860</b>	<b>6,060,528</b>	<b>129,927,377</b>
<b>FUND BALANCES</b>				
Nonspendable	272,311	-	44,668	316,979
Restricted	123,033,834	174,182,997	28,679,808	325,896,639
Committed	-	-	1,410,234	1,410,234
Assigned	161,332,507	-	-	161,332,507
Unassigned	10,859,703	-	-	10,859,703
<b>Total Fund Balances</b>	<b>295,498,355</b>	<b>174,182,997</b>	<b>30,134,710</b>	<b>499,816,062</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 415,032,344</b>	<b>\$ 178,515,857</b>	<b>\$ 36,195,238</b>	<b>\$ 629,743,439</b>

The accompanying notes are an integral part of these financial statements.

**COMPTON UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET  
POSITION  
JUNE 30, 2023**

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**Total Fund Balance - Governmental Funds** \$ 499,816,062

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 665,061,146	
Accumulated depreciation	<u>(237,980,468)</u>	427,080,678

Deferred amount on refunding:

In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements:

612,864

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was:

(583,366)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Total general obligation bonds	\$ 258,636,031	
Total certificates of participation	27,447,432	
Compensated absences	2,014,401	
Net OPEB liability	27,797,074	
Net pension liability	<u>201,867,900</u>	(517,762,838)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources related to pensions	\$ 54,300,652	
Deferred inflows of resources related to pensions	<u>(39,482,853)</u>	14,817,799

***(continued on the next page)***

**COMPTON UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET  
POSITION  
JUNE 30, 2023**

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Deferred outflows and inflows of resources relating to OPEB:

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

Deferred outflows of resources related to OPEB	\$ 9,500,812	
Deferred inflows of resources related to OPEB	<u>(13,091,328)</u>	(3,590,516)

Internal service funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets, deferred outflows of resources, liabilities, and deferred inflows of resources of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:

13,920,708

**Total Net Position - Governmental Activities**

\$ 434,311,391

**COMPTON UNIFIED SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
LCFF sources	\$ 278,737,494	\$ -	\$ -	\$ 278,737,494
Federal sources	81,230,512	-	13,281,895	94,512,407
Other state sources	109,918,607	-	11,908,300	121,826,907
Other local sources	12,747,196	6,326,931	16,103,714	35,177,841
<b>Total Revenues</b>	<b>482,633,809</b>	<b>6,326,931</b>	<b>41,293,909</b>	<b>530,254,649</b>
<b>EXPENDITURES</b>				
Current				
Instruction	202,403,961	-	4,619,794	207,023,755
Instruction-related services				
Instructional supervision and administration	12,179,583	-	425,851	12,605,434
Instructional library, media, and technology	1,691,438	-	-	1,691,438
School site administration	17,986,014	-	412,019	18,398,033
Pupil services				
Home-to-school transportation	3,064,832	-	-	3,064,832
Food services	64,588	-	16,391,823	16,456,411
All other pupil services	15,418,796	-	-	15,418,796
General administration				
Centralized data processing	3,550,167	-	-	3,550,167
All other general administration	44,454,963	-	-	44,454,963
Plant services				
Facilities acquisition and construction	27,730,471	46,931,344	2,801,340	77,463,155
Ancillary services	2,144,897	-	258,193	2,403,090
Transfers to other agencies	158,740	-	-	158,740
Debt service				
Principal	2,370,000	-	4,490,901	6,860,901
Interest and other	1,228,707	-	8,017,137	9,245,844
<b>Total Expenditures</b>	<b>372,338,329</b>	<b>46,931,344</b>	<b>37,648,744</b>	<b>456,918,417</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>110,295,480</b>	<b>(40,604,413)</b>	<b>3,645,165</b>	<b>73,336,232</b>
<b>Fund Balance - Beginning, as Restated</b>	<b>185,202,875</b>	<b>214,787,410</b>	<b>26,489,545</b>	<b>426,479,830</b>
<b>Fund Balance - Ending</b>	<b>\$ 295,498,355</b>	<b>\$ 174,182,997</b>	<b>\$ 30,134,710</b>	<b>\$ 499,816,062</b>

The accompanying notes are an integral part of these financial statements.

**COMPTON UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Net Change in Fund Balances - Governmental Funds** \$ 73,336,232

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$	79,827,708	
Depreciation expense:		<u>(15,008,025)</u>	64,819,683

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

8,710,000

Deferred amounts on refunding:

In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was:

(102,144)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

33,046

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

(3,227,019)

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

(385,005)

***(continued on the next page)***

**COMPTON UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was: 1,615,302

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: 39,853,573

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is: 1,580,342

Internal Service Funds:

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was: 16,010,285

**Change in Net Position of Governmental Activities** \$ 202,244,295

**COMPTON UNIFIED SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2023**

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	<u>Governmental Activities Internal Service Fund</u>
<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 850,000
Due from other funds	17,797,729
<b>Total Assets</b>	<u>18,647,729</u>
<b>LIABILITIES</b>	
Current liabilities	
Deficit cash	857,042
Accrued liabilities	18,703
Total current liabilities	<u>875,745</u>
Non-current liabilities	
Claims liabilities	3,851,276
Total non-current liabilities	<u>3,851,276</u>
<b>Total Liabilities</b>	<u>4,727,021</u>
<b>NET POSITION</b>	
Unrestricted	13,920,708
<b>Total Net Position</b>	<u>\$ 13,920,708</u>

The accompanying notes are an integral part of these financial statements.

**COMPTON UNIFIED SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2023**

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 13,484,895
Other local revenues	15,282,998
<b>Total operating revenues</b>	<u>28,767,893</u>
<b>OPERATING EXPENSES</b>	
Salaries and benefits	126,971
Supplies and materials	6,616,619
Professional services	6,014,018
<b>Total operating expenses</b>	<u>12,757,608</u>
<b>Operating income/(loss)</b>	<u>16,010,285</u>
<b>CHANGE IN NET POSITION</b>	16,010,285
<b>Net Position - Beginning</b>	(2,089,577)
<b>Net Position - Ending</b>	<u>\$ 13,920,708</u>

The accompanying notes are an integral part of these financial statements.



**COMPTON UNIFIED SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2023**

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	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<b>Cash flows from operating activities</b>	
Cash received (paid) from assessments made to (from) other funds	\$ 1,799,622
Cash payments for payroll, insurance, and operating costs	(11,828,725)
Net cash provided by (used for) operating activities	<u>3,455,792</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>3,455,792</u>
 <b>CASH AND CASH EQUIVALENTS</b>	
Beginning of year, net of deficit cash	(3,462,834)
End of year, net of deficit cash	<u>\$ (7,042)</u>
 <b>Reconciliation of operating income (loss) to cash provided by (used for) operating activities</b>	
Operating income/(loss)	\$ 16,010,285
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivables	1,519
Increase (decrease) in accrued liabilities	928,883
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 3,455,792</u>

The accompanying notes are an integral part of these financial statements.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The Compton 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).

The District operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

**B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no such component units.

**C. Basis of Presentation**

**Government-Wide Statements.** The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (continued)**

**Fund Financial Statements.** The fund financial statements provide information about the District's funds, including its proprietary funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the District, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

**Major Governmental Funds**

**General Fund:** The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

**Building Fund:** This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code Section 15146*) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

**Non-Major Governmental Funds**

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

**Student Activity Fund:** This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

**Adult Education Fund:** This fund is used to account separately for federal, state, and local revenues for adult education programs. Money in this fund shall be expended for adult education purposes only. Moneys received for programs other than adult education shall not be expended for adult education (*Education Code Sections 52616[b]* and *52501.5[a]*).

COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

**Special Revenue Funds (continued)**

**Child Development Fund:** This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by the District for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code Section 8200 et seq.*) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code Section 8328*).

**Cafeteria Fund:** This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections 38091 and 38100*).

**Deferred Maintenance Fund:** This fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code Sections 17582–17587*). In addition, whenever the state funds provided pursuant to *Education Code Sections 17584 and 17585* (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the governing board of a school district may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the District (*Education Code Sections 17582 and 17583*).

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

**Capital Facilities Fund:** This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections 17620–17626*). The authority for these levies may be county/city ordinances (*Government Code Sections 65970–65981*) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section 66006*).

**State School Building Lease-Purchase Fund:** This fund is used primarily to account separately for state apportionments for the reconstruction, remodeling, or replacing of existing school buildings or the acquisition of new school sites and buildings, as provided in the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (*Education Code Section 17000 et seq.*).

COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

**Capital Project Funds (continued):**

**County School Facilities Fund:** This fund is established pursuant to *Education Code Section 17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code Section 17070 et seq.*).

**Special Reserve Fund for Capital Outlay Projects:** This fund exists primarily to provide for the accumulation of General Fund moneys for capital outlay purposes (*Education Code Section 42840*).

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

**Bond Interest and Redemption Fund:** This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

**Tax Override Fund:** This fund is used for the repayment of voted indebtedness (other than Bond Interest and Redemption Fund repayments) to be financed from ad valorem tax levies. An example is a public school building loan repayment.

**Proprietary Funds**

**Internal Service Funds:** Internal service funds are created principally to render services to other organizational units of the District on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges.

**Self-Insurance Fund:** Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of the District. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code Section 17566*).

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting – Measurement Focus**

**Government-Wide and Proprietary Fund Financial Statements**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Proprietary funds distinguish operating revenues and expenses from non operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

**Governmental Funds**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

**Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means 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. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursements grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting – Measurement Focus (continued)**

**Unearned Revenue**

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

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

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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

**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.

**Investments**

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

**Inventories**

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

**Capital Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

**COMPTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Capital Assets (continued)**

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$15,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	20-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

**Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

**Compensated Absences**

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.



**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide and proprietary fund financial statements. In general, governmental fund 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 funds.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

Gains and losses related to changes in net OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

**Premiums and Discounts**

In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

**Deferred Outflows/Deferred Inflows of Resources**

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

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

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Fund Balance**

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 classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

*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, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

*Committed* - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

*Assigned* - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

*Unassigned* - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Fund Balance (continued)**

*Unassigned (continued)*

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**F. 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. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

**G. 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.

**H. 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.

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

**I. Property Tax**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. New Accounting Pronouncements**

**GASB Statement No. 91** – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This standard's primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2021. The District has fully implemented this Statement as of June 30, 2023.

**GASB Statement No. 96** – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The statement is effective for periods beginning after June 15, 2022. The District has fully implemented this Statement as of June 30, 2023.

**GASB Statement No. 99** – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

**GASB Statement No. 100** – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The District has not yet determined the impact on the financial statements.

**GASB Statement No. 101** – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements.

**COMPTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2023**

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**NOTE 2 – CASH AND INVESTMENTS**

**A. Summary of Cash and Investments**

	<b>Governmental Funds</b>	<b>Internal Service Fund</b>	<b>Governmental Activities</b>
Investment in county treasury*	\$ 607,377,381	\$ -	\$ 607,377,381
Fair value adjustment	(29,316,191)	-	(29,316,191)
Cash on hand and in banks	255,055	-	255,055
Cash with fiscal agent	7,035,478	850,000	7,885,478
Cash in revolving fund	150,000	-	150,000
<b>Total</b>	<b>\$ 585,501,723</b>	<b>\$ 850,000</b>	<b>\$ 586,351,723</b>

\*does not include deficit cash

**B. 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.

**Cash with Fiscal Agent** – Cash with fiscal agent consists of monies held with Union Bank for workers’ compensation and cash balances maintained with BNY Mellon related to its Certificates of Participation.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 2 – CASH AND INVESTMENTS (continued)**

**C. 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

**D. 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 approximately \$578,061,190. The average weighted maturity for this pool is 753 days.

**E. 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.

**COMPTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2023**

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**NOTE 2 – CASH AND INVESTMENTS (continued)**

**F. Custodial Credit Risk – Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2023, the District's bank balance was not exposed to custodial credit risk.

**G. 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, 2023 were as follows:

	<b><u>Uncategorized</u></b>
Investment in county treasury	<u>\$ 578,061,190</u>
<b>Total</b>	<b><u>\$ 578,061,190</u></b>

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2023 consisted of the following:

	<b>General Fund</b>	<b>Building Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Governmental Activities</b>
Federal Government				
Categorical aid	\$ 23,653,974	\$ -	\$ 1,935,301	\$ 25,589,275
State Government				
Categorical aid	11,162,249	-	428,352	11,590,601
Lottery	436,080	-	-	436,080
Local Government				
Other local sources	4,135,660	1,930,875	392,246	6,458,781
<b>Total</b>	<b>\$ 39,387,963</b>	<b>\$ 1,930,875</b>	<b>\$ 2,755,899</b>	<b>\$ 44,074,737</b>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	<b>Balance July 01, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 16,411,826	\$ 1,927,358	\$ -	\$ 18,339,184
Construction in progress	24,092,931	70,450,473	-	94,543,404
Total capital assets not being depreciated	40,504,757	72,377,831	-	112,882,588
Capital assets being depreciated				
Land improvements	44,737,187	2,186,360	-	46,923,547
Buildings & improvements	468,750,333	3,212,002	-	471,962,335
Furniture & equipment	31,241,161	2,051,515	-	33,292,676
Total capital assets being depreciated	544,728,681	7,449,877	-	552,178,558
Less: Accumulated depreciation				
Land improvements	16,131,834	2,005,718	-	18,137,552
Buildings & improvements	182,725,048	11,358,475	-	194,083,523
Furniture & equipment	24,115,561	1,643,832	-	25,759,393
Total accumulated depreciation	222,972,443	15,008,025	-	237,980,468
Total capital assets being depreciated, net	321,756,238	(7,558,148)	-	314,198,090
<b>Governmental Activities</b>				
<b>Capital Assets, net</b>	<b>\$ 362,260,995</b>	<b>\$ 64,819,683</b>	<b>\$ -</b>	<b>\$ 427,080,678</b>



**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

**NOTE 5 – INTERFUND TRANSACTIONS**

Individual interfund receivable and payable balances at June 30, 2023 consisted of the following:

	<b>Due To Other Funds</b>	<b>Due From Other Funds</b>	
		<b>Internal Service Fund</b>	<b>Total</b>
General Fund		\$ 16,982,476	\$ 16,982,476
Non-Major Governmental Funds		815,253	815,253
<b>Total</b>		<b>\$ 17,797,729</b>	<b>\$ 17,797,729</b>

The General Fund owed the Internal Service Fund for workers' compensation.	\$ 16,982,476
The Non-Major Adult Education Fund owed the Internal Service Fund for workers' compensation.	77,621
The Non-Major Child Development Fund owed the Internal Service Fund for workers' compensation.	215,149
The Non-Major Cafeteria Fund owed the Internal Service Fund for workers' compensation.	522,483
<b>Total</b>	<b>\$ 17,797,729</b>

**NOTE 6 – ACCRUED LIABILITIES**

Accrued liabilities at June 30, 2023 consisted of the following:

	<b>General Fund</b>	<b>Building Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Internal Service Fund</b>	<b>District-Wide</b>	<b>Governmental Activities</b>
Payroll	\$ 12,612,550	\$ -	\$ 521,554	\$ -	\$ -	\$ 13,134,104
Construction	-	4,332,860	230	-	-	4,333,090
Vendors payable	19,095,907	-	3,834,833	18,703	-	22,949,443
Unmatured interest	-	-	-	-	583,366	583,366
Due to warrant pass-thru fund	388,182	-	-	-	-	388,182
Due to grantor government	18,360,501	-	-	-	-	18,360,501
<b>Total</b>	<b>\$ 50,457,140</b>	<b>\$ 4,332,860</b>	<b>\$ 4,356,617</b>	<b>\$ 18,703</b>	<b>\$ 583,366</b>	<b>\$ 59,748,686</b>

**NOTE 7 – UNEARNED REVENUE**

Unearned revenue at June 30, 2023 consisted of the following:

	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Governmental Activities</b>
Federal sources	\$ 45,554,929	\$ -	\$ 45,554,929
State categorical sources	6,539,444	885,391	7,424,835
<b>Total</b>	<b>\$ 52,094,373</b>	<b>\$ 885,391</b>	<b>\$ 52,979,764</b>

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

**NOTE 8 – LONG-TERM LIABILITIES**

A schedule of changes in long-term liabilities for the year ended June 30, 2023 consisted of the following:

	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023	Balance Due In One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 230,206,047	\$ -	\$ 4,490,902	\$ 225,715,145	\$ 3,680,000
Unamortized premium	18,568,052	-	1,223,777	17,344,275	780,188
Unamortized discount	(97,133)	-	(9,714)	(87,419)	(9,714)
Accreted interest	14,286,109	3,227,019	1,849,098	15,664,030	1,924,358
Total general obligation bonds	262,963,075	3,227,019	7,554,063	258,636,031	6,374,832
Certificates of participation	26,870,000	-	2,370,000	24,500,000	2,535,000
Unamortized premium	3,313,711	-	366,279	2,947,432	366,279
Total certificates of participation	30,183,711	-	2,736,279	27,447,432	2,901,279
Compensated absences	1,629,396	385,005	-	2,014,401	-
Net OPEB liability	21,542,367	6,254,707	-	27,797,074	-
Net pension liability	138,890,770	62,977,130	-	201,867,900	-
<b>Total</b>	<b>\$ 455,209,319</b>	<b>\$ 72,843,861</b>	<b>\$ 10,290,342</b>	<b>\$ 517,762,838</b>	<b>\$ 9,276,111</b>

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments on certificates of participation are made in the General Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

**A. Compensated Absences**

Total unpaid employee compensated absences as of June 30, 2023, amounted to \$2,014,401. This amount is included as part of long-term liabilities in the government-wide financial statements.

**B. Certificates of Participation**

On June 1, 2007, the District issued Series B Certificates of Participation to \$25,000,000 payable in annual installments from June 1, 2008 through June 1, 2027. Interest rates range from 3.6 to 5.0 percent, payable beginning December 1, 2007. The agreement is between the District and the County Schools Regionalized Business Services Corporation with the Bank of New York as trustee. Amounts on deposit in the Project Fund shall be applied to finance the modernization and rehabilitation of approximately 28 different schools on sites within the boundaries of Compton Unified School District.

In April 2015, the District issued \$20,135,000 in Certificates of Participation to refund on a current basis all outstanding 2004 Certificates of Participation amounting to \$6,535,000, and partially refund on an advance basis \$15,305,000 of outstanding 2007 Certificates of Participation. Deferred charges on refunding of \$317,138 remain to be amortized. This refunding reduced total debt service payments by \$1,505,796 and resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,222,771.

On October 31, 2019, the District issued 2019 Series A Certificates of Participation to \$17,960,000 payable in annual installments from June 1, 2020 through June 1, 2039. Interest rates range from 3.0 to 5.0 percent, payable semiannually on June 1 and December 1 of each year. The agreement is between the District and the Los Angeles County Schools Regionalized Business Services Corporation with the Bank of New York as trustee. Amounts on deposit in the Project Fund shall be used to finance the construction or installation of capital improvement projects and/or equipment.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**B. Certificates of Participation (continued)**

The annual requirements to amortize all certificates of participation outstanding at June 30, 2023 were as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,535,000	\$ 1,113,300	\$ 3,648,300
2025	2,700,000	990,000	3,690,000
2026	2,075,000	855,000	2,930,000
2027	2,235,000	751,250	2,986,250
2028	635,000	639,500	1,274,500
2029 - 2033	4,645,000	2,627,250	7,272,250
2034 - 2038	7,690,000	1,375,200	9,065,200
2039	1,985,000	79,400	2,064,400
<b>Total</b>	<b>\$ 24,500,000</b>	<b>\$ 8,430,900</b>	<b>\$ 32,930,900</b>

**C. General Obligation Bonds**

In June 2006, the District issued \$19,999,970 in General Obligation Series C Bonds and \$50,789,740 in General Obligation Series D Bonds to finance the acquisition and improvement of various capital facilities of the District, advance refund on a current basis all outstanding Certificates of Participation Series B amounting to \$19,380,000, and partially refund \$34,445,000 of outstanding 2002 Series A general obligation bonds and \$14,955,000 of outstanding 2002 Series B general obligation bonds.

In March 2015, the District issued \$5,505,000 of Series E refunding bonds to advance refund a portion of the Series C bonds. This refunding reduced total debt service payments by \$999,276 and resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$811,455. Deferred charges on refunding of \$169,380 remain to be amortized. As of June 30, 2023, the principal balance on the defeased debt was fully paid.

On October 26, 2016, the District issued 2002 Election, 2016 Series F General Obligation Refunding Bonds in the amount of \$7,785,000. The bonds were issued to current refund and defease all of the District's outstanding General Obligation Bonds, 2002 Election, 2006 Series C and to pay costs of issuance. The bonds accrue interest between 2% and 5.5% per annum from the date of the issuance and are payable semi-annually on June 1 and December 1 of each year through June 2031. Deferred charges on refunding of \$126,346 remain to be amortized. As of June 30, 2023, the principal balance on the defeased debt was fully paid.

On August 29, 2019, the District issued 2015 Election, Series B General Obligation Bonds in the amount of \$229,996,080. The issuance consisted of \$69,405,000 in current interest serial bonds, \$87,155,000 in current interest term bonds, and \$73,436,080 in capital appreciation serial bonds. The bonds accrue interest between 0.92% and 4.00% per annum from the date of the issuance and are payable semi-annually on June 1 and December 1 of each year through June 2049.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**C. General Obligation Bonds (continued)**

Debt service payments are made from property tax levy authorized by the voters. The annual requirements to amortize outstanding general obligation bonds are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,520,642	\$ 7,969,571	\$ 12,490,213
2025	4,936,483	7,880,605	12,817,088
2026	5,368,643	7,761,194	13,129,837
2027	5,548,300	7,913,850	13,462,150
2028	8,080,000	5,262,713	13,342,713
2029 - 2033	42,502,468	20,235,100	62,737,568
2034 - 2038	30,018,902	16,431,000	46,449,902
2039 - 2043	31,216,387	16,431,003	47,647,390
2044 - 2048	73,358,320	12,909,600	86,267,920
2049	20,165,000	766,600	20,931,600
Accretion	15,664,030	(15,664,030)	-
<b>Total</b>	<b>\$ 241,379,175</b>	<b>\$ 87,897,206</b>	<b>\$ 329,276,381</b>

**D. Other Postemployment Benefits**

The District's beginning net OPEB liability was \$21,542,367 and increased by \$6,254,707 during the year ended June 30, 2023. The ending net OPEB liability at June 30, 2023 was \$27,797,074. See Note 10 for additional information regarding the net OPEB liability.

**E. Net Pension Liability**

The District's beginning net pension liability was \$138,890,770 and increased by \$62,977,130 during the year ended June 30, 2023. The ending net pension liability at June 30, 2023 was \$201,867,900. See Note 11 for additional information regarding the net pension liability.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 9 – FUND BALANCES**

Fund balances were composed of the following elements at June 30, 2023:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable				
Revolving cash	\$ 150,000	\$ -	\$ -	\$ 150,000
Stores inventory	122,311	-	44,668	166,979
Total non-spendable	<u>272,311</u>	<u>-</u>	<u>44,668</u>	<u>316,979</u>
Restricted				
Educational programs	123,033,834	-	3,129,558	126,163,392
Food service	-	-	6,572,923	6,572,923
Associated student body	-	-	235,987	235,987
Capital projects	-	174,182,997	13,731,364	187,914,361
Debt service	-	-	5,009,976	5,009,976
Total restricted	<u>123,033,834</u>	<u>174,182,997</u>	<u>28,679,808</u>	<u>325,896,639</u>
Committed				
Deferred maintenance	-	-	1,410,234	1,410,234
Total committed	<u>-</u>	<u>-</u>	<u>1,410,234</u>	<u>1,410,234</u>
Assigned				
Future obligations	161,332,507	-	-	161,332,507
Total assigned	<u>161,332,507</u>	<u>-</u>	<u>-</u>	<u>161,332,507</u>
Unassigned	10,859,703	-	-	10,859,703
<b>Total Fund Balance</b>	<u>\$ 295,498,355</u>	<u>\$ 174,182,997</u>	<u>\$ 30,134,710</u>	<u>\$ 499,816,062</u>

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

**COMPTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2023**

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**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**A. Plan Description**

The Compton Unified School District’s defined benefit OPEB plan, Compton Unified School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. The District is a participant in a GASB eligible trust, an agent multiple-employer defined benefit post-employment healthcare plan administered by PARS.

**B. Benefits Provided**

The eligibility requirements and benefits provided by the Plan as follows.

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Benefit types provided	Medical, dental and vision	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	Lifetime	Lifetime	Lifetime
Required Service	11 years	20 years	20 years
Minimum Age	55	60*	60*
Dependent Coverage	Yes	No	No
District Cap	50% of retiree-only premium until age 65. Lifetime PEMHCA minimum employer contribution.	50% of retiree-only premium until age 65. Lifetime PEMHCA minimum employer contribution.	50% of retiree-only premium until age 65. Lifetime PEMHCA minimum employer contribution.

\*55 with 30 years of service.

**C. Contributions**

The contribution requirements of the Plan members and the District are established and may be amended by the District, the District’s bargaining units, and unrepresented groups. Voluntary contributions are based on projected pay-as-you-go financing requirements as determined annually through agreements with the District, bargaining units, and unrepresented groups. There were no actuarially determined contribution, nor any contribution requirement established by statute or contract. For the measurement period of June 30, 2023, the District paid \$964,649 in benefits.

**D. Plan Membership**

Membership of the Plan consisted of the following:

Inactive employees receiving benefits	<u>375</u>
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>1,447</u>
<b>Total number of participants**</b>	<b><u>1,822</u></b>

\*Information not provided

\*\*As of the June 30, 2021 valuation date

**COMPTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2023**

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**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**E. Net OPEB Liability**

The components of the net OPEB liability of the District at June 30, 2023, were as follows:

Total OPEB liability	\$ 44,213,092
Plan fiduciary net position	<u>(16,416,018)</u>
<b>District's net OPEB liability</b>	<b><u>\$ 27,797,074</u></b>
Plan fiduciary net position as a percentage of total OPEB liability	37.13%

**F. Actuarial Assumptions and Other Inputs**

The net OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

**Economic assumptions:**

Inflation	2.50%	Discount rate	6.00%
Salary increases	2.75%	Health care trend rate	4.00%

**Non-economic assumptions:**

*Mortality:*

Certificated	2020 CalSTRS Mortality
Classified	2017 CalPERS Mortality for Miscellaneous and Schools Employees

*Retirement rates:*

Certificated	Hired 2012 and earlier: 2020 CalSTRS 2.0%@60 Rates Hired 2013 and later: 2020 CalSTRS 2.0%@62 Rates
Classified	Hired 2012 and earlier: 2017 CalPERS 2.0%@55 Rates for Schools Employees Hired 2013 and later: 2017 CalPERS 2.0%@62 Rates for Schools Employees
CSEA	Hired 2012 and earlier: 2017 CalPERS 2.0%@55 Rates for Schools Employees Hired 2013 and later: 2017 CalPERS 2.0%@62 Rates for Schools Employees
Management	Hired 2012 and earlier: 2017 CalPERS 2.0%@55 Rates for Schools Employees Hired 2013 and later: 2017 CalPERS 2.0%@62 Rates for Schools Employees
Teamsters	Hired 2012 and earlier: 2017 CalPERS 2.0%@55 Rates for Schools Employees Hired 2013 and later: 2017 CalPERS 2.0%@62 Rates for Schools Employees

The actuarial assumptions used in the June 30, 2021 valuation were based on a review of plan experience.

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed twenty-five years.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**G. Changes in Net OPEB Liability**

	<u>June 30, 2023</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 1,396,437
Interest on total OPEB liability	2,490,407
Benefits payments	<u>(964,649)</u>
Net change in total OPEB liability	2,922,195
Total OPEB liability - beginning	<u>41,290,897</u>
Total OPEB liability - ending (a)	<u>\$ 44,213,092</u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$ 964,649
Net investment income	(3,244,234)
Benefit payments	(964,649)
Administrative expenses	<u>(88,278)</u>
Net change in plan fiduciary net position	(3,332,512)
Plan fiduciary net position - beginning	<u>19,748,530</u>
Plan fiduciary net position - ending (b)	<u>\$ 16,416,018</u>
 District's net OPEB liability - ending (a) - (b)	<u>\$ 27,797,074</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	37.13%
 Covered-employee payroll	\$ 149,389,871
 District's net OPEB liability (asset) as a percentage of covered-employee payroll	18.61%

**H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

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

	<b>1% Decrease</b>	<b>Valuation Discount Rate</b>	<b>1% Increase</b>
	<b>(5.00%)</b>	<b>(6.00%)</b>	<b>(7.00%)</b>
Net OPEB liability	\$ 32,535,971	\$ 27,797,074	\$ 23,702,869



**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**I. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the net OPEB liability of the Compton Unified School District, as well as what the District’s net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Valuation Trend Rate</b>	<b>1% Increase</b>
	<b>(3.00%)</b>	<b>(4.00%)</b>	<b>(5.00%)</b>
Net OPEB liability	\$ 22,251,518	\$ 27,797,074	\$ 34,495,757

**J. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the Compton Unified School District recognized OPEB expense of \$(1,066,656). At June 30, 2023, the Compton Unified School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual earnings on plan investments	\$ 2,372,882	\$ -
Differences between expected and actual experience	-	2,774,036
Changes in assumptions	427,551	10,317,292
District contributions subsequent to the measurement date	6,700,379	-
<b>Total</b>	<b>\$ 9,500,812</b>	<b>\$ 13,091,328</b>

The \$6,700,379 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended June 30,</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
2024	\$ 631,165	\$ 4,491,415
2025	614,512	3,844,407
2026	669,459	1,092,964
2027	885,297	956,396
2028	-	902,053
Thereafter	-	1,804,093
<b>Total</b>	<b>\$ 2,800,433</b>	<b>\$ 13,091,328</b>

**COMPTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2023**

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**NOTE 11 – PENSION PLANS**

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
STRS Pension	\$ 123,976,697	\$ 28,917,769	\$ 30,249,360	\$ (15,350,477)
PERS Pension	77,891,203	25,382,883	9,233,493	6,519,606
<b>Total</b>	<u>\$ 201,867,900</u>	<u>\$ 54,300,652</u>	<u>\$ 39,482,853</u>	<u>\$ (8,830,871)</u>

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

**Plan Description**

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

**Benefits Provided**

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**COMPTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2023**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Contributions**

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2023, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2023 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$20,950,623 for the year ended June 30, 2023.

**On-Behalf Payments**

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$9,960,052 to CalSTRS.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 123,976,697
State's proportionate share of the net pension liability associated with the District	<u>62,087,893</u>
<b>Total</b>	<b><u>\$ 186,064,590</u></b>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022, the District’s proportion was 0.178 percent, which was a decrease of 0.017 percent from its proportion measured as of June 30, 2021.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

For the year ended June 30, 2023, the District recognized pension expense of \$(15,350,477). In addition, the District recognized pension expense and revenue of \$(4,643,680) for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 6,060,916
Differences between expected and actual experience	101,699	9,295,665
Changes in assumptions	6,148,342	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,717,105	14,892,779
District contributions subsequent to the measurement date	20,950,623	-
<b>Total</b>	<u>\$ 28,917,769</u>	<u>\$ 30,249,360</u>

The \$20,950,623 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 5,816,984	\$ 15,716,907
2025	534,943	8,547,510
2026	534,943	10,567,453
2027	534,943	(7,618,866)
2028	272,666	2,609,933
2029	272,667	426,423
<b>Total</b>	<u>\$ 7,967,146</u>	<u>\$ 30,249,360</u>

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

\* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
Public Equity	42%	4.80%
Real Estate	15%	3.60%
Private Equity	13%	6.30%
Fixed Income	12%	1.30%
Risk Mitigating Strategies	10%	1.80%
Inflation Sensitive	6%	3.30%
Cash/Liquidity	2%	-0.40%
	100%	

\*20-year geometric average

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
District's proportionate share of the net pension liability	\$ 210,558,413	\$ 123,976,697	\$ 52,087,841

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees' Retirement System (CalPERS)**

**Plan Description**

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

**Benefits Provided**

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

**Contributions**

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2023 was 25.37% of annual payroll. Contributions to the plan from the District were \$10,072,079 for the year ended June 30, 2023.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the District reported a liability of \$77,891,203 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2021 and rolling forward the total pension liability to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022, the District's proportion was 0.226 percent, which was a decrease of 0.020 percent from its proportion measured as of June 30, 2021.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

**NOTE 11 – PENSION PLANS (continued)**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

For the year ended June 30, 2023, the District recognized pension expense of \$6,519,606. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 9,196,833	\$ -
Differences between expected and actual experience	352,023	1,938,033
Changes in assumptions	5,761,948	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	7,295,460
District contributions subsequent to the measurement date	10,072,079	-
<b>Total</b>	<u>\$ 25,382,883</u>	<u>\$ 9,233,493</u>

The \$10,072,079 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 3,847,659	\$ 4,128,823
2025	3,372,182	3,363,729
2026	2,483,058	1,740,941
2027	5,607,905	-
<b>Total</b>	<u>\$ 15,310,804</u>	<u>\$ 9,233,493</u>

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Discount Rate	6.90%
Salary Increases	Varies by Entry Age and Service



**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 11 – PENSION PLANS (continued)**

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

**Actuarial Assumptions (continued)**

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from 2000 through 2019.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+-years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 – 10*</b>
Global Equity – cap-weighted	30.0%	4.45%
Global Equity – non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	100.0%	

\*An expected inflation of 2.30% used for this period. Figures are based on the 2021-22 CalPERS Asset Liability Management Study.

**COMPTON UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2023**

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**NOTE 11 – PENSION PLANS (continued)**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<b>1% Decrease (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>1% Increase (7.90%)</b>
District's proportionate share of the net pension liability	\$ 112,517,787	\$ 77,891,203	\$ 49,273,604

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

**B. 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, 2023.

**C. Construction Commitments**

As of June 30, 2023, the District had commitments with respect to unfinished capital projects of \$221,021,042.

**COMPTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2023**

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**NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES**

The District participates in two joint ventures under joint powers agreements (JPAs); the Southern California Regional Liability Excess Fund (SCR), and the Schools' Excess Liability Fund (SELF). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between the JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

**NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

**A. Refunded Debt**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2023, the deferred amount on refunding was \$612,864.

**B. Pension Plans**

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2023, total deferred outflows related to pensions was \$54,300,652 and total deferred inflows related to pensions was \$39,482,853.

**C. Other Postemployment Benefits**

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2023, total deferred outflows related to other postemployment benefits was \$9,500,812 and total deferred inflows related to other postemployment benefits was \$13,091,328.

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2023**

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**NOTE 15 – RESTATEMENT OF NET POSITION AND FUND BALANCE**

The amounts previously reported at June 30, 2022 as the ending net position for Governmental Activities and the ending fund balance for the General Fund, the Adult Education Fund, the Child Development Fund, the Cafeteria Fund, the Deferred Maintenance Fund, the Building Fund, and the Special Reserve Fund for Capital Outlay Projects have been restated due to errors in carryover balances of accounts receivable, accounts payable, and unearned revenue. The June 30, 2022 ending balances have been restated as follows:

	<b>Governmental Activities</b>						
Net Position - Beginning, as Previously Reported	\$ 214,851,768						
Restatement	17,215,328						
Net Position - Beginning, as Restated	<u>\$ 232,067,096</u>						

	<b>General Fund</b>	<b>Adult Education Fund</b>	<b>Child Development Fund</b>	<b>Cafeteria Fund</b>	<b>Deferred Maintenance Fund</b>	<b>Building Fund</b>	<b>Special Reserve Fund for Capital Outlay Projects</b>
Fund Balance - Beginning, as Previously Reported	\$ 167,977,211	\$ 2,986,370	\$ 2,448,364	\$ 7,914,449	\$ 3,366,971	\$ 214,751,895	\$ 2,091,506
Restatement	17,225,664	(159,337)	(1,665,684)	(1,849,773)	12,249	35,515	3,616,694
Fund Balance - Beginning, as Restated	<u>\$ 185,202,875</u>	<u>\$ 2,827,033</u>	<u>\$ 782,680</u>	<u>\$ 6,064,676</u>	<u>\$ 3,379,220</u>	<u>\$ 214,787,410</u>	<u>\$ 5,708,200</u>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**COMPTON UNIFIED SCHOOL DISTRICT  
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
<b>REVENUES</b>				
LCFF sources	\$ 267,495,342	\$ 275,934,342	\$ 283,930,870	\$ 7,996,528
Federal sources	23,718,671	76,015,191	(14,908,274)	(90,923,465)
Other state sources	33,679,306	68,749,084	90,864,732	22,115,648
Other local sources	4,887,402	6,044,065	15,021,201	8,977,136
<b>Total Revenues</b>	<b>329,780,721</b>	<b>426,742,682</b>	<b>374,908,529</b>	<b>(51,834,153)</b>
<b>EXPENDITURES</b>				
Certificated salaries	121,016,412	111,734,188	114,683,797	(2,949,609)
Classified salaries	40,947,965	35,627,484	35,662,293	(34,809)
Employee benefits	71,741,825	63,119,127	63,932,502	(813,375)
Books and supplies	48,083,931	20,176,737	28,980,776	(8,804,039)
Services and other operating expenditures	98,543,088	49,005,371	86,905,251	(37,899,880)
Capital outlay	11,564,855	14,272,826	28,068,029	(13,795,203)
Other outgo				
Excluding transfers of indirect costs	3,751,244	3,751,244	3,757,447	(6,203)
Transfers of indirect costs	(681,669)	(681,669)	-	(681,669)
<b>Total Expenditures</b>	<b>394,967,651</b>	<b>297,005,308</b>	<b>361,990,095</b>	<b>(64,984,787)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(65,186,930)</b>	<b>129,737,374</b>	<b>12,918,434</b>	<b>(116,818,940)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	600,000	600,000	-	(600,000)
Transfers out	(3,814,954)	(3,814,954)	-	3,814,954
<b>Net Financing Sources (Uses)</b>	<b>(3,214,954)</b>	<b>(3,214,954)</b>	<b>-</b>	<b>3,214,954</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(68,401,884)</b>	<b>126,522,420</b>	<b>12,918,434</b>	<b>(113,603,986)</b>
<b>Fund Balance - Beginning</b>	<b>242,096,829</b>	<b>314,925,425</b>	<b>310,221,275</b>	<b>(4,704,150)</b>
<b>Fund Balance - Ending</b>	<b>\$ 173,694,945</b>	<b>\$ 441,447,845</b>	<b>\$ 323,139,709</b>	<b>\$ (118,308,136)</b>

\* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- On-behalf payments of \$9,960,052 are not included in the actual revenues and expenditures reported in this schedule.
- The amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances include the financial activity of the Private-Purpose Trust Fund, in accordance with the implementation of GASB Statement No. 84.
- Audit adjustments impacting federal, state, and local sources are not included in this schedule.
- Audit adjustments impacting interfund transfers out are not included in this schedule.
- The fund balance restatement is not included in this schedule.

**COMPTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Total OPEB Liability</b>						
Service cost	\$ 1,396,437	\$ 1,563,552	\$ 1,518,012	\$ 1,707,514	\$ 3,113,634	\$ 3,414,597
Interest on total OPEB liability	2,490,407	3,031,448	2,921,525	2,721,352	1,988,611	1,683,118
Difference between expected and actual experience	-	(2,760,376)	(380,419)	(955,961)	-	-
Changes of assumptions	-	(5,358,088)	-	997,623	(19,260,112)	(4,529,038)
Benefits payments	<u>(964,649)</u>	<u>(2,083,042)</u>	<u>(1,162,191)</u>	<u>(1,258,985)</u>	<u>(856,223)</u>	<u>(815,657)</u>
Net change in total OPEB liability	2,922,195	(5,606,506)	2,896,927	3,211,543	(15,014,090)	(246,980)
Total OPEB liability - beginning	<u>41,290,897</u>	<u>46,897,403</u>	<u>44,000,476</u>	<u>40,788,933</u>	<u>55,803,023</u>	<u>56,050,003</u>
Total OPEB liability - ending (a)	<u>\$ 44,213,092</u>	<u>\$ 41,290,897</u>	<u>\$ 46,897,403</u>	<u>\$ 44,000,476</u>	<u>\$ 40,788,933</u>	<u>\$ 55,803,023</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 964,649	\$ 9,168,867	\$ 7,085,825	\$ 3,661,610	\$ 1,856,223	\$ -
Net investment income	(3,244,234)	2,673,330	688,329	59,636	(972)	-
Benefit payments	(964,649)	(2,083,042)	(1,162,191)	(1,258,985)	(856,223)	-
Administrative expenses	<u>(88,278)</u>	<u>(59,666)</u>	<u>(21,114)</u>	<u>(2,473)</u>	<u>(624)</u>	<u>-</u>
Net change in plan fiduciary net position	(3,332,512)	9,699,489	6,590,849	2,459,788	998,404	-
Plan fiduciary net position - beginning	<u>19,748,530</u>	<u>10,049,041</u>	<u>3,458,192</u>	<u>998,404</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 16,416,018</u>	<u>\$ 19,748,530</u>	<u>\$ 10,049,041</u>	<u>\$ 3,458,192</u>	<u>\$ 998,404</u>	<u>\$ -</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ 27,797,074</u>	<u>\$ 21,542,367</u>	<u>\$ 36,848,362</u>	<u>\$ 40,542,284</u>	<u>\$ 39,790,529</u>	<u>\$ 55,803,023</u>
Plan fiduciary net position as a percentage of the total OPEB liability	37.13%	47.83%	21.43%	7.86%	2.45%	0.00%
Covered-employee payroll	\$ 149,389,871	\$ 151,994,493	\$ 148,404,786	\$ 108,830,673	\$ 132,662,000	\$ 132,662,000
District's net OPEB liability (asset) as a percentage of covered-employee payroll	18.61%	14.17%	24.83%	37.25%	29.99%	42.06%

See accompanying note to required supplementary information.

**COMPTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS FOR OPEB  
FOR THE YEAR ENDED JUNE 30, 2023**

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	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Actuarially determined contribution	\$ 4,721,307	\$ 5,280,135
Contributions in relation to the actuarially determined contribution	<u>7,085,825</u>	<u>3,661,610</u>
Contribution deficiency (excess)	<u>\$ (2,364,518)</u>	<u>\$ 1,618,525</u>
Covered-employee payroll	\$ 148,404,786	\$ 108,830,673
Contributions as a percentage of covered payroll	4.77%	3.36%

\*For 2018, 2019, 2022, and 2023, there were no actuarially determined contributions.



**COMPTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.178%	0.195%	0.204%	0.199%	0.194%	0.199%	0.215%	0.276%	0.220%
District's proportionate share of the net pension liability	\$ 123,976,697	\$ 88,786,209	\$ 197,427,655	\$ 179,342,674	\$ 178,226,404	\$ 183,615,185	\$ 173,838,458	\$ 186,073,187	\$ 128,276,966
State's proportionate share of the net pension liability associated with the District	<u>62,087,893</u>	<u>44,674,707</u>	<u>101,773,156</u>	<u>97,844,192</u>	<u>102,043,452</u>	<u>108,626,078</u>	<u>98,977,703</u>	<u>98,411,941</u>	<u>77,459,171</u>
<b>Total</b>	<b>\$ 186,064,590</b>	<b>\$ 133,460,916</b>	<b>\$ 299,200,811</b>	<b>\$ 277,186,866</b>	<b>\$ 280,269,856</b>	<b>\$ 292,241,263</b>	<b>\$ 272,816,161</b>	<b>\$ 284,485,128</b>	<b>\$ 205,736,137</b>
District's covered payroll	\$ 106,057,921	\$ 112,524,941	\$ 115,963,582	\$ 112,903,709	\$ 114,084,710	\$ 106,263,179	\$ 111,062,465	\$ 113,774,202	\$ 97,771,818
District's proportionate share of the net pension liability as a percentage of its covered payroll	116.9%	78.9%	170.2%	158.8%	156.2%	172.8%	156.5%	163.5%	131.2%
Plan fiduciary net position as a percentage of the total pension liability	81.2%	87.2%	71.8%	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**COMPTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS  
FOR THE YEAR ENDED JUNE 30, 2023**

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	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.226%	0.246%	0.268%	0.281%	0.294%	0.297%	0.315%	0.340%	0.405%
District's proportionate share of the net pension liability	\$ 77,891,203	\$ 50,104,561	\$ 82,364,024	\$ 81,785,910	\$ 78,290,659	\$ 70,997,380	\$ 62,131,945	\$ 50,161,465	\$ 45,984,025
District's covered payroll	\$ 39,069,645	\$ 39,469,552	\$ 42,570,167	\$ 43,265,225	\$ 44,717,548	\$ 42,733,687	\$ 42,944,375	\$ 43,326,807	\$ 42,521,063
District's proportionate share of the net pension liability as a percentage of its covered payroll	199.4%	126.9%	193.5%	189.0%	175.1%	166.1%	144.7%	115.8%	108.1%
Plan fiduciary net position as a percentage of the total pension liability	69.8%	81.0%	70.0%	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**COMPTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 20,950,623	\$ 17,480,503	\$ 16,826,459	\$ 19,854,626	\$ 17,901,646	\$ 15,922,435	\$ 11,699,892	\$ 11,666,292	\$ 12,531,812
Contributions in relation to the contractually required contribution*	(20,950,623)	(17,480,503)	(16,826,459)	(19,854,626)	(17,901,646)	(15,922,435)	(11,699,892)	(11,666,292)	(12,531,812)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 109,689,126	\$ 106,057,921	\$ 112,524,941	\$ 115,963,582	\$ 112,903,709	\$ 114,084,710	\$ 106,263,179	\$ 111,062,465	\$ 113,774,202
Contributions as a percentage of covered payroll	19.10%	16.48%	14.95%	17.12%	15.86%	13.96%	11.01%	10.50%	11.01%

\*Amounts do not include on-behalf contributions

**COMPTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 10,072,079	\$ 8,438,810	\$ 7,539,906	\$ 8,139,278	\$ 7,325,023	\$ 6,348,967	\$ 5,543,200	\$ 4,966,156	\$ 5,292,672
Contributions in relation to the contractually required contribution*	(10,072,079)	(8,438,810)	(7,539,906)	(8,139,278)	(7,325,023)	(6,348,967)	(5,543,200)	(4,966,156)	(5,292,672)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 39,700,745	\$ 39,069,645	\$ 39,469,552	\$ 42,570,167	\$ 43,265,225	\$ 44,717,548	\$ 42,733,687	\$ 42,944,375	\$ 43,326,807
Contributions as a percentage of covered payroll	25.37%	21.60%	19.10%	19.12%	16.93%	14.20%	12.97%	11.56%	12.22%

\*Amounts do not include on-behalf contributions

**COMPTON UNIFIED SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 – PURPOSE OF SCHEDULES**

**Budgetary Comparison Schedule**

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

**Schedule of Changes in Net OPEB Liability and Related Ratios**

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the net OPEB liability, and the components of the net OPEB liability and related ratios, including the net OPEB liability as a percentage of covered-employee payroll.

**Schedule of the District Contributions for OPEB**

This 10-year schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuation for OPEB.

**Changes in Assumptions**

There were no changes in assumptions since the previous valuation for OPEB.

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

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

**Changes in Assumptions**

There were no changes in economic assumptions since the previous valuations for CalSTRS. The discount rate changed from 7.15% to 6.90% and the inflation rate changed from 2.50% to 2.30% since the previous measurement for CalPERS.

**COMPTON UNIFIED SCHOOL DISTRICT  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued  
 FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 – PURPOSE OF SCHEDULES (continued)**

**Schedule of District Contributions**

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District’s statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District’s covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District’s covered payroll.

**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2023, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code, as follows:

	<b>Expenditures and Other Uses</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Excess</b>
General Fund			
Certificated salaries	\$ 111,734,188	\$ 114,683,797	\$ 2,949,609
Classified salaries	\$ 35,627,484	\$ 35,662,293	\$ 34,809
Employee benefits	\$ 63,119,127	\$ 63,932,502	\$ 813,375
Books and supplies	\$ 20,176,737	\$ 28,980,776	\$ 8,804,039
Services and other operating expenditures	\$ 49,005,371	\$ 86,905,251	\$ 37,899,880
Capital outlay	\$ 14,272,826	\$ 28,068,029	\$ 13,795,203
Other outgo			
Excluding transfers of indirect costs	\$ 3,751,244	\$ 3,757,447	\$ 6,203
Transfers of indirect costs	\$ (681,669)	\$ -	\$ 681,669

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## **SUPPLEMENTARY INFORMATION**

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**COMPTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 15,363,563
Comprehensive Support and Improvement for LEAs	84.010	15438	503,769
Subtotal Title I, Part A			<u>15,867,332</u>
Adult Education			
Adult Education: Adult Basic Education & ESL	84.002A	14508	263,278
Adult Education: Adult Secondary Education	84.002	13978	156,572
Subtotal Adult Education			<u>419,850</u>
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	1,385,018
Title III			
Title III, English Learner Student Program	84.365	14346	598,783
Title III, Immigrant Education Program	84.365	15146	14,673
Subtotal Title III			<u>613,456</u>
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	1,134,961
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	1,018,000
Department of Rehabilitation: Workability II, Transitions Partnership Program	84.126	10006	249,301
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	5,001,597
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	67,545
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	40,457
Subtotal Special Education Cluster			<u>5,109,599</u>
IDEA Early Intervention Grants, Part C	84.181	23761	42,897
Perkins V			
Strengthening Career and Technical Education for the 21st Century (Perkins V)	84.048	14894	518,668
Strengthening Career and Technical Education, 21st Century (Perkins V): State Leadership, Sec. 124	84.048	14891	27,142
Strengthening Career and Technical Education for the 21st Century (Perkins V): Adult, Section 132	84.048	14893	14,182
Subtotal Perkins V			<u>559,992</u>
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	1,478,843
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	15536	2,316,504
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425	15547	27,524,201
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	9,156,133
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	14,728,426
ESSER - California Community Schools Partnership Program	84.425	15537	56,525
Subtotal Education Stabilization Fund Discretionary Grants			<u>55,260,632</u>
<b>Total U. S. Department of Education</b>			<u>81,661,038</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	3,151,612
National School Lunch Program	10.555	13391	7,157,428
USDA Commodities	10.555	*	735,014
Subtotal Child Nutrition Cluster			<u>11,044,054</u>
<i>Passed through California Department of Social Services:</i>			
Child and Adult Care Food Program (CACFP)			
CACFP Claims - Centers and Family Day Care	10.558	13393	1,372,990
Subtotal Child and Adult Care Food Program			<u>1,372,990</u>
<b>Total U. S. Department of Agriculture</b>			<u>12,417,044</u>
<b>Total Federal Expenditures</b>			<u>\$ 94,078,082</u>

\* - Pass-Through Entity Identifying Number not available or not applicable



**COMPTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Second Period Report</b>	<b>Revised Second Period Report*</b>	<b>Annual Report</b>	<b>Revised Annual Report*</b>
SCHOOL DISTRICT				
TK/K through Third				
Regular ADA	4,878.34	4,878.00	4,846.93	4,846.69
Extended Year Special Education	1.64	1.64	1.64	1.64
Special Education - Nonpublic Schools	1.39	1.39	2.33	2.33
Total TK/K through Third	<u>4,881.37</u>	<u>4,881.03</u>	<u>4,850.90</u>	<u>4,850.66</u>
Fourth through Sixth				
Regular ADA	4,022.33	4,022.22	4,035.29	4,035.21
Extended Year Special Education	0.90	0.90	0.90	0.90
Special Education - Nonpublic Schools	3.24	3.24	4.28	4.28
Extended Year Special Education - Nonpublic Schools	0.18	0.18	0.18	0.18
Total Fourth through Sixth	<u>4,026.65</u>	<u>4,026.54</u>	<u>4,040.65</u>	<u>4,040.57</u>
Seventh through Eighth				
Regular ADA	2,513.92	2,513.81	2,515.71	2,515.63
Special Education - Nonpublic Schools	8.37	8.37	7.90	7.90
Extended Year Special Education - Nonpublic Schools	0.33	0.33	0.33	0.33
Total Seventh through Eighth	<u>2,522.62</u>	<u>2,522.51</u>	<u>2,523.94</u>	<u>2,523.86</u>
Ninth through Twelfth				
Regular ADA	4,443.30	4,443.26	4,312.50	4,312.47
Extended Year Special Education	4.71	4.71	4.71	4.71
Special Education - Nonpublic Schools	24.40	24.40	24.73	24.73
Extended Year Special Education - Nonpublic Schools	2.30	2.30	2.30	2.30
Total Ninth through Twelfth	<u>4,474.71</u>	<u>4,474.67</u>	<u>4,344.24</u>	<u>4,344.21</u>
TOTAL SCHOOL DISTRICT	<u>15,905.35</u>	<u>15,904.75</u>	<u>15,759.73</u>	<u>15,759.30</u>

\*Revised Second Period Report and Revised Annual Report have not been submitted yet, see Finding #2023-002.

**COMPTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2023**

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<b>Grade Level</b>	<b>Minutes Requirement</b>	<b>Actual Instructional Minutes</b>	<b>Credited Minutes Per the Approved Form J-13A*</b>	<b>Total Minutes Offered</b>	<b>Required Number of Days</b>	<b>Actual Number of Days</b>	<b>Credited Days Per the Approved Form J-13A*</b>	<b>Status</b>
Kindergarten	36,000	63,180	0	63,180	180	180	0	Complied
Grade 1	50,400	63,180	0	63,180	180	180	0	Complied
Grade 2	50,400	63,180	0	63,180	180	180	0	Complied
Grade 3	50,400	63,180	0	63,180	180	180	0	Complied
Grade 4	54,000	63,180	0	63,180	180	180	0	Complied
Grade 5	54,000	63,180	0	63,180	180	180	0	Complied
Grade 6	54,000	68,880	0	68,880	180	180	0	Complied
Grade 7	54,000	68,880	0	68,880	180	180	0	Complied
Grade 8	54,000	68,880	0	68,880	180	180	0	Complied
Grade 9	64,800	64,695	1,500	66,195	180	176	4	Complied
Grade 10	64,800	64,695	1,500	66,195	180	176	4	Complied
Grade 11	64,800	64,695	1,500	66,195	180	176	4	Complied
Grade 12	64,800	64,695	1,500	66,195	180	176	4	Complied

\*The District received an approved Form J-13A for the number of instructional days and the number of instructional minutes indicated above for Dominguez High School, all other traditional high schools operated for 180 days and 66,195 minutes.

**COMPTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2024 (Budget)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 418,409,144	\$ 374,908,529	\$ 408,868,344	\$ 510,666,990
Expenditures And Other Financing Uses	349,533,841	361,990,095	284,794,378	306,939,307
Net change in Fund Balance	<u>\$ 68,875,303</u>	<u>\$ 12,918,434</u>	<u>\$ 124,073,966</u>	<u>\$ 203,727,683</u>
Ending Fund Balance	<u>\$ 392,015,012</u>	<u>\$ 323,139,709</u>	<u>\$ 242,096,829</u>	<u>\$ 263,504,691</u>
Available Reserves*	<u>\$ 10,966,564</u>	<u>\$ 10,859,703</u>	<u>\$ 129,084,757</u>	<u>\$ 8,999,883</u>
Available Reserves As A Percentage Of Outgo	<u>3.14%</u>	<u>3.00%</u>	<u>45.33%</u>	<u>2.93%</u>
Long-term Liabilities	<u>\$ 508,486,727</u>	<u>\$ 517,762,838</u>	<u>\$ 455,209,319</u>	<u>\$ 627,738,075</u>
Average Daily Attendance At P-2***	<u>15,415</u>	<u>15,905</u>	<u>16,343</u>	<u>19,392</u>

The General Fund balance has increased by \$59,635,018 over the past two years. The fiscal year 2023-24 budget projects a further increase of \$68,875,303. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates incurring an operating surplus during the 2023-24 fiscal year. Total long-term obligations have decreased by \$109,975,237 over the past two years.

Average daily attendance has decreased by 3,487 ADA over the past two years. An anticipated decrease of 490 ADA is expected during the 2023-24 fiscal year.

\*Available reserves consist of all unassigned fund balance within the General Fund.

\*\* On-behalf payments of \$9,960,052 are included in the actual revenues and expenditures reported in this schedule but have been reclassified in the Statement of Revenues, Expenditures, and Changes in Fund Balance. Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Private-Purpose Trust Fund, in accordance with the implementation of GASB Statement No. 84. Audit adjustments impacting federal, state, and local sources are not included in this schedule.

\*\*\*Due to the COVID-19 pandemic, Average Daily Attendance at P-2 was not reported in 2021. Funding was based on Average Daily Attendance at P-2 as reported in 2020.

**COMPTON UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>General Fund</b>	<b>Adult Education Fund</b>	<b>Child Development Fund</b>	<b>Cafeteria Fund</b>	<b>Deferred Maintenance Fund</b>	<b>Building Fund</b>
June 30, 2023, annual financial and budget report fund balance	\$ 323,139,709	\$ 2,638,183	\$ 2,569,370	\$ 8,787,735	\$ 1,562,311	\$ 187,316,507
Adjustments and reclassifications:						
Increase (decrease) in total fund balances:						
Fair value adjustment - cash in county treasury	(19,057,211)	(130,228)	(122,746)	(320,371)	(164,326)	(8,967,407)
Accounts receivable	(19,161,198)	(26,660)	(1,692,796)	(56,096)	849	202
Prepaid expenditures	(933,991)	-	-	-	-	-
Other current assets	(71,872)	-	-	-	-	-
Accounts payable	14,925,908	(72,067)	27,112	(1,780,637)	11,400	(4,166,305)
Unearned revenue	875,635	(60,610)	-	(13,040)	-	-
Due to other funds	(4,312,684)	-	-	-	-	-
Fund balance transfer (GASB 84)	94,059	-	-	-	-	-
Net adjustments and reclassifications	(27,641,354)	(289,565)	(1,788,430)	(2,170,144)	(152,077)	(13,133,510)
June 30, 2023, audited financial statement fund balance	\$ 295,498,355	\$ 2,348,618	\$ 780,940	\$ 6,617,591	\$ 1,410,234	\$ 174,182,997

	<b>Capital Facilities Fund</b>	<b>State School Building Lease-Purchase Fund</b>	<b>County School Facilities Fund</b>	<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Bond Interest and Redemption Fund</b>	<b>Tax Override Fund</b>
June 30, 2023, annual financial and budget report fund balance	\$ 3,945,952	\$ 35,876	\$ 3,105,103	\$ 3,022,828	\$ 4,446,130	\$ 817,550
Adjustments and reclassifications:						
Increase (decrease) in total fund balances:						
Fair value adjustment - cash in county treasury	(188,674)	(1,720)	(148,635)	-	(214,873)	(39,135)
Cash with fiscal agent	-	-	-	341,890	-	-
Accounts receivable	125	58	1,068	799	-	304
Accounts payable	-	-	-	2,538,708	-	-
Unearned revenue	-	-	-	1,077,986	-	-
Net adjustments and reclassifications	(188,549)	(1,662)	(147,567)	3,959,383	(214,873)	(38,831)
June 30, 2023, audited financial statement fund balance	\$ 3,757,403	\$ 34,214	\$ 2,957,536	\$ 6,982,211	\$ 4,231,257	\$ 778,719

See accompanying note to supplementary information.

**COMPTON UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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	<b>Self-Insurance Internal Service Fund</b>	<b>Foundation Private-Purpose Trust Fund</b>
June 30, 2023, annual financial and budget report net position	\$ -	\$ 94,059
Adjustments and reclassifications:		
Increase (decrease) in total net positions:		
Cash in county treasury	(850,000)	-
Cash with fiscal agent	850,000	-
Accounts receivable	(7,042)	-
Due from other funds	17,797,729	-
Accounts payable	(18,703)	-
Claims liabilities	(3,851,276)	-
Net position transfer (GASB 84)	-	(94,059)
Net adjustments and reclassifications	<u>13,920,708</u>	<u>(94,059)</u>
June 30, 2023, audited financial statement net position	<u>\$ 13,920,708</u>	<u>\$ -</u>

See accompanying note to supplementary information.

**COMPTON UNIFIED SCHOOL DISTRICT  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
JUNE 30, 2023**

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The Compton Unified School District was established on July 1, 1970 and is comprised of an area of approximately 30 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 21 elementary schools, 7 middle schools, 3 high schools, one early college high school, one adult school, and three alternative schools.

**GOVERNING BOARD**

<b>Member</b>	<b>Office</b>	<b>Term Expires</b>
Charles Davis	President	2024
Sandra Moss	Vice President	2024
Ayanna Davis, Ed.D.	Clerk	2026
Denzell Perry	Legislative Representative	2026
Alma Taylor Pleasant	Member	2026
Satra Zurita	Member	2026
Micah Ali	Member	2024

**DISTRICT ADMINISTRATORS**

Darin Brawley, Ed.D., *Superintendent*  
 Shannon Soto, Ed.D., *Chief Admin Officer of Business Services*  
 William Wu, JD, *Chief of School Police*  
 Tony Burrus, *Chief Technology Officer*  
 Nathaniel Holt, *Chief Facilities Officer*  
 Mario Marcos, *Chief Academic Officer, Educational Services*  
 William Gideon, Ed.D., *Executive Director of Human Resources*  
 Helen Rodriguez, Ed.D., *Executive Director of Special Education*  
 Kimberly Tresvant, Ed.D., *Executive Director of Special Education*  
 Abimbola Ajala, Ed.D., *Executive Director of Pupil Services*  
 Jorge Torres, Ed.D., *Senior Director, College & Career Ready*  
 Michele Dawson, *Senior Director of Educational Technology*  
 Ja Maiia Bond, *Senior Director of Special Programs*  
 Jennifer Graziano, Ed.D., *Senior Director of English Language Learners*  
 Jennifer Moon, Ed.D., *Senior Director of Elementary Education*  
 Telma Bayona, *Director of Early Childhood Education*

**COMPTON UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF CHARTER SCHOOLS  
 FOR THE YEAR ENDED JUNE 30, 2023**

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<b>Charter #</b>	<b>Charter School</b>	<b>Status</b>	<b>Included in Audit Report</b>
1062	Barack Obama Charter	Active	No
0963	Lifeline Education Charter	Active	No
1990	Animo Compton Charter	Active	No
1827	ISANA Achernar Academy	Active	No
1772	Today's Fresh Start - Compton	Active	No
1952	Igenium Clarion Charter Middle	Active	No
1996	KIPP Compton Community	Active	No

See accompanying note to supplementary information.

**COMPTON UNIFIED SCHOOL DISTRICT  
 NOTES TO SUPPLEMENTARY INFORMATION  
 JUNE 30, 2023**

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**NOTE 1 – PURPOSE OF SCHEDULES**

**Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2023 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2023.

	AL	
	Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$94,512,407
Supply Chain Assistance (SCA) Funds	10.555	<u>(434,325)</u>
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$94,078,082</u>

The District has not elected to use the 10 percent de minimis indirect cost rate.

**Schedule of Average Daily Attendance (ADA)**

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

**Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code*.

**Schedule of Financial Trends and Analysis**

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

**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

**Local Education Agency Organization Structure**

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

**Schedule of Charter Schools**

This schedule lists all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit



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## **OTHER INDEPENDENT AUDITORS' REPORTS**

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**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

Governing Board  
Compton Unified School District  
Compton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Compton Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Compton Unified School District's basic financial statements, and have issued our report thereon dated March 29, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Compton 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, but not for the purpose of expressing an opinion on the effectiveness of Compton Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Compton 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding #2023-001 that we consider to be material weaknesses.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Compton Unified School District's financial statements 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*.

## **Compton Unified School District's Response to Findings**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California  
March 29, 2024

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board  
Compton Unified School District  
Compton, California

**Report on Compliance for Each Major Federal Program*****Opinion on Each Major Federal Program***

We have audited Compton 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 Compton Unified School District's major federal programs for the year ended June 30, 2023. Compton 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, Compton 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit for Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Compton Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is 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 report on compliance about Compton Unified School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Compton Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Compton Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Compton Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

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

## Report on Internal Control Over Compliance (continued)

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

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

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

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive style.

San Diego, California  
March 29, 2024

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER  
COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

Governing Board  
Compton Unified School District  
Compton, California

**Report on State Compliance*****Opinion on State Compliance***

We have audited Compton Unified School District's compliance with the types of compliance requirements described in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of Compton Unified School District's state programs for the fiscal year ended June 30, 2023, as identified below.

In our opinion, Compton 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 the applicable state programs for the year ended June 30, 2023.

***Basis for Opinion on State Compliance***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

**Auditor’s Responsibilities for the Audit of State Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Compton Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is 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 report on compliance about Compton Unified School District's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Compton Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Compton Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Compton Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine Compton Unified School District's compliance with the state laws and regulations related to the following items:

<u>PROGRAM NAME</u>	<u>PROCEDURES PERFORMED</u>
<b>Local Education Agencies Other Than Charter Schools</b>	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes

*(continued on the next page)*



**Auditor’s Responsibilities for the Audit of State Compliance (continued)**

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
<b>School Districts, County Offices of Education, and Charter Schools</b>	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Transitional Kindergarten	Yes
<b>Charter Schools</b>	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings #2023-002, #2023-003, and #2023-004. Our opinion on state compliance is not modified with respect to these matters.

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

### ***Report on Internal Control Over Compliance***

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Christy White, Inc". The signature is written in a cursive, flowing style.

San Diego, California  
March 29, 2024

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## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**COMPTON UNIFIED SCHOOL DISTRICT  
SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>Yes</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425, 84.425C, 84.425U</u>	<u>Education Stabilization Fund Discretionary Grants</u>
<u>10.553, 10.555</u>	<u>Child Nutrition Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 2,822,342</u>
Auditee qualified as low-risk auditee?	<u>No</u>

**STATE AWARDS**

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with <i>2022-23 Guide for Annual Audits of California K-12 Local Education Agencies</i> ?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**COMPTON UNIFIED SCHOOL DISTRICT  
FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FIVE DIGIT CODE**

20000  
30000

**AB 3627 FINDING TYPE**

Inventory of Equipment  
Internal Control

**FINDING #2023-001: YEAR-END CLOSING PROCEDURES (30000) (MATERIAL WEAKNESS)**

**Criteria:** Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Additionally, the District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

**Condition:** During the course of our engagement, we identified material misstatements of balances presented within the District’s General Fund, Building Fund, Non-Major Adult Education Fund, Non-Major Child Development Fund, Non-Major Cafeteria Fund, Non-Major Deferred Maintenance Fund, Non-Major Capital Facilities Fund, Non-Major State School Building Lease-Purchase Fund, Non-Major County School Facilities Fund, Non-Major Special Reserve Fund for Capital Outlay Projects, Non-Major Bond Interest and Redemption Fund, Non-Major Tax Override Fund, and Self-Insurance Internal Service Fund, as reported on the 2022-2023 unaudited financial statements. The description of the misstatements are as follows:

- Revenues and the related accounts receivable and unearned revenue balances associated with federal and state categorical programs were incorrectly reported. (material misstatement in the General Fund)
- Interfund balances for self-insurance activities for the prior year were not recorded. (material misstatement in the General Fund and Self-Insurance Internal Service Fund)
- Most balances of the Self-Insurance Internal Service Fund were erroneously eliminated during the closing process (material misstatement in the Self-Insurance Internal Service Fund)
- Claims liability balances were not updated according to the actuary’s report. (material misstatement in the Self-Insurance Internal Service Fund)
- Cash with fiscal agent balances were not updated according to the actual transactions occurring. (material misstatement in the Non-Major Special Reserve Fund for Capital Outlay Projects)
- Net decrease in fair value of Cash in County Treasury was not recognized. (material misstatements in General Fund, Building Fund, Non-Major Adult Education Fund, Non-Major Child Development Fund, Non-Major Cafeteria Fund, Non-Major Deferred Maintenance Fund, Non-Major Capital Facilities Fund, Non-Major State School Building Lease-Purchase Fund, Non-Major County School Facilities Fund, Non-Major Bond Interest and Redemption Fund, and Non-Major Tax Override Fund)
- Carryover balances in most accrual accounts were not properly cleared and required fund balance restatements and audit adjustments.

**Effect:** The effect of the errors resulted in misstatements that were not detected or prevented by the District’s internal controls. Audit adjusting entries were required to correct cash in county treasury, cash with fiscal agent, accounts receivable, due from other funds, accounts payable, unearned revenue, due to other funds, federal sources, state sources, local sources, and other income and expense items.

**Cause:** The District did not have adequate review processes in place related to the preparation of the District’s year-end financial statements, which includes the review of all relevant transactions to determine their proper reporting amounts and period.

**Repeat Finding:** Yes, this is a repeat finding.

**COMPTON UNIFIED SCHOOL DISTRICT  
FINANCIAL STATEMENT FINDINGS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINDING #2023-001: YEAR-END CLOSING PROCEDURES (30000) (MATERIAL WEAKNESS) (continued)**

**Recommendation:** The District should exercise care during its year-end closing process. The District should implement a process to review all balances during its year-end closing process to determine the proper cut-off period for all revenues and expenditures and the associated assets and liabilities.

**Corrective Action Plan:** Compton USD will exercise care. A process has been implemented under the new Senior Director of Fiscal Services by assigning specific areas of responsibilities along with associated timelines in addition to being monitored and reviewed at indicated intervals to fiscal staff members to ensure accuracy and compliance.

**COMPTON UNIFIED SCHOOL DISTRICT  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FIVE DIGIT CODE**

50000

**AB 3627 FINDING TYPE**

Federal Compliance

*There were no federal award findings or questioned costs for the year ended June 30, 2023.*

**COMPTON UNIFIED SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FIVE DIGIT CODE**

10000  
40000  
42000  
43000  
60000  
61000  
62000  
70000  
71000  
72000

**AB 3627 FINDING TYPE**

Attendance  
State Compliance  
Charter School Facilities Programs  
Apprenticeship: Related and Supplemental Instruction  
Miscellaneous  
Classroom Teacher Salaries  
Local Control Accountability Plan  
Instructional Materials  
Teacher Misassignments  
School Accountability Report Card

**FINDING #2023-002: INDEPENDENT STUDY (10000)**

**Criteria:** For attendance generated through independence study, all independent study written agreements must contain the signature of the pupil, pupil’s parents, and certificated employee affixed within 30 calendar days from the first day of independent study instruction or October 15 for the 2022-23 school year only (Education Code Section 51747(g)(9)(F)).

**Condition:** Seventeen of thirty-five pupils had issues with contracts regarding independent study, therefore the total average daily attendance (ADA) credited, 0.60 and 0.43, in P2 and the Annual, respectively, is unallowable. Auditor found discrepancies in independent study attendance at two of the eight schools tested.

**Effect:** Loss of apportionment funding for days of attendance related to incomplete and deficient independent study contracts.

**Cause:** Clerical oversight.

**Questioned Costs:** 0.60 and 0.43, for P2 and the Annual, respectively, were overstated as tested, representing a questioned cost of \$5,637.

Grade Span	Second Period	Annual Report	Adjusted Base Grant per ADA	Questioned Cost
	Report ADA (Over)/Under Statement	ADA (Over)/Under Statement		
Kindergarten through third	(0.34)	(0.24)	\$ 9,166	\$ (3,116)
Fourth through sixth	(0.11)	(0.08)	\$ 9,304	\$ (1,023)
Seventh through eighth	(0.11)	(0.08)	\$ 9,580	\$ (1,054)
Ninth through twelfth	(0.04)	(0.03)	\$ 11,102	\$ (444)
<b>Total</b>	<b>(0.60)</b>	<b>(0.43)</b>		<b>\$ (5,637)</b>

**Repeat Finding:** Yes, this is a repeat finding.

**Recommendation:** We recommend that the District implement adequate procedures to ensure that independent study contracts are being completed in a timely manner with all the required information as directed by Ed Code.

**Corrective Action Plan:** Compton USD will exercise care. A process has been implemented under the new Senior Director of Fiscal Services by assigning specific areas of responsibilities along with associated timelines in addition to being monitored and reviewed at indicated intervals to fiscal staff members to ensure accuracy and compliance.



**COMPTON UNIFIED SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINDING #2023-003: CLASSROOM TEACHER SALARIES (61000)**

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

**Condition:** In the 2022-23 fiscal year, the District did not meet the minimum percentage requirement of 55%. The District only spent 45.35% on classroom teacher salaries in the 2022-23 fiscal year.

**Effect:** The District's current expense of education for the year ended June 30, 2023 was \$298,515,250 and the total salaries and benefits for classroom teachers was \$135,90,201. The District was below the minimum required percentage of 55% by 9.65% which calculates out to a deficiency of \$28,806,722.

**Cause:** The deficiency amount was due to the one-time COVID relief funding received.

**Questioned Costs:** The questioned costs are the deficiency of \$28,806,722.

**Repeat Finding:** Yes, this is a repeat finding.

**Recommendation:** We recommend that in the future, the District monitor their expenses towards salaries of classroom teachers against their total expenses to be sure that they meet the 55% minimum requirement. Additionally, the District should work with their County Office of Education to request a waiver from the California Department of Education.

**Corrective Action Plan:** Compton USD will exercise care. A process has been implemented under the new Senior Director of Fiscal Services by assigning specific areas of responsibilities along with associated timelines in addition to being monitored and reviewed at indicated intervals to fiscal staff members to ensure accuracy and compliance.

**FINDING #2023-004: CALIFORNIA CLEAN ENERGY JOBS ACT (40000)**

**Criteria:** Public Resource Code (PRC) Section 26240(b) requires an entity to submit a report of its project expenditures to the Citizens Oversight Board, not sooner than one year but no later than 15 months after an entity completes its first eligible project with a grant, loan, or other assistance from the Job Creation Fund.

**Condition:** Based on review of final expenditure reporting requirements for the CA Clean Energy Jobs Program, it was noted that the final project completion report was not submitted within the required deadline of 12 - 15 months after the project completion date. The report has been delinquent for 16 months as of June 30, 2022.

**Effect:** The District is not in compliance with reporting requirements underlined under PRC Section 26240(b).

**Cause:** Lack of adequate oversight over reporting requirements due to turnover in facilities position.

**Questioned Costs:** No questioned costs.

**Repeat Finding:** No, this is not a repeat finding.

**Recommendation:** We recommend the District contact the California Energy Commission (CEC) to complete final reporting requirements.

**Corrective Action Plan:** Compton USD will exercise care. A process has been implemented under the new Senior Director of Fiscal Services by assigning specific areas of responsibilities along with associated timelines in addition to being monitored and reviewed at indicated intervals to fiscal staff members to ensure accuracy and compliance.

**COMPTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINDING #2022-001: YEAR-END CLOSING PROCEDURES (30000) (MATERIAL WEAKNESS)**

**Criteria:** Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Additionally, the District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

**Condition:** During the course of our engagement, we identified material misstatements of balances presented within the District's General Fund, Building Fund, Non-Major Adult Education Fund, Non-Major Child Development Fund, Non-Major Cafeteria Fund, Non-Major Deferred Maintenance Fund, Non-Major Capital Facilities Fund, Non-Major State School Building Lease-Purchase Fund, Non-Major County School Facilities Fund, Non-Major Special Reserve Fund for Capital Outlay Projects, Non-Major Bond Interest and Redemption Fund, Non-Major Tax Override Fund, and Self-Insurance Internal Service Fund, as reported on the 2021-2022 unaudited financial statements. The description of the misstatements are as follows:

- Revenues and the related accounts payable balances associated with the local control funding formula and related property taxes were incorrectly reported. (material misstatement in the General Fund)
- Revenues and the related accounts receivable and unearned revenue balances associated with federal and state categorical programs were incorrectly reported. (material misstatement in the General Fund)
- Interfund transfers for self-insurance activities for the year were not recorded. (material misstatement in the General Fund and Self-Insurance Internal Service Fund)
- Claims liability balances were not updated according to the actuary's report. (material misstatement in the Self-Insurance Internal Service Fund)
- Cash with fiscal agent balances were not updated according to the actual transactions occurring. (material misstatement in the Non-Major Special Reserve Fund for Capital Outlay Projects)
- Net decrease in fair value of Cash in County Treasury was not recognized. (material misstatements in General Fund, Building Fund, Non-Major Adult Education Fund, Non-Major Child Development Fund, Non-Major Cafeteria Fund, Non-Major Deferred Maintenance Fund, Non-Major Capital Facilities Fund, Non-Major State School Building Lease-Purchase Fund, Non-Major County School Facilities Fund, Non-Major Bond Interest and Redemption Fund, and Non-Major Tax Override Fund)

**Effect:** The effect of the errors resulted in misstatements that were not detected or prevented by the District's internal controls. Audit adjusting entries were required to correct cash in county treasury, cash with fiscal agent, accounts receivable, due from other funds, accounts payable, unearned revenue, due to other funds, LCFF sources, federal sources, state sources, local sources, and other income and expense items.

**Cause:** The District did not have adequate review processes in place related to the preparation of the District's year-end financial statements, which includes the review of all relevant transactions to determine their proper reporting amounts and period.

**COMPTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINDING #2022-001: YEAR-END CLOSING PROCEDURES (30000) (MATERIAL WEAKNESS) (continued)**

**Repeat Finding:** No, this is not a repeat finding.

**Recommendation:** The District should exercise care during its year-end closing process. The District should implement a process to review all balances during its year-end closing process to determine the proper cut-off period for all revenues and expenditures and the associated assets and liabilities.

**Corrective Action Plan:** Compton USD will exercise care. A process has been implemented under the new Senior Director of Fiscal Services by assigning specific areas of responsibilities along with associated timelines in addition to being monitored and reviewed at indicated intervals to fiscal staff members to ensure accuracy and compliance.

**Current Status:** Not implemented, see finding #2023-001.

**COMPTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINDING #2022-002: INDEPENDENT STUDY (10000)**

**Criteria:** For attendance generated through independence study, all independent study written agreements must contain the signature of the pupil, pupil’s parents, and certificated employee affixed within 30 calendar days from the first day of independent study instruction or October 15 for the 2021-22 school year only (Education Code Section 51747(g)(9)(F)).

**Condition:** Seventeen of thirty-five pupils had issues with contracts regarding independent study, therefore the total average daily attendance (ADA) credited, 0.69 and 0.50, in P2 and the Annual, respectively, is unallowable. Auditor found discrepancies in independent study attendance at two of the eight schools tested.

**Effect:** Loss of apportionment funding for days of attendance related to incomplete and deficient independent study contracts.

**Cause:** Clerical oversight.

**Questioned Costs:** 0.69 and 0.50, for P2 and the Annual, respectively, were overstated as tested, representing a questioned cost of \$5,894.

Grade Span	Second	Annual	Adjusted	Questioned
	Period Report	Report ADA		
	ADA	ADA	Base Grant	Cost
	(Over)/Under	(Over)/Under	per ADA	
	Statement	Statement		
Kindergarten through third	0.28	0.21	\$ 8,935	\$ 2,502
Fourth through sixth	0.31	0.22	\$ 8,215	\$ 2,547
Seventh through eighth	0.10	0.07	\$ 8,458	\$ 846
<b>Total</b>	<b>0.69</b>	<b>0.50</b>		<b>\$ 5,894</b>

**Repeat Finding:** No, this is not a repeat finding.

**Recommendation:** We recommend that the District implement adequate procedures to ensure that independent study contracts are being completed in a timely manner with all the required information as directed by Ed Code.

**Corrective Action Plan:** Compton USD will exercise care. A process has been implemented under the new Senior Director of Fiscal Services by assigning specific areas of responsibilities along with associated timelines in addition to being monitored and reviewed at indicated intervals to fiscal staff members to ensure accuracy and compliance.

**Current Status:** Not implemented, see finding #2023-002.

**COMPTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINDING #2022-003: CLASSROOM TEACHER SALARIES (61000)**

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

**Condition:** In the 2021-22 fiscal year, the District included \$60,895,256 of expense reduction overrides to their Form CEA to ensure compliance with the required 55%. The District was unable to provide support for the entire amount of the override. The District was able to provide support for \$8,458,956.

**Effect:** The District's current expense of education for the year ended June 30, 2022 after the revised override was \$256,096,519 and the total salaries and benefits for classroom teachers was \$123,167,070. The District was below the minimum required percentage of 55% by 6.91% which calculates out to a deficiency of \$17,696,269.

**Cause:** The deficiency amount was due to the one-time COVID relief funding received.

**Questioned Costs:** The questioned costs are the deficiency of \$17,696,269.

**Repeat Finding:** No, this is not a repeat finding.

**Recommendation:** We recommend that in the future, the District monitor their expenses towards salaries of classroom teachers against their total expenses to be sure that they meet the 55% minimum requirement. Additionally, the District should work with their County Office of Education to request a waiver from the California Department of Education.

**Corrective Action Plan:** Compton USD will exercise care. A process has been implemented under the new Senior Director of Fiscal Services by assigning specific areas of responsibilities along with associated timelines in addition to being monitored and reviewed at indicated intervals to fiscal staff members to ensure accuracy and compliance.

**Current Status:** Not implemented, see finding #2023-003.

**COMPTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINDING #2022-004: CALIFORNIA CLEAN ENERGY JOBS ACT (40000)**

**Criteria:** Public Resource Code (PRC) Section 26240(b) requires an entity to submit a report of its project expenditures to the Citizens Oversight Board, not sooner than one year but no later than 15 months after an entity completes its first eligible project with a grant, loan, or other assistance from the Job Creation Fund.

**Condition:** Based on review of final expenditure reporting requirements for the CA Clean Energy Jobs Program, it was noted that the final project completion report was not submitted within the required deadline of 12 - 15 months after the project completion date. The report has been delinquent for 16 months as of June 30, 2022.

**Effect:** The District is not in compliance with reporting requirements underlined under PRC Section 26240(b).

**Cause:** Lack of adequate oversight over reporting requirements due to turnover in facilities position.

**Questioned Costs:** No questioned costs.

**Repeat Finding:** No, this is not a repeat finding.

**Recommendation:** We recommend the District contact the California Energy Commission (CEC) to complete final reporting requirements.

**Corrective Action Plan:** Compton USD will exercise care. A process has been implemented under the new Senior Director of Fiscal Services by assigning specific areas of responsibilities along with associated timelines in addition to being monitored and reviewed at indicated intervals to fiscal staff members to ensure accuracy and compliance.

**Current Status:** Not implemented, see finding #2023-004.

**FINDING #2022-005: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)**

**Criteria:** Students classified as free or reduced-price meal eligible (FRPM) and who are not directly certified on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report must have supporting documentation that indicates the student was eligible for the determination. Auditors are required to verify compliance with Education Code Section 42238.02(b)(3)(b) in Section W of the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

**Condition:** Eighteen (18) out of 60 students tested from the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report who was classified as FRPM did not have an alternative household income form on file to confirm their FRPM classification. The error rate of 18/60 or 30% was extrapolated to the entire population of students only classified as free or reduced. The total extrapolated error rate indicated that a total of 306 students were incorrectly classified.

**COMPTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

**FINDING #2022-005: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000) (continued)**

**Effect:** The District is not in compliance with applicable State requirements.

**Cause:** The students' alternative household income form were misplace due to turnover.

**Questioned Costs:** \$781,002, as calculated, as follows:

<b>Item Number</b>	<b>Calculating the Cost of LCFF Unduplicated Pupil Count Audit Finding</b>	<b>Data Input and Calculated Fields</b>
1	Total Adjusted Enrollment from the UPP exhibit as of P-2	57,817
2	Total Adjusted Unduplicated Pupil Count from the UPP exhibit as of P-2	54,683
3	Audit Adjustment - Number of Enrollment	-
4	Audit Adjustment - Number of Unduplicated Pupil Count	(306)
5	Revised Adjusted Enrollment	57,817
6	Revised Adjusted Unduplicated Pupil Count	54,377
7	UPP calculated as of P-2	0.9458
8	Revised UPP for audit finding	0.9405
9	<b>Charter Schools Only:</b> Determinative School District Concentration Cap	
10	Revised UPP adjusted for Concentration Cap	<b>0.9405</b>
11	Supplemental and Concentration Grant TK/K-3 ADA	6,481.49
12	Supplemental and Concentration Grant 4-6 ADA	4,950.77
13	Supplemental and Concentration Grant 7-8 ADA	3,126.37
14	Supplemental and Concentration Grant 9-12 ADA	4,806.37
15	Adjusted Base Grant per TK/K-3 ADA	\$8,935
16	Adjusted Base Grant per 4-6 ADA	\$8,215
17	Adjusted Base Grant per 7-8 ADA	\$8,458
18	Adjusted Base Grant per 9-12 ADA	\$10,057
19	Supplemental Grant Funding calculated as of P-2	\$32,793,380
20	Revised Supplemental Grant Funding for audit finding	\$32,609,615
21	Supplemental Grant Funding audit adjustment	<b>(\$183,765)</b>
22	Concentration Grant Funding calculated as of P-2	\$44,601,148
23	Revised Concentration Grant Funding for audit finding	\$44,003,911
24	Concentration Grant Funding audit adjustment	<b>(\$597,237)</b>
25	Total Supplemental and Concentration audit adjustment	<b>(\$781,002)</b>

**Repeat Finding:** No, this is not a repeat finding.

**COMPTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS, continued  
FOR THE YEAR ENDED JUNE 30, 2023**

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**FINDING #2022-005: UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000) (continued)**

**Recommendation:** We recommend that the District maintain supporting documentation to support student classification as free or reduced on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report. Additionally, the CALPADS reporting should be revised for any students lacking supporting documentation to support their classification as free or reduced before the close of the Fall I Amendment Window.

**Corrective Action Plan:** Compton USD will exercise care. A process has been implemented under the new Senior Director of Fiscal Services by assigning specific areas of responsibilities along with associated timelines in addition to being monitored and reviewed at indicated intervals to fiscal staff members to ensure accuracy and compliance.

**Current Status:** Implemented.